

EXECUTIVE SUMMARY - ENFORCEMENT MATTER
DOCKET NO. 2008-1520-IHW-E RN100214386 CASE NO. 36502
RESPONDENT NAME: VALERO REFINING-TEXAS, L.P.

ORDER TYPE:		
<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"/> IMMEDIATE AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	
CASE TYPE:		
<input type="checkbox"/> AIR	<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input checked="" type="checkbox"/> INDUSTRIAL 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

SITE WHERE VIOLATIONS OCCURRED: 5900 Up River Road, Corpus Christi, Nueces County

TYPE OF OPERATION: Refinery

SMALL BUSINESS: Yes No

OTHER SIGNIFICANT MATTERS: There are no complaints. There are four additional pending enforcement actions regarding this location (2009-0401-AIR-E; 2009-0599-AIR-E; 2010-0741-AIR-E; Enf. ID 40216).

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

COMMENTS RECEIVED: The *Texas Register* comment period expired September 27, 2010. No comments were received.

CONTACTS AND MAILING LIST:

TCEQ Attorney: Mr. Jim Sallans, Litigation Division, MC 175, (512) 239-3400
 Ms. Lena Roberts, Litigation Division, MC 175, (512) 239-3400

TCEQ Enforcement Coordinator: Mr. Thomas Greimel, Waste Enforcement Section, MC 128, (512) 239-5690

TCEQ Regional Contact: Mr. Brad Genzer, Corpus Christi Regional Office, MC R-14, (361) 825-3106

Respondent: Mr. Joe Almaraz, Director, Valero Refining-Texas, L.P., P.O. Box 9370, Corpus Christi, Texas 78469

Respondent's Attorney: Mr. Parker Wilson, General Counsel, Valero Energy Corp., One Valero Way, San Antonio, Texas 78249

VIOLATION SUMMARY CHART:		
VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation:</p> <p><input type="checkbox"/> Complaint <input checked="" type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input type="checkbox"/> Records Review</p> <p>Date of Complaint Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: June 23, 2008</p> <p>Date of NOE Relating to this Case: August 22, 2008</p> <p>Background Facts: The EDPRP was filed on March 5, 2009, and an EDFARP was filed on March 31, 2009. Respondent filed an answer and the case was referred to SOAH. Settlement was achieved and the agreed order was signed on August 11, 2010.</p> <p>Current Compliance Status: No outstanding Technical Requirements.</p> <p>IHW:</p> <ol style="list-style-type: none"> Failed to maintain containers managing hazardous waste in good condition [30 TEX. ADMIN. CODE §§ 335.69(a)(1)(A) and 335.112(a)(8) and 40 CFR §§ 262.34(a)(1)(i), 265.171 and 265.173(a)]. Failed to keep containers managing hazardous waste in good condition, and failed to keep hazardous waste containers closed except when adding or removing waste [30 TEX. ADMIN. CODE §§ 335.69(a)(1)(A), 335.69(d)(1) and 335.112(a)(8) and 40 CFR §§ 262.34(a)(1)(i), 262.34(c)(1)(i), 265.171 and 265.173(a)]. Failed to provide written notification for all waste management units [30 TEX. ADMIN. CODE § 335.6]. Failed to conduct a hazardous waste determination for each solid waste generated [30 TEX. ADMIN. CODE § 335.62 and 40 CFR §§ 262.11]. Failed to prevent the unauthorized discharge of industrial solid waste [30 TEX. ADMIN. CODE § 335.4]. Failed to properly prepare and complete waste manifests as required [30 TEX. ADMIN. CODE § 335.10(c) and 40 CFR § 262.23]. 	<p>Total Assessed: \$38,688</p> <p>Total Deferred: \$19,344 <input type="checkbox"/> Expedited Order <input type="checkbox"/> Financial Inability to Pay <input checked="" type="checkbox"/> SEP Conditional Offset</p> <p>Total Paid to General Revenue: \$19,344</p> <p>Respondent paid \$19,344 of the administrative penalty. The remaining amount of \$19,344 shall be conditionally offset by the completion of a Supplemental Environmental Project (SEP).</p> <p>Site Compliance History Classification: <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification: <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p>	<p>Corrective Actions Taken:</p> <p>The Executive Director recognizes that Respondent performed the following corrective actions:</p> <ol style="list-style-type: none"> On August 8, 2008, documentation was submitted demonstrating that the leaking roll-off containers were repaired, and the waste was properly disposed; On June 24, 2008, a TCEQ Corpus Christi Office investigator observed containers managing hazardous waste were properly closed; On July 14, 2008, documentation was submitted demonstrating that the rusted 55-gallon drum in the accumulation area was replaced with a drum in good condition; On August 8, 2008, the hazardous waste determinations were conducted on the waste being managed in the surface impoundment; On August 13, 2008, documentation was submitted to add the overflow surface impoundment to the Notice of Registration; On July 14, 2008, the contaminated soil from the unauthorized discharges was removed and the contaminated area remediated; and On July 10, 2008, documentation was submitted to demonstrate that the manifests had been updated to include all required information. <p>Ordering Provision:</p> <p>The Respondent shall implement and complete a SEP (<i>Wetland Construction, Habitat Enhancements and Land Acquisition at the Oso Conservation Interpretive Park</i>)</p>

Attachment A
Docket Number: 2008-1520-IHW-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent: Valero Refining-Texas, L.P.

Penalty Amount: Thirty Eight Thousand Six Hundred Eighty-Eight Dollars (\$38,688)

SEP Offset Amount: Nineteen Thousand Three Hundred Forty-Four Dollars (\$19,344)

Type of SEP: Pre-approved SEP

Third-Party Recipient: City of Corpus Christi *Wetland Construction, Habitat Enhancements and Land Acquisition at the Oso Conservation Interpretive Park*

Location of SEP: Nueces County

The Texas Commission on Environmental Quality (“TCEQ”) agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project (“SEP”). The offset is equal to the SEP Offset Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project

A. Project Description

The Respondent shall contribute the SEP Offset Amount to the Third-Party Recipient named above. The contribution will be to **City of Corpus Christi** for the *Wetland Construction, Habitat Enhancements and Land Acquisition at the Oso Conservation Interpretive Park Project* to be used by the Third-Party Recipient as set forth in an agreement between the Third-Party Recipient and the TCEQ. The SEP Offset Amount will be used to pay for any of the following as allowed under the Agreement between the Third-Party Recipient and TCEQ.

