Executive Summary – Enforcement Matter – Case No. 41425
ConocoPhillips Pipe Line Company
RN100212778 and RN100213313
Docket No. 2011-0523-AIR-E

Order Type:
1660 Agreed Order
Findings Order Justification:
N/A
Media:
AIR
Small Business:
No
Location(s) Where Violation(s) Occurred:
Gaines Station, 24 miles west of Seminole on United States Route 62/180, Gaines County and Odessa Station, 2.1 miles south of Goldsmith on Farm-to-Market Road 866, Ector County
Type of Operation:
Crude oil pump stations
Other Significant Matters:
Additional Pending Enforcement Actions: No
Past-Due Penalties: No
Other: N/A
Interested Third-Parties: None
Texas Register Publication Date: August 19, 2011
Comments Received: No

Penalty Information

Total Penalty Assessed: $48,400
Amount Deferred for Expedited Settlement: $9,680
Amount Deferred for Financial Inability to Pay: $0
Total Paid to General Revenue: $38,720
Total Due to General Revenue: $0
Payment Plan: N/A
SEP Conditional Offset: $0
Name of SEP: N/A
Compliance History Classifications: RN100212778 and RN100213313
Person/CN - Average
Site/RN - Average
Major Source: Yes
Statutory Limit Adjustment: N/A
Applicable Penalty Policy: September 2002

Executive Summary – Enforcement Matter – Case No. 41425
ConocoPhillips Pipe Line Company
RN100212778 and RN100213313
Docket No. 2011-0523-AIR-E

Investigation Information

Complaint Date(s): N/A
Complaint Information: N/A
Date(s) of Investigation: March 30 and 31, 2011 and January 27 to March 27, 2011
Date(s) of NOE(s): March 29, 2011 and March 31, 2011

Violation Information

1. Failed to maintain Federal Operating Permit ("FOP") authorization while continuing to operate the Gaines Station. Specifically, in addition to submitting a timely application to renew FOP No. O2724, the Respondent erroneously requested that the FOP be voided, and continued to operate the emission sources at the Gaines Station after the FOP was voided [30 TEX. ADMIN. CODE § 122.121 and TEX. HEALTH & SAFETY CODE §§ 382.054 and 382.085(b)].

2. Failed to maintain FOP authorization while continuing to operate the Odessa Station. Specifically, in addition to submitting a timely application to renew FOP No. O2731, the Respondent erroneously requested that the FOP be voided, and continued to operate the emission sources at the Odessa Station after the FOP was voided [30 TEX. ADMIN. CODE § 122.121 and TEX. HEALTH & SAFETY CODE §§ 382.054 and 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent submitted abbreviated FOP applications for the Gaines Station and the Odessa Station on September 13, 2010.

Technical Requirements:

The Order will require the Respondent to:

a. Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the permit applications within 30 days after the date of such requests, or by any other deadline specified in writing;

b. Immediately upon the effective date of this Agreed Order, until such time authorization to operate is obtained or until 180 days after the effective date of this Agreed Order, whichever is earlier, comply with the provisions in voided FOP Nos. O2724 and O2731; and

c. Within 180 days, submit written certification that either a FOP authorization to operate a major source of air emissions has been obtained for the Gaines Station and the Odessa Station or that operation has ceased until such time that appropriate authorization is obtained.

Executive Summary – Enforcement Matter – Case No. 41425
ConocoPhillips Pipe Line Company
RN100212778 and RN100213313
Docket No. 2011-0523-AIR-E

Litigation Information

Date Petition(s) Filed: N/A
Date Answer(s) Filed: N/A
SOAH Referral Date: N/A
Hearing Date(s): N/A
Settlement Date: N/A

