EXECUTIVE SUMMARY - ENFORCEMENT MATTER

DOCKET NO.: 2010-0644-AIR-E **TCEQ ID:** RN100238799 **CASE NO.:** 39556

RESPONDENT NAME: Citgo Refining and Chemicals Company L.P.

ORDER TYPE:		
X 1660 AGREED ORDER	__FINDINGS AGREED ORDER	__FINDINGS ORDER FOLLOWING SOAH HEARING
__FINDINGS DEFAULT ORDER	__SHUTDOWN ORDER	__IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
__AMENDED ORDER	__EMERGENCY ORDER	
CASE TYPE:		
X AIR	__MULTI-MEDIA (check all that apply)	__INDUSTRIAL AND HAZARDOUS WASTE
__PUBLIC WATER SUPPLY	__PETROLEUM STORAGE TANKS	__OCCUPATIONAL CERTIFICATION
__WATER QUALITY	__SEWAGE SLUDGE	__UNDERGROUND INJECTION CONTROL
__MUNICIPAL SOLID WASTE	__RADIOACTIVE WASTE	__DRY CLEANER REGISTRATION

SITE WHERE VIOLATION(S) OCCURRED: Citgo Corpus Christi Refinery - West Plant, 7350 Interstate Highway 37, Corpus Christi, Nueces County

TYPE OF OPERATION: Petroleum refinery

SMALL BUSINESS: ___ Yes __X__ No

OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.

INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.

COMMENTS RECEIVED: The *Texas Register* comment period expired on August 30, 2010. No comments were received.

CONTACTS AND MAILING LIST:

TCEQ Attorney/SEP Coordinator: None

TCEQ Enforcement Coordinator: Ms. Rebecca Johnson, Enforcement Division, Enforcement Team 5, MC R-14, (361) 825-3420; Ms. Laurie Eaves, Enforcement Division, MC 219, (512) 239-4495

Respondent: Mr. Kevin Ferrall, Vice President and General Manager - Corpus Christi Refinery, Citgo Refining and Chemicals Company L.P., P.O. Box 9176, Corpus Christi, Texas 78469

Respondent's Attorney: Not represented by counsel on this enforcement matter

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
Type of Investigation: __ Complaint __ Routine __ Enforcement Follow-up X Records Review **Date(s) of Complaints Relating to this Case:** None **Date of Investigation Relating to this Case:** September 29, 2009 through December 18, 2009 **Date of NOV/NOE Relating to this Case:** April 6, 2010 (NOE) **Background Facts:** This was a records review. **AIR** Failure to prevent unauthorized emissions during Incident Nos. 128161 and 128357. Specifically, during the emissions event the following unauthorized emissions were released intermittently on August 15, 2009 and August 18, 2009 from the West Plant Tail Gas Incinerator for a total duration of 25 hours and 22 minutes when a level indicator was reading a false low level for the Mix Distillate Hydro Treater Product Separator Drum, which allowed hydrocarbon carry-over that infiltrated and contaminated the amine in the regenerator: 13,208 pounds ("lbs") of sulfur dioxide and 767 lbs of hydrogen sulfide. Since the emissions event could have been avoided through better operation and maintenance practices, the demonstration criteria for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 were not met [Air Permit Nos. 8778A and PSD-TX-408M3, Special Condition No. 1, 30 TEX. ADMIN. CODE §§ 101.20(3) and 116.115(b)(2)(F) and (c), and TEX. HEALTH & SAFETY CODE § 382.085(b)].	**Total Assessed:** $7,500 **Total Deferred:** $1,500 X Expedited Settlement __Financial Inability to Pay **SEP Conditional Offset:** $0 **Total Paid to General Revenue:** $6,000 **Site Compliance History Classification** __ **High** X **Average** __ **Poor** **Person Compliance History Classification** __ **High** X **Average** __ **Poor** **Major Source:** X Yes __ No **Applicable Penalty Policy:** September 2002	**Corrective Actions Taken:** The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant: a. Completed replacement of the Mix Distillate Hydro Product Separator Displacer Level Transmitter with a differential pressure transmitter to improve reliability on September 30, 2009; b. Completed development of a list of critical levels that would adversely impact the stability of the amine system and cause unauthorized emissions on September 30, 2009; and c. Completed refresher training for instrument technicians on the displacer level repairs, installation, and calibration, and provided a review of the incident investigation on October 16, 2009.

