

**EXECUTIVE SUMMARY - ENFORCEMENT MATTER**

**DOCKET NO.:** 2008-1349-AIR-E **TCEQ ID:** RN100213495 **CASE NO.:** 36407

**RESPONDENT NAME:** ConocoPhillips Pipe Line Company

<b>ORDER TYPE:</b>		
<input checked="" type="checkbox"/> 1660 AGREED ORDER	<input type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	
<b>CASE TYPE:</b>		
<input checked="" type="checkbox"/> AIR	<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input type="checkbox"/> WATER QUALITY	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL
<input type="checkbox"/> MUNICIPAL SOLID WASTE	<input type="checkbox"/> RADIOACTIVE WASTE	<input type="checkbox"/> DRY CLEANER REGISTRATION
<p><b>SITE WHERE VIOLATION(S) OCCURRED:</b> Olton Pump Station, 1140 County Road 219, five miles south of Springlake, Lamb County</p> <p><b>TYPE OF OPERATION:</b> Petroleum pump station</p> <p><b>SMALL BUSINESS:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>OTHER SIGNIFICANT MATTERS:</b> There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.</p> <p><b>INTERESTED PARTIES:</b> No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p><b>COMMENTS RECEIVED:</b> The <i>Texas Register</i> comment period expired on January 12, 2009. No comments were received.</p> <p><b>CONTACTS AND MAILING LIST:</b>  <b>TCEQ Attorney/SEP Coordinator:</b> None  <b>TCEQ Enforcement Coordinator:</b> Ms. Miriam Hall, Enforcement Division, Enforcement Team 4, MC 149, (512) 239-1044; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171  <b>Respondent:</b> Mr. John R. Barnett for Ms. Meg Yaeger, President, ConocoPhillips Pipe Line Company, 4001 E. 42nd Street, Suite 301, Odessa, Texas 79762                      Mr. Thomas Lacki, Environmental Coordinator, ConocoPhillips Pipe Line Company, 4001 E. 42nd Street, Suite 301, Odessa, Texas 79762  <b>Respondent's Attorney:</b> Not represented by counsel on this enforcement matter</p>		

**VIOLATION SUMMARY CHART:**

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p><b>Type of Investigation:</b>  <input type="checkbox"/> Complaint  <input type="checkbox"/> Routine  <input type="checkbox"/> Enforcement Follow-up  <input checked="" type="checkbox"/> Records Review</p> <p><b>Date(s) of Complaints Relating to this Case:</b> None</p> <p><b>Date of Record Review Relating to this Case:</b> June 24, 2008</p> <p><b>Date of NOE Relating to this Case:</b> July 7, 2008 (NOE)</p> <p><b>Background Facts:</b> This was a record review.</p> <p><b>AIR</b></p> <p>1) Failure to conduct the 2005 biennial performance test on Engine 6/Unit E5. Specifically, the performance test was required to be conducted in November 2005; however, the test was not conducted until November 1, 2007 [30 TEX. ADMIN. CODE §§ 106.512(2)(C)(iii), 122.143(4), Federal Operating Permit ("FOP") No. O-2751, Special Terms and Conditions No. 4, and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p> <p>2) Failure to submit a deviation report within 30 days of the end of the six-month reporting period of March 20, 2007 to September 19, 2007. Specifically, the deviation of not performance testing the engine was required to be reported October 19, 2007; however, it was not reported until April 16, 2008, when it was included in the Annual Compliance Certification [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), FOP No. O-2751, General Terms and Conditions, and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p>	<p><b>Total Assessed:</b> \$3,325</p> <p><b>Total Deferred:</b> \$665  <input checked="" type="checkbox"/> Expedited Settlement  <input type="checkbox"/> Financial Inability to Pay</p> <p><b>SEP Conditional Offset:</b> \$0</p> <p><b>Total Paid to General Revenue:</b> \$2,660</p> <p><b>Site Compliance History Classification</b>  <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p><b>Person Compliance History Classification</b>  <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p><b>Major Source:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><b>Applicable Penalty Policy:</b> September 2002</p>	<p><b>Corrective Actions Taken:</b></p> <p>The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Station:</p> <p>a) On November 1, 2007, an engine performance test, demonstrating compliance with air permit and rule limits, was conducted on Engine 6/Unit E5; and</p> <p>b) On April 16, 2008, included deviations for the reporting period of March 20, 2007 to September 19, 2007, in the Annual Compliance Certification for FOP No. O-2751.</p>

Additional ID No(s): LB00751



# Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision June 12, 2008

<b>DATES</b>	Assigned	14-Jul-2008			
	PCW	13-Aug-2008	Screening	13-Aug-2008	EPA Due