- 1) Wetland Construction and Drainage Improvements - Third Party Recipient shall use SEP Funds to construct wetlands as a best management practice for stormwater control. A drainage ditch transects the Property and discharges directly into Oso Bay. Third Party Recipient shall construct wetlands so that water in the drainage ditch discharges into the wetlands prior to it entering Oso Bay. Construction of the wetlands must include appropriate contouring, elevations, plantings and water inflow to ensure that the wetlands achieve and maintain functionality. Third Party Recipient may also modify other portions of the drainage ditch to enhance stormwater control. By entering into this Agreement, Third Party Recipient certifies that it is not required to perform these actions under its stormwater control permit.
- 2) Habitat Restoration and Management - Third Party Recipient shall use SEP Funds to enhance habitats by restoring degraded wetlands and controlling and removing invasive species. The Property is largely former pasture land that borders on Oso Bay. The former rangeland harbors both non-indigenous species, such as Bermuda grass, and indigenous species, such as Mesquite and Huisache, that can become invasive and affect habitat functionality. Third Party Recipient shall control/remove the invasive species in an environmentally protective manner. Wetland restoration is needed because

of past modifications to the landscape (construction of the drainage ditch and grazing) that have negatively affected existing wetlands. Third Party Recipient shall recontour, replant, and perform other activities on these existing wetlands as necessary to restore or enhance the functionality of the wetlands.

- 3) Acquisition of Additional Land - Third Party Recipient shall use SEP Funds to acquire tracts of land adjacent to the Property. Third Party Recipient shall ensure that any land acquired with SEP Funds has high conservation values, becomes a part of the Oso Conservation Interpretive Park soon after acquisition; and is preserved in perpetuity through a conservation easement approved by the TCEQ. The SEP will be done in accordance with all federal, state and local environmental laws and regulations.

All dollars contributed will be used solely for the direct cost of the project and no portion will be spent on administrative costs. The Respondent shall not profit from this SEP in any manner. The Respondent certifies that it has no prior commitment to make this contribution and that it is being done solely in an effort to settle this enforcement action.

B. Environmental Benefit

Constructed wetlands, used as a best management practice for stormwater control, will reduce pollutant loading such as oil and grease, nitrogen and bacteria, and floatable trash that can enter into Oso Bay.

Restoration of degraded wetlands and the removal of invasive species will return the property to ecological functionality. Wetlands are known for providing habitat for wildlife, filtering pollutants, and retaining stormwater, as well as providing other ecological services.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Offset Amount to the Third-Party Recipient. The Respondent shall mail a copy of the Agreed Order with the contribution to the addressee listed below:

City of Corpus Christi
Attention: City Manager
1201 Leopard Street, 3rd Floor
Corpus Christi, Texas 78401

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating payment of the SEP Offset Amount to the Third Party Recipient. The Respondent shall mail a copy of each check and transmittal letter to:

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Offset Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Offset Amount.

In the event of incomplete performance, the Respondent shall submit a check for any remaining amount due made payable to "Texas Commission on Environmental Quality" with the notation "SEP Refund" and the docket number of the case, and shall send it to:

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP identified in this Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision June 12, 2008

TCEQ

DATES	Assigned	25-Aug-2008	Screening	8-Sep-2008	EPA Due	
	PCW	29-Apr-2010				

RESPONDENT/FACILITY INFORMATION			
Respondent	Valero Refining-Texas, L.P.		
Reg. Ent. Ref. No.	RN100214386		
Facility/Site Region	14-Corpus Christi	Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	36502	No. of Violations	6
Docket No.	2008-1520-IHW-E	Order Type	1660
Media Program(s)	Industrial and Hazardous Waste	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Thomas Greimel
		EC's Team	Enforcement Team 7
Admin. Penalty \$ Limit	Minimum	\$0	Maximum
			\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$20,800
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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.

Compliance History	111.0% Enhancement	Subtotals 2, 3, & 7	\$23,088
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Notes: Enhancement for one previous NOV with a same or similar violation, 14 NOVs for dissimilar violations, one 1660, one Findings, and one court order. Reduction for two Notices of Intent.

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

Good Faith Effort to Comply Total Adjustments	Subtotal 5	\$5,200
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Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
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Total EB Amounts \$16
 Approx. Cost of Compliance \$3,425
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$38,688
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OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0%	Adjustment	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount \$38,688

STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$38,688
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DEFERRAL	0.0% Reduction	Adjustment	\$0
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

Deferral not offered for non-expedited settlement.

PAYABLE PENALTY	\$38,688
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Screening Date 8-Sep-2008

Docket No. 2008-1520-IHW-E

PCW

Respondent Valero Refining-Texas, L.P.

Policy Revision 2 (September 2002)

Case ID No. 36502

PCW Revision June 12, 2008

Reg. Ent. Reference No. RN100214386

Media [Statute] Industrial and Hazardous Waste

Enf. Coordinator Thomas Greimel

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 (<i>number of NOVs meeting criteria</i>)	1	5%
	Other written NOVs	14	28%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	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	1	25%
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 (<i>number of judgements or consent decrees meeting criteria</i>)	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	1	35%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	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 (<i>number of audits for which notices were submitted</i>)	2	-2%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	0	0%
<i>Please Enter Yes or No</i>			
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) 111%

>> 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

Enhancement for one previous NOV with a same or similar violation, 14 NOVs for dissimilar violations, one 1660, one Findings, and one court order. Reduction for two Notices of Intent.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 111%

Screening Date 8-Sep-2008 **Docket No.** 2008-1520-IHW-E **PCW**
Respondent Valero Refining-Texas, L.P. *Policy Revision 2 (September 2002)*
Case ID No. 36502 *PCW Revision June 12, 2008*
Reg. Ent. Reference No. RN100214386
Media [Statute] Industrial and Hazardous Waste
Enf. Coordinator Thomas Greimel

Violation Number
Rule Cite(s) 30 Tex. Admin. Code §§ 335.69(a)(1)(A) and 335.112(a)(8) and 40 Code of Federal Regulations §§ 262.34(a)(1)(i), 265.171 and 265.173(a)
Violation Description Failed to maintain containers managing hazardous waste in good condition. Specifically, two 20 cubic yards roll off containers NOR 003 and NOR 011 were observed to be leaking.
Base Penalty

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual	<input type="text"/>	<input type="text"/>	<input checked="" type="text" value="x"/>	<input type="text" value="25%"/>
	Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	

>> Programmatic Matrix

Matrix Notes	Falsification	Major	Moderate	Minor	Percent
Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.					
Adjustment					<input type="text" value="\$7,500"/>

Violation Events

Number of Violation Events Number of violation days
 mark only one with an x
 daily
 monthly
 quarterly
 semiannual
 annual
 single event
Violation Base Penalty
 One quarterly event is recommended from the investigation date of June 23, 2008 to the compliance date of August 8, 2008.

Good Faith Efforts to Comply Reduction

Before NOV NOV to EDPRP/Settlement
 Extraordinary
 Ordinary
 N/A (mark with x)
 Notes The Respondent came into compliance on August 8, 2008 prior to the NOE dated August 22, 2008.
Violation Subtotal

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

Estimated EB Amount **Violation Final Penalty Total**
This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent Valero Refining-Texas, L.P.
Case ID No. 36502
Reg. Ent. Reference No. RN100214386
Media Industrial and Hazardous Waste
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

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

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)	\$500	23-Jun-2008	8-Aug-2008	0.13	\$3	n/a	\$3

Notes for DELAYED costs

Estimated cost to repair the leaking containers. The Date Required is the investigation date. The Final Date is the date of compliance.