Additional ID No(s).: NE0192F

Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002) — *PCW Revision October 30, 2008*

TCEQ

DATES					
Assigned	12-Apr-2010				
PCW	23-Apr-2010	Screening	23-Apr-2010	EPA Due	1-Jun-2011

RESPONDENT/FACILITY INFORMATION

Respondent	Citgo Refining and Chemicals Company L.P.		
Reg. Ent. Ref. No.	RN100238799		
Facility/Site Region	14-Corpus Christi	Major/Minor Source	Major

CASE INFORMATION

Enf./Case ID No.	39556	No. of Violations	1
Docket No.	2010-0644-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Rebecca Johnson
		EC's Team	Enforcement Team 5

Admin. Penalty $ Limit Minimum $0 Maximum $10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) — *Subtotal 1* $5,000

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History — 75.0% Enhancement — *Subtotals 2, 3, & 7* $3,750

Notes: Penalty enhancement due to one NOV for same or similar violations, seven NOVs for unrelated violations, and three agreed orders with a denial of liability. Penalty reduction due to two Notices of Intended Audits and one Disclosure of Violations submitted.

Culpability — No — 0.0% Enhancement — *Subtotal 4* $0

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments — *Subtotal 5* $1,250

Economic Benefit — 0.0% Enhancement* — *Subtotal 6* $0

Total EB Amounts $85
Approx. Cost of Compliance $10,000

**Capped at the Total EB $ Amount*

SUM OF SUBTOTALS 1-7 — *Final Subtotal* $7,500

OTHER FACTORS AS JUSTICE MAY REQUIRE — 0.0% — *Adjustment* $0

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount $7,500

STATUTORY LIMIT ADJUSTMENT — *Final Assessed Penalty* $7,500

DEFERRAL — 20.0% Reduction — *Adjustment* -$1,500

Reduces the Final Assessed Penalty by the indicted percentage. *(Enter number only; e.g. 20 for 20% reduction.)*

Notes: Deferral offered for expedited settlement.

PAYABLE PENALTY $6,000

Screening Date 23-Apr-2010 **Docket No.** 2010-0644-AIR-E **PCW**

Respondent Citgo Refining and Chemicals Company L.P.

Policy Revision 2 (September 2002)

Case ID No. 39556

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100238799

Media [Statute] Air

Enf. Coordinator Rebecca Johnson

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*)	1	5%
	Other written NOVs	7	14%
Orders	Any agreed final enforcement orders containing a denial of liability (*number of orders meeting criteria*)	3	60%
	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)*	2	-2%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (*number of audits for which violations were disclosed*)	1	-2%

		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) 75%

>> **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

Penalty enhancement due to one NOV for same or similar violations, seven NOVs for unrelated violations, and three agreed orders with a denial of liability. Penalty reduction due to two Notices of Intended Audits and one Disclosure of Violations submitted.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 75%

Screening Date 23-Apr-2010 **Docket No.** 2010-0644-AIR-E **PCW**

Respondent Citgo Refining and Chemicals Company L.P. *Policy Revision 2 (September 2002)*

