

**Executive Summary – Enforcement Matter – Case No. 41571
ONEOK Hydrocarbon Southwest, LLC
RN100209949
Docket No. 2011-0659-AIR-E**

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Mont Belvieu Fractionator, 9900 Farm-to-Market Road 1942, Mont Belvieu, Chambers County

Type of Operation:

Natural gas liquids fractionation plant

Other Significant Matters:

Additional Pending Enforcement Actions: Yes, Docket No. 2011-1714-AIR-E

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: October 28, 2011

Comments Received: No

Penalty Information

Total Penalty Assessed: \$82,875

Amount Deferred for Expedited Settlement: \$16,575

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$33,150

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$33,150

Name of SEP: Barbers Hill Energy Efficiency Program

Compliance History Classifications:

Person/CN - Average

Site/RN - Average

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: September 2002

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ONEOK Hydrocarbon Southwest, LLC
RN100209949
Docket No. 2011-0659-AIR-E

Investigation Information

Complaint Date(s): N/A
Complaint Information: N/A
Date(s) of Investigation: February 24, 2011
Date(s) of NOE(s): April 20, 2011

Violation Information

1. Failed to comply with the permitted volatile organic compounds ("VOC") annual emission rate from flare Emission Point Number ("EPN") FL-1. Specifically, the maximum allowable VOC annual emission rate from EPN FL-1 is 0.15 ton per year, and the rolling 12-month VOC emission rates are as follows: May 2010 - 0.1543 ton, June 2010 - 0.1770 ton, July 2010 - 0.1808 ton, August 2010 - 0.1841 ton, September 2010 - 0.1925 ton, October 2010 - 0.2185 ton, November 2010 - 0.2308 ton, and December 2010 - 0.2364 ton [30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F), 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), New Source Review ("NSR") Permit No. 3956B, Special Conditions ("SC") No. 1, and Federal Operating Permit ("FOP") No. O107, Special Terms and Conditions ("STC") No. 10].

2. Failed to comply with the permitted VOC emission rates and permitted VOC concentration limit from Cooling Towers ("CT") 2 and 3. Specifically, the water returning to EPN CT-2 and CT-3 exceeded the 0.45 parts per million by weight VOC concentration limit on 12 occasions. The VOC pounds per hour for CT-2 and CT-3 were exceeded and VOC tons per year emission rate for CT-2 was exceeded [30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F), 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), NSR Permit No. 3956B, SC Nos. 1 and 16C, and FOP No. O107, STC No. 10].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

N/A

Technical Requirements:

1. The Order will require the Respondent to implement and complete a Supplemental Environmental Project ("SEP"). (See SEP Attachment A)
2. The Order will also require the Respondent to:
 - a. Within 90 days, replace heat exchanger No. HT-115B with a new heat exchanger(s);
 - b. By December 31, 2012, replace heat exchanger No. HT-14A with a new heat exchanger(s);
 - c. Every 90 days, submit a quarterly update report to the TCEQ Houston Regional Office describing the progress made for the heat exchanger replacement requirements. These

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quarterly updates shall include information regarding actions taken by the Respondent and shall include a tentative schedule describing additional work that may be undertaken to achieve compliance. The quarterly updates shall be required until heat exchanger Nos. HT-115B and HT-14A have been replaced. Once heat exchanger Nos. HT-115B and HT-14A have been replaced, the quarterly updates will no longer be required under this Ordering Provision; and

d. Within 15 days of completion of the installation of all the heat exchangers, submit written certification demonstrating compliance with Ordering Provision Nos. 2.a. and 2.b.

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: Heather Podlipny, Enforcement Division, Enforcement Team 4, MC 149, (512) 239-2603; Debra Barber, Enforcement Division, MC 219, (512) 239-0412.
TCEQ SEP Coordinator: Stuart Beckley, SEP Coordinator, Enforcement Division, MC 219, (512) 239-3565
Respondent: Tony Cangieter, Environmental Engineer, ONEOK Hydrocarbon Southwest, LLC, 9900 Farm-to-Market Road 1942, P.O. Box 550, Mont Belvieu, Texas 77580
Wesley J. Christensen, Senior Vice President-Natural Gas Liquids Operations, ONEOK Hydrocarbon Southwest, LLC, P.O. Box 871, Tulsa Oklahoma 74102-0871
Respondent's Attorney: N/A

Attachment A
Docket Number: 2011-0659-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent: ONEOK Hydrocarbon Southwest, LLC

Penalty Amount: Sixty-Six Thousand Three Hundred Dollars (\$66,300)

SEP Offset Amount: Thirty-Three Thousand One Hundred Fifty Dollars (\$33,150)

Type of SEP: Pre-approved

Third-Party Recipient: Barbers Hill Independent School District

Project Name: *Barbers Hill Energy Efficiency Program*

Location of SEP: Chambers and Harris Counties

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for 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 Description

A. Project

The SEP offset amount will be used to perform energy efficiency upgrades on public buildings and infrastructure. Specifically, the SEP offset amount may only be used for: 1) the cost of conducting energy efficiency audits; 2) the incremental cost for construction or implementation of energy-efficiency upgrades (versus the cost of non-energy efficiency upgrades); 3) the incremental cost of purchase of more energy-efficient equipment or appliances (versus the cost of purchasing non-energy efficient equipment or appliances); or 4) other direct costs authorized in advance by TCEQ.