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

\$500

TOTAL

\$3

Screening Date 8-Sep-2008 **Docket No.** 2008-1520-IHW-E **PCW**
Respondent Valero Refining-Texas, L.P. *Policy Revision 2 (September 2002)*
Case ID No. 36502 *PCW Revision June 12, 2008*
Reg. Ent. Reference No. RN100214386
Media [Statute] Industrial and Hazardous Waste
Enf. Coordinator Thomas Greimel

Violation Number 2
Rule Cite(s) 30 Tex. Admin. Code §§ 335.69(a)(1)(A), (d)(1) and 335.112(a)(8) and 40 Code of Federal Regulations §§ 262.34(a)(1)(i), (c)(1)(i), 265.171 and 265.173(a)
Violation Description Failed to maintain containers managing hazardous waste in good condition. Specifically, a 55 gallon drum in the satellite accumulation area was excessively rusted. Failed to maintain hazardous waste containers closed except when adding or removing wastes. Specifically, two containers, one inside NOR 021, BSRP Unit Container Storage Area, and another in the Exchanger Bundle Cleaning Container Storage Area, were left open.

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 will or could be exposed to insignificant amounts of pollutants which would not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$9,000

\$1,000

Violation Events

Number of Violation Events 3 Number of violation days 21

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

mark only one with an x

Violation Base Penalty \$3,000

Three single events (one per container) are recommended based on documentation of the violations during the June 23, 2008 investigation.

Good Faith Efforts to Comply 25.0% Reduction \$750

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

Notes The Respondent came into compliance on July 14, 2008 prior to the NOE dated August 22, 2008.

Violation Subtotal \$2,250

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

Estimated EB Amount \$1

Violation Final Penalty Total \$5,580

This violation Final Assessed Penalty (adjusted for limits) \$5,580

Economic Benefit Worksheet

Respondent Valero Refining-Texas, L.P.
Case ID No. 36502
Reg. Ent. Reference No. RN100214386
Media Industrial and Hazardous Waste
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
No commas or \$							

Delayed Costs

Equipment	\$150	23-Jun-2008	14-Jul-2008	0.06	\$0	\$1	\$1
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)	\$25	23-Jun-2008	24-Jun-2008	0.00	\$0	n/a	\$0

Notes for DELAYED costs Estimated cost (\$150) to replace a 55 gallon hazardous waste drum. Estimated cost to properly manage and close hazardous waste containers. The Date Required is the investigation date. The Final Date is the date of compliance.

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 \$175

TOTAL \$1

Screening Date 8-Sep-2008 **Docket No.** 2008-1520-IHW-E **PCW**
Respondent Valero Refining-Texas, L.P. *Policy Revision 2 (September 2002)*
Case ID No. 36502 *PCW Revision June 12, 2008*
Reg. Ent. Reference No. RN100214386
Media [Statute] Industrial and Hazardous Waste
Enf. Coordinator Thomas Greimel

Violation Number
Rule Cite(s)
Violation Description
Base Penalty

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
		Actual	<input type="text"/>	<input type="text"/>	
Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>		

>> Programmatic Matrix

Matrix Notes	Falsification	Major	Moderate	Minor	Percent
	<input type="text"/>	<input type="text" value="x"/>	<input type="text"/>	<input type="text"/>	

Matrix Notes

Adjustment

Violation Events

Number of Violation Events Number of violation days

mark only one with an x

daily	<input type="text"/>
monthly	<input type="text"/>
quarterly	<input type="text"/>
semiannual	<input type="text"/>
annual	<input type="text"/>
single event	<input type="text" value="x"/>

Violation Base Penalty

Good Faith Efforts to Comply Reduction

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary	<input type="text"/>	<input type="text"/>
Ordinary	<input type="text" value="x"/>	<input type="text"/>
N/A	<input type="text"/>	(mark with x)

Notes

Violation Subtotal

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

Estimated EB Amount

Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent Valero Refining-Texas, L.P.
Case ID No. 36502
Reg. Ent. Reference No. RN100214386
Media Industrial and Hazardous Waste
Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

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

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)	\$150	23-Jun-2008	13-Aug-2008	0.14	\$1	n/a	\$1

Notes for DELAYED costs

Estimated cost to provide notification of all solid waste management units. The Date Required is the investigation date. The Final Date is the date of compliance.

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

\$150

TOTAL

\$1

Screening Date 8-Sep-2008 **Docket No.** 2008-1520-IHW-E **PCW**
Respondent Valero Refining-Texas, L.P. *Policy Revision 2 (September 2002)*
Case ID No. 36502 *PCW Revision June 12, 2008*
Reg. Ent. Reference No. RN100214386
Media [Statute] Industrial and Hazardous Waste
Enf. Coordinator Thomas Greimel

Violation Number 4
Rule Cite(s) 30 Tex. Admin. Code § 335.62 and 40 Code of Federal Regulations § 262.11
Violation Description Failed to conduct a hazardous waste determination for each solid waste generated. Specifically, the Respondent did not conduct a hazardous waste determination for the waste located in the overflow surface impoundment and inside the berm for crude oil tank 55.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual				50%
	Potential	x			

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	Percent
					0%

Matrix Notes Human health or the environment will or could be exposed to pollutants which would exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$5,000

\$5,000

Violation Events

Number of Violation Events 2 46 Number of violation days

mark only one with an x

daily	
monthly	x
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty \$10,000

Two monthly events are recommended from the investigation date of June 23, 2008 to the compliance date of August 8, 2008.

Good Faith Efforts to Comply 25.0% Reduction \$2,500

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

Notes The Respondent came into compliance on August 8, 2008 prior to the NOE dated August 22, 2008.

Violation Subtotal \$7,500

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

Estimated EB Amount \$3 **Violation Final Penalty Total** \$18,600

This violation Final Assessed Penalty (adjusted for limits) \$18,600

Economic Benefit Worksheet

Respondent Valero Refining-Texas, L.P.
Case ID No. 36502
Reg. Ent. Reference No. RN100214386
Media Industrial and Hazardous Waste
Violation No. 4

Percent Interest	Years of Depreciation
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
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	\$500	23-Jun-2008	8-Aug-2008	0.13	\$3	n/a	\$3
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

Estimated cost to conduct hazardous waste determinations. The Date Required is the investigation date. The Final Date is the date of compliance.