Case ID No. 39556 *PCW Revision October 30, 2008*

Reg. Ent. Reference No. RN100238799

Media [Statute] Air

Enf. Coordinator Rebecca Johnson

Violation Number 1

Rule Cite(s) Air Permit Nos. 8778A and PSD-TX-408M3, Special Condition No. 1, 30 Tex. Admin. Code §§ 101.20(3) and 116.115(b)(2)(F) and (c), and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to prevent unauthorized emissions during Incident Nos. 128161 and 128357. Specifically, during the emissions event the following unauthorized emissions were released intermittently on August 15, 2009 and August 18, 2009 from the West Plant Tail Gas Incinerator for a total duration of 25 hours and 22 minutes when a level indicator was reading a false low level for the Mix Distillate Hydro Treater Product Separator Drum, which allowed hydrocarbon carry-over that infiltrated and contaminated the amine in the regenerator: 13,208 pounds ("lbs") of sulfur dioxide and 767 lbs of hydrogen sulfide. Since the emissions event could have been avoided through better operation and maintenance practices, the demonstration criteria for an affirmative defense in 30 Tex. Admin. Code § 101.222 were not met.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

Release	Major	Harm: Moderate	Minor
Actual		x	
Potential			

OR

Percent 50%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes: Human health or the environment have been exposed to over seven tons of pollutants as a result of the violation.

Adjustment $5,000

$5,000

Violation Events

Number of Violation Events 1 | 2 Number of violation days

mark only one with an x

daily	
weekly	
monthly	x
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty $5,000

One monthly event is recommended.

Good Faith Efforts to Comply

25.0% Reduction — $1,250

	Before NOV	NOV to EDPRP/Settlement
Extraordinary		
Ordinary	x	
N/A		(mark with x)

Notes: The Respondent completed corrective actions on October 16, 2009, which was before the NOE was issued on April 6, 2010.

Violation Subtotal $3,750

Economic Benefit (EB) for this violation

Estimated EB Amount $85

Statutory Limit Test

Violation Final Penalty Total $7,500

This violation Final Assessed Penalty (adjusted for limits) $7,500

Economic Benefit Worksheet

Respondent Citgo Refining and Chemicals Company L.P.
Case ID No. 39556
Reg. Ent. Reference No. RN100238799
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost (No commas or $)	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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)	$10,000	15-Aug-2009	16-Oct-2009	0.17	$85	n/a	$85

Notes for DELAYED costs: Estimated cost to implement measures designed to prevent the recurrence of emissions events due to a false low level indication for the Mix Distillate Hydro Treater Product Separator Drum. The date required is the date of the emissions event. The final date is the date corrective actions were completed.

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

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: $10,000

TOTAL: $85

Compliance History Report

Customer/Respondent/Owner-Operator:	CN600127922	Citgo Refining and Chemicals Company L.P.	Classification: AVERAGE	Rating: 3.06
Regulated Entity:	RN100238799	CITGO CORPUS CHRISTI REFINERY - WEST PLANT	Classification: AVERAGE	Site Rating: 9.42

ID Number(s):

AIR OPERATING PERMITS	ACCOUNT NUMBER NE0192F
AIR OPERATING PERMITS	PERMIT 1420
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID TXD981153711
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR) 33763
INDUSTRIAL AND HAZARDOUS WASTE STORAGE	PERMIT 50353
INDUSTRIAL AND HAZARDOUS WASTE STORAGE	PERMIT 50353
AIR NEW SOURCE PERMITS	PERMIT 7741A
AIR NEW SOURCE PERMITS	PERMIT 8778A
AIR NEW SOURCE PERMITS	REGISTRATION 36783
AIR NEW SOURCE PERMITS	REGISTRATION 46180
AIR NEW SOURCE PERMITS	ACCOUNT NUMBER NE0192F
AIR NEW SOURCE PERMITS	EPA ID PSDTX408M3
AIR NEW SOURCE PERMITS	AFS NUM 4835500115
AIR NEW SOURCE PERMITS	REGISTRATION 77665
AIR NEW SOURCE PERMITS	REGISTRATION 77419
AIR NEW SOURCE PERMITS	REGISTRATION 78499
AIR NEW SOURCE PERMITS	PERMIT 80810
AIR NEW SOURCE PERMITS	PERMIT 47421
INDUSTRIAL AND HAZARDOUS WASTE POST CLOSURE	PERMIT 50353
IHW CORRECTIVE ACTION	SOLID WASTE REGISTRATION # (SWR) 33763
WASTE WATER GENERAL PERMIT	PERMIT TXG670084
AIR EMISSIONS INVENTORY	ACCOUNT NUMBER NE0192F