Contact Information

TCEQ Attorney: N/A
TCEQ Enforcement Coordinator: Kimberly Morales, Enforcement Division, Enforcement Team 5, MC R-12, (713) 422-8938; Debra Barber, Enforcement Division, MC 219, (512) 239-0412.
TCEQ SEP Coordinator: N/A
Respondent: Rodger Lewis, Pipelines Division Manager - Amarillo, ConocoPhillips Pipe Line Company, 905 South Fillmore Street, Suite 300, Amarillo, Texas 79101-3540
Deborah G. Adams, President of Transportation, ConocoPhillips Pipe Line Company, 905 South Fillmore Street, Suite 300, Amarillo, Texas 79101-3540
Respondent's Attorney: Laura L. LaValle, Principal, Beveridge & Diamond, P.C., 98 San Jacinto Boulevard, Suite 1420, Austin, Texas 78701-4039

Penalty Calculation Worksheet (PCW)

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

TCEQ

DATES					
Assigned	4-Apr-2011				
PCW	20-May-2011	Screening	5-Apr-2011	EPA Due	

RESPONDENT/FACILITY INFORMATION

Respondent	ConocoPhillips Pipe Line Company (Gaines Station)		
Reg. Ent. Ref. No.	RN100212778		
Facility/Site Region	7-Midland	Major/Minor Source	Major

CASE INFORMATION

Enf./Case ID No.	41425	No. of Violations	1
Docket No.	2011-0523-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Kimberly Morales
		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* **$20,000**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History — **22.0%** Enhancement — *Subtotals 2, 3, & 7* **$4,400**

Notes: Enhancement for one NOV for dissimilar violations and one order with denial of liability.

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* **$0**

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

Total EB Amounts: $445
Approx. Cost of Compliance: $5,000
**Capped at the Total EB $ Amount*

SUM OF SUBTOTALS 1-7 — *Final Subtotal* **$24,400**

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

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount **$24,400**

STATUTORY LIMIT ADJUSTMENT — *Final Assessed Penalty* **$24,400**

DEFERRAL — **20.0%** Reduction — *Adjustment* **-$4,880**

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 **$19,520**

Screening Date 5-Apr-2011 **Docket No.** 2011-0523-AIR-E **PCW**

Respondent ConocoPhillips Pipe Line Company (Gaines Station)

Policy Revision 2 (September 2002)

Case ID No. 41425

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100212778

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Compliance History Worksheet

>> Compliance History *Site* Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (*number of NOVs meeting criteria*)	0	0%
	Other written NOVs	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability (*number of orders meeting criteria*)	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (*number of judgements or consent decrees meeting criteria*)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (*number of counts*)	0	0%
Emissions	Chronic excessive emissions events (*number of events*)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 *(number of audits for which notices were submitted)*	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (*number of audits for which violations were disclosed*)	0	0%

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

Adjustment Percentage (Subtotal 2) 22%

>> 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 NOV for dissimilar violations and one order with denial of liability.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 22%

Screening Date 5-Apr-2011 **Docket No.** 2011-0523-AIR-E **PCW**

Respondent ConocoPhillips Pipe Line Company (Gaines Station)

Policy Revision 2 (September 2002)

Case ID No. 41425

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100212778

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 122.121 and Tex. Health & Safety Code §§ 382.054 and 382.085(b)

Violation Description Failed to maintain federal operating permit ("FOP") authorization while continuing to operate the Gaines Station. Specifically, in addition to submitting a timely application to renew FOP No. O2724, the Respondent erroneously requested that the FOP be voided, and continued to operate the emission sources at the Gaines Station after the FOP was voided.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 25%

Matrix Notes: 100% of the rule requirement was not met.

Adjustment $7,500

$2,500

Violation Events

Number of Violation Events 8 | 231 Number of violation days

mark only one with an x

daily	
weekly	
monthly	x
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty $20,000

Eight monthly events are recommended from the date that the FOP was voided on August 17, 2010 to the screening date of April 5, 2011.

