

**Executive Summary – Enforcement Matter – Case No. 49174  
Phillips 66 Company  
RN102495884  
Docket No. 2014-1204-AIR-E**

**Order Type:**

1660 Agreed Order

**Findings Order Justification:**

N/A

**Media:**

AIR

**Small Business:**

No

**Location(s) Where Violation(s) Occurred:**

Borger Refinery, at State Spur 119 North near Borger, Hutchinson County

**Type of Operation:**

Petroleum refinery

**Other Significant Matters:**

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

**Texas Register Publication Date:** January 16, 2015

**Comments Received:** No

***Penalty Information***

**Total Penalty Assessed:** \$10,212

**Amount Deferred for Expedited Settlement:** \$2,042

**Amount Deferred for Financial Inability to Pay:** \$0

**Total Paid to General Revenue:** \$4,085

**Total Due to General Revenue:** \$0

Payment Plan: N/A

**SEP Conditional Offset:** \$4,085

Name of SEP: Borger Independent School District (Third-Party Pre-Approved)

**Compliance History Classifications:**

Person/CN - Satisfactory

Site/RN - Satisfactory

**Major Source:** Yes

**Statutory Limit Adjustment:** N/A

**Applicable Penalty Policy:** April 2014

***Investigation Information***

**Complaint Date(s):** N/A

**Complaint Information:** N/A

**Date(s) of Investigation:** June 16 through June 25, 2014

**Date(s) of NOE(s):** August 7, 2014

**Executive Summary – Enforcement Matter – Case No. 49174**  
**Phillips 66 Company**  
**RN102495884**  
**Docket No. 2014-1204-AIR-E**

***Violation Information***

1. Failed to maintain the required minimum firebox exit temperature of 1,170 degrees Fahrenheit ("°F") for Tail Gas Incinerator 34, Emission Point Number ("EPN") 34I1. Specifically, the firebox exit temperature for EPN 34I1 fell below 1,170°F on December 7, 2013 for one hour and on December 31, 2013 for three hours [30 TEX. ADMIN. CODE §§ 101.20(3), 116.715(a), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Flexible Permit Nos. 9868A and PSDTX102M7, Special Conditions ("SC") No. 8, and Federal Operating Permit ("FOP") No. O1440, Special Terms and Conditions ("STC") Nos. 20 and 24A].
2. Failed to maintain complete records of the caustic concentration of the neutralization solution used in the caustic scrubber system for a period of three years. Specifically, it was documented during the investigation that approximately nine percent of caustic concentration records were missing [30 TEX. ADMIN. CODE §§ 101.20(3), 116.715(a), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Flexible Permit Nos. 9868A and PSDTX102M7, SC No. 17, and FOP No. O1440, STC Nos. 20 and 24A].
3. Failed to perform emissions testing no later than 14 days following maintenance performed on the air/fuel ratio controller, sensor, catalyst, or engine. Specifically, the oxygen sensor for Engine 42 was changed on June 21, 2012, but the emissions testing was not performed by July 5, 2012 [30 TEX. ADMIN. CODE §§ 101.20(3), 116.715(a), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Flexible Permit Nos. 9868A and PSDTX102M7, SC No. 47B, and FOP No. O1440, STC Nos. 20 and 24A].

***Corrective Actions/Technical Requirements***

**Corrective Action(s) Completed:**

The Respondent has implemented the following corrective measures:

- a. On September 18, 2013, conducted emissions testing on Engine 42;
- b. By January 1, 2014, installed a backup air compressor at the Unit 45 Methyl Mercaptan Unit and trained the personnel responsible for inadvertently causing Tail Gas Incinerator 34, EPN 34I1, to shut down to prevent a recurrence of the firebox exit temperature for EPN 34I1 falling below the minimum required temperature due to the same causes as the December 7, 2013 and December 31, 2013 occurrences. The December 7, 2013 occurrence was caused by Unit 45 Methyl Mercaptan Unit shutting down due to a loss of instrument air, which resulted in acid gas being diverted to EPN 34I1 and the subsequent low firebox exit temperature. The December 31, 2013 occurrence was caused by Site personnel during routine maintenance when a fuse supplying power to a flame detection system was pulled causing the incinerator fuel gas valves to trip, which resulted in EPN 34I1 shutting down and the subsequent low firebox exit temperature;

**Executive Summary – Enforcement Matter – Case No. 49174**  
**Phillips 66 Company**  
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**Docket No. 2014-1204-AIR-E**

c. By August 2, 2014, developed and implemented an engine run time tool that will track engine run time and ensure that oxygen sensor changes and subsequent emissions testing are conducted; and

d. On August 21, 2014, provided documentation that demonstrates that an electronic recordkeeping system has been developed and implemented to ensure that all caustic concentration records are maintained.

**Technical Requirements:**

The Order will require the Respondent to implement and complete a Supplemental Environmental Project ("SEP"). (See SEP Attachment 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

***Contact Information***

**TCEQ Attorney:** N/A

**TCEQ Enforcement Coordinator:** Rachel Bekowies, Enforcement Division, Enforcement Team 4, MC 149, (512) 239-2608; Candy Garrett, Enforcement Division, MC 219, (512) 239-1456

**TCEQ SEP Coordinator:** Stuart Beckley, SEP Coordinator, Enforcement Division, MC 219, (512) 239-3565

**Respondent:** Peter C. Stynes, Refinery Manager, Phillips 66 Company, Spur 119 North, Borger, Texas 79008

Quarshie Awuah-Okyere, Environmental Director, Phillips 66 Company, Spur 119 North, Borger, Texas 79008

**Respondent's Attorney:** N/A



Attachment A

Docket Number: 2014-1204-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

<b>Respondent:</b>	<b>Phillips 66 Company</b>
<b>Penalty Amount:</b>	<b>Eight Thousand One Hundred Seventy Dollars (\$8,170)</b>
<b>SEP Offset Amount:</b>	<b>Four Thousand Eighty-Five Dollars (\$4,085)</b>
<b>Type of SEP:</b>	<b>Contribution to a Third-Party Pre-Approved SEP</b>
<b>Third-Party Administrator:</b>	<b>Borger Independent School District</b>
<b>Project Name:</b>	<b><i>Borger ISD Clean School Bus Replacement Program</i></b>
<b>Location of SEP:</b>	<b>Hutchinson County; Texas Air Quality Control Region 211, Amarillo - Lubbock</b>

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

**1. Project Description**

a. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Borger Independent School District** for the *Borger ISD Clean School Bus Replacement Program*. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the "Project"). Specifically, the contribution will be used to reduce nitrogen oxides, volatile organic compounds, carbon monoxide, and particulate matter emissions by replacing older diesel and gasoline buses with newer buses that meet more stringent emission standards. The Third-Party Administrator shall use SEP Offset Amount for up to 100% of the purchase price of a model year 2010 or newer bus to replace a diesel or gasoline school bus that is model year 2002 or older. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used solely for the direct cost of the Project, including but not limited to supplies, materials, and equipment. Any portion of this contribution that is not spent on the specifically identified SEP may, at the discretion of the Executive Director ("ED"), be applied to another pre-approved SEP.

The Respondent's signature affixed to this Agreed Order certifies that it has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

This SEP will directly benefit air quality by reducing harmful exhaust emissions which contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma. In addition, by encouraging less school bus idling, this SEP contributes to public awareness of environmental matters.

c. Minimum Expenditure

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

**2. Performance Schedule**

Within 30 days after the effective date of this Agreed Order, the Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Borger Independent School District SEP** and mail the contribution with a copy of the Agreed Order to:

Borger Independent School District  
200 East Ninth Street  
Borger, Texas 79008-1177

**3. Records and Reporting**

Concurrent with the payment of the SEP Offset Amount, the 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 due to the Third-Party Administrator. The Respondent shall mail a copy of the check and transmittal letter to:

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

#### **4. Failure to Fully Perform**

If the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality;" and shall mail it to:

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

#### **5. Publicity**

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

#### **6. Clean Texas Program**

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

#### **7. Other SEPs by TCEQ or Other Agencies**

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





# Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

<b>DATES</b>	<b>Assigned</b>	11-Aug-2014	<b>Screening</b>	21-Aug-2014	<b>EPA Due</b>	
	<b>PCW</b>	31-Oct-2014				

<b>RESPONDENT/FACILITY INFORMATION</b>	
<b>Respondent</b>	Phillips 66 Company
<b>Reg. Ent. Ref. No.</b>	RN102495884
<b>Facility/Site Region</b>	1-Amarillo
<b>Major/Minor Source</b>	Major

<b>CASE INFORMATION</b>			
<b>Enf./Case ID No.</b>	49174	<b>No. of Violations</b>	3
<b>Docket No.</b>	2014-1204-AIR-E	<b>Order Type</b>	1660
<b>Media Program(s)</b>	Air	<b>Government/Non-Profit</b>	No
<b>Multi-Media</b>		<b>Enf. Coordinator</b>	Rachel Bekowles
		<b>EC's Team</b>	Enforcement Team 4
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$25,000

## Penalty Calculation Section

<b>TOTAL BASE PENALTY (Sum of violation base penalties)</b>	<b>Subtotal 1</b>	\$5,750
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### ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

<b>Compliance History</b>	100.0% Enhancement	<b>Subtotals 2, 3, &amp; 7</b>	\$5,750
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**Notes**  
 Enhancement for two NOVs with same/similar violations, seven orders with a denial of liability, and three orders without a denial of liability.  
 Reduction for nine Notices of Intent to conduct an audit and three Disclosures of Violations.

<b>Culpability</b>	No	0.0% Enhancement	<b>Subtotal 4</b>	\$0
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**Notes**  
 The Respondent does not meet the culpability criteria.