Location: 7350 IH 37, CORPUS CHRISTI, TX, 78409

TCEQ Region: REGION 14 - CORPUS CHRISTI

Date Compliance History Prepared: April 23, 2010

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: April 23, 2005 to April 23, 2010

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: Rebecca Johnson Phone: (361) 825-3420

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/operator of the site during the compliance period? No
3. If Yes, who is the current owner/operator? N/A

4. if Yes, who was/were the prior owner(s)/operator(s) ? N/A

5. When did the change(s) in owner or operator occur? N/A

6. Rating Date: 9/1/2009 Repeat Violator: NO

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: 08/15/2008 **ADMINORDER 2007-1853-AIR-E**

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)

30 TAC Chapter 116, SubChapter B 116.115(c)

5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: TCEQ NSR Permit 8778A, SC 1 PA

Description: Failure to gain an affirmative defense against penalties for unauthorized emissions released during an emissions event (STEERS 90377) which was discovered on April 26, 2007.

Effective Date: 08/23/2009 **ADMINORDER 2002-0290-AIR-E**

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

Rqmt Prov: 8778A PERMIT

Description: Failure to demonstrate compliance with the production rate specified for the SRU. During the time-frame of June 1, 2003 through July 31, 2004, the production rate of 151 LTPD was exceeded 97 times, or 22% of the time. A maximum of 307 LTPD was recorded for August 3, 2003.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: 8778A PERMIT

Description: Failure to maintain the Tail Gas Incinerator firebox exit temperature at a minimum of 1475 degrees F.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: 7741A PERMIT

Description: Failure to meet the monitoring requirements as specified in 28MID, since at least June, 2001. Specifically, valves in Benzene service are being monitored at 2000 ppm instead of the required 500 ppm, and pumps in Benzene service are being monitored at 10,000 ppm instead of the required 500 ppm. Failure to meet the mon

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.485(b)(1)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: 7741A PERMIT

8778A PERMIT

Description: Failure to meet the response time requirements in 40 CFR 60, Appendix A, Method 21.

Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.340

40 CFR Part 63, Subpart CC 63.654(f)(6)

5C THSC Chapter 382 382.085(b)

Description: Failure to submit the Notification of Compliance Status Report for the MACT Tanks, Nos. 6011, 6012 and 6015.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)

30 TAC Chapter 113, SubChapter C 113.340

40 CFR Part 60, Subpart GGG 60.592(e)

40 CFR Part 60, Subpart VV 60.487(a)

40 CFR Part 63, Subpart CC 63.648(a)

5C THSC Chapter 382 382.085(b)

Description: Failure to submit the MACT-CC VOC semi-annual report for the first half of 2003. On August 26, 2004, CITGO provided this report to the TCEQ Corpus Christi Office.

Effective Date: 10/04/2009 **ADMINORDER 2009-0340-AIR-E**

Classification: Minor
Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(1)(G)
30 TAC Chapter 101, SubChapter F 101.201(b)(1)(H)
5C THSC Chapter 382 382.085(b)

Description: Failed to report all the emissions released during Incident No. 106027.

Classification: Minor
Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(1)(G)
30 TAC Chapter 101, SubChapter F 101.201(b)(1)(H)
5C THSC Chapter 382 382.085(b)

Description: Failed to report all the emissions released during Incident No. 106028.

Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: [Permit No. 8778A/PSD-TX-408M3] SC 1 PERMIT

Description: Failed to prevent unauthorized emissions during Incident No. 106027.

Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: [Permit No. 8778A/PSD-TX-408M3] SC 1 PERMIT

Description: Failed to prevent unauthorized emissions during Incident No. 106028.

