

EXECUTIVE SUMMARY – ENFORCEMENT MATTER – CASE NO. 45226
South Hampton Resources, Inc.
RN101995611 and RN102591955
Docket No. 2012-2108-IHW-E

Order Type:

Agreed Order

Media:

Industrial Hazardous Waste (“IHW”)

Small Business:

No

Location(s) Where Violation(s) Occurred:

7752 Farm-to-Market Road 418, Silsbee, Hardin County (Facility No. 1);

8607 Loading Dock Road, Silsbee, Hardin County (Facility No. 2)

Type of Operation:

petrochemical manufacturing facility (Facility No. 1);

gasoline loading terminal with a tank farm and railcar loading rack (Facility No. 2)

Other Significant Matters:

Additional Pending Enforcement Actions: None

Past-Due Penalties: None

Past-Due Fees: None

Other: None

Interested Third-Parties: None

Texas Register Publication Date: March 27, 2015

Comments Received: None

Penalty Information

Total Penalty Assessed: \$32,850

Total Paid to General Revenue: \$16,425

Total Due to General Revenue: \$0

Supplemental Environmental Project

(“SEP”) Conditional Offset: \$16,425

Name of SEP: *Cade Ranch Habitat Acquisition & Preservation Project* - Neches-Trinity Coastal Basin
and Gulf Coast Aquifer

Compliance History Classifications:

Person/CN – Satisfactory

Site/RN – Satisfactory (Both Facilities)

Major Source: No

Statutory Limit Adjustment: None

Applicable Penalty Policy: September 2011

South Hampton Resources, Inc.
RN101995611 and RN102591955
Docket No. 2012-2108-IHW-E

Investigation Information

Complaint Date(s): N/A
Date(s) of Investigation: July 26, 2012 through August 1, 2012 (Both Facilities)
Date(s) of NOV(s): Facility No. 1 - July 11, 2012; July 17, 2012; January 31, 2013
Date(s) of NOE(s): September 21, 2012

Violation Information

Facility No. 1

1. Failed to demonstrate that certain collected materials are not solid waste and that there is a known market or disposition for the collected materials, or are conditionally exempted from regulation, and that the materials meet the terms of the exclusion or exemption [30 TEX. ADMIN. CODE § 335.1(140)(I) and 40 C.F.R. § 261.2(f)].
2. Failed to prevent the storage or treatment of hazardous waste in an unauthorized tank system [30 TEX. ADMIN. CODE § 335.69(a)(1)(B) and 40 C.F.R. §§ 262.34(a)(1)(ii) and 265.191].
3. Failed to conduct waste determinations and waste classifications [30 TEX. ADMIN. CODE § 335.62 and 40 C.F.R. § 262.11].
4. Failed to provide written notification for all waste management units and recyclable materials [30 TEX. ADMIN. CODE § 335.6(a) and (b)].

Facility No. 2

5. Failed to demonstrate that certain collected materials are not solid waste and that there is a known market or disposition for the collected materials, or are conditionally exempted from regulation, and that the materials meet the terms of the exclusion or exemption [30 TEX. ADMIN. CODE § 335.1(140)(I) and 40 C.F.R. § 261.2(f)].
6. Failed to prevent the storage or treatment of hazardous waste in an unauthorized tank system [30 TEX. ADMIN. CODE § 335.69(a)(1)(B) and 40 C.F.R. §§ 262.34(a)(1)(ii) and 265.191].
7. Failed to conduct waste determinations and waste classifications [30 TEX. ADMIN. CODE § 335.62 and 40 C.F.R. § 262.11].
8. Failed to provide written notification for all waste management units and recyclable materials [30 TEX. ADMIN. CODE § 335.6(a) and (b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

None

Technical Requirements:

1. Within 60 days at Facility 1:
 - a. Submit documentation demonstrating that all affected collected materials, including material collected from the lab tank/sump and Recycle Tank No. 14, are not solid waste and that there is a known market or disposition or are conditionally exempted from regulation;
 - b. Begin storing or treating all hazardous wastes in approved tanks, including the collected materials in the lab tank/sump and Recycle Tank No. 14;
 - c. Conduct waste determinations and waste classifications on all waste streams generated; and
 - d. Update the Notice of Registration to accurately reflect all waste management units and provide recycling notification for all waste management units.

**South Hampton Resources, Inc.
RN101995611 and RN102591955
Docket No. 2012-2108-IHW-E**

2. Within 60 days at Facility 2:
 - a. Submit documentation demonstrating that all affected collected materials, including material collected from the spillage collection tank/sump, are not solid waste and that there is a known market or disposition or are conditionally exempted from regulation;
 - b. Begin storing or treating all hazardous wastes in approved tanks, including the spillage collection tank/sump;
 - c. Conduct waste determinations and waste classifications on all waste streams generated; and
 - d. Update the Notice of Registration to accurately reflect all waste management units and provide recycling notification for all waste management units.
3. Within 75 days, submit written certification to demonstrate compliance.