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

\$500

TOTAL

\$3

Screening Date 8-Sep-2008 **Docket No.** 2008-1520-IHW-E **PCW**
Respondent Valero Refining-Texas, L.P. *Policy Revision 2 (September 2002)*
Case ID No. 36502 *PCW Revision June 12, 2008*
Reg. Ent. Reference No. RN100214386
Media [Statute] Industrial and Hazardous Waste
Enf. Coordinator Thomas Greimel

Violation Number 5
Rule Cite(s) 30 Tex. Admin. Code § 335.4
Violation Description Failed to prevent the unauthorized discharge of industrial solid waste. Specifically, two releases of industrial waste were noted, one from the crude oil supply pipe adjacent to the crude oil tank (85TK55) storage area and the other near the valves and equipment associated with crude oil tank 56.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual			x	25%
	Potential				

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	Percent
					0%

Matrix Notes Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1 21 Number of violation days

<i>mark only one with an x</i>	daily	
	monthly	
	quarterly	x
	semiannual	
	annual	
	single event	

Violation Base Penalty \$2,500

One quarterly event is recommended from the investigation date of June 23, 2008 to the compliance date of July 14, 2008.

Good Faith Efforts to Comply 25.0% Reduction \$625

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

Notes The Respondent came into compliance on July 14, 2008 prior to the NOE dated August 22, 2008.

Violation Subtotal \$1,875

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

Estimated EB Amount \$8 **Violation Final Penalty Total** \$4,650

This violation Final Assessed Penalty (adjusted for limits) \$4,650

Economic Benefit Worksheet

Respondent Valero Refining-Texas, L.P.
Case ID No. 36502
Reg. Ent. Reference No. RN100214386
Media Industrial and Hazardous Waste
Violation No. 5

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Equipment	\$2,000	23-Jun-2008	14-Jul-2008	0.06	\$0	\$8	\$8
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)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to repair the failing equipment to prevent discharges. The Date Required is the investigation date. The Final Date is the date of compliance.

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

\$2,000

TOTAL

\$8

Screening Date 8-Sep-2008 **Docket No.** 2008-1520-IHW-E **PCW**
Respondent Valero Refining-Texas, L.P. *Policy Revision 2 (September 2002)*
Case ID No. 36502 *PCW Revision June 12, 2008*
Reg. Ent. Reference No. RN100214386
Media [Statute] Industrial and Hazardous Waste
Enf. Coordinator Thomas Greimel

Violation Number 6
Rule Cite(s) 30 Tex. Admin. Code § 335.10(c) and 40 Code of Federal Regulations § 262.23
Violation Description Failed to properly prepare and complete waste manifests as required. Specifically, the Respondent did not maintain properly completed waste manifest for manifest nos. 003889315JJK (missing generator shipment date), 002035305JJK (missing transporter EPA ID number), and 00241291JJK (missing transporter pickup date).

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
		Actual			
Potential					

>> Programmatic Matrix

Matrix Notes	Falsification	Major	Moderate	Minor	Percent
				x	

Less than 30% of the rule requirement was not met.

Adjustment \$9,900

\$100

Violation Events

Number of Violation Events 3 17 Number of violation days

mark only one with an x

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$300

Three single events are recommended (one per manifest) based on documentation of the violations during the June 23, 2008 investigation.

Good Faith Efforts to Comply 25.0% Reduction \$75

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

Notes The Respondent came into compliance on July 10, 2008 prior to the NOE dated August 22, 2008.

Violation Subtotal \$225

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

Estimated EB Amount \$0 **Violation Final Penalty Total** \$558

This violation Final Assessed Penalty (adjusted for limits) \$558

Economic Benefit Worksheet

Respondent Valero Refining-Texas, L.P.
Case ID No. 36502
Reg. Ent. Reference No. RN100214386
Media Industrial and Hazardous Waste
Violation No. 6

Percent Interest	Years of Depreciation
5.0	15

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

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	23-Jun-2008	10-Jul-2008	0.05	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to properly update waste manifests. The Date Required is the investigation date. The Final Date is the date of compliance.

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

\$0

Compliance History

Customer/Respondent/Owner-Operator:	CN600127468 Valero Refining-Texas, L.P.	Classification: AVERAGE	Rating: 6.12																																																																																																																																																
Regulated Entity:	RN100214386 VALERO CORPUS CHRISTI REFINERY WEST PLANT	Classification: AVERAGE	Site Rating: 4.54																																																																																																																																																
ID Number(s):	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">AIR OPERATING PERMITS</td> <td style="width: 30%;">ACCOUNT NUMBER</td> <td style="width: 20%;">NE0112G</td> </tr> <tr> <td>AIR OPERATING PERMITS</td> <td>PERMIT</td> <td>1458</td> </tr> <tr> <td>AIR OPERATING PERMITS</td> <td>PERMIT</td> <td>2601</td> </tr> <tr> <td>INDUSTRIAL AND HAZARDOUS WASTE GENERATION</td> <td>SOLID WASTE REGISTRATION # (SWR)</td> <td>30478</td> </tr> <tr> <td>INDUSTRIAL AND HAZARDOUS WASTE GENERATION</td> <td>EPA ID</td> <td>TXD074604166</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>PERMIT</td> <td>38754</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>ACCOUNT NUMBER</td> <td>NE0112G</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>PERMIT</td> <td>1507A</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>PERMIT</td> <td>10157</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>PERMIT</td> <td>10496</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>PERMIT</td> <td>10642</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>PERMIT</td> <td>10777</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>PERMIT</td> <td>12722</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>PERMIT</td> <td>12844</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>PERMIT</td> <td>16552</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>PERMIT</td> <td>20740</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>PERMIT</td> <td>20992</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>PERMIT</td> <td>23633</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>PERMIT</td> <td>29272</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>PERMIT</td> <td>33323</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>PERMIT</td> <td>36004</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>PERMIT</td> <td>37375</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>PERMIT</td> <td>39505</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>PERMIT</td> <td>46918</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>PERMIT</td> <td>49888</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>PERMIT</td> <td>55362</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>EPA ID</td> <td>PSDTX324M9</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>EPA ID</td> <td>PSDTX324M10</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>PERMIT</td> <td>55688</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>AFS NUM</td> <td>4835500050</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>EPA ID</td> <td>PSDTX324M11</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>REGISTRATION</td> <td>71034</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>EPA ID</td> <td>PSDTX324M8</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>PERMIT</td> <td>55294</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>REGISTRATION</td> <td>76892</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>EPA ID</td> <td>PSDTX324M12</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>REGISTRATION</td> <td>77580</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>REGISTRATION</td> <td>77944</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>REGISTRATION</td> <td>80027</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>REGISTRATION</td> <td>81549</td> </tr> <tr> <td>AIR NEW SOURCE PERMITS</td> <td>REGISTRATION</td> <td>84572</td> </tr> <tr> <td>WASTEWATER</td> <td>PERMIT</td> <td>WQ0001909000</td> </tr> <tr> <td>WASTEWATER</td> <td>EPA ID</td> <td>TPDES0063355</td> </tr> <tr> <td>WASTEWATER</td> <td>PERMIT</td> <td>TX0063355</td> </tr> <tr> <td>WASTEWATER LICENSING</td> <td>LICENSE</td> <td>WQ0001909000</td> </tr> <tr> <td>STORMWATER</td> <td>PERMIT</td> <td>TXR05S045</td> </tr> <tr> <td>STORMWATER</td> <td>PERMIT</td> <td>TXR159774</td> </tr> <tr> <td>IHW CORRECTIVE ACTION</td> <td>SOLID WASTE REGISTRATION # 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IHW CORRECTIVE ACTION	SOLID WASTE REGISTRATION # (SWR)	30478																																																																																																																																																	
Location:	5900 UP RIVER RD, CORPUS CHRISTI, TX, 78407		Rating Date: 9/1/2007 Repeat Violator: NO																																																																																																																																																
TCEQ Region:	REGION 14 - CORPUS CHRISTI																																																																																																																																																		
Date Compliance History Prepared:	August 26, 2008																																																																																																																																																		
Agency Decision Requiring Compliance History:	Enforcement																																																																																																																																																		
Compliance Period:	August 26, 2003 to August 26, 2008																																																																																																																																																		
TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History																																																																																																																																																			