Good Faith Efforts to Comply

0.0% Reduction $0

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

Notes: The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal $20,000

Economic Benefit (EB) for this violation

Estimated EB Amount $445

Statutory Limit Test

Violation Final Penalty Total $24,400

This violation Final Assessed Penalty (adjusted for limits) $24,400

Economic Benefit Worksheet

Respondent ConocoPhillips Pipe Line Company (Gaines Station)
Case ID No. 41425
Reg. Ent. Reference No. RN100212778
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description (No commas or $)	Item Cost	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	$5,000	17-Aug-2010	28-May-2012	1.78	$445	n/a	$445
Other (as needed)				0.00	$0	n/a	$0

Notes for DELAYED costs: Estimated expense to obtain a new FOP. The Date Required is the date that FOP No. O2724 was voided. The Final Date is the date that corrective measures are expected to be completed.

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 $5,000

TOTAL $445

Penalty Calculation Worksheet (PCW)

TCEQ

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

DATES					
Assigned	4-Apr-2011				
PCW	20-May-2011	Screening	5-Apr-2011	EPA Due	

RESPONDENT/FACILITY INFORMATION

Respondent	ConocoPhillips Pipe Line Company (Odessa Station)		
Reg. Ent. Ref. No.	RN100213313		
Facility/Site Region	7-Midland	Major/Minor Source	Major

CASE INFORMATION

Enf./Case ID No.	41425	No. of Violations	1
Docket No.	2011-0523-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Kimberly Morales
		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* **$20,000**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History — **20.0%** Enhancement — *Subtotals 2, 3, & 7* **$4,000**

Notes: Enhancement for one order with denial of liability.

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* **$0**

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

Total EB Amounts: $441
Approx. Cost of Compliance: $5,000

**Capped at the Total EB $ Amount*

SUM OF SUBTOTALS 1-7 — *Final Subtotal* **$24,000**

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

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount **$24,000**

STATUTORY LIMIT ADJUSTMENT — *Final Assessed Penalty* **$24,000**

DEFERRAL — **20.0%** Reduction — *Adjustment* **-$4,800**

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 **$19,200**

Screening Date 5-Apr-2011 **Docket No.** 2011-0523-AIR-E **PCW**

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

Case ID No. 41425 *PCW Revision October 30, 2008*

Reg. Ent. Reference No. RN100213313

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Compliance History Worksheet

>> Compliance History *Site* Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (*number of NOVs meeting criteria*)	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (*number of orders meeting criteria*)	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (*number of judgements or consent decrees meeting criteria*)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (*number of counts*)	0	0%
Emissions	Chronic excessive emissions events (*number of events*)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 *(number of audits for which notices were submitted)*	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (*number of audits for which violations were disclosed*)	0	0%
		Please Enter Yes or No	
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 20%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

Enhancement for one order with denial of liability.

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

Screening Date 5-Apr-2011 **Docket No.** 2011-0523-AIR-E **PCW**

Respondent ConocoPhillips Pipe Line Company (Odessa Station)

Policy Revision 2 (September 2002)

Case ID No. 41425

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100213313

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 122.121 and Tex. Health & Safety Code §§ 382.054 and 382.085(b)

Violation Description Failed to maintain federal operating permit ("FOP") authorization while continuing to operate the Odessa Station. Specifically, in addition to submitting a timely application to renew FOP No. O2731, the Respondent erroneously requested that the FOP be voided, and continued to operate the emission sources at the Odessa Station after the FOP was voided.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 25%

Matrix Notes: 100% of the rule requirement was not met.

Adjustment $7,500

$2,500

Violation Events

Number of Violation Events 8

225 Number of violation days

mark only one with an x

daily	
weekly	
monthly	x
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty $20,000

Eight monthly events are recommended from the date that the FOP was voided on August 23, 2010 to the screening date of April 5, 2011.