<b>Good Faith Effort to Comply Total Adjustments</b>	<b>Subtotal 5</b>	-\$1,399
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<b>Economic Benefit</b>	0.0% Enhancement*	<b>Subtotal 6</b>	\$0
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Total EB Amounts	\$243
Estimated Cost of Compliance	\$7,100

\*Capped at the Total EB \$ Amount

<b>SUM OF SUBTOTALS 1-7</b>	<b>Final Subtotal</b>	\$10,101
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<b>OTHER FACTORS AS JUSTICE MAY REQUIRE</b>	1.1%	<b>Adjustment</b>	\$111
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Reduces or enhances the Final Subtotal by the indicated percentage.

**Notes**  
 Recommended enhancement to capture the avoided cost of compliance associated with Violation No. 3.

<b>Final Penalty Amount</b>	\$10,212
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<b>STATUTORY LIMIT ADJUSTMENT</b>	<b>Final Assessed Penalty</b>	\$10,212
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<b>DEFERRAL</b>	20.0% Reduction	<b>Adjustment</b>	-\$2,042
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

**Notes**  
 Deferral offered for expedited settlement.

<b>PAYABLE PENALTY</b>	\$8,170
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Screening Date 21-Aug-2014

Docket No. 2014-1204-AIR-E

PCW

Respondent Phillips 66 Company

Policy Revision 4 (April 2014)

Case ID No. 49174

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102495884

Media [Statute] Air

Enf. Coordinator Rachel Bekowles

### Compliance History Worksheet

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

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action. (number of NOVs meeting criteria)	2	10%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	7	140%
	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	3	75%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgments or consent decrees meeting criteria)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	9	-9%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	3	-6%
<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)** 210%

#### >> Repeat Violator (Subtotal 3)

No

**Adjustment Percentage (Subtotal 3)** 0%

#### >> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

**Adjustment Percentage (Subtotal 7)** 0%

#### >> Compliance History Summary

**Compliance History Notes**

Enhancement for two NOVs with same/similar violations, seven orders with a denial of liability, and three orders without a denial of liability. Reduction for nine Notices of Intent to conduct an audit and three Disclosures of Violations.

**Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7)** 210%

#### >> Final Compliance History Adjustment

**Final Adjustment Percentage \*capped at 100%** 100%

Screening Date 21-Aug-2014

Docket No. 2014-1204-AIR-E

PCW

Respondent Phillips 66 Company

Policy Revision 4 (April 2014)

Case ID No. 49174

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102495884

Media [Statute] Air

Enf. Coordinator Rachel Bekowles

Violation Number 1

Rule Cite(s)

30 Tex. Admin. Code §§ 101.20(3), 116.715(a), and 122.143(4); Tex. Health & Safety Code § 382.085(b); Flexible Permit Nos. 9868A and PSDTX102M7, Special Conditions ("SC") No. 8, and Federal Operating Permit ("FOP") No. 01440, Special Terms and Conditions ("STC") Nos. 20 and 24A

Violation Description

Failed to maintain the required minimum firebox exit temperature of 1,170 degrees Fahrenheit (°F) for Tail Gas Incinerator 34, Emission Point Number ("EPN") 3411. Specifically, the firebox exit temperature for EPN 3411 fell below 1,170°F on December 7, 2013 for one hour and on December 31, 2013 for three hours

Base Penalty \$25,000

Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 15.0%

Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

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

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

2 Number of violation days

daily	
weekly	
monthly	
quarterly	X
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$3,750

One quarterly event is recommended for the instances of non-compliance that occurred during the period from December 7, 2013 through December 31, 2013.

Good Faith Efforts to Comply

25.0%

Reduction

\$937

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

Notes

The Respondent completed corrective actions by January 1, 2014, prior to the August 7, 2014 Notice of Enforcement ("NOE").

Violation Subtotal \$2,813

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$24

Violation Final Penalty Total \$6,635

This violation Final Assessed Penalty (adjusted for limits) \$6,635

## Economic Benefit Worksheet

**Respondent:** Phillips 66 Company  
**Case ID No:** 49174  
**Reg. Ent. Reference No:** RN102495884  
**Media:** Air  
**Violation No.:** 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	One-time Costs	EB Amount
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Delayed Costs							
Equipment	\$5,000	7-Dec-2013	1-Jan-2014	0:07	\$1	\$23	\$24
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	\$0	\$0
Record Keeping System				0:00	\$0	\$0	\$0
Training/Sampling	\$500	31-Dec-2013	1-Jan-2014	0:00	\$0	\$0	\$0
Remediation/Disposal				0:00	\$0	\$0	\$0
Permit Costs				0:00	\$0	\$0	\$0
Other (as needed)				0:00	\$0	\$0	\$0

**Notes for DELAYED costs**  
 Estimated costs to install a backup air compressor at the Unit 45 Methyl Mercaptan Unit and to train Site personnel responsible for inadvertently causing EPN 3411 to shutdown to prevent a recurrence of the firebox exit temperature for EPN 3411 from falling below the minimum required temperature due to the same causes as the December 7, 2013 and December 31, 2013 occurrences. The Dates Required are the dates of the two violation occurrences. The Final Dates are the dates 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**  
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<b>Approx. Cost of Compliance</b>	\$5,500	<b>TOTAL</b>	\$24
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**Screening Date** 21-Aug-2014  
**Respondent** Phillips 66 Company  
**Case ID No.** 49174  
**Reg. Ent. Reference No.** RN102495884  
**Media [Statute]** Air  
**Enf. Coordinator** Rachel Bekowles

**Docket No.** 2014-1204-AIR-E

**RCW**

Policy Revision 4 (April 2014)  
 PCW Revision March 26, 2014

**Violation Number** 2  
**Rule Cite(s)**

30 Tex. Admin. Code §§ 101.20(a), 116.715(a), and 122.143(4); Tex. Health & Safety Code § 382.085(b); Flexible Permit Nos. 9868A and PSDTX102M7, SC No. 177 and FOP No. 01440; STC Nos. 20 and 24A

**Violation Description**

Failed to maintain complete records of the caustic concentration of the neutralization solution used in the caustic scrubber system for a period of three years. Specifically, it was documented during the investigation that approximately nine percent of caustic concentration records were missing.

**Base Penalty** \$25,000

**Environmental Property and Human Health Matrix**

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

**Percent** 0.0%

**Programmatic Matrix**

Falsification	Harm		
	Major	Moderate	Minor
			X

**Percent** 1.0%

**Matrix Notes**

Less than 30% of the permit condition was not met.

**Adjustment** \$24,750

\$250

**Violation Events**

**Number of Violation Events** 1

**Number of violation days** 66

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	X

**Violation Base Penalty** \$250

One single event is recommended for the incomplete set of records.

**Good Faith Efforts to Comply**

**10.0%**

**Reduction**

\$25

Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer

Extraordinary		
Ordinary		X
N/A		(mark with x)

**Notes** The Respondent completed corrective actions on August 21, 2014, after the August 7, 2014 NOE.

**Violation Subtotal** \$225

**Economic Benefit (EB) for this violation**

**Statutory Limit Test**

**Estimated EB Amount** \$5

**Violation Final Penalty Total** \$480

**This violation Final Assessed Penalty (adjusted for limits)** \$480

# Economic Benefit Worksheet

**Respondent:** Phillips 66 Company  
**Case ID No.:** 49174  
**Reg. Ent. Reference No.:** RN102495884  
**Media:** Air  
**Violation No.:** 2

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs							
Equipment				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	\$0	\$0
Record Keeping System	\$500	16-Jun-2014	21-Aug-2014	0:18	\$5	\$5	\$5
Training/Sampling				0:00	\$0	\$0	\$0
Remediation/Disposal				0:00	\$0	\$0	\$0
Permit Costs				0:00	\$0	\$0	\$0
Other (as needed)				0:00	\$0	\$0	\$0

**Notes for DELAYED costs**  
 Estimated cost to provide documentation that demonstrates that an electronic recordkeeping system has been developed and implemented to ensure all caustic concentration records are maintained. The Date Required is the date the investigation began. The Final Date is the date of compliance.

Avoided Costs							
ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)							
Disposal				0:00	\$0	\$0	\$0
Personnel				0:00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0:00	\$0	\$0	\$0
Supplies/Equipment				0:00	\$0	\$0	\$0
Financial Assurance [2]				0:00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0:00	\$0	\$0	\$0
Other (as needed)				0:00	\$0	\$0	\$0

**Notes for AVOIDED costs**  
 (This section is currently blank in the provided image.)

<b>Approx. Cost of Compliance</b>	\$500	<b>TOTAL</b>	\$5
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Screening Date 21-Aug-2014

Docket No. 2014-1204-AIR-E

PCW

Respondent Phillips 66 Company

Policy Revision 4 (April 2014)

Case ID No 49174

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102495884

Media [Statute] Air

Enf. Coordinator Rachel Bekowles

Violation Number 3

Rule Cite(s)

30 Tex. Admin. Code §§ 101.20(3), 116.715(a), and 122.143(4); Tex. Health & Safety Code § 382.085(b); Flexible Permit Nos. 9868A and PSDTX102M7; SC No. 47B; and FOP No. 01440; STC Nos. 20 and 24A

Violation Description

Failed to perform emissions testing no later than 14 days following maintenance performed on the air/fuel ratio controller, sensor, catalyst, or engine. Specifically, the oxygen sensor for Engine 42 was changed on June 21, 2012, but the emissions testing was not performed by July 5, 2012.

Base Penalty \$25,000

Environmental, Property and Human Health Matrix

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			X

Percent 7.0%

Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

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

Adjustment \$23,250

\$1,750

Violation Events

Number of Violation Events 1

758 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
Single event	X

mark only one with an x

Violation Base Penalty \$1,750

One single event is recommended.

Good Faith Efforts to Comply

25.0%

Reduction

\$437

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

Notes The Respondent completed corrective actions by August 2, 2014, prior to the August 7, 2014 NOE.