Name: Steven Lopez Phone: 512-239-1896

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: 11/23/2005 COURTORDER

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(G)

Description: Failed to maintain sulfate emissions from the heavy oil cracker (HOC), emission point number (EPN) 121 at levels at or below 58.3 pounds per hour.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.6(a)(1)

Description: Failure to notify the TNRCC's regional office within 24 hours after the discovery of an upset.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)

Description: Failure to meet exemption requirements for upset emissions, resulting in unauthorized emissions.

Classification: Major

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: Emission CAP Limit PERMIT
Special Condition No. 54 PERMIT

Description: Failure to comply with General and Special conditions of Permit Nos. 38754 and PSD-TX-324M10. Specifically, unauthorized emissions of hydrogen sulfide, sulfur dioxide, and ammonia released during four emissions events that occurred on September 1, 2004.

Effective Date: 07/13/2007 ADMINORDER 2007-0028-IWD-E

Classification: Major

Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
30 TAC Chapter 305, SubChapter F 305.125(1)

Rqmt Prov: PC(2)(g) PERMIT

Description: Failure to prevent the unauthorized discharge of slop oil and wastewater to the environment.

Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(9)

Rqmt Prov: RR(7)(a) PERMIT

Description: Failure to provide notification of the unauthorized discharge of slop oil and wastewater to the environment as required by permit WQ0001909-000.

Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(19)

Rqmt Prov: PC(1)(a) PERMIT

Description: Failure to submit correct facts and information in its Permit Application (renewal) dated May 25, 2004, and failure to notify the Executive Director of the correct facts and information.

Effective Date: 04/03/2008 ADMINORDER 2007-1483-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: TCEQ Air Flexible Permit No. 38754 PERMIT

Description: Failed to prevent unauthorized emissions. Specifically, the Respondent released 35,136.47 lbs of SO₂, 613.1 lbs of VOCs, 257.95 lbs of CO, 381.45 lbs H₂S, 114.11 lbs NO_x, 5.67 lbs of ammonia and 141.37 lbs of hexane from the Acid Gas Flare and the Main Flare during an avoidable emissions event that began February 27, 2007 and lasted 19 hrs and 40 minutes.

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	08/26/2003	(152205)
2	08/29/2003	(148055)
3	09/03/2003	(24949)
4	09/03/2003	(151879)
5	09/18/2003	(309929)
6	10/21/2003	(309931)
7	11/20/2003	(309932)
8	12/04/2003	(255428)
9	12/22/2003	(309933)
10	01/23/2004	(309934)
11	02/17/2004	(309914)
12	03/18/2004	(309916)
13	04/23/2004	(309918)
14	04/26/2004	(309917)
15	04/26/2004	(309925)
16	05/18/2004	(309921)
17	06/12/2004	(309923)
18	07/01/2004	(277794)
19	07/01/2004	(270362)
20	08/17/2004	(289440)
21	08/24/2004	(357962)
22	09/16/2004	(357963)
23	09/16/2004	(286828)
24	10/20/2004	(357964)
25	10/20/2004	(357967)
26	10/22/2004	(335486)
27	11/18/2004	(357965)
28	11/23/2004	(341603)
29	12/06/2004	(342954)
30	12/20/2004	(357966)
31	01/24/2005	(347892)
32	02/16/2005	(350569)
33	02/18/2005	(385070)
34	03/07/2005	(373370)
35	03/15/2005	(373594)
36	03/17/2005	(385071)
37	04/01/2005	(376012)
38	04/18/2005	(583161)
39	05/12/2005	(380791)
40	05/18/2005	(380544)
41	05/19/2005	(583164)
42	05/25/2005	(393344)
43	06/16/2005	(395612)
44	06/20/2005	(583167)
45	06/29/2005	(397403)
46	06/29/2005	(397984)
47	06/30/2005	(395371)
48	07/01/2005	(395376)
49	07/20/2005	(583170)
50	07/22/2005	(400525)
51	07/28/2005	(402169)
52	08/13/2005	(404858)
53	08/13/2005	(404652)
54	08/19/2005	(583173)
55	08/19/2005	(405534)
56	08/19/2005	(404027)
57	08/26/2005	(406126)
58	08/29/2005	(406253)
59	08/31/2005	(400938)
60	08/31/2005	(406090)

61	09/19/2005	(583175)
62	09/21/2005	(431540)
63	09/21/2005	(432140)
64	11/18/2005	(583179)
65	12/15/2005	(583177)
66	12/19/2005	(439303)
67	12/21/2005	(583181)
68	01/20/2006	(451440)
69	01/24/2006	(583183)
70	02/01/2006	(435482)
71	02/21/2006	(583157)
72	03/01/2006	(450492)
73	03/17/2006	(583159)
74	03/27/2006	(459945)
75	04/24/2006	(583162)
76	05/23/2006	(583165)
77	06/18/2006	(583171)
78	06/21/2006	(583168)
79	07/07/2006	(485450)
80	07/12/2006	(485630)
81	08/07/2006	(481848)
82	08/14/2006	(482853)
83	08/16/2006	(497523)
84	08/16/2006	(497159)
85	08/18/2006	(583174)
86	08/23/2006	(483649)
87	08/31/2006	(511046)
88	08/31/2006	(450609)
89	09/18/2006	(583176)
90	10/20/2006	(583178)
91	10/20/2006	(483955)
92	11/02/2006	(517526)
93	11/17/2006	(583180)
94	12/13/2006	(532743)
95	12/18/2006	(583182)
96	12/20/2006	(482975)
97	01/05/2007	(535816)
98	01/11/2007	(535323)
99	01/19/2007	(583184)
100	01/24/2007	(537029)
101	02/01/2007	(538731)
102	02/08/2007	(539006)
103	02/16/2007	(540900)
104	02/16/2007	(583158)
105	03/08/2007	(540725)
106	03/19/2007	(583160)
107	04/20/2007	(583163)
108	05/15/2007	(557031)
109	05/21/2007	(583166)
110	05/22/2007	(557035)
111	06/19/2007	(583169)
112	06/29/2007	(560992)
113	07/03/2007	(566581)
114	07/11/2007	(566079)
115	07/11/2007	(557176)
116	07/18/2007	(583172)
117	07/27/2007	(567691)
118	08/08/2007	(539377)
119	08/08/2007	(514284)
120	08/28/2007	(562022)
121	09/14/2007	(565956)
122	10/02/2007	(514528)
123	10/09/2007	(595450)
124	10/15/2007	(608382)
125	10/19/2007	(596871)
126	10/22/2007	(608381)
127	11/06/2007	(595861)
128	01/23/2008	(612779)