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	05/05/2005	(535305)
2	06/20/2005	(395017)
3	07/15/2005	(399326)
4	07/20/2005	(400391)
5	08/30/2005	(407275)
6	03/08/2006	(535285)
7	03/09/2006	(535289)
8	03/23/2006	(449808)
9	07/12/2006	(486344)
10	07/21/2006	(486970)
11	08/24/2006	(489178)
12	08/31/2006	(509336)
13	10/12/2006	(513606)
14	10/12/2006	(514156)
15	10/16/2006	(467278)
16	10/18/2006	(515700)
17	05/25/2007	(561849)
18	07/16/2007	(563337)
19	08/13/2007	(566603)
20	08/17/2007	(565598)
21	08/30/2007	(568343)
22	09/14/2007	(567805)
23	10/17/2007	(573032)
24	10/17/2007	(596345)
25	01/15/2008	(610077)
26	02/29/2008	(619140)
27	02/29/2008	(636571)

28 06/10/2008 (679944)
29 01/06/2009 (722680)
30 01/20/2009 (723004)
31 02/24/2009 (682626)
32 03/17/2009 (736707)
33 04/06/2009 (738878)
34 08/26/2009 (764516)
35 08/28/2009 (764471)
36 02/03/2010 (788040)
37 02/23/2010 (791946)
38 03/11/2010 (793168)
39 03/19/2010 (796315)
40 04/06/2010 (785622)

E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

Date: 02/07/2006 (449808)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(3)
40 CFR Chapter 262, SubChapter I, PT 262, SubPT C 262.34(a)(3)
Description: Failure to label a hazardous waste tank.

Date: 08/24/2006 (489178)
Self Report? NO Classification: Moderate
Citation: TPDES Permit No. WQ0000467-002 PERMIT
TWC Chapter 26 26.121(a)(1)
Description: Failure to prevent the discharge of 19,026 gallons (453 barrels) of untreated wastewater to the Corpus Christi Inner Harbor.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TPDES Permit No. WQ0000467-002 PERMIT
Description: Failure to meet effluent grab limits for Oil and Grease at the West Plant wastewater treatment facility.

Date: 08/31/2006 (509336)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
Description: Failure to demonstrate that observations of visible emissions from nine heater stacks were conducted at least once during each calendar quarter for the following three quarters: June 16, 2005 to September 15, 2005; September 16, 2005 to December 15, 2005; and December 16, 2005 to March 15, 2006.

Date: 01/15/2008 (610077)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 113, SubChapter C 113.340
30 TAC Chapter 115, SubChapter D 115.322(4)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.648(a)
FOP O-01420 Special Term & Cond. no 4 OP
Description: Failure to properly operate or equip each open-ended line (OELs) with a cap, blind flange, plug or a second valve. A total of 44 open-ended lines for all events combined were found not to have been equipped with a plug, cap, blind flange or second valve. The lines are subject to 30 TAC Chapter 115 - Fugitive Emission Control In Petroleum Refineries.

Date: 03/03/2008 (619140)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 115, SubChapter D 115.322(4)
30 TAC Chapter 115, SubChapter D 115.322(5)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-1
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.162
5C THSC Chapter 382 382.085(b)

Description: Failure to tag components in the West Plant. In addition, the audit comparative monitoring lead to the discovery of about 2500 components on Plat 5 that had been tagged, but not documented in the database.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter D 115.324
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-1
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.162
5C THSC Chapter 382 382.085(b)

Description: Prior to 2005 failed to monitor 14,000 components in WPLT service. In addition, Monitoring covered only about 4,000 out of about 18,000 components that should have been monitored.

Date: 03/18/2009 (736707)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 113, SubChapter C 113.340
30 TAC Chapter 115, SubChapter D 115.322(4)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.648(a)
40 CFR Part 60, Subpart VV 60.482-6
5C THSC Chapter 382 382.085(b)
S.T.C. 4 OP

Description: Failure to properly operate or equip each open-ended line (OELs) with a cap, blind flange, plug or a second valve. Specifically, open-ended lines identified in Company Event Nos.: 148-2008-25739, 148-2008-25742, 148-2008-25745, 25438, 20498, 20415, 13097, 14291, and 14720 were not equipped with a cap, blind flange, plug or a second valve as required. A total of 9 open-ended lines for all events combined were found not to have been equipped with a plug, cap, blind flange or second valve.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
S.C. 3 PERMIT
S.T.C. 4 OP