Litigation Information

Date Petition(s) Filed:	January 6, 2014
Date Answer Filed:	January 27, 2014
SOAH Referral Date:	March 10, 2014
Hearing Date(s):	
Preliminary hearing:	May 8, 2014 (waived)
Evidentiary hearing:	October 7, 2014 (continued); January 21, 2015 (scheduled)
Settlement Date:	January 9, 2015

Contact Information

TCEQ Attorneys: Jennifer Cook, Litigation Division, (512) 239-3400
Lena Roberts, Litigation Division, (512) 239-3400
Aaron Tucker, Public Interest Counsel, (512) 239-6363

TCEQ SEP Attorney: Meaghan Bailey, Litigation Division, (512) 239-3400

TCEQ Enforcement Coordinator: Keith Frank, Enforcement Division, (512) 239-1203

TCEQ Regional Contact: Marilyn Gates, Beaumont Regional Office, (409) 898-3838

Respondent Contact: Nicholas N. Carter, Chief Executive Officer, South Hampton Resources, Inc.,
P.O. Box 1636, Silsbee, Texas 77656

Respondent's Attorney: John Turney, RICHARDS RODRIGUEZ & SKEITH, LLP, 816 Congress,
Suite 1200, Austin, Texas 78701

THIS PAGE INTENTIONALLY LEFT BLANK

Attachment A
Docket Number: 2012-2108-IHW-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	South Hampton Resources, Inc.
Penalty Amount:	Thirty-Two Thousand Eight Hundred Fifty Dollars (\$32,850)
SEP Offset Amount:	Sixteen Thousand Four Hundred Twenty-Five Dollars (\$16,425)
Type of SEP:	Contribution to a Pre-Approved Third-Party Administrator
Third-Party Administrator:	The Conservation Fund
Project Name:	<i>Cade Ranch Habitat Acquisition & Preservation Project</i>
Location of SEP:	Neches-Trinity Coastal Basin and Gulf Coast Aquifer

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

1. Project Description

A. Project

Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to **The Conservation Fund** for the *Cade Ranch Habitat Acquisition & Preservation Project*. The contribution will be used in accordance with the Supplemental Environmental Project between the Third-Party Administrator and the TCEQ (the “Project”). Specifically, the SEP Offset Amount will be used to acquire 2,614 coastal acres known as the Cade Ranch to be permanently protected for water quality and wildlife habitat. Following its purchase, the Property shall be conveyed by donation to the United States Fish & Wildlife Service to be permanently protected as part of the Anahuac National Wildlife Refuge. 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 implementing 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.

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

B. Environmental Benefit

Acquiring and permanently protecting the Cade Ranch tract will prevent pollution, reduce the amount of pollutants reaching the environment, and enhance the quality of the environment. This community provides habitat for wintering, migration and breeding birds including waterfowl, wading birds, and shorebirds. Permanently protecting this land will improve water

quality, prevent fragmentation, and protect this large expanse of open space and important wildlife habitat.

C. Minimum Expenditure

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, Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. Respondent shall make the check payable to **The Conservation Fund – Cade Ranch SEP** and shall mail the contribution with a copy of the Agreed Order to:

The Conservation Fund
Attention: Julie Shackelford, Texas Program Director
P.O. Box 4608 SFA Station
Nacogdoches, Texas 75962-4608

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, Respondent shall provide the Litigation SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount to the Third-Party Administrator. Respondent shall mail a copy of the check and transmittal letter to:

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

4. Failure to Fully Perform

If 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 Respondent failed to fully implement and complete the Project, 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, 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 and/or project, made by or on behalf of Respondent must include a clear statement that **the project was performed as part of the settlement of an enforcement action brought by the TCEQ**. Such statements include advertising, public relations, and press releases.

6. Recognition

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

THIS PAGE INTENTIONALLY LEFT BLANK



Penalty Calculation Worksheet (PCW)

Policy Revision 3 (September 2011)

PCW Revision August 3, 2011

TCEQ

DATES	Assigned	8-Oct-2012		
	PCW	5-Jan-2015	Screening	16-Oct-2012
			EPA Due	

RESPONDENT/FACILITY INFORMATION

Respondent	South Hampton Resources, Inc. (Facility 1)		
Reg. Ent. Ref. No.	RN101995611		
Facility/Site Region	10-Beaumont	Major/Minor Source	Minor

CASE INFORMATION

Enf./Case ID No.	45226	No. of Violations	4
Docket No.	2012-2108-IHW-E	Order Type	1660
Media Program(s)	Industrial and Hazardous Waste	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Keith Frank
		EC's Team	Enforcement Team 7
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$13,750
---	-------------------	----------

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History	48.0% Enhancement	Subtotals 2, 3, & 7	\$6,600
Notes	Enhancement for three NOVs with dissimilar violations, one order with denial of liability, and one order without denial of liability. Reduction for one notice of intended audit and one disclosure of violations.		
Culpability	No 0.0% Enhancement	Subtotal 4	\$0
Notes	The Respondent does not meet the culpability criteria.		
Good Faith Effort to Comply Total Adjustments		Subtotal 5	\$0
Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
Total EB Amounts	\$5,036	*Capped at the Total EB \$ Amount	
Approx. Cost of Compliance	\$55,700		