The SEP offset amount may be used to conduct energy efficiency audits on its buildings to prioritize implementation of energy efficiency projects. The results of those audits along with any proposed modifications and associated budgets and proposal for expenditure will be submitted to TCEQ. Modifications may include, but are not limited to, weatherization, cool roofs, energy-reduction modifications such as replacing heating, ventilation, and cooling (HVAC) systems with more efficient boilers, motors, and variable-speed drives; reducing energy and maintenance costs by installing centralized

ONEOK Hydrocarbon Southwest, LLC
Agreed Order - Attachment A

energy management systems; lowering electric lighting and cooling loads and boosting productivity through increased use of daylighting, installation of LED traffic lights, and use of renewable energy sources. The environmental benefit of each project will be quantified and the results of those calculations will be submitted to TCEQ within 90 days of completion of each project.

The Third-Party Recipient certifies that it has no prior budgetary commitment to do this project and that it is not receiving duplicative funding to perform this project. The Third-Party Recipient agrees to disclose to TCEQ any additional sources of funding it receives to perform any portion of the projects described herein or for which it intends to utilize SEP offset amount. The Third-Party Recipient certifies that it shall not use SEP offset amount to assist in complying with any governmental rule or regulation and that it is not required to perform this project under any existing rule or law. The Third-Party Recipient agrees to use a competitive bid process or other mechanism to ensure that costs of the project are reasonable and customary.

The SEP offset amount will be used solely for the direct cost of performing this project and no portion will be spent on administrative costs. For items 2, 3, and 4 above, the Third-Party Recipient shall submit a budget and proposals for expenditure to TCEQ for written approval prior to the use of the SEP offset amount.

B. Environmental Benefit

Implementation of this Project will reduce fuel and electricity usage for heating and cooling and day-to-day operations. These reductions will reduce emissions of particulate matter (PM), volatile organic carbon (VOC) compounds, nitrogen oxides (NOx), and other pollutants associated with the combustion of fuel and generation of electricity.

C. Minimum Expenditure

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, Respondent shall contribute the SEP offset amount to the Third-Party Recipient. Respondent shall mail the contribution, with a copy of the Agreed Order to:

ONEOK Hydrocarbon Southwest, LLC
Agreed Order - Attachment A

Barbers Hill ISD
Attention: John Johnson
Carl R. Griffiths & Associates
2901 Turtle Creek Drive, Suite 445
Port Arthur, TX 77642

3. Records and Reporting

Concurrent with the payment of the SEP offset amount, Respondent shall provide the Enforcement Division SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP offset amount to the Third-Party Recipient. Respondent shall mail a copy of the check and transmittal letter to:

Texas Commission on Environmental Quality
Enforcement Division
Attention: SEP Coordinator, MC 219
PO Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If 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, 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 mail it to:

Texas Commission on Environmental Quality
Office of Legal Services Litigation Division
Attention: SEP Coordinator, MC 175
PO Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning this SEP made by or on behalf of 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.

ONEOK Hydrocarbon Southwest, LLC
Agreed Order - Attachment A

6. Clean Texas Program

Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, 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 offset amount identified in this Agreed Order has not been, and shall not be, included as a SEP for 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 October 30, 2008

TCEQ

DATES	Assigned	25-Apr-2011	Screening	2-May-2011	EPA Due	15-Jan-2012
	PCW	9-May-2011				

RESPONDENT/FACILITY INFORMATION			
Respondent	ONEOK Hydrocarbon Southwest, LLC		
Reg. Ent. Ref. No.	RN100209949		
Facility/Site Region	12-Houston	Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	41571	No. of Violations	2
Docket No.	2011-0659-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Heather Podlipny
		EC's Team	Enforcement Team 4
Admin. Penalty \$ Limit	Minimum	\$0	Maximum
			\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1** **\$42,500**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History **95.0%** Enhancement **Subtotals 2, 3, & 7** **\$40,375**

Notes: Enhancement for two orders with denial of liability, one order without denial of liability, five NOV's with same/similar violations, and four NOV's with dissimilar violations. Reduction for one Notice of Intent to conduct audits and for one Disclosure of Violations.

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 \$1,760
Approx. Cost of Compliance \$20,000
*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal** **\$82,875**

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

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount **\$82,875**

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** **\$82,875**

DEFERRAL **20.0%** Reduction **Adjustment** **-\$16,575**

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

Notes

Deferral offered for expedited settlement.