Violation Subtotal \$1,313

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$214

Violation Final Penalty Total \$3,097

This violation Final Assessed Penalty (adjusted for limits) \$3,097

# Economic Benefit Worksheet

**Respondent:** Phillips 66 Company  
**Case ID No.:** 49174  
**Reg. Ent. Reference No.:** RN102495884  
**Media:** Air  
**Violation No.:** 3

**Percent Interest:** 5.0  
**Years of Depreciation:** 15

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

### Delayed Costs

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Equipment				0:00	\$0	\$0	\$0
Buildings				0:00	\$0	\$0	\$0
Other (as needed)				0:00	\$0	\$0	\$0
Engineering/Construction				0:00	\$0	\$0	\$0
Land				0:00	\$0	\$0	\$0
Record Keeping System				0:00	\$0	\$0	\$0
Training/Sampling				0:00	\$0	\$0	\$0
Remediation/Disposal				0:00	\$0	\$0	\$0
Permit Costs				0:00	\$0	\$0	\$0
Other (as needed)	\$1,000	5-Jul-2012	2-Aug-2014	2:08	\$104	\$0	\$104

**Notes for DELAYED costs**

Estimated cost to develop and implement an engine run time tool that will track engine run time and ensure that oxygen sensor changes and subsequent emissions testing are conducted in accordance with Flexible Permit Nos. 9868A and PSDTX102M7. The Date Required is the date emissions testing on Engine 42 should have been conducted by. The Final Date is the date of compliance.

### Avoided Costs

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

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Disposal				0:00	\$0	\$0	\$0
Personnel				0:00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0:00	\$0	\$0	\$0
Supplies/Equipment				0:00	\$0	\$0	\$0
Financial Assurance [2]				0:00	\$0	\$0	\$0
ONE-TIME avoided costs [3]	\$100	5-Jul-2012	18-Sep-2013	2:12	\$11	\$100	\$111
Other (as needed)				0:00	\$0	\$0	\$0

**Notes for AVOIDED costs**

Estimated avoided cost by not conducting emissions testing on Engine 42 within the required time frame after changing the oxygen sensor. The Date Required is the date the emissions testing on Engine 42 should have been conducted by. The Final Date is the first date emissions testing on Engine 42 was conducted after changing the oxygen sensor on June 21, 2012.

Approx. Cost of Compliance

\$1,100

**TOTAL**

\$214

The TCEQ is committed to accessibility.

To request a more accessible version of this report, please contact the TCEQ Help Desk at (512) 239-4357.



# Compliance History Report

**PUBLISHED** Compliance History Report for CN604065912, RN102495884, Rating Year 2013 which includes Compliance History (CH) components from September 1, 2008, through August 31, 2013.

**Customer, Respondent, or Owner/Operator:** CN604065912, PHILLIPS 66 COMPANY      **Classification:** SATISFACTORY      **Rating:** 15.93

**Regulated Entity:** RN102495884, BORGER REFINERY      **Classification:** SATISFACTORY      **Rating:** 34.83

**Complexity Points:** 50      **Repeat Violator:** NO

**CH Group:** 02 - Oil and Petroleum Refineries

**Location:** STATE SPUR 119 NORTH NEAR BORGER, IN HUTCHINSON COUNTY, TEXAS

**TCEQ Region:** REGION 01 - AMARILLO

## ID Number(s):

**POLLUTION PREVENTION PLANNING ID NUMBER**  
P00529  
**WASTEWATER PERMIT** WQ0001064000  
**AIR NEW SOURCE PERMITS PERMIT** 9868A  
**AIR NEW SOURCE PERMITS REGISTRATION** 11449A  
**AIR NEW SOURCE PERMITS REGISTRATION** 11429A  
**AIR NEW SOURCE PERMITS REGISTRATION** 22777  
**AIR NEW SOURCE PERMITS PERMIT** 43073  
**AIR NEW SOURCE PERMITS AFS NUM** 4823300015  
**AIR NEW SOURCE PERMITS PERMIT** 71385  
**AIR NEW SOURCE PERMITS REGISTRATION** 82659  
**AIR NEW SOURCE PERMITS PERMIT** 85872  
**AIR NEW SOURCE PERMITS REGISTRATION** 90208  
**AIR NEW SOURCE PERMITS REGISTRATION** 87458  
**AIR NEW SOURCE PERMITS EPA PERMIT** PSDTX102M8  
**AIR NEW SOURCE PERMITS REGISTRATION** 98518  
**AIR NEW SOURCE PERMITS REGISTRATION** 99365  
**AIR NEW SOURCE PERMITS REGISTRATION** 105116  
**AIR NEW SOURCE PERMITS REGISTRATION** 99345  
**AIR NEW SOURCE PERMITS REGISTRATION** 105233  
**AIR NEW SOURCE PERMITS REGISTRATION** 107922  
**AIR NEW SOURCE PERMITS REGISTRATION** 105235  
**AIR NEW SOURCE PERMITS REGISTRATION** 107921  
**AIR NEW SOURCE PERMITS REGISTRATION** 105237  
**AIR NEW SOURCE PERMITS REGISTRATION** 114429  
**AIR NEW SOURCE PERMITS REGISTRATION** 104928  
**AIR NEW SOURCE PERMITS REGISTRATION** 105147  
**AIR NEW SOURCE PERMITS EPA PERMIT** PSDTX1158M1  
**AIR NEW SOURCE PERMITS REGISTRATION** 105236  
**AIR OPERATING PERMITS PERMIT** 1440  
**UNDERGROUND INJECTION CONTROL PERMIT** WDW380  
**UNDERGROUND INJECTION CONTROL PERMIT** WDW325  
**WASTEWATER PERMIT** TXG670145  
**INDUSTRIAL AND HAZARDOUS WASTE PERMIT** 50078  
**INDUSTRIAL AND HAZARDOUS WASTE EPA ID**  
TXD980626774  
**INDUSTRIAL AND HAZARDOUS WASTE EPA ID**  
TXP490351878  
**LEAKING PETROLEUM STORAGE TANKS REMEDIATION**  
ID NUMBER 95146

**POLLUTION PREVENTION PLANNING ID NUMBER**  
P07213  
**WASTEWATER EPA ID** TX0009148  
**AIR NEW SOURCE PERMITS REGISTRATION** 11042A  
**AIR NEW SOURCE PERMITS REGISTRATION** 11935A  
**AIR NEW SOURCE PERMITS REGISTRATION** 14441A  
**AIR NEW SOURCE PERMITS REGISTRATION** 34417  
**AIR NEW SOURCE PERMITS ACCOUNT NUMBER** HW0018P  
**AIR NEW SOURCE PERMITS EPA PERMIT** PSDTX102M6  
**AIR NEW SOURCE PERMITS PERMIT** 80799  
**AIR NEW SOURCE PERMITS EPA PERMIT** PSDTX1158  
**AIR NEW SOURCE PERMITS EPA PERMIT** PSDTX102M7  
**AIR NEW SOURCE PERMITS REGISTRATION** 90182  
**AIR NEW SOURCE PERMITS REGISTRATION** 87158  
**AIR NEW SOURCE PERMITS REGISTRATION** 95901  
**AIR NEW SOURCE PERMITS REGISTRATION** 96328  
**AIR NEW SOURCE PERMITS REGISTRATION** 100477  
**AIR NEW SOURCE PERMITS REGISTRATION** 99373  
**AIR NEW SOURCE PERMITS REGISTRATION** 102757  
**AIR NEW SOURCE PERMITS REGISTRATION** 114332  
**AIR NEW SOURCE PERMITS REGISTRATION** 118349  
**AIR NEW SOURCE PERMITS REGISTRATION** 105145  
**AIR NEW SOURCE PERMITS REGISTRATION** 115785  
**AIR NEW SOURCE PERMITS REGISTRATION** 112249  
**AIR NEW SOURCE PERMITS REGISTRATION** 114364  
**AIR NEW SOURCE PERMITS REGISTRATION** 105234  
**AIR NEW SOURCE PERMITS REGISTRATION** 119377  
**AIR NEW SOURCE PERMITS REGISTRATION** 106066  
**AIR OPERATING PERMITS ACCOUNT NUMBER** HW0018P  
**AIR OPERATING PERMITS PERMIT** 2166  
**UNDERGROUND INJECTION CONTROL PERMIT** WDW382  
**UNDERGROUND INJECTION CONTROL PERMIT**  
5X2600726  
**AIR EMISSIONS INVENTORY ACCOUNT NUMBER**  
HW0018P  
**INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE**  
**REGISTRATION # (SWR)** 30111  
**INDUSTRIAL AND HAZARDOUS WASTE OTS REQUEST**  
37309  
**STORMWATER PERMIT** TXR15WO16  
**LEAKING PETROLEUM STORAGE TANKS REMEDIATION**  
ID NUMBER 95088

**LEAKING PETROLEUM STORAGE TANKS REMEDIATION**  
ID NUMBER 109760

**Compliance History Period:** September 01, 2008 to August 31, 2013      **Rating Year:** 2013      **Rating Date:** 09/01/2013

**Date Compliance History Report Prepared:** August 28, 2014

**Agency Decision Requiring Compliance History:** Enforcement

**Component Period Selected:** August 21, 2009 to August 21, 2014

**TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.**

**Name:** Rachel Bekowies

**Phone:** (512) 239-2608

**Site and Owner/Operator History:**

- 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** for #2, who is the current owner/operator? N/A
- 4) If **YES** for #2, who was/were the prior owner(s)/operator(s)? N/A
- 5) If **YES**, when did the change(s) in owner or operator occur? N/A

**Components (Multimedia) for the Site Are Listed in Sections A - J**

**A. Final Orders, court judgments, and consent decrees:**

1      Effective Date: 11/27/2009      ADMINORDER 2009-0129-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 111, SubChapter A 111.111(a)(1)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
30 TAC Chapter 116, SubChapter G 116.715(c)(7)  
5C THSC Chapter 382 382.085(b)

Rqmt Prov:Special Conditions 1 and 23 PERMIT

Description: Failed to comply with permitted emissions limits. Specifically, during an emissions event on June 1, 2008, a tube failure occurred on Boiler 2.4 causing a steam system upset impacting most of the plant: the gas oil hydrodesulfurizer hydrocarbons ("GOHDS HC") Flare [Emissions Point Number ("EPN") 66FL12], the Cat Flare (EPN 66FL3), Unit 40 Fluid Catalytic Cracking Unit ("FCCU") (EPN 40PI), Unit 34 Sulfur Recovery Unit ("SRU") Incinerator (EPN 34I1), and Unit 43 SRU (EPN 43I1) emitted . . . .

