

Executive Summary – Enforcement Matter – Case No. 42562
ONEOK Hydrocarbon Southwest, LLC
RN100209949
Docket No. 2011-1714-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 fractionating facility

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: February 10, 2012

Comments Received: No

Penalty Information

Total Penalty Assessed: \$9,650

Amount Deferred for Expedited Settlement: \$1,930

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$7,720

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$0

Name of SEP: N/A

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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RN100209949
Docket No. 2011-1714-AIR-E

Investigation Information

Complaint Date(s): N/A
Complaint Information: N/A
Date(s) of Investigation: July 21, 2011
Date(s) of NOE(s): September 9, 2011

Violation Information

Failed to prevent unauthorized emissions during an emissions event (Incident No. 155609) which occurred on June 12, 2011 and lasted approximately one hour and 58 minutes. Specifically, 8,588 pounds (“lbs”) of isobutane, 133 lbs of propane, 133 lbs of n-butane, 12.6 lbs of carbon monoxide, 6.3 lbs of nitrogen oxides and 11.6 lbs of volatile organic compounds were released when a number of tubes in heat exchanger HT-207A broke or were damaged due to mechanical fatigue during an electrical power outage. Since the emissions event could have been avoided by better operational practices, the Respondent failed to meet the demonstration criteria for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE § 116.115(c), TEX. HEALTH & SAFETY CODE § 382.085(b), and New Source Review Permit No. 3956B Special Conditions 16.B.].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

N/A

Technical Requirements:

The Order will require the Respondent to:

- a. Within 30 days, implement measures designed to prevent unauthorized emissions due to the same cause as the emissions event that occurred on June 12, 2011 (Incident No. 155609); and
- b. Within 45 days, submit written certification and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision a.

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

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RN100209949
Docket No. 2011-1714-AIR-E

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Allison Fischer, Enforcement Division,
Enforcement Team 4, MC 149, (512) 239-2574; Debra Barber, Enforcement Division,
MC 219, (512) 239-0412

TCEQ SEP Coordinator: N/A

Respondent: Scott Schingen, Vice President – NGL Fractionation and Storage,
ONEOK Hydrocarbon Southwest, LLC, P.O. Box 550, Mont Belvieu, Texas 77580-0550
Tony Cangieter, Environmental Engineer, ONEOK Hydrocarbon Southwest, LLC, P.O.
Box 550, Mont Belvieu, Texas 77580-0550

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

DATES	Assigned	12-Sep-2011	Screening	19-Sep-2011	EPA Due	5-Jun-2012
	PCW	26-Sep-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.	42562	No. of Violations	1
Docket No.	2011-1714-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Allison Fischer
		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** **\$5,000**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History **93.0%** Enhancement **Subtotals 2, 3, & 7** **\$4,650**

Notes: Enhancement for five NOVs with same/similar violations, three NOVs with dissimilar violations, two orders containing denial of liability and one order without a denial of liability. Reduction for one notice of intended audit and 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 \$57
 Approx. Cost of Compliance \$1,500
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal** **\$9,650**

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

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount **\$9,650**

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** **\$9,650**

DEFERRAL **20.0%** Reduction **Adjustment** **-\$1,930**

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 **\$7,720**

Screening Date 19-Sep-2011

Docket No. 2011-1714-AIR-E

PCW

Respondent ONEOK Hydrocarbon Southwest, LLC

Policy Revision 2 (September 2002)

Case ID No. 42562

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100209949

Media [Statute] Air

Enf. Coordinator Allison Fischer

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	3	6%
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%

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) 93%

>> 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 five NOVs with same/similar violations, three NOVs with dissimilar violations, two orders containing denial of liability and one order without a denial of liability. Reduction for one notice of intended audit and one disclosure of violations.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 93%

Screening Date 19-Sep-2011

Docket No. 2011-1714-AIR-E

PCW

Respondent ONEOK Hydrocarbon Southwest, LLC

Policy Revision 2 (September 2002)

Case ID No. 42562

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100209949

Media [Statute] Air

Enf. Coordinator Allison Fischer

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 116.115(c), Tex. Health & Safety Code § 382.085(b), and New Source Review Permit No. 3956B Special Conditions 16.B.

Violation Description Failed to prevent unauthorized emissions during an emissions event (Incident No. 155609) which occurred on June 12, 2011 and lasted approximately one hour and 58 minutes. Specifically, 8,588 pounds ("lbs") of isobutane, 133 lbs of propane, 133 lbs of n-butane, 12.6 lbs of carbon monoxide, 6.3 lbs of nitrogen oxides and 11.6 lbs of volatile organic compounds were released when a number of tubes in heat exchanger HT-207A broke or were damaged due to mechanical fatigue during an electrical power outage. Since the emissions event could have been avoided by better operational practices, the Respondent failed to meet the demonstration criteria for an affirmative defense in 30 Tex. Admin. Code § 101.222.

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 did not exceed levels protective of human health or environmental receptors as a result of the violation.

Adjustment \$5,000

\$5,000

Violation Events

Number of Violation Events 1 Number of violation days 1

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

Violation Base Penalty \$5,000

One monthly event is recommended.