PAYABLE PENALTY **\$66,300**

Screening Date 2-May-2011

Docket No. 2011-0659-AIR-E

PCW

Respondent ONEOK Hydrocarbon Southwest, LLC

Policy Revision 2 (September 2002)

Case ID No. 41571

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100209949

Media [Statute] Air

Enf. Coordinator Heather Podlipny

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 (<i>number of NOVs meeting criteria</i>)	5	25%
	Other written NOVs	4	8%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	2	40%
	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	0	0%
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>)	1	-1%
	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>)	1	-2%
<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) 95%

>> 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 two orders with denial of liability, one order without denial of liability, five NOVs with same/similar violations, and four NOVs with dissimilar violations. Reduction for one Notice of Intent to conduct audits and for one Disclosure of Violations.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 95%

Screening Date 2-May-2011

Docket No. 2011-0659-AIR-E

PCW

Respondent ONEOK Hydrocarbon Southwest, LLC

Policy Revision 2 (September 2002)

Case ID No. 41571

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100209949

Media [Statute] Air

Enf. Coordinator Heather Podlipny

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(b)(2)(F), 116.115(c) and 122.143(4), Tex. Health & Safety Code § 382.085(b), New Source Review ("NSR") Permit No. 3956B, Special Conditions ("SC") No. 1, and Federal Operating Permit ("FOP") No. O107, Special Terms and Conditions ("STC") No. 10

Violation Description Failed to comply with the permitted volatile organic compounds ("VOC") annual emission rate from flare Emission Point Number ("EPN") FL-1. Specifically, the maximum allowable VOC annual emission rate from EPN FL-1 is 0.15 ton per year, and the rolling 12-month VOC emission rates are as follows: May 2010 - 0.1543 ton, June 2010 - 0.1770 ton, July 2010 - 0.1808 ton, August 2010 - 0.1841 ton, September 2010 - 0.1925 ton, October 2010 - 0.2185 ton, November 2010 - 0.2308 ton, and December 2010 - 0.2364 ton.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Table with columns: Release (Actual, Potential), Harm (Major, Moderate, Minor), and Percent (25%).

>> Programmatic Matrix

Table with columns: Falsification, Major, Moderate, Minor, and 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 3 Number of violation days 245

Table for frequency: daily, weekly, monthly, quarterly (marked with x), semiannual, annual, single event.

Violation Base Penalty \$7,500

Three quarterly events are recommended for the period May 1, 2010 through December 31, 2010.

Good Faith Efforts to Comply

0.0% Reduction Before NOV NOV to EDPRP/Settlement Offer \$0

Table for Good Faith Efforts: Extraordinary, Ordinary, N/A (marked with x).

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

Violation Subtotal \$7,500

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$838

Violation Final Penalty Total \$14,625

This violation Final Assessed Penalty (adjusted for limits) \$14,625

Economic Benefit Worksheet

Respondent ONEOK Hydrocarbon Southwest, LLC
Case ID No. 41571
Reg. Ent. Reference No. RN100209949
Media Air
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
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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				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$10,000	31-May-2010	2-Feb-2012	1.68	\$838	n/a	\$838

Notes for DELAYED costs

Estimated cost to implement procedures designed to prevent VOC exceedances from EPN FL-1. The Date Required is the date the violation period began and the Final Date is the estimated 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

\$10,000

TOTAL

\$838

Screening Date 2-May-2011

Docket No. 2011-0659-AIR-E

PCW

Respondent ONEOK Hydrocarbon Southwest, LLC

Policy Revision 2 (September 2002)

Case ID No. 41571

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100209949

Media [Statute] Air

Enf. Coordinator Heather Podlipny

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(b)(2)(F), 116.115(c) and 122.143(4), Tex. Health & Safety Code § 382.085(b), NSR Permit No. 3956B, SC Nos. 1 and 16C, and FOP No. O107, STC No. 10

Violation Description

Failed to comply with the permitted VOC emission rates and permitted VOC concentration limit from Cooling Towers ("CT") 2 and 3. Specifically, the water returning to EPN CT-2 and CT-3 exceeded the 0.45 parts per million by weight VOC concentration limit on 12 occasions. The VOC pounds per hour for CT-2 and CT-3 were exceeded and VOC tons per year emission rate for CT-2 was exceeded. See tables for details.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual		x	
Potential			

Percent 50%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment has been exposed to significant amounts of pollutants which do not 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 7

189 Number of violation days

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

Violation Base Penalty \$35,000

Seven monthly events are recommended (six for EPN CT-2 and one for EPN CT-3).

Good Faith Efforts to Comply

0.0% Reduction

\$0

Before NOV NOV to EDRP/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 \$35,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$922

Violation Final Penalty Total \$68,250

This violation Final Assessed Penalty (adjusted for limits) \$68,250

Economic Benefit Worksheet

Respondent ONEOK Hydrocarbon Southwest, LLC
Case ID No. 41571
Reg. Ent. Reference No. RN100209949
Media Air
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Cost **Date Required** **Final Date** **Yrs** **Interest Saved** **Onetime Costs** **EB Amount**
 Item Description 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)	\$10,000	31-Mar-2010	2-Feb-2012	1.84	\$922	n/a	\$922

Notes for DELAYED costs

Estimated cost to implement procedures designed to prevent VOC concentration exceedances in cooling tower water for EPNs CT-2 and 3. The Date Required is the date of the first violation and the Final Date is the estimated 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 \$10,000

TOTAL \$922

Respondent: ONEOK Hydrocarbon Southwest
 RN100209949
 Case No. 41571
 Violation No. 2