Classification: Moderate

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

Rqmt Prov:SC 1 PERMIT

Description: Failed to comply with permitted emissions limits. Specifically, during an emissions event on June 29, 2008, hydrocarbon contamination of the Central Still Amine Absorber caused a shut down, and the Unit 34 SRU Incinerator (EPN 34I1) emitted 464 lbs of SO<sub>2</sub>, 175 lbs of H<sub>2</sub>S, 2.1 lbs of NO<sub>x</sub>, and 0.55 lb of CO over a 34 minute period. Since these emissions could have been avoided by better design and/or operational practices, the emissions are not subject to an affirmative defense . . . .

Classification: Moderate

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

Rqmt Prov:SC 1 PERMIT

Description: Failed to comply with permitted emissions limits. Specifically, during an emissions event on July 19, 2008, the Unit 34 Tail Gas Treatment Unit stripper foamed, causing a unit shut down, and the Unit 34 SRU Incinerator (EPN 34I1) emitted 716 lbs of SO<sub>2</sub>, 7.62 lbs of H<sub>2</sub>S, 1.53 lbs of NO<sub>x</sub>, and 0.38 lb of CO over a 23 minute period. Since these emissions could have been avoided by better design and/or operational practices, the emissions are not subject to an affirmative defense . . . .

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)

30 TAC Chapter 116, SubChapter G 116.715(c)(7)

5C THSC Chapter 382 382.085(b)

Rqmt Prov:SC 1 PERMIT

Description: Failed to comply with permitted emissions limits. Specifically, during an emissions event on July 29, 2008, flaring occurred at the atmospheric residual desulfurization ("ARDS") Flare (EPN 66FL12) due to a pressure increase in the first stage suction scrubber in the Flash Gas Compressor in Unit 41, and the flare emitted 639 lbs of SO<sub>2</sub>, seven lbs of H<sub>2</sub>S, 0.86 lb of NO<sub>x</sub>, 1.03 lbs of CO, and 3.37 lbs of VOC over a 20 minute period. Since these emissions were not timely reported . . . .

Classification: Moderate

Citation: 30 TAC Chapter 106, SubChapter X 106.533(j)(1)(B)

5C THSC Chapter 382 382.085(b)

Description: Failed to notify the Amarillo Regional Office of the TCEQ prior to initiating remediation activities. Specifically, the Respondent began the operation of a soil and groundwater remediation system at the Plant's Patton Creek area without notifying the Amarillo Regional Office.

Classification: Moderate

Citation: 30 TAC Chapter 106, SubChapter X 106.533(j)(1)(B)

5C THSC Chapter 382 382.085(b)

Description: Failed to notify the Amarillo Regional Office of the TCEQ prior to initiating remediation activities. Specifically, the Respondent began the operation of a soil and groundwater remediation system at the Plant's Area 1 (also known as North Coble) without notifying the Amarillo Regional Office.

Classification: Moderate

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

5C THSC Chapter 382 382.0518(a)

5C THSC Chapter 382 382.085(b)

Description: Failed to have authorization to operate a source of air emissions. Specifically, the Respondent began the operation of a soil and groundwater remediation system at the Plant's Area 3 without notice or authorization. Emissions data subsequently submitted by the Respondent on November 21, 2008, in connection with attempting to claim Permit by Rule authorization for the system, established that emissions were above those authorized by Permit by Rule.

Classification: Moderate

Citation: 30 TAC Chapter 106, SubChapter X 106.533(j)(1)(B)

5C THSC Chapter 382 382.085(b)

Description: Failed to notify the Amarillo Regional Office of the TCEQ prior to initiating remediation activities. Specifically, the Respondent began the operation of a soil and groundwater remediation system at the Plant's Area 4 without notifying the Amarillo Regional Office.

Classification: Moderate

Citation: 30 TAC Chapter 106, SubChapter X 106.533(j)(1)(B)

5C THSC Chapter 382 382.085(b)

Description: Failed to notify the Amarillo Regional Office of the TCEQ prior to initiating remediation activities. Specifically, the Respondent began the operation of a soil and groundwater remediation system at the Plant's HP-7 remediation site without notifying the Amarillo Regional Office.

Classification: Moderate

Citation: 30 TAC Chapter 106, SubChapter X 106.533(j)(1)(B)

5C THSC Chapter 382 382.085(b)

Description: Failed to notify the Amarillo Regional Office of the TCEQ prior to initiating remediation activities. Specifically, the Respondent began the operation of a soil and groundwater remediation system at the Plant's Jackson's Hole remediation site without notifying the Amarillo Regional Office.

Classification: Moderate

Citation: 30 TAC Chapter 106, SubChapter X 106.533(j)(1)(B)

5C THSC Chapter 382 382.085(b)

Description: Failed to notify the Amarillo Regional Office of the TCEQ prior to initiating remediation activities. Specifically, the Respondent began the operation of a soil and groundwater remediation system at the Plant's Old Canyon Dam (also known as Area 3A) without notifying the Amarillo Regional Office.

Classification: Moderate

Citation: 30 TAC Chapter 106, SubChapter X 106.533(j)(1)(B)

5C THSC Chapter 382 382.085(b)

Description: Failed to notify the Amarillo Regional Office of the TCEQ prior to initiating remediation activities. Specifically, the Respondent began the operation of a soil and groundwater remediation system at the Plant's Lot 7 remediation site without notifying the Amarillo Regional Office.

Classification: Moderate

Citation: 30 TAC Chapter 106, SubChapter X 106.533(j)(1)(B)

5C THSC Chapter 382 382.085(b)

Description: Failed to notify the Amarillo Regional Office of the TCEQ prior to initiating remediation activities. Specifically, the Respondent began the operation of a soil and groundwater remediation system at the Plant's Old Caustic Pond remediation site without notifying the Amarillo Regional Office.

Classification: Moderate

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

30 TAC Chapter 116, SubChapter G 116.715(a)  
5C THSC Chapter 382 382.085(b)

Rqmt Prov:SC 2B PERMIT

Description: Failed to maintain instrument monitoring of the flare pilot flame. Specifically, the Non-Corrosive Flare's (EPN 66FL4) pilot flame was not monitored by instrument on the following dates: December 22, 2007, March 3, May 7, and May 8, 2008.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
5C THSC Chapter 382 382.085(b)

Rqmt Prov:SC 2C PERMIT

Description: Failed to operate flares with no visible emissions, except for periods not to exceed a total of five minutes during any two consecutive hours. Specifically, those conditions were exceeded at the 100M Sour Water Treater Brine Flare Pit (EPN 66FL10) on March 13, 2008, at the ARDS Emergency Sulfur Flare (EPN 66FL13) on May 23, 2008, and at the Natural Gas Liquids Non-Corrosive Flare (EPN 66FL4) on March 7 and June 16, 2008.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
5C THSC Chapter 382 382.085(b)

Rqmt Prov:SC 10 PERMIT

Description: Failed to operate the SRU Tail Gas Incinerator with no visible emissions, except for uncombined steam. Specifically, visible emissions were observed from the Unit 43 incinerator stack on January 11 and April 2, 2008.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
5C THSC Chapter 382 382.085(b)

Rqmt Prov:SC 11 PERMIT

Description: Failed to operate the SRU thermal reactor at all times with a stable flame and to maintain the flame temperature at not less than 2,000 degrees Fahrenheit. Specifically, the SRU Unit 43 A's Thermal Reactor did not maintain the required flame and temperature on November 12, 2007.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
5C THSC Chapter 382 382.085(b)

Rqmt Prov:SC 14 PERMIT

Description: Failed to maintain the SRU 43 sulfur pit connected to a vapor collection system which routes the recovered vapors back into the process. Specifically, the SRU Unit 43 vapor collection system was not operational on January 2 and April 9, 2008.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
5C THSC Chapter 382 382.085(b)

Rqmt Prov:SC 28 PERMIT

Description: Failed to limit the fuel gas used to fire all of the Plant's heaters, boilers, and TGIs to a short term H2S concentration of no more than 162 parts per million volume. Specifically, the fuel gas exceeded that concentration on August 9, 2007 and March 9, 2008.

Classification: Moderate

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

Rqmt Prov:SC 41 PERMIT

Description: Failed to limit NOX emissions from an engine. Specifically, Engine 47 in Unit 12 (EPN 12E7), a White Superior engine, failed the NOx emissions limit of 2.0 grams per horse-power hour during a stack test on October 2, 2007.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
5C THSC Chapter 382 382.085(b)

Rqmt Prov:SC 55 PERMIT

Description: Failed to ensure that a minimum coke moisture content of six percent by weight was maintained during coke handling and storage operations. Specifically, 60 samples taken between December 3, 2007 and December 23, 2008 showed moisture content between 0.7 and 5.95%.