129 02/26/2008 (612679)
 130 04/07/2008 (641587)
 131 04/08/2008 (638701)
 132 04/15/2008 (646179)
 133 06/13/2008 (682875)
 134 08/22/2008 (646255)
 135 08/25/2008 (699662)

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

Date: 12/31/2003 (309934)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date: 04/30/2004 (309921)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date: 07/02/2004 (270362)
 Self Report? NO Classification: Moderate
 Citation: TWC Chapter 26 26.121
 Rqmt Prov: PERMIT TPDES Permit No. 01909
 Description: Failure to prevent a discharge of wastewater and process area storm water from entering the Corpus Christi Inner Harbor.
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(9)
 Rqmt Prov: PERMIT TPDES Permit No. 01909
 Description: Failure to submit a written notification of a noncompliance within five working days of becoming aware of the noncompliance. On April 25, 2004, the facility received approximately 6 inches of rainfall in a two hour period which resulted in the discharge of wastewater and process area stormwater.
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 Rqmt Prov: PERMIT TPDES Permit No. 01909
 Description: Failure to maintain the chlorine residual within the permitted limit of at least 1.0 mg/l. On the morning of May 3, 2004, a grab sample taken from outfall 005 measured 0.001 mg/l.
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 Rqmt Prov: PERMIT TPDES Permit No. 01909
 Description: Failure to maintain the flow of effluent within the permitted limit at outfall 003. A 2.89 MGD flow was reported for April 25, 2004 due to heavy rainfall in the area. The 24-hour flow limit is 2.79 million gallons (MGD).
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 Rqmt Prov: PERMIT TPDES Permit No. 01909
 Description: Failure to meet the effluent limit of 200 mg/l for chemical oxygen demand (COD) at storm water outfall 011. On December 12, 2003, a grab sample taken from outfall 011 measured 404 mg/l of COD.
 Date: 08/16/2004 (289440)
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(ii)
 30 TAC Chapter 116, SubChapter B 116.115(c)
 Rqmt Prov: PERMIT 38754/PSD-TX-324M11
 Description: Failure to prevent visible emissions from two flares (EPNs 127 and 158) as reported on January 23, 2004 in incident 33729 and on March 30, 2004 in incident 37226 respectively.
 Date: 05/31/2005 (583167)
 Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date: 06/30/2006 (583171)

Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date: 08/31/2006 (450609)

Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 122, SubChapter B 122.146(5)(D)
 Description: Failure to submit an accurate and complete Permit Compliance Certification including or referencing the identification of all terms and conditions of the permit for which compliance was not achieved.
 Date: 12/31/2006 (583184)

Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date: 04/23/2007 (557176)

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 335, SubChapter A 335.4(1)
 Description: Failure to obtain commission authorization prior to an activity of collection, handling, storage, processing, or disposal of industrial solid waste.
 Date: 05/15/2007 (557031)

Self Report? NO Classification: Moderate
 Citation: TWC Chapter 26 26.121
 Rqmt Prov: PERMIT Permit Conditions 2.g.
 Description: Failure to prevent two unauthorized discharges from the wastewater system or through a permitted outfall.

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(9)
 Rqmt Prov: PERMIT Monitoring and Reporting Req., 7.
 Description: Failure to provide notification to the TCEQ in accordance with permit provisions.

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 Rqmt Prov: PERMIT Effluent Limitations
 Description: Failure to meet permit limitation for Chemical Oxygen Demand (COD) at Outfall 006 on December 7, 2006.

Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 305, SubChapter F 305.124
 Rqmt Prov: PERMIT Permit Conditions, 2.a.
 Description: Failure to sample Outfall 002 weekly when discharge occurs.
 Date: 05/31/2007 (583169)

Self Report? YES Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)
 Description: Failure to meet the limit for one or more permit parameter
 Date: 07/10/2007 (557176)

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(1)
 40 CFR Chapter 265, SubChapter I, PT 265, SubPT CC 265.1090(f)
 Description: Failure to provide documentation verifying exemption status.

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(1)(B)
 40 CFR Chapter 265, SubChapter I, PT 265, SubPT J 265.191
 Description: Failure to comply with assessment of existing tank system's integrity.

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(1)(B)
 40 CFR Chapter 265, SubChapter I, PT 265, SubPT J 265.194(b)
 Description: Failure to comply with general operating requirements.

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(1)(B)
 40 CFR Chapter 265, SubChapter I, PT 265, SubPT J 265.195
 Description: Failure to comply with cathodic protection inspection and schedule.
 Date: 09/30/2007 (608381)

Self Report? YES Classification: Moderate
 Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)

30 TAC Chapter 305, SubChapter F 305.125(1)
Description: Failure to meet the limit for one or more permit parameter
Date: 11/06/2007 (595861)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(1)(B)
40 CFR Chapter 265, SubChapter I, PT 265, SubPT J 265.191
Description: Failure to comply with assessment of existing tank system's integrity.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(1)(B)
40 CFR Chapter 265, SubChapter I, PT 265, SubPT J 265.195
Description: Failure to comply with cathodic protection inspection and schedule.
Date: 02/26/2008 (612679)
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.145(2)(C)
5C THSC Chapter 382 382.085(b)
Description: Failure to submit a deviation report no later than 30 days after the end of the each reporting period. Specifically, the deviation report for the period of August 8, 2006 through February 7, 2007, due no later than March 7, 2007, was submitted late on March 15, 2007.
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 113, SubChapter C 113.340
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.640(n)(8)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.646
40 CFR Chapter 63, SubChapter C, PT 63, SubPT G 63.119(b)
5C THSC Chapter 382 382.085(b)
Description: Failure to conduct storage vessel inspections according to the frequency stipulated in provisions of applicable regulations.
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 113, SubChapter C 113.340
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT Kb 60.113b(a)(4)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.640(n)(8)
5C THSC Chapter 382 382.085(b)
Description: Failure to conduct storage vessel inspections according to the frequency stipulated in provisions of applicable regulations.
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 113, SubChapter C 113.340
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.640(n)(8)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.646
5C THSC Chapter 382 382.085(b)
Description: Failure to equip affected openings of storage vessels with devices which close off liquid surface area from atmosphere.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 113, SubChapter C 113.130
30 TAC Chapter 115, SubChapter D 115.322(2)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(a)
40 CFR Part 63, Subpart H 63.168
5C THSC Chapter 382 382.085(b)
Rqmt Prov: PA Flex NSR 38754 SC 32 & 33
Description: Failure to repair leaking components in a timely manner according to applicable requirements.
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 115, SubChapter D 115.322(4)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: PA Flex NSR 38754 SC 32(E)
Description: Failure to properly equip and operate each open-ended line (OELs) with a cap, blind flange, plug or a second valve.
Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT QQQ 60.692-2(a)(2)
5C THSC Chapter 382 382.085(b)