<b>RESPONDENT/FACILITY INFORMATION</b>	
Respondent	ConocoPhillips Pipe Line Company
Reg. Ent. Ref. No.	RN100213495
Facility/Site Region	2-Lubbock
Major/Minor Source	Major

<b>CASE INFORMATION</b>			
Enf./Case ID No.	36407	No. of Violations	2
Docket No.	2008-1349-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Miriam Hall
		EC's Team	Enforcement Team 4
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$10,000

## Penalty Calculation Section

<b>TOTAL BASE PENALTY (Sum of violation base penalties)</b>	<b>Subtotal 1</b>	<b>\$3,500</b>
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### ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

<b>Compliance History</b>	20.0% Enhancement	<b>Subtotals 2, 3, &amp; 7</b>	<b>\$700</b>
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Notes: The penalty was enhanced for one 1660 order.

<b>Culpability</b>	No	0.0% Enhancement	<b>Subtotal 4</b>	<b>\$0</b>
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Notes: The Respondent does not meet the culpability criteria.

<b>Good Faith Effort to Comply Total Adjustments</b>	<b>Subtotal 5</b>	<b>\$875</b>
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<b>Economic Benefit</b>	0.0% Enhancement	<b>Subtotal 6</b>	<b>\$0</b>
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Total EB Amounts: \$842  
 Approx. Cost of Compliance: \$6,100  
 \*Capped at the Total EB \$ Amount

<b>SUM OF SUBTOTALS 1-7</b>	<b>Final Subtotal</b>	<b>\$3,325</b>
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<b>OTHER FACTORS AS JUSTICE MAY REQUIRE</b>	0.0%	<b>Adjustment</b>	<b>\$0</b>
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

**Final Penalty Amount** **\$3,325**

<b>STATUTORY LIMIT ADJUSTMENT</b>	<b>Final Assessed Penalty</b>	<b>\$3,325</b>
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<b>DEFERRAL</b>	20.0% Reduction	<b>Adjustment</b>	<b>-\$665</b>
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only, e.g. 20 for 20% reduction.)

Notes:

Deferral offered for expedited settlement.

<b>PAYABLE PENALTY</b>	<b>\$2,660</b>
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Screening Date 13-Aug-2008

Docket No. 2008-1349-AIR-E

PCW

Respondent: ConocoPhillips Pipe Line Company

Policy Revision 2 (September 2002)

Case ID No. 36407

PCW Revision June 12, 2008

Reg. Ent. Reference No. RN100213495

Media [Statute] Air

Enf. Coordinator Miriam Hall

### Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action (number of NOVs meeting criteria)	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgements or consent decrees meeting criteria)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	0	0%

Please Enter Yes or No

Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 20%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

The penalty was enhanced for one 1660 order.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 20%

**Screening Date** 13-Aug-2008 **Docket No.** 2008-1349-AIR-E **PCW**

**Respondent** ConocoPhillips Pipe Line Company **Policy Revision 2 (September 2002)**

**Case ID No.** 36407 **PCW Revision June 12, 2008**

**Reg. Ent. Reference No.** RN100213495

**Media [Statute]** Air

**Enf. Coordinator** Miriam Hall

**Violation Number** 1

**Rule Cite(s)** 30 Tex. Admin. Code §§ 106.512(2)(C)(iii), 122.143(4), Federal Operating Permit ("FOP") No. O-2751, Special Terms and Conditions No. 4, and Tex. Health & Safety Code § 382.085(b)

**Violation Description** Failed to conduct the 2005 biennial performance test on Engine 6/Unit E5. Specifically, the performance test was required to be conducted in November 2005; however, the test was not conducted until November 1, 2007.

**Base Penalty** \$10,000

**>> Environmental, Property and Human Health Matrix**

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				10%
Potential			x	

**>> Programmatic Matrix**

Falsification	Major	Moderate	Minor	Percent
				0%

**Matrix Notes** Human health or the environment could have been exposed to insignificant emissions which would not exceed levels that are protective of human health or environmental receptors as a result of this violation.

**Adjustment** \$9,000

\$1,000

**Violation Events**

Number of Violation Events: 1      730 Number of violation days

mark only one with an x	daily	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	x

**Violation Base Penalty** \$1,000

One single event is recommended for one late performance test.

**Good Faith Efforts to Comply** 25.0% Reduction Before NOV NOV to EDRP/Settlement Offer \$250

Extraordinary		
Ordinary	x	
N/A		(mark with x)

**Notes** On November 1, 2007, an engine performance test, demonstrating compliance with air permit and rule limits, was conducted on Engine 6/Unit E5.