Classification: Moderate

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

30 TAC Chapter 116, SubChapter G 116.715(a)  
5C THSC Chapter 382 382.085(b)

Rqmt Prov:SC59B PERMIT

Description: Failed to take samples and perform moisture analyses of coke piles. Specifically, the Respondent failed to do the sampling and analyses on the following dates: November 27, December 13, December 21, December 23, December 27, 2007, January 30, February 4, April 21, and April 26, 2008.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT J 60.102(a)(1)  
5C THSC Chapter 382 382.085(b)

Description: Failed to limit PM emissions from the Unit 29 FCCU catalyst regenerator to no more than 1.0 kilograms per megagram (2.0 lb/ton). Specifically, a test conducted on December 6, 2007 showed that limit was exceeded.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 111, SubChapter A 111.111(a)(1)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
30 TAC Chapter 116, SubChapter G 116.715(c)(7)  
5C THSC Chapter 382 382.085(b)

Rqmt Prov:SC 1 PERMIT

SC 23 PERMIT

Description: Failed to comply with permitted emissions limits. Specifically, during an emissions event on January 17, 2009, contaminated amine caused a temperature excursion and shut-down of the SRU 34 Feed Heater due to faulty level transmitters and the design of the level gauges, which made it difficult for plant operations to see the actual level of the absorbers. This condition, in turn, resulted in the following unauthorized emissions from the SRU incinerator (EPN 34I1):

...

2 Effective Date: 12/18/2009 ADMINORDER 2009-1156-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
5C THSC Chapter 382 382.085(b)

Rqmt Prov:No. 9868A and PSD-TX-10M7, SC 1 PERMIT

Description: Failed to prevent unauthorized emissions.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
5C THSC Chapter 382 382.085(b)

Rqmt Prov:Flex Permit 9868A and PSD-TX-102, SC 1 PERMIT

Description: Failed to prevent unauthorized emissions.

3 Effective Date: 09/26/2010 ADMINORDER 2010-0178-AIR-E (Findings Order-Agreed Order Without Denial)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
5C THSC Chapter 382 382.085(b)

Rqmt Prov:PSDTX102M7, Special Condition (SC) No.1 PERMIT

Description: Failure to prevent unauthorized emissions from the GOHDS flare on August 17, 2009.

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)

Rqmt Prov:Special Provision No. 18 OP

Description: Failed to submit a complete deviation report no later than 30 days after the end of the reporting period.

Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.1090  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT ZZZZ 63.6640(a)  
5C THSC Chapter 382 382.085(b)

Description: Failure to maintain Unit 12, Engine 42's catalyst on March 27, 2009 so that the pressure drop across the catalyst does not exceed the limits established during the performance test.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
30 TAC Chapter 122, SubChapter B 122.143(4)

40 CFR Chapter 60, SubChapter C, PT 60, SubPT J 60.106(j)(1)  
5C THSC Chapter 382 382.085(b)

Rqmt Prov:Special Terms and Conditions No. 1.A. OP

Description: Failure to collect one fresh feed sulfur sample once per eight-hour period.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)  
40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.357(a)  
5C THSC Chapter 382 382.085(b)

Description: Failure to submit the initial required benzene reports within 90 days of startup for the following units, which were started in June 2007: Unit 50 (Coker), Unit 51 (Vacuum), and Unit 19.3 (Hydrogen).

Classification: Minor

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

Description: Failure to submit a complete final report for emissions event No. 124305 which occurred on May 15, 2009.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
5C THSC Chapter 382 382.085(b)

Rqmt Prov:PSDTX102M7, SC No.1 PERMIT

Description: Failure to prevent unauthorized emissions from the Unit 34 incinerator stack on November 10, 2009.

- 4 Effective Date: 11/15/2010 ADMINORDER 2010-0675-AIR-E (Findings Order-Agreed Order Without Denial)  
Classification: Moderate  
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
5C THSC Chapter 382 382.085(b)  
Rqmt Prov:Flexible Permit 9868A, SC 1 PERMIT  
Description: Failed to prevent unauthorized emissions. Since this event could have been avoided by better maintenance procedures for air cooler belts, the demonstrations for an affirmative defense in 30 Tex. Admin. Code § 101.222 were not met.  
Classification: Moderate  
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
5C THSC Chapter 382 382.085(b)  
Rqmt Prov:Flexible Permit 9868A, SC 1 PERMIT  
Description: Failed to prevent unauthorized emissions. Since this event could have been avoided by either protecting the current power source, or ensuring backup power, the demonstrations for an affirmative defense in 30 Tex. Admin. Code § 101.222 were not met.
- 5 Effective Date: 05/08/2011 ADMINORDER 2010-1795-AIR-E (1660 Order-Agreed Order With Denial)  
Classification: Major  
Citation: 30 TAC Chapter 122, SubChapter C 122.221(a)  
5C THSC Chapter 382 382.0541(a)  
5C THSC Chapter 382 382.085(b)  
Rqmt Prov:O-01440 OP  
Description: Failed to obtain significant revision of the Borger Refinery's federal operating permit, prior to the issuance of the revised federal operating permit in violation of 30 Tex. Admin. Code Ch. 122.221(a) and Tex. Health & Safety Code Ch. 382.0541(a)(1). Specifically, the respondent failed to obtain amendments associated with the modification to the Borger Refinery called the "Gasoline Benzene Reduction Project".
- 6 Effective Date: 11/03/2011 ADMINORDER 2011-0326-AIR-E (Findings Order-Agreed Order Without Denial)  
Classification: Moderate  
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
5C THSC Chapter 382 382.085(b)  
Rqmt Prov:9868A and PSDTX102M7, SC 1 PERMIT  
Description: Failed to prevent unauthorized emissions.  
Classification: Minor  
Citation: 30 TAC Chapter 116, SubChapter F 116.615(4)  
5C THSC Chapter 382 382.085(b)

Description: Failed to submit notification for the start of construction and completion of construction within 15 days of occurrence of the event.  
Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter F 116.615(5)  
Classification: Minor  
5C THSC Chapter 382 382.085(b)

Description: Failed to submit notification prior to the commencement of operation.  
Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.1090  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT ZZZZ 63.6640(a)  
5C THSC Chapter 382 382.085(b)

Rqmt Prov:FOP O1440, General Terms and Conditions OP

Description: Failed to maintain the temperature of the stationary reciprocating internal combustion engine exhaust so the catalyst inlet temperature is greater than or equal to 750°F.  
Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(f)(2)  
5C THSC Chapter 382 382.085(b)

Rqmt Prov:9868A and PSDTX102M7, SC 2.B. PERMIT  
FOP O1440, ST&C 17.A. OP

Description: Failed to monitor the pilot flame with a thermocouple, an infrared monitor, or equivalent device.  
Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT J 60.104(a)(1)  
5C THSC Chapter 382 382.085(b)

Rqmt Prov:9868A and PSDTX102M7, SC 27 PERMIT  
FOP O1440, ST&C 17.A. OP

Description: Failed to maintain the H2S concentration in the fuel gas used to fire all heaters, boilers, and tail gas incinerators below 162 ppmv.  
Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.650(a)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT Q 63.427(a)(3)  
5C THSC Chapter 382 382.085(b)

Rqmt Prov:FOP O1440, General Terms and Conditions OP

Description: Failed to operate and maintain a continuous monitoring system capable of measuring the temperature of the thermal oxidizer.  
Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
5C THSC Chapter 382 382.085(b)

Rqmt Prov:9868A and TSDTX102M7, SC 1 PERMIT

Description: Failed to prevent unauthorized emissions.

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Effective Date: 02/18/2012 ADMINORDER 2011-1328-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
5C THSC Chapter 382 382.085(b)

Rqmt Prov:Flexible Permit No. 9868A and PSDTX102M7 PERMIT

Description: The facility failed to prevent unauthorized emissions during the incident No. 152189 by failing to meet the affirmative defense criteria (b)(2) and (b)(3) of the provisions of 30 TAC Chapter 101, §101.222(b). This facility is in violation of the provisions of 30 TAC Chapter 116, §116.715(a) and §382.085(b).

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
5C THSC Chapter 382 382.085(b)

Rqmt Prov:Flexible Permit No. 9868A and PSDTX102M7 PERMIT

Description: The facility failed to prevent unauthorized emissions during the incident No. 152427 by failing to meet the affirmative defense criteria (b)(2) and (b)(3) of the provisions of 30 TAC Chapter 101, §101.222(b). This facility is in violation of the provisions of 30 TAC Chapter 116, §116.715(a) and §382.085(b).

- 8 Effective Date: 06/08/2012 ADMINORDER 2011-1680-IHW-E (1660 Order-Agreed Order With Denial)  
Classification: Major  
Citation: 30 TAC Chapter 335, SubChapter A 335.2(b)  
40 CFR Chapter 270, SubChapter I, PT 270, SubPT A 270.1(c)  
Rqmt Prov:IV.B.1 PERMIT  
Description: Failed to prevent the disposal of an unauthorized hazardous waste into a permitted waste management unit. Specifically, the Respondent disposed of 180 barrels of spent caustic waste (Hazardous Waste Code 2908019H) on July 10, 2011 into a permitted surface impoundment (Permitted Unit No. 2, Notice of Registration Waste Management Unit No. 032) which is a unit not authorized to receive this waste.
- 9 Effective Date: 08/03/2013 ADMINORDER 2011-1891-AIR-E (1660 Order-Agreed Order With Denial)  
Classification: Moderate  
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
Rqmt Prov:FOP O1440, Special Terms and Cond 23 OP  
Permit Nos. 9868A and PSDTX102M7, SC 1 PERMIT  
Description: Failed to prevent unauthorized emissions. Specifically, the Respondent operated at 90% opacity and released 100,935 pounds ("lbs") of volatile organic compounds, 27,200 lbs of carbon monoxide, 26,600 lbs of particulate matter, 10,678 lbs of sulfur dioxide, 3,200 lbs of nitrogen oxide, 2,397 lbs of methane, 1,023 lbs of nitrogen dioxide, 135 lbs of ethane, 123.6 lbs of hydrogen sulfide, 3.2 lbs of nickel, and 2.37 lbs of lead from EPNs 66FL6, 43I1, 34I1, 66FL3, 66FL4, 40P1, and 66FL2, during two
- 10 Effective Date: 11/16/2013 ADMINORDER 2013-0904-AIR-E (1660 Order-Agreed Order With Denial)  
Classification: Moderate  
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)  
30 TAC Chapter 116, SubChapter G 116.715(a)  
5C THSC Chapter 382 382.085(b)  
Rqmt Prov:SC No. 1 PA  
Description: Failed to prevent unauthorized emissions during the incident No. 177546 on December 30, 2012. Specifically, the incident failed the affirmative defense criteria of 30 TAC Chapter 101, §101.222(b)(2) and §101.222(b)(3).