Description: Failure to comply with the total throughput for the delayed coking unit contained in NSR Air Permit 8778A. Specifically, the total throughput for the delayed coking unit (521-H1) exceeded the 46,034 barrels per stream day (BPSD). On May 30, 2008 through May 31, 2008 the calculated coker throughput was 46,058 BPSD.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
S.C. 19 PERMIT
S.T.C. 4 OP

Description: Failure to comply with the sulfur dioxide concentration in the exhaust gas of the Tail Gas Incinerator limit contained in NSR Air Permit 8778A. Specifically, the sulfur dioxide concentration exceeded the 250 parts per million (ppm) one hour averages for 35 events during the June 16, 2007 through June 15, 2008 reporting period.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
S.C. 1 PERMIT
S.T.C. 4 OP

Description: Failure to comply with the Maximum Allowable Emission Rate Table emission limits contained in NSR Air Permit 8778A. Specifically, the sulfur dioxide (SO2) hourly average exceeded the permit limit of 22.4 lbs/hr for twelve events during the June 16, 2007 through June 15, 2008 reporting period.

Date: 08/31/2009 (764471)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter O 335.431(c)(1)
40 CFR Chapter 266, SubChapter I, PT 266, SubPT O 268.7(a)(1)

Description: Failure to comply with testing, tracking and recordkeeping requirements for Land Disposal Restriction (LDR).

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter A 335.13(k)
40 CFR Chapter 262, SubChapter I, PT 262, SubPT D 262.42

Description: Failure to comply with manifest recordkeeping and reporting requirements.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125
40 CFR Chapter 264, SubChapter I, PT 264, SubPT C 264.15
PP II.A PP III.D PPIII.D Table PERMIT

Description: Failure to comply with the Standard Permit Conditions under 30 TAC Section 305.125 and with 40 CFR 264.15 General Inspections, and with the General Inspection Requirements found under Facility Management, Section III.D and Table III.D of the permit.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125
30 TAC Chapter 335, SubChapter F 335.174
40 CFR Chapter 264, SubChapter I, PT 264, SubPT N 264.310
PP II.A / PP VII.B(2) PERMIT

Description: Failure to comply with the Standard Permit Conditions under 30 TAC Section 305.125 and with Closure and Post-Closure Care (Landfills) in 40 CFR 264.310 and 30 TAC 335.174 and with the Post-Closure Requirements found under Closure and Post-Closure Requirements, Section VII.B(2) of the permit.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125
30 TAC Chapter 335, SubChapter F 335.174
40 CFR Chapter 264, SubChapter I, PT 264, SubPT N 264.310
PP II.A / PP VII.B(3) PERMIT

Description: Failure to comply with the Standard Permit Conditions under 30 TAC Section 305.125 and with Closure and Post-Closure Care (Landfills) in 40 CFR 264.310 and 30 TAC 335.174 and with the Post-Closure Requirements found under Closure and Post-Closure Requirements, Section VII.B(3) of the permit.

Date: 02/03/2010 (788040)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 319, SubChapter A 319.11(a)
30 TAC Chapter 319, SubChapter A 319.11(b)
Mon. and Rep. Req., 2. PERMIT

Description: Failure to collect oil and grease samples according to the EPA-approved method 5520A.

F. Environmental audits.

Notice of Intent Date: 06/02/2005 (403345)
Disclosure Date: 12/01/2005

Viol. Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter D 115.322(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-1
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.167

Description: Failed to control 21 open-ended lines by cap, plug, blind or double block valves.

Viol. Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter D 115.326(2)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-2
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.181(c)

Description: Failure to maintain records of weekly visual inspections documenting inspection of non-leaking pumps.

Viol. Classification: Minor

Citation: 30 TAC Chapter 115, SubChapter D 115.326(2)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.486(c)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.181(d)

Description: Failure to properly complete DOR forms.