Good Faith Efforts to Comply

0.0% Reduction $0

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

Notes: The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal $20,000

Economic Benefit (EB) for this violation

Estimated EB Amount $441

Statutory Limit Test

Violation Final Penalty Total $24,000

This violation Final Assessed Penalty (adjusted for limits) $24,000

Compliance History

Customer/Respondent/Owner-Operator:	CN600134761	ConocoPhillips Pipe Line Company	Classification: AVERAGE	Rating: 3.07
Regulated Entity:	RN100212778	GAINES PUMP STATION	Classification: AVERAGE	Site Rating: 6.86

ID Number(s):

AIR OPERATING PERMITS	ACCOUNT NUMBER	GA0156V
AIR OPERATING PERMITS	PERMIT	2724
AIR OPERATING PERMITS	PERMIT	3396
AIR NEW SOURCE PERMITS	PERMIT	19919
AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	GA0156V
AIR NEW SOURCE PERMITS	AFS NUM	4816500053
AIR NEW SOURCE PERMITS	REGISTRATION	70899
AIR NEW SOURCE PERMITS	REGISTRATION	72817
AIR EMISSIONS INVENTORY	ACCOUNT NUMBER	GA0156V

Location: 24 MILES WEST OF SEMINOLE ON US ROUTE 62/180, Gaines County

TCEQ Region: REGION 07 - MIDLAND

Date Compliance History Prepared: April 05, 2011

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: April 05, 2006 to April 05, 2011

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History
Name: Kimberly Morales Phone: (713) 422-8938

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: 9/1/2010 Repeat Violator: NO

Components (Multimedia) for the Site:

A. Final Enforcement Orders, court judgments, and consent decrees of the State of Texas and the federal government.

Effective Date: 02/05/2007 ADMINORDER 2006-1221-AIR-E
Classification: Moderate
Citation: 30 TAC Chapter 122, SubChapter B 122.146(2)
Rqmt Prov: No. O-01186, General Terms and Condition PERMIT
Description: failed to timely submit a Permit Compliance Certification Form for the period Feb. 1, 2005 to Nov. 28, 2005, in violation of 30 Tex. Admin. Code § 122.146(2), Tex. Health & Safety Code § 382.085(b), and Federal Operating Permit No. O-1186, General Terms and Conditions, as documented during a records review.

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	07/05/2006	(485206)
2	02/12/2007	(540056)
3	09/17/2007	(594607)
4	01/15/2008	(614306)
5	02/18/2009	(735699)
6	02/02/2010	(790081)
7	02/10/2011	(894849)

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

Date: 02/13/2007 (540056)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(A)
5C THC Chapter 382, SubChapter D 382.085(b)
Description: Failure to report all instances of permit deviations.

F. Environmental audits.

N/A

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

Compliance History

Customer/Respondent/Owner-Operator:	CN600134761	ConocoPhillips Pipe Line Company	Classification: AVERAGE	Rating: 3.07
Regulated Entity:	RN100213313	ODESSA STATION	Classification: AVERAGE	Site Rating: 7.50

ID Number(s):

AIR OPERATING PERMITS	ACCOUNT NUMBER	EB0103T
AIR OPERATING PERMITS	PERMIT	3395
AIR OPERATING PERMITS	PERMIT	3395
AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	EB0103T
AIR NEW SOURCE PERMITS	REGISTRATION	72805
AIR NEW SOURCE PERMITS	AFS NUM	4813500032
AIR EMISSIONS INVENTORY	ACCOUNT NUMBER	EB0103T

Location: 2.1 MILES SOUTH OF GOLDSMITH ON FM 866, ECTOR COUNTY

TCEQ Region: REGION 07 - MIDLAND

Date Compliance History Prepared: April 05, 2011

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: April 05, 2006 to April 05, 2011

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History
Name: Kimberly Morales Phone: (713) 422-8938

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: 9/1/2010 Repeat Violator: NO

Components (Multimedia) for the Site:

A. Final Enforcement Orders, court judgments, and consent decrees of the State of Texas and the federal government.

Effective Date: 06/26/2006 ADMINORDER 2006-0157-AIR-E
Classification: Moderate
Citation: 30 TAC Chapter 122, SubChapter B 122.146(2)
5C THC Chapter 382, SubChapter A 382.085(b)
Description: Failed to submit the annual Permit Compliane Certification in a timely manner for the compliance period of September 13, 2004 through September 12, 2005.