Month	Sample Date	VOC Concentration in Water Entering the Cooling Tower (ppmw)	Permitted VOC Concentration in Water Entering the Cooling Tower (ppmw)	Emission Point No.
March 2010	3/23/2010	0.751	0.45	CT-2
	3/23/2010	0.869	0.45	CT-2
	3/26/2010	19.945	0.45	CT-2
	3/29/2010	34.976	0.45	CT-2
May 2010	5/5/2010	0.916	0.45	CT-2
	5/10/2010	0.665	0.45	CT-2
June 2010	5/10/2010	0.665	0.45	CT-2
July 2010	7/16/2010	2.058	0.45	CT-2
August 2010	8/30/2010	3.908	0.45	CT-2
	8/31/2010	1.358	0.45	CT-2
September 2010	9/28/2010	1.194	0.45	CT-2
May 2010	5/24/2010	0.534	0.45	CT-3

Date	Estimated VOC Emissions (lbs/hr)	Permitted Hourly VOC Emission Rate (lbs/hr)	Estimated VOC Emissions (tons per year on a rolling 12-month basis)	Permitted Annual VOC Emission Rate (tons per year)	Emission Point No.
March 2010	21.15	1.26	17.85	5.52	CT-2
May 2010	5.48	1.26	19.73	5.52	CT-2
June 2010	2.8	1.26	19.41	5.52	CT-2
July 2010	compliant	1.26	18.82	5.52	CT-2
August 2010	1.57	1.26	18.16	5.52	CT-2
September 2010	compliant	1.26	17.22	5.52	CT-2
May 2010	2.14	1.03	compliant	4.49	CT-3

Compliance History

Customer/Respondent/Owner-Operator: CN601669849 ONEOK Hydrocarbon Southwest, LLC Classification: AVERAGE Rating: 3.13
 Regulated Entity: RN100209949 MONT BELVIEU FRACTIONATOR Classification: AVERAGE Site Rating: 6.27

ID Number(s):	AIR OPERATING PERMITS	ACCOUNT NUMBER	CI0005A
	AIR OPERATING PERMITS	PERMIT	107
	POLLUTION PREVENTION PLANNING	ID NUMBER	P00446
	AIR NEW SOURCE PERMITS	REGISTRATION	92023
	AIR NEW SOURCE PERMITS	PERMIT	3956B
	AIR NEW SOURCE PERMITS	PERMIT	11843A
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	CI0005A
	AIR NEW SOURCE PERMITS	REGISTRATION	84532
	AIR NEW SOURCE PERMITS	REGISTRATION	86353
	AIR NEW SOURCE PERMITS	AFS NUM	4807100004
	INDUSTRIAL AND HAZARDOUS WASTE	EPA ID	TXD054458773
	INDUSTRIAL AND HAZARDOUS WASTE	SOLID WASTE REGISTRATION # (SWR)	30305
	AIR EMISSIONS INVENTORY	ACCOUNT NUMBER	CI0005A

Location: 9900 FM 1942, MONT BELVIEU, TX, 77580

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: May 02, 2011

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: May 02, 2006 to May 02, 2011

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

Name: Heather Podlipny Phone: 239 - 2603

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: 04/28/2008

ADMINORDER 2007-1490-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)

Description: Failed to report an emission event timely.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: 3956B SC 1 PERMIT

Description: Failure to prevent the release of unauthorized air contaminants emitted into the atmosphere.

Effective Date: 06/15/2009

ADMINORDER 2008-1407-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: 3956B, SC #1 PERMIT

Description: Failed to comply with permitted emissions limits. . Specifically, carbon monoxide emissions from Heater 1 (Emissions Point Numbers ["EPN"] E-1E, E-1M, and E-1W) and from Heater 2 (EPN E-2E, E-2M, and E-2W) exceeded permitted limits from December 20, 2006 to December 7, 2007. In addition, nitrogen oxides emissions from Heater 2 exceeded permitted limits from January 30 to December 16, 2007.

Effective Date: 02/07/2010

ADMINORDER 2009-0400-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: Special Condition 1 PERMIT

Description: Failed to prevent unauthorized emissions that were determined to be excessive.

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	06/07/2006	(457084)
2	05/26/2006	(461960)
3	05/26/2006	(462757)
4	05/26/2006	(462758)
5	05/19/2006	(463751)
6	09/11/2006	(464961)
7	08/30/2006	(480008)
8	01/25/2007	(512511)
9	10/31/2006	(515248)
10	11/29/2006	(532159)
11	08/03/2007	(543641)
12	08/29/2007	(571021)
13	10/25/2007	(572857)
14	01/17/2008	(599741)
15	08/20/2008	(636278)
16	03/13/2009	(683347)
17	08/07/2008	(685373)

18 12/11/2008 (721057)
19 01/22/2009 (723646)
20 01/28/2009 (723934)
21 04/13/2009 (723992)
22 04/13/2009 (723993)
23 06/01/2009 (742141)
24 06/05/2009 (746156)
25 08/28/2009 (747391)
26 07/07/2009 (748827)
27 08/04/2009 (761344)
28 09/11/2009 (775840)
29 02/05/2010 (780666)
30 12/21/2009 (786007)
31 02/12/2010 (787216)
32 02/12/2010 (788326)
33 03/10/2010 (793144)
34 05/20/2010 (794275)
35 03/17/2010 (796057)
36 05/28/2010 (800305)
37 05/27/2010 (800595)
38 09/01/2010 (827139)
39 08/11/2010 (844758)
40 04/20/2011 (899933)

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

Date: 06/06/2006 (457084) CN601669849
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THC Chapter 382, SubChapter D 382.085(b)
No. 3956B, SC 15F PERMIT
No. O-00107, SC 11A OP
Description: Failure to remonitor a valve within 15 days of the day it was placed back into service.