Description: Failure to conduct monthly inspection of drain water seal controls.

F. Environmental audits.

Notice of Intent Date: 03/05/2008 (640797)
No DOV Associated

Notice of Intent Date: 05/12/2008 (682226)
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
ENFORCEMENT ACTION
CONCERNING
VALERO REFINING-TEXAS, L.P.;
RN100214386**

**§
§
§
§
§**

**BEFORE THE

TEXAS COMMISSION ON

ENVIRONMENTAL QUALITY**

**AGREED ORDER
DOCKET NO. 2008-1520-IHW-E**

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Valero Refining-Texas, L.P. ("Valero") under the authority of TEX. WATER CODE ch. 7 and TEX. HEALTH & SAFETY CODE ch. 361. The Executive Director of the TCEQ, represented by the Litigation Division, and Valero, represented by Mr. Parker Wilson, General Counsel, appear before the Commission and together stipulate that:

1. Valero owns and operates a refinery located at 5900 Up River Road in Corpus Christi, Nueces County, Texas (the "Facility"). The Facility involves the management and disposal of industrial hazardous waste as defined in TEX. HEALTH & SAFETY CODE ch. 361.
2. This Agreed Order is entered into pursuant to TEX. WATER CODE §§ 7.051 and 7.070. The Commission has jurisdiction of this matter pursuant to TEX. WATER CODE § 5.013 because it alleges violations TEX. HEALTH & SAFETY CODE ch. 361 and TCEQ rules.
3. The Commission and Valero agree that the Commission has jurisdiction to enter this Agreed Order, and that Valero is subject to the Commission's jurisdiction.
4. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Valero of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
5. An administrative penalty in the amount of thirty-eight thousand six hundred eighty-eight dollars (\$38,688.00) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). Valero paid nineteen thousand three hundred forty-four dollars (\$19,344.00) of the administrative

penalty. Pursuant to TEX. WATER CODE § 7.067, nineteen thousand three hundred forty-four dollars (\$19,344.00) of the administrative penalty shall be conditionally offset by Valero's completion of a Supplemental Environmental Project ("SEP") as defined in Attachment A, incorporated herein by reference. Valero's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.

6. 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.
7. The Executive Director of the TCEQ and Valero agree on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
8. The Executive Director recognizes that Valero implemented the following corrective measures at the Facility in response to this enforcement action:
 - a. On August 8, 2008, documentation was submitted demonstrating that the leaking roll-off containers were repaired, and the waste was properly disposed;
 - b. On June 24, 2008, a TCEQ Corpus Christi Office investigator observed containers managing hazardous waste were properly closed;
 - c. On July 14, 2008, documentation was submitted demonstrating that the rusted 55-gallon drum in the accumulation area was replaced with a drum in good condition;
 - d. On August 8, 2008, the hazardous waste determinations were conducted on the waste being managed in the surface impoundment;
 - e. On August 13, 2008, documentation was submitted to add the overflow surface impoundment to the Notice of Registration.
 - f. On July 14, 2008, the contaminated soil from the unauthorized discharges was removed and the contaminated area remediated; and
 - g. On July 10, 2008, documentation was submitted to demonstrate that the manifests had been updated to include all required information.
9. 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 Valero has not complied with one or more of the terms or conditions in this Agreed Order.

10. 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.
11. 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

1. During an investigation conducted on June 23, 2008, a TCEQ Corpus Christi Regional Office investigator documented that Valero violated:
 - a. 30 TEX. ADMIN. CODE §§ 335.69(a)(1)(A) and 335.112(a)(8) and 40 CFR §§ 262.34(a)(1)(i), 265.171 and 265.173(a), by failing to maintain containers managing hazardous waste in good condition. Specifically, two 20 cubic yard roll off containers NOR 003 and NOR 011 were observed to be leaking.
 - b. 30 TEX. ADMIN. CODE §§ 335.69(a)(1)(A), 335.69(d)(1) and 335.112(a)(8) and 40 CFR §§ 262.34(a)(1)(i), 262.34(c)(1)(i), 265.171 and 265.173(a), by failing to keep containers managing hazardous waste in good condition and by failing to maintain hazardous waste containers closed except when adding or removing waste. Specifically, a 55-gallon drum in the satellite accumulation area was excessively rusted, and two containers, one inside NOR 021, BSRP Unit Container Storage Area, and another in the Exchanger Bundle Cleaning Container Storage Area, were left open.
 - c. 30 TEX. ADMIN. CODE § 335.6, by failing to provide written notification for all waste management units. Specifically, Valero did not submit written notification for the overflow surface impoundment located adjacent to the truck rack.
 - d. 30 TEX. ADMIN. CODE § 335.62 and 40 CFR § 262.11, by failing to conduct a hazardous waste determination for each solid waste generated. Specifically, a hazardous waste determination was not conducted on waste located in the overflow surface impoundment and inside the berm of crude oil tank 55.
 - e. 30 TEX. ADMIN. CODE § 335.4, by failing to prevent the unauthorized discharge of industrial solid waste. Specifically, two releases of industrial waste were noted, one from the crude oil supply pipe adjacent to crude oil tank (85TK55) storage area and the other near the valves and equipment associated with crude oil tank 56.

- f. 30 TEX. ADMIN. CODE § 335.10(c) and 40 CFR § 262.23, by failing to properly prepare and complete waste manifests as required. Specifically, waste manifest number 003889315JJK was missing the generator shipment date, waste manifest number 002035305JJK was missing the transporter EPA ID number, and waste manifest number 00241291JJK was missing the transporter pickup date.
2. Valero received notice of the violations on or about August 27, 2008.

III. DENIALS

Valero generally denies each Allegation in Section II.