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 10/03/2006 (515109)
2 11/08/2007 (600177)
3 03/10/2009 (738032)
4 02/16/2010 (791776)
5 01/28/2011 (893404)
6 03/30/2011 (907913)

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

N/A

F. Environmental audits.

N/A

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

IN THE MATTER OF AN	**§**	**BEFORE THE**
ENFORCEMENT ACTION	**§**	
CONCERNING	**§**	
CONOCOPHILLIPS PIPE LINE	**§**	**TEXAS COMMISSION ON**
COMPANY	**§**	
RN100212778	**§**	
RN100213313	**§**	**ENVIRONMENTAL QUALITY**

AGREED ORDER
DOCKET NO. 2011-0523-AIR-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding ConocoPhillips Pipe Line Company ("the Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent, represented by Laura L. LaValle of the law firm of Beveridge & Diamond, P.C., appear before the Commission and together stipulate that:

1. The Respondent owns and operates two crude oil pump stations located 24 miles west of Seminole on United States Route 62/180, in Gaines County, Texas (the "Gaines Station"), and 2.1 miles south of Goldsmith on Farm-to-Market Road 866, in Ector County, Texas (the "Odessa Station").

2. The Gaines Station and the Odessa Station consist 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 4 and 5, 2011, for the Odessa Station and Gaines Station, respectively.

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 Forty-Eight Thousand Four Hundred Dollars ($48,400) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Thirty-Eight Thousand Seven Hundred Twenty Dollars ($38,720) of the administrative penalty and Nine Thousand Six Hundred Eighty Dollars ($9,680) 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 submitted abbreviated Federal Operating Permit ("FOP") applications for the Gaines Station and the Odessa Station on September 13, 2010.

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 Gaines Station and the Odessa Station, the Respondent is alleged to have:

1. Failed to maintain FOP authorization while continuing to operate the Gaines Station, in violation of 30 TEX. ADMIN. CODE § 122.121 and TEX. HEALTH & SAFETY CODE §§ 382.054 and 382.085(b), as documented during a record review conducted on March 30 and 31, 2011. Specifically, in addition to submitting a timely application to renew FOP No. O2724, the Respondent erroneously requested that the FOP be voided, and continued to operate the emission sources at the Gaines Station after the FOP was voided.

2. Failed to maintain FOP authorization while continuing to operate the Odessa Station, in violation of 30 TEX. ADMIN. CODE § 122.121 and TEX. HEALTH & SAFETY CODE §§ 382.054 and 382.085(b), as documented during a record review conducted from January 27 to March 27, 2011. Specifically, in addition to submitting a timely application to renew FOP No. O2731, the Respondent erroneously requested that the FOP be voided, and continued to operate the emission sources at the Odessa Station after the FOP was voided.

III. DENIALS

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

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: ConocoPhillips Pipe Line Company, Docket No. 2011-0523-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. It is further ordered that the Respondent shall undertake the following technical requirements:

   a. Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the permit applications within 30 days after the date of such requests, or by any other deadline specified in writing;

   b. Immediately upon the effective date of this Agreed Order, until such time authorization to operate is obtained or until 180 days after the effective date of this Agreed Order, whichever is earlier, comply with the provisions in voided FOP Nos. O2724 and O2731; and

   c. Within 180 days after the effective date of this Agreed Order, submit written certification that either a federal operating permit authorization to operate a major source of air emissions has been obtained for the Gaines Station and the Odessa Station or that operation has ceased until such time that appropriate authorization is obtained. The certification shall include detailed supporting documentation including receipts and/or other records to demonstrate

compliance, be notarized by a State of Texas Notary Public, and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Air Section, Manager
Midland Regional Office
Texas Commission on Environmental Quality
3300 North A Street, Building 4, Suite 107
Midland, Texas 79705-5404

3. 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 Gaines Station and Odessa Station operations referenced in this Agreed Order.

4. If the Respondent 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, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.

5. 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 the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.

6. 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.

7. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.

8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

For the Executive Director

8/30/11
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.

Signature

7-12-2011
Date

Deborah G. Adams
Name (Printed or typed)
Authorized Representative of
ConocoPhillips Pipe Line Company

President Transportation
Title

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.