Date: 08/03/2007 (543641) CN601669849
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
3956B, SC # 12 PERMIT
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(2)

5C THC Chapter 382, SubChapter D 382.085(b)
O-00107, SC # 11 OP
O-00107, SC # 1A OP

Description: Failure to maintain a constant pilot flame for the flare.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(i)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
3956B, SC # 12 PERMIT
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(1)
5C THC Chapter 382, SubChapter D 382.085(b)
O-00107, SC # 11 OP
O-00107, SC # 1A OP

Description: Failure to prevent flare visible emissions from exceeding five minutes in any consecutive two-hour period.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
3956B, SC # 1 PERMIT
5C THC Chapter 382, SubChapter D 382.085(b)
O-00107, SC # 11 OP

Description: Failure to prevent CO emissions from exceeding the MAERT (less than or equal to 3.98 lbs/hr) due to insufficient oxygen for Heater 1 (H-1) and for Heater 2 (H-2).

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
3956B, SC # 1 PERMIT
5C THC Chapter 382, SubChapter D 382.085(b)
O-00107, SC # 11 OP

Description: Failure to prevent NOx emissions from exceeding the MAERT (less than or equal to 6.97 lbs/hr) due to excess oxygen for H-2.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
3956B, SC # 21B PERMIT
5C THC Chapter 382, SubChapter D 382.085(b)
O-00107, SC # 11 OP

Description: Failure to provide timely replacement notification for Turbine # 21108.

Date: 08/20/2008 (636278) CN601669849

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
3956B, SC #13B PERMIT
3956B, SC #17E PERMIT
40 CFR Chapter 60, SubChapter C, PT 60, SubPT JJJ 60.632(a)
5C THSC Chapter 382 382.085(b)

Description: Failure to seal open ended lines containing volatile organic compounds.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 117, SubChapter B 117.345(f)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
FOP O-00107 SC #1A OP

Description: Failure to maintain flow monitoring records for heaters 1&2 and all turbines(12).

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.7(f)
5C THSC Chapter 382 382.085(b)
FOP O-00107 SC 6A OP

Description: Failure to maintain flow monitoring records for flare FL-1.

Date: 04/13/2009 (723992) CN601669849

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter F 101.201(g)

Description: Oneok failed to report an emissions event (Incident 117945), via the

Commissioner's secure web server (STEERS).

Date: 04/14/2009 (723993) CN601669849
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter F 101.201(g)
Description: Failed to report properly. Oneok failed to report via the Commissioner's secure web server (STEERS).

Date: 08/20/2009 (747391) CN601669849
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Special Condition 1 PERMIT
Special Condition 16B PERMIT
Special Terms and Conditions 10 OP

Description: Failure to maintain the heat exchangers in EPNs CT-1, CT-2 and CT-3 systems resulting in excess VOC emissions. (CATEGORY B14 Violation)

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(2)
5C THSC Chapter 382 382.085(b)
Special Condition 12 PERMIT
Special Terms and Conditions 10 OP

Description: Failure to maintain the pilot flame on Flare, EPN FL-1. (CATEGORY C4 Violation)

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(1)
5C THSC Chapter 382 382.085(b)
Special Condition 12 PERMIT
Special Terms and Conditions 10 OP
Special Terms and Conditions 1A OP

Description: Failure to maintain the flare resulting in visible emissions from Flare, EPN FL-1. (CATEGORY C4 Violation)

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 115, SubChapter D 115.352(4)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT JJJ 60.632(a)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)
5C THSC Chapter 382 382.085(b)
Special Condition 13B PERMIT
Special Condition 17E PERMIT
Special Terms and Conditions 10 OP
Special Terms and Conditions 1A OP

Description: Failure to prevent open ended lines in regular VOC service. (CATEGORY C10 Violation)

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 117, SubChapter B 117.340(c)(1)(G)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Special Terms and Conditions 1A OP

Description: Failure to maintain the CEMS on process heaters H-1 and H-2. (CATEGORY B18 violation)

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Special Condition 10 PERMIT
Special Terms and Conditions 10 OP

Description: Failure to maintain heaters H-1 and H-2 resulting in visible emissions. (CATEGORY C4 Violation)

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Special Condition 12 PERMIT
Special Terms and Conditions 10 OP

Description: Failure to record the flare pilot temperatures in the data historian. (CATEGORY C3 Violation)

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 106, SubChapter V 106.492(2)(C)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Special Terms and Conditions 11 OP

Description: Failure to prevent liquid being sent to temporary flare. (CATEGORY C4 violation)

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Special Terms and Conditions 16 OP

Description: Failure to maintain the Process Safety Management (PSM) program resulting in discrepancies. (CATEGORY C3 Violation)

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.145(2)(A)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP

Description: Failure to report all deviations during the deviation reporting period. (CATEGORY C3 Violation)

Date: 02/12/2010 (787216)

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Special Condition 10 PERMIT

Description: Failure to prevent excess opacity. Specifically, ONEOK failed to prevent liquid accumulation in the knockout drum for gasoline storage tanks vent (PV-210) that resulted in excess opacity being emitted from two heaters in the unit.