**B. Criminal convictions:**

N/A

**C. Chronic excessive emissions events:**

N/A

**D. The approval dates of investigations (CCEDS Inv. Track. No.):**

Item 1	September 30, 2009	(776673)
Item 2	October 02, 2009	(778026)
Item 3	November 10, 2009	(781161)
Item 4	December 21, 2009	(786080)
Item 5	December 28, 2009	(786674)
Item 6	February 25, 2010	(792398)
Item 7	March 09, 2010	(793850)
Item 8	March 29, 2010	(797217)
Item 9	April 29, 2010	(800142)
Item 10	May 19, 2010	(803083)
Item 11	May 25, 2010	(802372)
Item 12	May 26, 2010	(824743)
Item 13	July 23, 2010	(842679)
Item 14	August 10, 2010	(843540)
Item 15	September 07, 2010	(858033)
Item 16	October 29, 2010	(872276)
Item 17	December 01, 2010	(879347)

Item 18	December 14, 2010	(884717)
Item 19	January 03, 2011	(886732)
Item 20	January 05, 2011	(886112)
Item 21	January 10, 2011	(886730)
Item 22	February 01, 2011	(890887)
Item 23	February 03, 2011	(892932)
Item 24	May 19, 2011	(921431)
Item 25	July 11, 2011	(937169)
Item 26	July 14, 2011	(937214)
Item 27	July 21, 2011	(937524)
Item 28	August 10, 2011	(942876)
Item 29	October 05, 2011	(937579)
Item 30	October 06, 2011	(957987)
Item 31	October 11, 2011	(962081)
Item 32	November 01, 2011	(964373)
Item 33	November 10, 2011	(968250)
Item 34	November 22, 2011	(969323)
Item 35	January 23, 2012	(981085)
Item 36	February 27, 2012	(988952)
Item 37	March 16, 2012	(994450)
Item 38	September 14, 2012	(1030291)
Item 39	November 07, 2012	(1042066)
Item 40	December 06, 2012	(1050402)
Item 41	December 21, 2012	(1052288)
Item 42	February 05, 2013	(1055773)
Item 43	February 08, 2013	(1057597)
Item 44	February 11, 2013	(1057772)
Item 45	March 08, 2013	(1073019)
Item 46	March 26, 2013	(1075828)
Item 47	May 09, 2013	(1088079)
Item 48	June 17, 2013	(1095137)
Item 49	June 20, 2013	(1099601)
Item 50	September 16, 2013	(1116551)
Item 51	October 09, 2013	(1123056)
Item 52	November 01, 2013	(1128254)
Item 53	November 19, 2013	(1133096)
Item 54	January 21, 2014	(1140203)
Item 55	February 04, 2014	(1145611)
Item 56	February 07, 2014	(1146547)
Item 57	February 27, 2014	(1151767)
Item 58	February 28, 2014	(1145761)
Item 59	March 17, 2014	(1156717)
Item 60	March 25, 2014	(1157616)
Item 61	April 03, 2014	(1158956)
Item 62	May 02, 2014	(1164209)
Item 63	July 08, 2014	(1177614)
Item 64	July 09, 2014	(1179555)
Item 65	July 14, 2014	(1183476)
Item 66	July 31, 2014	(1185627)
Item 67	August 06, 2014	(1186405)
Item 68	August 08, 2014	(1184585)
Item 69	August 13, 2014	(1186974)

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

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

1 Date: 08/21/2013 (1100990) CN604065912  
Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT W 60.482-1(a)

Description: 5C THSC Chapter 382 382.085(b)  
 The facility is in violation of the provisions of 40 CFR §60.482-1(a), 5C THSC §382.085(b), and 30 TAC §122.143(4) for failure to monitor numerous valves and pumps according to LDAR provisions of Subpart VV.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-2(a)(1)  
 5C THSC Chapter 382 382.085(b)

Description: The facility is in violation of the provisions of 40 CFR §60.482-2(a)(1), 5C THSC §382.085(b), and 30 TAC §122.143(4) by failure to monitor the affected pumps monthly instead of annually.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-4(b)(1)  
 5C THSC Chapter 382 382.085(b)

Description: The facility is in violation of the provisions of 40 CFR §60.482-4(b)(1), 5C THSC §382.085(b), and 30 TAC §122.143(4) by failure to monitor the affected pressure relief devices within 5 days following the release.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-9(a)  
 5C THSC Chapter 382 382.085(b)

Description: The review of the deviation report, submitted on January 30, 2013 (page 50 of 61) indicated that the pump tag No. 67-G501 in Unit F-1 was not repaired during the scheduled outage. The facility is in violation of the provisions of 40 CFR §60.482-9(a), 5C THSC §382.085(b), and 30 TAC §122.143(4).

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(a)(2)(i)  
 5C THSC Chapter 382 382.085(b)

Description: The review of the deviation report, submitted on January 30, 2013 (page 51 of 61) indicated that three (3) new valves were not monitored within 30 days of startup. The facility is in violation of the provisions of 40 CFR §60.482-7(a)(2)(i), 5C THSC §382.085(b), and 30 TAC §122.143(4).

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(d)(1)  
 5C THSC Chapter 382 382.085(b)

Description: The review of the deviation report, submitted on January 30, 2013 (pages 51 and 56 of 61) indicated that two (2) valves had late final attempts. The facility is in violation of the provisions of 40 CFR §60.482-7(d)(1), 5C THSC §382.085(b), and 30 TAC §122.143(4).

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)  
 5C THSC Chapter 382 382.085(b)

Description: The review of the deviation report, submitted on January 30, 2013 indicated that two (2) open-ended valves were identified during an LDAR audit. The facility is in violation of the provisions of 40 CFR §60.482-6(a)(1), 5C THSC §382.085(b), and 30 TAC §122.143(4).

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(d)(1)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(d)(2)  
 5C THSC Chapter 382 382.085(b)

Description: The review of the deviation report, submitted on January 30, 2013 (page 57 of 61) indicated that two (2) valves were found leaking on December 20, 2012, but the 5 and 15 day repair attempts were missed. The facility is in violation of the provisions of 40 CFR §§60.482-7(d)(1)-(d)(2), 5C THSC §382.085(b), and 30 TAC §122.143(4).

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 5C THSC Chapter 382 382.085(b)  
 SC No. 20 OP  
 SC No. 8 PA

Description: The facility is in violation of the provisions of 30 TAC §116.715(a), 30 TAC §122.143(4), 5C THSC §382.085(b), special condition No. 8 of the permit No. 9868A, and special condition No. 20 of the SOP No. O-01440 by failure to operate Unit 34 incinerator within the operating temperature and oxygen concentration limits.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
SC No. 11 PA  
SC No. 20 OP

Description: The facility is in violation of the provisions of 30 TAC §116.715(a), 30 TAC

§122.143(4), and 5C THSC §382.085(b), special condition No. 11 of the permit No. 9868A, and special condition No. 20 of the SOP No. O-01440 by failure to operate Unit 43 thermal reactors within the operating temperature.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
SC No. 20 OP  
SC No. 54 PA

Description: The review of the deviation report, submitted on July 27, 2012 (page 46 of 56) indicated that the minimum coke moisture level was not maintained on June 11, 2012. The facility is in violation of the provisions of 30 TAC §116.715(a), 30 TAC §122.143(4), and 5C THSC §382.085(b), special condition No. 54 of the permit No. 9868A, and special condition No. 20 of the SOP No. O-01440.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
SC No. 20 OP  
SC No. 55 PA

Description: The review of the deviation report, submitted on January 30, 2013 (page 49 of 61) indicated that no samples were tested for coke moisture on July 15, 2012. The facility is in violation of the provisions of 30 TAC §116.715(a), 30 TAC §122.143(4), and 5C THSC §382.085(b), special condition No. 55 of the permit No. 9868A, and special condition No. 20 of the SOP No. O-01440.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
SC No. 20 OP  
SC No. 44(B) PA

Description: The facility is in violation of the provisions of 30 TAC §116.715(a), 30 TAC §122.143(4), and 5C THSC §382.085(b), special condition No. 44(B) of the permit No. 9868A, and special condition No. 20 of the SOP No. O-01440 by failure to perform engines tests within 14 days following the maintenance activities.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
SC No. 10 PA  
SC No. 20 OP

Description: Visible emissions were observed from Unit 43 incinerator stack and Derrick Flare on February 5, 2012. The facility is in violation of the provisions of 30 TAC §116.715(a), 30 TAC 122.143(4), 5C THSC 382.085(b), special condition No. 10 of the permit No. 9868A, and special condition No. 20 of the SOP No. O-01440.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
SC No. 2(C) PA  
SC No. 20 OP

Description: The facility is in violation of the provisions of 30 TAC §116.715(a), 30 TAC 122.143(4), 5C THSC 382.085(b), special condition No. 2(C) of the permit No. 9868A, and special condition No. 20 of the SOP No. O-01440 for failure to operate the affected flares with no visible emissions.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT GGGa 60.592a(a)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VVa 60.487a(a)  
5C THSC Chapter 382 382.085(b)

Description: The review of the deviation report. Submitted on July 27, 2012 (page 52 of 56) indicated that Phillips failed to submit the semi-annual reports for Skid Boiler and GBR Unit 6 months after their initial startup. The facility is in violation of the provisions of 40 CFR 60 Subpart GGGa §60.592a(a), 40 CFR 60 Subpart VVa §60.487a(a), 5C THSC 382.085(b), and 30 TAC §122.143(4).