**Violation Subtotal** \$750

**Economic Benefit (EB) for this violation** **Statutory Limit Test**

Estimated EB Amount: \$840      Violation Final Penalty Total: \$950

**This violation Final Assessed Penalty (adjusted for limits)** \$950

### Economic Benefit Worksheet

**Respondent:** ConocoPhillips Pipe Line Company  
**Case ID No.:** 36407  
**Reg. Ent. Reference No.:** RN100213495  
**Media:** Air  
**Violation No.:** 1

<b>Percent Interest</b>	<b>Years of Depreciation</b>
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

**Delayed Costs**

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Performance test	\$6,000	1-Nov-2005	1-Nov-2007	2.00	\$40	\$800	\$840
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

The estimated cost of a performance test from the due date to the compliance date.

**Avoided Costs**

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$6,000

**TOTAL**

\$840

**Screening Date** 13-Aug-2008 **Docket No.** 2008-1349-AIR-E **PCW**  
**Respondent** ConocoPhillips Pipe Line Company *Policy Revision 2 (September 2002)*  
**Case ID No.** 36407 *PCW Revision June 12, 2008*  
**Reg. Ent. Reference No.** RN100213495  
**Media [Statute]** Air  
**Enf. Coordinator** Miriam Hall  
**Violation Number** 2  
**Rule Cite(s)** 30 Tex. Admin. Code §§ 122.143(4) and 122.145(2)(A), FOP No. O-2751, General Terms and Conditions, and Tex. Health & Safety Code § 382.085(b)  
**Violation Description** Failed to submit a deviation report within 30 days of the end of the six-month reporting period of March 20, 2007 to September 19, 2007. Specifically, the deviation of not testing the engine was required to be reported October 19, 2007; however, it was not reported until April 16, 2008, when it was included in the Annual Compliance Certification.  
**Base Penalty** \$10,000

**>> Environmental, Property and Human Health Matrix**

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual				0%
	Potential				

**>> Programmatic Matrix**

	Falsification	Major	Moderate	Minor	Percent
		X			25%

**Matrix Notes** The Respondent failed to comply with 100% of the rule requirement.

**Adjustment** \$7,500

\$2,500

**Violation Events**

Number of Violation Events: 1 Number of violation days: 180

mark only one with an x

daily	
monthly	
quarterly	
semiannual	
annual	
single event	X

**Violation Base Penalty** \$2,500

One single event is recommended for one missed report.

**Good Faith Efforts to Comply** 25.0% Reduction \$625

	Before NOV	NOV to EDRP/Settlement Offer
Extraordinary		
Ordinary	X	
N/A		(mark with x)

**Notes** The Respondent submitted compliance documentation on April 16, 2008.

**Violation Subtotal** \$1,875

**Economic Benefit (EB) for this violation** **Statutory Limit Test**

Estimated EB Amount \$2 Violation Final Penalty Total \$2,375

This violation Final Assessed Penalty (adjusted for limits) \$2,375

### Economic Benefit Worksheet

**Respondent** ConocoPhillips Pipe Line Company  
**Case ID No.** 36407  
**Reg. Ent. Reference No.** RN100213495  
**Media** Air  
**Violation No.** 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
<small>No commas or \$</small>							

**Delayed Costs**

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$100	19-Oct-2007	16-Apr-2008	0.49	\$2	n/a	\$2

Notes for DELAYED costs

The estimated cost for submitting a deviation report from the due date to the compliance date.

**Avoided Costs**

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$100

**TOTAL**

\$2



# Compliance History

Customer/Respondent/Owner-Operator:	CN600134761	ConocoPhillips Pipe Line Company	Classification: AVERAGE	Rating: 3.07
Regulated Entity:	RN100213495	OLTON PUMP STATION	Classification: AVERAGE	Site Rating: 11.43
ID Number(s):	AIR OPERATING PERMITS	ACCOUNT NUMBER	LB0075I	
	AIR OPERATING PERMITS	PERMIT	2751	
	AIR NEW SOURCE PERMITS	PERMIT	48610	
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	LB0075I	
	AIR NEW SOURCE PERMITS	REGISTRATION	72815	
	AIR NEW SOURCE PERMITS	AFS NUM	4827900026	
Location:	1140 COUNTY ROAD 219, FIVE MILES SOUTH OF SPRINGLAKE, TX, 79082		Rating Date: September 01 07	Repeat Violator: NO
TCEQ Region:	REGION 02 - LUBBOCK			
Date Compliance History Prepared:	August 13, 2008			
Agency Decision Requiring Compliance History:	Enforcement			
Compliance Period:	August 13, 2003 to August 13, 2008			
TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History				
Name:	Miriam Hall	Phone:	(512) 239-1044	

## Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? Yes
2. Has there been a (known) change in ownership of the site during the compliance period? No
3. If Yes, who is the current owner? N/A
4. If Yes, who was/were the prior owner(s)? N/A
5. When did the change(s) in ownership occur? N/A

## Components (Multimedia) for the Site :

- A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.
- Effective Date: 12/02/2006 ADMINORDER 2006-1071-AIR-E
- Classification: Major
- Citation: 30 TAC Chapter 122, SubChapter B 122.146(2)  
5C THC Chapter 382, SubChapter D 382.085(b)
- Rqmt Prov: Permit No. O-1189 (b)(2) OP
- Description: Failure to submit a PCC within 30 days after the end of the certification period in violation of 30 TAC §122.146(2)/Permit No. O-1189 (b)(2).
- B. Any criminal convictions of the state of Texas and the federal government.  
N/A
- C. Chronic excessive emissions events.  
N/A
- D. The approval dates of investigations. (CCEDS Inv. Track. No.)
- |   |            |          |
|---|------------|----------|
| 1 | 08/17/2004 | (289480) |
| 2 | 10/22/2004 | (338188) |
| 3 | 07/19/2006 | (487092) |
| 4 | 05/14/2007 | (558846) |
| 5 | 07/07/2008 | (683647) |
- E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)
- F. Environmental audits.  
N/A
- G. Type of environmental management systems (EMSs).  
N/A
- H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
CONOCOPHILLIPS PIPE LINE  
COMPANY  
RN100213495

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BEFORE THE  
TEXAS COMMISSION ON  
ENVIRONMENTAL QUALITY

**AGREED ORDER**  
**DOCKET NO. 2008-1349-AIR-E**

**I. JURISDICTION AND STIPULATIONS**

At its \_\_\_\_\_ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding ConocoPhillips Pipe Line Company ("the Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent appear before the Commission and together stipulate that:

1. The Respondent owns and operates a petroleum pump station at 1140 County Road 219, five miles south of Springlake, Lamb County, Texas (the "Station").
2. The Station consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Commission and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about July 12, 2008.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Three Thousand Three Hundred Twenty-Five Dollars (\$3,325) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Two Thousand Six Hundred Sixty Dollars (\$2,660) of



the administrative penalty and Six Hundred Sixty-Five Dollars (\$665) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty.

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director of the TCEQ and the Respondent have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Station:
  - a. On November 1, 2007, an engine performance test, demonstrating compliance with air permit and rule limits, was conducted on Engine 6/Unit E5; and
  - b. On April 16, 2008, included deviations for the reporting period of March 20, 2007 to September 19, 2007, in the Annual Compliance Certification for Federal Operating Permit ("FOP") No. O-2751.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

## II. ALLEGATIONS

As owner and operator of the Station, the Respondent is alleged to have:

1. Failed to conduct the 2005 biennial performance test on Engine 6/Unit E5, in violation of 30 TEX. ADMIN. CODE §§ 106.512(2)(C)(iii), 122.143(4), FOP No. O-2751, Special Terms and Conditions No. 4, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on June 24, 2008. Specifically, the performance test was required to be conducted in November 2005; however, the test was not conducted until November 1, 2007.
2. Failed to submit a deviation report within 30 days of the end of the six-month reporting period of March 20, 2007 to September 19, 2007, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), FOP No. O-2751, General Terms and Conditions, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on June 24, 2008.



Specifically, the deviation of not performance testing the engine was required to be reported October 19, 2007; however, it was not reported until April 16, 2008, when it was included in the Annual Compliance Certification.

### III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

### IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: ConocoPhillips Pipe Line Company, Docket No. 2008-1349-AIR-E" to:  
  
Financial Administration Division, Revenues Section  
Attention: Cashier's Office, MC 214  
Texas Commission on Environmental Quality  
P.O. Box 13088  
Austin, Texas 78711-3088
2. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Station operations referenced in this Agreed Order.
3. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
4. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
5. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

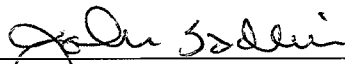




## SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

\_\_\_\_\_  
For the Commission

  
\_\_\_\_\_  
For the Executive Director

\_\_\_\_\_  
Date 1/9/2009

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

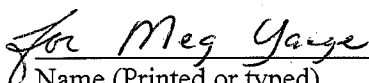
I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

  
\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date 10-27-08

  
\_\_\_\_\_  
Name (Printed or typed)  
Authorized Representative of  
ConocoPhillips Pipe Line Company

\_\_\_\_\_  
Title President

**Instructions:** Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.