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Valero pay an administrative penalty as set forth in Section I, Paragraph 5, above, for violations of TCEQ rules and state statutes. The payment of this administrative penalty and Valero'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 considering or requiring corrective action or penalties for violations which are not raised here.
2. Valero shall implement and complete the SEP in accordance with TEX. WATER CODE § 7.067 and as set forth in Section I, Paragraph 5 above. Nineteen thousand three hundred forty-four dollars (\$19,344.00) of the assessed administrative penalty shall be offset with the condition that Valero implement the SEP defined in Attachment A, incorporated herein by reference. Valero's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement. Administrative penalty payments for any portion of the SEP deemed by the Executive Director as not complete shall be made payable to "Texas Commission on Environmental Quality" and shall be sent with the notation "RE: Valero Refining-Texas, L.P., 2008-1520-IHW-E" to:

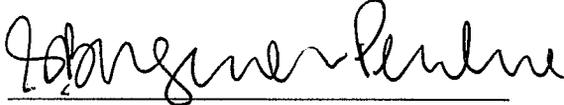
Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

3. All relief not expressly granted in this order is denied.
4. The provisions of this Agreed Order shall apply to and be binding upon Valero. Valero is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Facility operations referenced in this Agreed Order.
5. If Valero fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, Valero's failure to comply is not a violation of this Agreed Order. Valero shall have the burden of establishing to the Executive Director's satisfaction that such event has occurred. Valero shall notify the Executive Director within seven days after Valero becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
6. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by Valero shall be made in writing to the Executive Director. Extensions are not effective until Valero receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
7. This Agreed Order, issued by the Commission, shall not be admissible against Valero 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.
8. 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.
9. Under 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142, the effective date of this Agreed Order is the date of hand delivery of this Agreed Order to Valero, or three days after the date on which the Commission mails notice of this Agreed Order to Valero, 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

8/27/2010

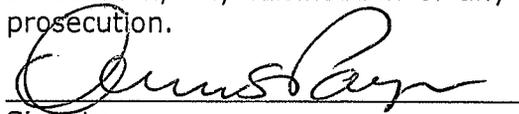
Date

I, the undersigned, have read and understand the attached Agreed Order. I represent that I am authorized to agree to the attached Agreed Order on behalf of the entity, if any, 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 Valero's compliance history;
- Greater scrutiny of any permit applications submitted by Valero;
- 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 against Valero;
- Automatic referral to the Attorney General's Office of any future enforcement actions against Valero; and
- TCEQ seeking other relief as authorized by law.

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



Signature

8/11/10

Date

Dennis Payne

Vice-President & General Manager

Name (Printed or typed)

Title

Authorized representative of
Valero Refining-Texas, L.P.

Attachment A
Docket Number: 2008-1520-IHW-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent: Valero Refining-Texas, L.P.

Penalty Amount: Thirty Eight Thousand Six Hundred Eighty-Eight Dollars (\$38,688)

SEP Offset Amount: Nineteen Thousand Three Hundred Forty-Four Dollars (\$19,344)

Type of SEP: Pre-approved SEP

Third-Party Recipient: City of Corpus Christi *Wetland Construction, Habitat Enhancements and Land Acquisition at the Oso Conservation Interpretive Park*

Location of SEP: Nueces County

The Texas Commission on Environmental Quality (“TCEQ”) agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project (“SEP”). The offset is equal to the SEP Offset Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project

A. Project Description

The Respondent shall contribute the SEP Offset Amount to the Third-Party Recipient named above. The contribution will be to **City of Corpus Christi** for the *Wetland Construction, Habitat Enhancements and Land Acquisition at the Oso Conservation Interpretive Park Project* to be used by the Third-Party Recipient as set forth in an agreement between the Third-Party Recipient and the TCEQ. The SEP Offset Amount will be used to pay for any of the following as allowed under the Agreement between the Third-Party Recipient and TCEQ.

- 1) Wetland Construction and Drainage Improvements - Third Party Recipient shall use SEP Funds to construct wetlands as a best management practice for stormwater control. A drainage ditch transects the Property and discharges directly into Oso Bay. Third Party Recipient shall construct wetlands so that water in the drainage ditch discharges into the wetlands prior to it entering Oso Bay. Construction of the wetlands must include appropriate contouring, elevations, plantings and water inflow to ensure that the wetlands achieve and maintain functionality. Third Party Recipient may also modify other portions of the drainage ditch to enhance stormwater control. By entering into this Agreement, Third Party Recipient certifies that it is not required to perform these actions under its stormwater control permit.
- 2) Habitat Restoration and Management - Third Party Recipient shall use SEP Funds to enhance habitats by restoring degraded wetlands and controlling and removing invasive species. The Property is largely former pasture land that borders on Oso Bay. The former rangeland harbors both non-indigenous species, such as Bermuda grass, and indigenous species, such as Mesquite and Huisache, that can become invasive and affect habitat functionality. Third Party Recipient shall control/remove the invasive species in an environmentally protective manner. Wetland restoration is needed because

of past modifications to the landscape (construction of the drainage ditch and grazing) that have negatively affected existing wetlands. Third Party Recipient shall recontour, replant, and perform other activities on these existing wetlands as necessary to restore or enhance the functionality of the wetlands.

- 3) Acquisition of Additional Land - Third Party Recipient shall use SEP Funds to acquire tracts of land adjacent to the Property. Third Party Recipient shall ensure that any land acquired with SEP Funds has high conservation values, becomes a part of the Oso Conservation Interpretive Park soon after acquisition; and is preserved in perpetuity through a conservation easement approved by the TCEQ. The SEP will be done in accordance with all federal, state and local environmental laws and regulations.

All dollars contributed will be used solely for the direct cost of the project and no portion will be spent on administrative costs. The Respondent shall not profit from this SEP in any manner. The Respondent certifies that it has no prior commitment to make this contribution and that it is being done solely in an effort to settle this enforcement action.

B. Environmental Benefit

Constructed wetlands, used as a best management practice for stormwater control, will reduce pollutant loading such as oil and grease, nitrogen and bacteria, and floatable trash that can enter into Oso Bay.

Restoration of degraded wetlands and the removal of invasive species will return the property to ecological functionality. Wetlands are known for providing habitat for wildlife, filtering pollutants, and retaining stormwater, as well as providing other ecological services.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Offset Amount to the Third-Party Recipient. The Respondent shall mail a copy of the Agreed Order with the contribution to the addressee listed below:

City of Corpus Christi
Attention: City Manager
1201 Leopard Street, 3rd Floor
Corpus Christi, Texas 78401

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating payment of the SEP Offset Amount to the Third Party Recipient. The Respondent shall mail a copy of each check and transmittal letter to:

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Offset Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Offset Amount.

In the event of incomplete performance, the Respondent shall submit a check for any remaining amount due made payable to "Texas Commission on Environmental Quality" with the notation "SEP Refund" and the docket number of the case, and shall send it to:

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP identified in this Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.