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT GGGa 60.592a(a)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VVa 60.486a(c)  
5C THSC Chapter 382 382.085(b)

Description: The review of the deviation report submitted on July 27, 2012 (page 52 of 56) indicated that Phillips failed to keep the records of leaking connectors for Skid Boiler and GBR Unit. The facility is in violation of the provisions of 40 CFR 60 Subpart GGGa §60.592a(a), 40 CFR 60 Subpart VVa §60.486a(c), 5C THSC 382.085(b), and 30 TAC §122.143(4).

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT GGGa 60.592a(a)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT Wa 60.486a(a)(3)  
5C THSC Chapter 382 382.085(b)

Description: The review of the deviation report submitted on July 27, 2012 (page 52 of 56) indicated that Phillips failed to keep the required information for the connectors for Skid Boiler and GBR Unit. The facility is in violation of the provisions of 40 CFR 60 Subpart GGGa §60.486a(a)(3), 5C THSC 382.085(b), and 30 TAC §122.143(4).

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.7(a)(4)  
5C THSC Chapter 382 382.085(b)

Description: The review of the deviation report, submitted on July 27, 2012 (page 53 of 56) indicated that Phillips failed to submit the regulatory applicability notification of Subpart A for the Skid Boiler and GBR Unit. The facility is in violation of the provisions of 40 CFR 60 Subpart A §60.7(a)(4), 5C THSC 382.085(b), and 30 TAC §122.143(4).

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT GGGa 60.592a(a)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VVa 60.486a(b)(1)  
5C THSC Chapter 382 382.085(b)

Description: The review of the deviation report, submitted on July 27, 2012 (page 53 of 56) indicated that Phillips failed to attach the tags for the leaking connectors for these units. The facility is in violation of the provisions of 40 CFR 60 Subpart GGGa §60.592a(a), 40 CFR 60 Subpart VVa §60.486a(b)(1), 5C THSC 382.085(b), and 30 TAC §122.143(4).

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT GGGa 60.592a(a)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VVa 60.486a(f)(1)  
5C THSC Chapter 382 382.085(b)

Description: Phillips failed to maintain the list of unsafe-to-monitor for the connectors in Skid Boiler and GBR Unit. The facility is in violation of the provisions of 40 CFR 60 Subpart GGGa §60.592a(a), 40 CFR 60 Subpart VVa §60.486a(f)(1), 5C THSC 382.085(b), and 30 TAC §122.143(4).

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
SC No. 20 OP  
SC No. 46 PA

Description: The facility is in violation of the provisions of 30 TAC §116.115(c), 30 TAC §122.143(4), 5C THSC §382.085(b), special condition No.1 of the permit 85872, and special condition No. 20 of the SOP No. O-01440 for failure to maintain the NOx emission limits within the allowable limit for the Skid Boiler.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
SC No. 20 OP  
SC No. 27 PA

Description: The facility is in violation of the provisions of 30 TAC §116.715(a), 30 TAC §122.143(4), 5C THSC §382.085(b), special condition No. 27 of the permit No. 9868A, and special condition No. 20 of the SOP No. O-01440.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
SC No. 14 PA  
SC No. 20 OP

Description: The review of the deviation report, submitted on January 30, 2013 (pages 33 and 34 of 61) indicated that unit's sulfur degassing process was shut down on December 25, 2012. The facility is in violation of the provisions of 30 TAC §116.715(a), 30 TAC §122.143(4), 5C THSC §382.085(b), special condition No. 14 of the permit No. 9868A, and special condition No. 20 of the SOP No. O-01440.

2 Date: 08/07/2014 (1139300) CN604065912

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT W 60.482-1(a)  
5C THSC Chapter 382 382.085(b)  
SC No. 1 OP

Description: The facility is in violation of the provisions of 40 CFR §60.482-1(a), 5C THSC §382.085(b), 30 TAC §122.143(4), special condition No. 30 of the permit No. 9868A, and special condition No. 1 of the permit No. O1440 regarding missing components subject to LDAR program.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(c)(2)  
5C THSC Chapter 382 382.085(b)  
SC No. 1 OP

Description: The facility is in violation of the provisions of 40 CFR §60.482-7(c)(2), 5C THSC §382.085(b), 30 TAC §122.143(4), and special condition No. 1 of the permit No. O1440 regarding missing LDAR monitoring.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(d)(1)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(d)(2)  
5C THSC Chapter 382 382.085(b)

Description: The facility is in violation of the provisions of 40 CFR §§60.482-7(d)(1)-(d)(2), 5C THSC §382.085(b), and 30 TAC §122.143(4) by missing the 5/15 repair deadlines.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.1090  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT ZZZZ 63.6640(a)  
5C THSC Chapter 382 382.085(b)

Description: The facility is in violation of the provisions of 40 CFR 63 Subpart ZZZZ, §63.6640(a), §382.085(b), 30 TAC §122.143(4), and 30 TAC Chapter 113, §113.1090 by failure to operate the affected engines according to the temperature and pressure limitations of this subpart.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
SC No. 20 OP  
SC No. 8 PA

Description: The facility is in violation of the provisions of 30 TAC §116.715(a), 30 TAC §122.143(4), 5C THSC §382.085(b), special condition No. 8 of the permit No. 9868A, and special condition No. 20 of the SOP No. O-01440 regarding failure to maintain the required temperature and oxygen concentration for the affected SRU.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(2)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT A 63.11(b)  
5C THSC Chapter 382 382.085(b)  
SC No. 2(B) PA  
SC No. 20 OP

Description: The facility is in violation of the provisions of 30 TAC §116.715(a), §60.18(c)(2), §63.11(b), 30 TAC §122.143(4), 5C THSC §382.085(b), special condition No. 2(B) of the permit No. 9868A, and special condition No. 20 of the SOP No. O-01440 for failure to comply with the pilot flame requirements of the permit No. 9868A.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(1)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT A 63.11(b)  
5C THSC Chapter 382 382.085(b)

SC No. 2(C) PA  
 SC No. 20 OP  
 Description: The facility is in violation of the provisions of 30 TAC §116.715(a), 30 TAC 122.143(4), 5C THSC 382.085(b), §60.18(c)(2), §63.11(b), special condition No. 2(C) of the permit No. 9868A, and special condition No. 20 of the SOP No. O-01440 for failure to operate the affected flares with visible emissions.

Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-9(a)

5C THSC Chapter 382 382.085(b)  
 SC No. 1 OP  
 Description: The facility is in violation of the provisions of 40 CFR §60.482-9(a), 5C THSC §382.085(b), 30 TAC §122.143(4), and special condition No. 1 of the SOP No. O1440 to comply with the monitoring deadline of the provisions of 40 CFR 60 Subpart VV.

Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT J 60.104(a)(1)  
 5C THSC Chapter 382 382.085(b)  
 SC No. 20 OP  
 SC No. 28 PA

Description: The facility is in violation of the provisions of §60.104(a)(1), 30 TAC §116.715(a), 30 TAC §122.143(4), 5C THSC §382.085(b), special condition No. 28 of the permit No. 9868A, and special condition No. 20 of the SOP No. O-01440 by exceeding the hydrogen sulfide concentrations in the fuel.

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)  
 SC No. 2 PA  
 SC No. 20 OP

Description: The facility is in violation of the provisions of 30 TAC §116.115(c), 30 TAC 122.143(4), 5C THSC 382.085(b), special condition No. 2 of the permit No. 85827, and special condition No. 20 of the SOP No. O-01440 for operating the Skid Boiler with the visible emissions.

Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 5C THSC Chapter 382 382.085(b)  
 SC No. 20 OP  
 SC No. 32 PA

Description: The facility is in violation of the provisions of 30 TAC §116.715(a), 30 TAC 122.143(4), 5C THSC 382.085(b), special condition No. 32 of the permit No. 9868A, and special condition No. 20 of the SOP No. O-01440.

Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 5C THSC Chapter 382 382.085(b)  
 SC No. 20 OP  
 SC No. 53 PA

Description: The facility is in violation of the provisions of 30 TAC §116.715(a), 30 TAC 122.143(4), 5C THSC 382.085(b), special condition No. 53 of the permit No. 9868A, and special condition No. 20 of the SOP No. O-01440 for exceeding NOx emissions in the Unit 40 Boiler.

Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT Kb 60.112b(a)(2)(iii)  
 5C THSC Chapter 382 382.085(b)  
 SC No. 20 OP  
 SC No. 29 PA

Description: The facility is in violation of the provisions of §60.112b(a)(2)(iii), 30 TAC §116.715(a), 30 TAC 122.143(4), 5C THSC 382.085(b), special condition No. 29 of the permit No. 9868A, and special condition No. 20 of the SOP No. O-01440 for failure to comply with the provisions of 40 CFR 60 Subpart Kb.

Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT UUU 63.1573(a)(2)(ii)  
 5C THSC Chapter 382 382.085(b)  
 SC No. 20 OP  
 SC No. 31 PA

Description: The facility is in violation of the provisions of 40 CFR 63 §63.1573(a)(2)(ii), 30 TAC §116.715(a), 30 TAC 122.143(4), 5C THSC 382.085(b), special condition No. 31 of the permit No. 9868A, and special condition No. 20 of the SOP No. O-01440 by failure to obtain CO2 values for the FCCU.

## F. Environmental audits:

Notice of Intent Date: 03/10/2009 (740239)

Disclosure Date: 12/18/2009

Viol. Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.10

Description: Failure to accurately report remediation fugitives from Emissions Inventory for reporting years 2005 to 2007.

Notice of Intent Date: 04/05/2010 (826787)

No DOV Associated

Notice of Intent Date: 10/19/2010 (877218)

No DOV Associated

Notice of Intent Date: 02/14/2011 (901451)

No DOV Associated

Notice of Intent Date: 07/10/2012 (1022848)

Disclosure Date: 03/28/2013

Viol. Classification: Moderate

Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-1

40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(a)(1)

Description: Failed to monitor 223 valves that were not included in the LDAR inventory.