Good Faith Efforts to Comply

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 \$5,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$57

Violation Final Penalty Total \$9,650

This violation Final Assessed Penalty (adjusted for limits) \$9,650

Economic Benefit Worksheet

Respondent ONEOK Hydrocarbon Southwest, LLC
Case ID No. 42562
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
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)	\$1,500	12-Jun-2011	15-Mar-2012	0.76	\$57	n/a	\$57

Notes for DELAYED costs

Estimated costs to prevent tube failure in heat exchanger HT-207A. The date required is the date of the emissions event. 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

\$1,500

TOTAL

\$57

Compliance History

Customer/Respondent/Owner-Operator: CN601669849 ONEOK Hydrocarbon Southwest, LLC Classification: AVERAGE Rating: 3.43

Regulated Entity: RN100209949 MONT BELVIEU FRACTIONATOR Classification: AVERAGE Site Rating: 7.73

ID Number(s):

AIR OPERATING PERMITS	ACCOUNT NUMBER	CI0005A
AIR OPERATING PERMITS	PERMIT	107
POLLUTION PREVENTION PLANNING	ID NUMBER	P00446
AIR NEW SOURCE PERMITS	PERMIT	3956B
AIR NEW SOURCE PERMITS	REGISTRATION	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 #	30305
	(SWR)	
AIR EMISSIONS INVENTORY	ACCOUNT NUMBER	CI0005A

Location: 9900 Farm-to-Market Road 1942, Mont Belvieu, Texas, 77580

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: September 19, 2011

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: September 19, 2006 to September 19, 2011

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

Name: Allison Fischer Phone: (512) 239 - 2574

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: 9/1/2011 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	01/25/2007	(512511)
2	10/31/2006	(515248)
3	11/29/2006	(532159)
4	08/03/2007	(543641)
5	08/29/2007	(571021)
6	10/25/2007	(572857)
7	01/17/2008	(599741)
8	08/20/2008	(636278)
9	03/13/2009	(683347)
10	08/07/2008	(685373)
11	12/11/2008	(721057)
12	01/22/2009	(723646)
13	01/28/2009	(723934)
14	04/13/2009	(723992)
15	04/13/2009	(723993)
16	06/01/2009	(742141)
17	06/05/2009	(746156)
18	08/28/2009	(747391)
19	07/07/2009	(748827)
20	08/04/2009	(761344)
21	09/11/2009	(775840)
22	02/05/2010	(780666)
23	12/21/2009	(786007)
24	02/12/2010	(787216)
25	02/12/2010	(788326)
26	03/10/2010	(793144)
27	05/20/2010	(794275)
28	03/17/2010	(796057)
29	05/28/2010	(800305)
30	05/27/2010	(800595)
31	09/01/2010	(827139)
32	08/11/2010	(844758)
33	04/20/2011	(899933)
34	09/09/2011	(942934)
35	08/23/2011	(950414)

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

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**

§
§
§
§
§
§

**BEFORE THE

TEXAS COMMISSION ON

ENVIRONMENTAL QUALITY**

**AGREED ORDER
DOCKET NO. 2011-1714-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 fractionating facility 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 September 14, 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 Nine Thousand Six Hundred Fifty Dollars (\$9,650) is assessed by the Commission in settlement of the violations alleged in Section

- II ("Allegations"). The Respondent has paid Seven Thousand Seven Hundred Twenty Dollars (\$7,720) of the administrative penalty and One Thousand Nine Hundred Thirty Dollars (\$1,930) 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 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 failed to prevent unauthorized emissions during an emissions event (Incident No. 155609) which occurred on June 12, 2011 and lasted approximately one hour and 58 minutes, in violation of 30 TEX. ADMIN. CODE § 116.115(c), TEX. HEALTH & SAFETY CODE § 382.085(b), and New Source Review Permit No. 3956B Special Conditions 16.B., as documented during an investigation conducted on July 21, 2011. Specifically, 8,588 pounds ("lbs") of isobutane, 133 lbs of propane, 133 lbs of n-butane, 12.6 lbs of carbon monoxide, 6.3 lbs of nitrogen oxides and 11.6 lbs of volatile organic compounds were released when a number of tubes in heat exchanger HT-207A broke or were damaged due to mechanical fatigue during an electrical power outage. Since the emissions event could have been avoided by better operational practices, the Respondent failed to meet the demonstration criteria for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.

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. 2011-1714-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. Within 30 days after the effective date of this Agreed Order, implement measures designed to prevent unauthorized emissions due to the same cause as the emissions event that occurred on June 12, 2011 (Incident No. 155609); and
- b. Within 45 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 2.a. 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 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
Houston Regional Office
Texas Commission on Environmental Quality
5425 Polk Avenue, Suite H
Houston, Texas 77023-1486

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 Plant 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

2/7/12

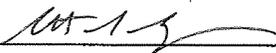
Date

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

12/19/2011

Date

SCOTT SCHINGEN

Name (Printed or typed)
Authorized Representative of
ONEOK Hydrocarbon Southwest, LLC

VP-NGL FRACTIONATION + STORAGE

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.