Viol. Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter D 115.326
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.487

40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.182

Description: Failure to submit monitoring reports on time and reports did not contain all information required by the regulations.

Viol. Classification: Moderate
Citation: 30 TAC Chapter 115, SubChapter D 115.322
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-1
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-10
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.162
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.168

Description: Failure to tag components in the Plat 5 unit.

Viol. Classification: Moderate
Citation: 30 TAC Chapter 115, SubChapter B 115.115
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.487(b)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.182(d)

Description: The 5 to 15 day report submitted in July 2005 generated by the fugitive sofware had inaccurate or not probable dates that reported excessive deviations.

Viol. Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(H)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.487(c)(2)(v)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.182(d)(2)(v)

Description: Failure to identify compressor leaks in the semi-annual report of 2004 MACT or HON units

Viol. Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(H)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.487(c)(3)

Description: Failure to include complete downtime information in several MACT reports. January 2005 West Plant report does not include any downtime information.

Viol. Classification: Minor
Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(H)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.487(c)(2)(vii)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.182(d)(2)(xiii)

Description: Failure to include reason for delay of repair on the 2004 HON and MACT semiannual reports

Notice of Intent Date: 08/13/2007 (639334)

No DOV Associated

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	§	**BEFORE THE**
ENFORCEMENT ACTION	§	
CONCERNING	§	**TEXAS COMMISSION ON**
CITGO REFINING AND CHEMICALS	§	
COMPANY L.P.	§	
RN100238799	§	**ENVIRONMENTAL QUALITY**

AGREED ORDER
DOCKET NO. 2010-0644-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 Citgo Refining and Chemicals Company L.P. ("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 refinery at 7350 Interstate Highway 37 in Corpus Christi, Nueces County, Texas (the "Plant").

2. The Plant 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 April 11, 2010.

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 Seven Thousand Five Hundred Dollars ($7,500) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations").

The Respondent has paid Six Thousand Dollars ($6,000) of the administrative penalty and One Thousand Five Hundred Dollars ($1,500) 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 Plant:

   a. Completed replacement of the Mix Distillate Hydro Product Separator Displacer Level Transmitter with a differential pressure transmitter to improve reliability on September 30, 2009;

   b. Completed development of a list of critical levels that would adversely impact the stability of the amine system and cause unauthorized emissions on September 30, 2009; and

   c. Completed refresher training for instrument technicians on the displacer level repairs, installation, and calibration, and provided a review of the incident investigation on October 16, 2009.

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 Plant, the Respondent is alleged to have failed to prevent unauthorized emissions during Incident Nos. 128161 and 128357, in violation of Air Permit Nos. 8778A and PSD-TX-408M3, Special Condition No. 1, 30 TEX. ADMIN. CODE §§ 101.20(3) and 116.115(b)(2)(F) and (c), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review begun on September 29, 2009. Specifically, during the emissions event the following unauthorized emissions were released intermittently on August 15, 2009 and August 18, 2009 from the West Plant Tail Gas Incinerator for a total duration of 25 hours and 22 minutes when a level indicator was reading a false low level for the Mix Distillate Hydro Treater Product Separator Drum, which allowed hydrocarbon carry-over that infiltrated and contaminated the amine in the regenerator: 13,208 pounds ("lbs") of sulfur dioxide and 767 lbs of hydrogen sulfide. Since the emissions event could have been avoided through better operation and maintenance practices, the demonstration criteria for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 were not met.

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: Citgo Refining and Chemicals Company L.P., Docket No. 2010-0644-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 Plant 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 Agreed Order may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreed Order may be transmitted

by facsimile transmission to the other parties, which shall constitute an original signature for all purposes under this Agreed Order.

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

_____ 8/25/2010
For the Executive Director Date

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.

_____ 6/30/10
Signature Date

KEVIN FERRALL VP/GM CORPUS CHRISTI REFINERY
Name (Printed or typed) Title
Authorized Representative of
Citgo Refining and Chemicals Company L.P.

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.