Date: 05/21/2010 (794275) CN601669849

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(2)
5C THSC Chapter 382 382.085(b)
Special Condition 12 PERMIT
Special Terms and Conditions 10 OP
Special Terms and Conditions 1A OP

Description: Failure to maintain the pilot flame on Flare, EPN FL-1. (CATEGORY C4 violation)

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(1)
5C THSC Chapter 382 382.085(b)
Special Condition 12 PERMIT
Special Terms and Conditions 10 OP
Special Terms and Conditions 1A OP

Description: Failure to maintain the flare resulting in visible emissions from Flare, EPN FL-1. (CATEGORY C4 violation)

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 115, SubChapter D 115.352(4)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT KKK 60.632(a)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)
5C THSC Chapter 382 382.085(b)
Special Condition 13B PERMIT
Special Condition 17E PERMIT
Special Terms and Conditions 10 OP

Special Terms and Conditions 1A OP

Description: Failure to prevent open ended lines in regular VOC service. (CATEGORY C10 violation)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.7(f)
5C THSC Chapter 382 382.085(b)
Special Condition 12 PERMIT
Special Terms and Conditions 10 OP
Special Terms and Conditions 6A OP

Description: Failure to record the flare pilot temperatures in the data historian. (CATEGORY C3 violation)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 117, SubChapter B 117.345(f)(1)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Special Terms and Conditions 1A OP

Description: Failure to record the fuel flow monitoring data in the data historian. (CATEGORY C3 violation)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Special Condition 3A PERMIT
Special Condition 3D PERMIT
Special Condition 3E PERMIT
Special Terms and Conditions 10 OP

Description: Failure to stay within the permit limit of number of activities for three MSS event types: the VRU outage activity, the flare relighting activity and the deinventory/piping vessels activity. (CATEGORY B18 violation)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Special Terms and Conditions 16 OP

Description: Failure to maintain the Process Safety Management (PSM) program resulting in discrepancies. (CATEGORY C3 violation)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.145(2)(A)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP

Description: Failure to report all deviations during the deviation reporting period. (CATEGORY B3 violation)

Date: 04/20/2011 (899933) CN601669849

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter D 115.352(4)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT KKK 60.632(a)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)
5C THSC Chapter 382 382.085(b)
Special Condition 13B PERMIT
Special Condition 17E PERMIT
Special Terms and Conditions 10 OP
Special Terms and Conditions 1A OP

Description: Failure to maintain caps or plugs resulting in OELs during the compliance period. (Category C10 Violation)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(2)
5C THSC Chapter 382 382.085(b)
Special Condition 12 PERMIT
Special Terms and Conditions 10 OP
Special Terms and Conditions 1A OP

Description: Failure to maintain the pilot lights on the flare, EPN FL-1. (Category B19.g.1 Violation)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)
 30 TAC Chapter 116, SubChapter B 116.115(c)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(1)
 5C THSC Chapter 382 382.085(b)
 Special Condition 12 PERMIT
 Special Terms and Conditions 10 OP
 Special Terms and Conditions 1A OP

Description: Failure to maintain the flare, EPN FL-1, resulting in visible emissions. (Category B19.g.1 Violation)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.7(f)
 5C THSC Chapter 382 382.085(b)
 Special Condition 12 PERMIT
 Special Terms and Conditions 10 OP
 Special Terms and Conditions 6A OP

Description: Failure to capture data continuously on the DCS. (Category C3 Violation)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
 30 TAC Chapter 122, SubChapter B 122.145(2)(A)
 5C THSC Chapter 382 382.085(b)
 General Terms and Conditions OP

Description: Failure to report all deviations during the correct deviation reporting period. [Category C3 Violation]

F. Environmental audits.

Notice of Intent Date: 11/20/2009 (789364)

Disclosure Date: 01/11/2010

Viol. Classification: Minor

Citation: 30 TAC Chapter 122, SubChapter B 122.142

Description: Failed to include permit by rule authorizations (106.181, 106.261, 106.262, 106.263, 106.352, 106.355, 106.472, 106.492, and 106.511) in the Title V operating permit.

Viol. Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.211

Description: Failed to create a complete final record for 2 startup events (on 2/7/09 & 2/22/09).

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
ONEOK HYDROCARBON
SOUTHWEST, LLC
RN100209949**

§
§
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§
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§

**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

**AGREED ORDER
DOCKET NO. 2011-0659-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 ONEOK Hydrocarbon Southwest, LLC ("the Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent appear before the Commission and together stipulate that:

1. The Respondent operates a natural gas liquids fractionation plant at 9900 Farm-to-Market Road 1942 in Mont Belvieu, Chambers County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Commission and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about April 25, 2011.
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 Eighty-Two Thousand Eight Hundred Seventy-Five Dollars (\$82,875) is assessed by the Commission in settlement of the

violations alleged in Section II ("Allegations"). The Respondent has paid Thirty-Three Thousand One Hundred Fifty Dollars (\$33,150) of the administrative penalty and Sixteen Thousand Five Hundred Seventy-Five Dollars (\$16,575) 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. Thirty-Three Thousand One Hundred Fifty Dollars (\$33,150) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").