Viol. Classification: Minor

Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-1

40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(h)(1)

Description: Failed to correctly classify a valve, as it was incorrectly classified as difficult to monitor.

Viol. Classification: Moderate

Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(g)(2)

Description: Failure to have a monitoring plan for UTM's and failed to keep records regarding monitoring of UTM's

Viol. Classification: Moderate

Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)

Description: Six open ended lines were observed in the field.

Viol. Classification: Minor

Citation: 40 CFR Part 60, Subpart VV 60.482-8

40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-8(a)(1)

Description: Failed to perform AVO Method 21 follow-up inspections on 3 occasions.

Viol. Classification: Minor

Citation: 40 CFR Part 60, Subpart VV 60.482-9

Description: Failed to appropriately classify Valve No. 42256 and 73 pumps as they were classified as difficult to repair. Spare pumps were available.

Viol. Classification: Minor

Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(a)(1)

Description: There were 5 occasions where a component was moved to quarterly monitoring without having completed 2 consecutive months of monitoring.

Viol. Classification: Moderate

Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-1

40 CFR Part 60, Subpart VV 60.482-7

Description: Failed to inspect/monitor 98 valves.

Viol. Classification: Minor

Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(d)(1)

Description: Failed to include information related to late repairs performed during the relevant reporting periods on the July 31, 2011 and January 31, 2012 semiannual VV reports.

Notice of Intent Date: 07/11/2013 (1104174)

Disclosure Date: 12/23/2013

Viol. Classification: Moderate

Citation: 40 CFR Part 60, Subpart VV 60.482-10

40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-10(g)(1)

40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-10(g)(2)

Description: Failed to repair a PRV (LDAR #93-N704 in U40) that was identified as leaking as it was not repaired in 5 days that was due on 12/1/13, and it was also not repaired in 15 days that was due on 12/11/13. This was due to a database error.

Notice of Intent Date: 08/09/2013 (1114397)

No DOV Associated

Notice of Intent Date: 09/23/2013 (1122778)

No DOV Associated

Notice of Intent Date: 04/07/2014 (1163490)

No DOV Associated

Notice of Intent Date: 05/30/2014 (1173714)

No DOV Associated

**G. Type of environmental management systems (EMSs):**

N/A

**H. Voluntary on-site compliance assessment dates:**

N/A

**I. Participation in a voluntary pollution reduction program:**

N/A

**J. Early compliance:**

N/A

**Sites Outside of Texas:**

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
PHILLIPS 66 COMPANY  
RN102495884**

**§  
§  
§  
§  
§**

**BEFORE THE  
TEXAS COMMISSION ON  
ENVIRONMENTAL QUALITY**

**AGREED ORDER  
DOCKET NO. 2014-1204-AIR-E**

**I. JURISDICTION AND STIPULATIONS**

On \_\_\_\_\_, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Phillips 66 Company ("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 together stipulate that:

1. The Respondent owns and operates a petroleum refinery at State Spur 119 North near Borger, in Hutchinson County, Texas (the "Site").
2. The Site consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Executive Director 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 August 12, 2014.
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 Ten Thousand Two Hundred Twelve Dollars (\$10,212) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Four Thousand Eighty-Five Dollars (\$4,085) of the administrative penalty and Two Thousand Forty-Two Dollars (\$2,042) 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. Four Thousand Eighty-Five Dollars (\$4,085) 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 and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
9. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Site:
  - a. On September 18, 2013, conducted emissions testing on Engine 42;
  - b. By January 1, 2014, installed a backup air compressor at the Unit 45 Methyl Mercaptan Unit and trained the personnel responsible for inadvertently causing Tail Gas Incinerator 34, Emission Point Number ("EPN") 34I1, to shut down to prevent a recurrence of the firebox exit temperature for EPN 34I1 falling below the minimum required temperature due to the same causes as the December 7, 2013 and December 31, 2013 occurrences. The December 7, 2013 occurrence was caused by Unit 45 Methyl Mercaptan Unit shutting down due to a loss of instrument air, which resulted in acid gas being diverted to EPN 34I1 and the subsequent low firebox exit temperature. The December 31, 2013 occurrence was caused by Site personnel during routine maintenance when a fuse supplying power to a flame detection system was pulled causing the incinerator fuel gas valves to trip, which resulted in EPN 34I1 shutting down and the subsequent low firebox exit temperature;
  - c. By August 2, 2014, developed and implemented an engine run time tool that will track engine run time and ensure that oxygen sensor changes and subsequent emissions testing are conducted in accordance with Flexible Permit Nos. 9868A and PSDTX102M7; and
  - d. On August 21, 2014, provided documentation that demonstrates that an electronic recordkeeping system has been developed and implemented to ensure that all caustic concentration records are maintained.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.

12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

## II. ALLEGATIONS

As owner and operator of the Site, the Respondent is alleged to have:

1. Failed to maintain the required minimum firebox exit temperature of 1,170 degrees Fahrenheit ("°F") for Tail Gas Incinerator 34, EPN 34I1, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.715(a), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Flexible Permit Nos. 9868A and PSDTX102M7, Special Conditions ("SC") No. 8, and Federal Operating Permit ("FOP") No. O1440, Special Terms and Conditions ("STC") Nos. 20 and 24A, as documented during an investigation conducted from June 16, 2014 through June 25, 2014. Specifically, the firebox exit temperature for EPN 34I1 fell below 1,170°F on December 7, 2013 for one hour and on December 31, 2013 for three hours.
2. Failed to maintain complete records of the caustic concentration of the neutralization solution used in the caustic scrubber system for a period of three years, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.715(a), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Flexible Permit Nos. 9868A and PSDTX102M7, SC No. 17, and FOP No. O1440, STC Nos. 20 and 24A, as documented during an investigation conducted from June 16, 2014 through June 25, 2014. Specifically, it was documented during the investigation that approximately nine percent of caustic concentration records were missing.
3. Failed to perform emissions testing no later than 14 days following maintenance performed on the air/fuel ratio controller, sensor, catalyst, or engine, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.715(a), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Flexible Permit Nos. 9868A and PSDTX102M7, SC No. 47B, and FOP No. O1440, STC Nos. 20 and 24A, as documented during an investigation conducted from June 16, 2014 through June 25, 2014. Specifically, the oxygen sensor for Engine 42 was changed on June 21, 2012, but the emissions testing was not performed by July 5, 2012.

## 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: Phillips 66 Company, Docket No. 2014-1204-AIR-E" to:

Financial Administration Division, Revenue Operations 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, Four Thousand Eighty-Five Dollars (\$4,085) of the assessed administrative penalty shall be offset with the condition that the SEP defined in Attachment A, incorporated herein by reference, is implemented by the Respondent. The Respondent's obligation to pay the conditionally offset portion of the assessed administrative penalty shall be discharged upon final completion of all provisions of the SEP agreement.
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 Site 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.

## SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

\_\_\_\_\_  
For the Commission

Pam Mawzy  
For the Executive Director

2/18/15  
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.

Peter C. Stynes  
Signature

Dec. 2, 2014  
Date

Peter C. Stynes  
Name (Printed or typed)  
Authorized Representative of  
Phillips 66 Company

Refinery Manager  
Title

**Instructions:** Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section IV, Paragraph 1 of this Agreed Order.

**Attachment A**

**Docket Number: 2014-1204-AIR-E**

**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

<b>Respondent:</b>	<b>Phillips 66 Company</b>
<b>Penalty Amount:</b>	<b>Eight Thousand One Hundred Seventy Dollars (\$8,170)</b>
<b>SEP Offset Amount:</b>	<b>Four Thousand Eighty-Five Dollars (\$4,085)</b>
<b>Type of SEP:</b>	<b>Contribution to a Third-Party Pre-Approved SEP</b>
<b>Third-Party Administrator:</b>	<b>Borger Independent School District</b>
<b>Project Name:</b>	<b><i>Borger ISD Clean School Bus Replacement Program</i></b>
<b>Location of SEP:</b>	<b>Hutchinson County; Texas Air Quality Control Region 211, Amarillo - Lubbock</b>

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

**1. Project Description**

a. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Borger Independent School District** for the *Borger ISD Clean School Bus Replacement Program*. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the “Project”). Specifically, the contribution will be used to reduce nitrogen oxides, volatile organic compounds, carbon monoxide, and particulate matter emissions by replacing older diesel and gasoline buses with newer buses that meet more stringent emission standards. The Third-Party Administrator shall use SEP Offset Amount for up to 100% of the purchase price of a model year 2010 or newer bus to replace a diesel or gasoline school bus that is model year 2002 or older. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used solely for the direct cost of the Project, including but not limited to supplies, materials, and equipment. Any portion of this contribution that is not spent on the specifically identified SEP may, at the discretion of the Executive Director (“ED”), be applied to another pre-approved SEP.

The Respondent's signature affixed to this Agreed Order certifies that it has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

This SEP will directly benefit air quality by reducing harmful exhaust emissions which contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma. In addition, by encouraging less school bus idling, this SEP contributes to public awareness of environmental matters.

c. Minimum Expenditure

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

**2. Performance Schedule**

Within 30 days after the effective date of this Agreed Order, the Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Borger Independent School District SEP** and mail the contribution with a copy of the Agreed Order to:

Borger Independent School District  
200 East Ninth Street  
Borger, Texas 79008-1177

**3. Records and Reporting**

Concurrent with the payment of the SEP Offset Amount, the 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 due to the Third-Party Administrator. The Respondent shall mail a copy of the check and transmittal letter to:

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

#### **4. Failure to Fully Perform**

If the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality;" and shall mail it to:

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

#### **5. Publicity**

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

#### **6. Clean Texas Program**

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

#### **7. Other SEPs by TCEQ or Other Agencies**

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