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 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.
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

As operator of the Plant, the Respondent is alleged to have:

1. Failed to comply with the permitted volatile organic compounds ("VOC") annual emission rate from flare Emission Point Number ("EPN") FL-1, in violation of 30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F), 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), New Source Review ("NSR") Permit No. 3956B, Special Conditions ("SC") No. 1, and Federal Operating Permit ("FOP") No. O107, Special Terms and Conditions ("STC") No. 10, as documented during an investigation conducted on February 24, 2011. Specifically, the maximum allowable VOC annual emission rate from EPN FL-1 is 0.15 ton per year, and the rolling 12-month VOC emission rates are as follows: May 2010 - 0.1543 ton, June 2010 - 0.1770 ton, July 2010 - 0.1808 ton, August 2010 - 0.1841 ton, September 2010 - 0.1925 ton, October 2010 - 0.2185 ton, November 2010 - 0.2308 ton, and December 2010 - 0.2364 ton.
2. Failed to comply with the permitted VOC emission rates and permitted VOC concentration limit from Cooling Towers ("CT") 2 and 3, in violation of 30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F), 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE

§ 382.085(b), NSR Permit No. 3956B, SC Nos. 1 and 16C, and FOP No. O107, STC No. 10, as documented during an investigation conducted on February 24, 2011. Specifically, the water returning to EPN CT-2 and CT-3 exceeded the 0.45 parts per million by weight ("ppmw") VOC concentration limit on 12 occasions. The VOC pounds per hour ("lbs/hr") for CT-2 and CT-3 were exceeded and VOC tons per year emission rate for CT-2 was exceeded. See tables for details.

Month	Sample Date	VOC Concentration in Water Entering the Cooling Tower (ppmw)	Permitted VOC Concentration in Water Entering the Cooling Tower (ppmw)	Emission Point No.
March 2010	3/23/2010	0.751	0.45	CT-2
	3/23/2010	0.869	0.45	CT-2
	3/26/2010	19.945	0.45	CT-2
	3/29/2010	34.976	0.45	CT-2
May 2010	5/5/2010	0.916	0.45	CT-2
	5/10/2010	0.665	0.45	CT-2
June 2010	5/10/2010	0.665	0.45	CT-2
July 2010	7/16/2010	2.058	0.45	CT-2
August 2010	8/30/2010	3.908	0.45	CT-2
	8/31/2010	1.358	0.45	CT-2
September 2010	9/28/2010	1.194	0.45	CT-2
May 2010	5/24/2010	0.534	0.45	CT-3

Date	Estimated VOC Emissions (lbs/hr)	Permitted Hourly VOC Emission Rate (lbs/hr)	Estimated VOC Emissions (tons per year on a rolling 12-month basis)	Permitted Annual VOC Emission Rate (tons per year)	Emission Point No.
March 2010	21.15	1.26	17.85	5.52	CT-2
May 2010	5.48	1.26	19.73	5.52	CT-2
June 2010	2.8	1.26	19.41	5.52	CT-2
July 2010	compliant	1.26	18.82	5.52	CT-2
August 2010	1.57	1.26	18.16	5.52	CT-2
September 2010	compliant	1.26	17.22	5.52	CT-2
May 2010	2.14	1.03	compliant	4.49	CT-3

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: ONEOK Hydrocarbon Southwest, LLC, Docket No. 2011-0659-AIR-E" to:

Financial Administration Division, Revenues Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. The Respondent shall implement and complete a SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section I, Paragraph 6 above, Thirty-Three Thousand One Hundred Fifty Dollars (\$33,150) of the assessed administrative penalty shall be offset with the condition that the Respondent implements the SEP defined in Attachment A, incorporated herein by reference. The Respondent'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.
3. It is further ordered that the Respondent shall undertake the following technical requirements:
 - a. Within 90 days after the effective date of this Agreed Order, replace heat exchanger No. HT-115B with a new heat exchanger(s);
 - b. By December 31, 2012, replace heat exchanger No. HT-14A with a new heat exchanger(s);
 - c. Every 90 days after the effective date of this Agreed Order, submit a quarterly update report to the TCEQ Houston Regional Office describing the progress made for the heat exchanger replacement requirements. These quarterly updates shall include information regarding actions taken by the Respondent and shall include a tentative schedule describing additional work that may be undertaken to achieve compliance. The quarterly updates shall be required until heat exchanger Nos. HT-115B and HT-14A have been replaced. Once heat exchanger Nos. HT-115B and HT-14A have been replaced, the quarterly updates will no longer be required under this Ordering Provision; and
 - d. Within 15 days of completion of the installation of all the heat exchangers, as described in Ordering Provision Nos. 3.a. and 3.b., submit written certification to demonstrate compliance with Ordering Provision Nos. 3.a. and 3.b. as described below, and include detailed supporting documentation including photographs, receipts, and/or other records. The certification shall be notarized by a State of

Texas Notary Public or a State of Oklahoma Notary Public and include the following certification language:

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, 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
Houston Regional Office
Texas Commission on Environmental Quality
5425 Polk Avenue, Suite H
Houston, Texas 77023-1486

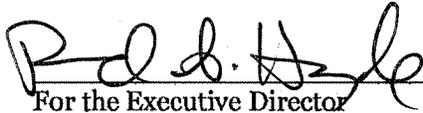
4. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
5. If the Respondent fails to comply with any 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.
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 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.

7. 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.
8. 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.
9. 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

12/2/11
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

9/13/11
Date

WESLEY J. CHRISTENSEN
Name (Printed or typed)
Authorized Representative of
ONEOK Hydrocarbon Southwest, LLC

SENIOR V.P. - NGL OPERATIONS
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.

Attachment A
Docket Number: 2011-0659-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent: ONEOK Hydrocarbon Southwest, LLC

Penalty Amount: Sixty-Six Thousand Three Hundred Dollars (\$66,300)

SEP Offset Amount: Thirty-Three Thousand One Hundred Fifty Dollars (\$33,150)

Type of SEP: Pre-approved

Third-Party Recipient: Barbers Hill Independent School District

Project Name: *Barbers Hill Energy Efficiency Program*

Location of SEP: Chambers and Harris Counties

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for 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 Description

A. Project

The SEP offset amount will be used to perform energy efficiency upgrades on public buildings and infrastructure. Specifically, the SEP offset amount may only be used for: 1) the cost of conducting energy efficiency audits; 2) the incremental cost for construction or implementation of energy-efficiency upgrades (versus the cost of non-energy efficiency upgrades); 3) the incremental cost of purchase of more energy-efficient equipment or appliances (versus the cost of purchasing non-energy efficient equipment or appliances); or 4) other direct costs authorized in advance by TCEQ.

The SEP offset amount may be used to conduct energy efficiency audits on its buildings to prioritize implementation of energy efficiency projects. The results of those audits along with any proposed modifications and associated budgets and proposal for expenditure will be submitted to TCEQ. Modifications may include, but are not limited to, weatherization, cool roofs, energy-reduction modifications such as replacing heating, ventilation, and cooling (HVAC) systems with more efficient boilers, motors, and variable-speed drives; reducing energy and maintenance costs by installing centralized

ONEOK Hydrocarbon Southwest, LLC
Agreed Order - Attachment A

energy management systems; lowering electric lighting and cooling loads and boosting productivity through increased use of daylighting, installation of LED traffic lights, and use of renewable energy sources. The environmental benefit of each project will be quantified and the results of those calculations will be submitted to TCEQ within 90 days of completion of each project.

The Third-Party Recipient certifies that it has no prior budgetary commitment to do this project and that it is not receiving duplicative funding to perform this project. The Third-Party Recipient agrees to disclose to TCEQ any additional sources of funding it receives to perform any portion of the projects described herein or for which it intends to utilize SEP offset amount. The Third-Party Recipient certifies that it shall not use SEP offset amount to assist in complying with any governmental rule or regulation and that it is not required to perform this project under any existing rule or law. The Third-Party Recipient agrees to use a competitive bid process or other mechanism to ensure that costs of the project are reasonable and customary.

The SEP offset amount will be used solely for the direct cost of performing this project and no portion will be spent on administrative costs. For items 2, 3, and 4 above, the Third-Party Recipient shall submit a budget and proposals for expenditure to TCEQ for written approval prior to the use of the SEP offset amount.

B. Environmental Benefit

Implementation of this Project will reduce fuel and electricity usage for heating and cooling and day-to-day operations. These reductions will reduce emissions of particulate matter (PM), volatile organic carbon (VOC) compounds, nitrogen oxides (NOx), and other pollutants associated with the combustion of fuel and generation of electricity.

C. Minimum Expenditure

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, Respondent shall contribute the SEP offset amount to the Third-Party Recipient. Respondent shall mail the contribution, with a copy of the Agreed Order to:

ONEOK Hydrocarbon Southwest, LLC
Agreed Order - Attachment A

Barbers Hill ISD
Attention: John Johnson
Carl R. Griffiths & Associates
2901 Turtle Creek Drive, Suite 445
Port Arthur, TX 77642

3. Records and Reporting

Concurrent with the payment of the SEP offset amount, Respondent shall provide the Enforcement Division SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP offset amount to the Third-Party Recipient. Respondent shall mail a copy of the check and transmittal letter to:

Texas Commission on Environmental Quality
Enforcement Division
Attention: SEP Coordinator, MC 219
PO Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If 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, 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 mail it to:

Texas Commission on Environmental Quality
Office of Legal Services Litigation Division
Attention: SEP Coordinator, MC 175
PO Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning this SEP made by or on behalf of 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.

ONEOK Hydrocarbon Southwest, LLC
Agreed Order - Attachment A

6. Clean Texas Program

Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, 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 offset amount identified in this Agreed Order has not been, and shall not be, included as a SEP for Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.