SUM OF SUBTOTALS 1-7	Final Subtotal	\$20,350
-----------------------------	-----------------------	----------

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

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes		Final Penalty Amount	\$20,350
--------------	--	-----------------------------	----------

STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$20,350
-----------------------------------	-------------------------------	----------

DEFERRAL	0.0% Reduction	Adjustment	\$0
-----------------	----------------	-------------------	-----

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

Notes	Deferral not offered for non-expedited settlement.		
--------------	--	--	--

PAYABLE PENALTY	\$20,350
------------------------	----------

Screening Date 16-Oct-2012

Docket No. 2012-2108-IHW-E

PCW

Respondent South Hampton Resources, Inc. (Facility 1)

Policy Revision 3 (September 2011)

Case ID No. 45226

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN101995611

Media [Statute] Industrial and Hazardous Waste

Enf. Coordinator Keith Frank

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	0	0%
	Other written NOVs	3	6%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	1	25%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgements or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	1	-1%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	1	-2%
<i>Please Enter Yes or No</i>			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 48%

>> 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 three NOVs with dissimilar violations, one order with denial of liability, and one order without denial of liability. Reduction for one notice of intended audit and one disclosure of violations.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 48%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 48%

Screening Date	16-Oct-2012	Docket No.	2012-2108-IHW-E	PCW
Respondent	South Hampton Resources, Inc. (Facility 1)		<i>Policy Revision 3 (September 2011)</i>	
Case ID No.	45226		<i>PCW Revision August 3, 2011</i>	
Reg. Ent. Reference No.	RN101995611			
Media [Statute]	Industrial and Hazardous Waste			
Enf. Coordinator	Keith Frank			

Violation Number	1
Rule Cite(s)	30 Tex. Admin. Code § 335.1(140)(I) and 40 Code of Federal Regulations ("CFR") § 261.2(f)
Violation Description	Failed to demonstrate that certain collected materials are not solid waste and that there is a known market or disposition for the collected materials, or are conditionally exempted from regulation, and that the materials meet the terms of the exclusion or exemption. Specifically, the Respondent failed to provide appropriate documentation demonstrating that materials (D001 hazardous waste code) collected from the lab tank/sump and recycle tank no. 14 at Facility 1 are not solid waste, have a market for disposition of the material, or are exempt from regulation.

Base Penalty

>> Environmental, Property and Human Health Matrix

OR		Harm			
	Release	Major	Moderate	Minor	
	Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	Percent <input type="text" value="0.0%"/>
Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>		

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	
	<input type="text"/>	<input checked="" type="text" value="x"/>	<input type="text"/>	<input type="text"/>	Percent <input type="text" value="5.0%"/>

Matrix Notes

Adjustment

Violation Events

Number of Violation Events	<input type="text" value="3"/>	<input type="text" value="82"/>	Number of violation days
<i>mark only one with an x</i>	daily	<input type="text"/>	Violation Base Penalty <input type="text" value="\$3,750"/>
	weekly	<input type="text"/>	
	monthly	<input checked="" type="text" value="x"/>	
	quarterly	<input type="text"/>	
	semiannual	<input type="text"/>	
	annual	<input type="text"/>	
	single event	<input type="text"/>	

Good Faith Efforts to Comply Reduction

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary	<input type="text"/>	<input type="text"/>
Ordinary	<input type="text"/>	<input type="text"/>
N/A	<input checked="" type="text" value="x"/>	(mark with x)
Notes	<input type="text" value="The Respondent does not meet the good faith criteria for this violation."/>	

Violation Subtotal

Economic Benefit (EB) for this violation	Statutory Limit Test
Estimated EB Amount <input type="text" value="\$67"/>	Violation Final Penalty Total <input type="text" value="\$5,550"/>
This violation Final Assessed Penalty (adjusted for limits) <input type="text" value="\$5,550"/>	

Economic Benefit Worksheet

Respondent South Hampton Resources, Inc. (Facility 1)
Case ID No. 45226
Reg. Ent. Reference No. RN101995611
Media Violation No. Industrial and Hazardous Waste
 1

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System	\$1,000	26-Jul-2012	24-Nov-2013	1.33	\$67	n/a	\$67
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to provide records demonstrating the collected materials are not solid waste or exempt from regulation. Date Required is the investigation date. Final Date is the estimated date of compliance.

Avoided Costs

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

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance \$1,000

TOTAL \$67

Screening Date	16-Oct-2012	Docket No.	2012-2108-IHW-E	PCW
Respondent	South Hampton Resources, Inc. (Facility 1)			Policy Revision 3 (September 2011)
Case ID No.	45226			PCW Revision August 3, 2011
Reg. Ent. Reference No.	RN101995611			
Media [Statute]	Industrial and Hazardous Waste			
Enf. Coordinator	Keith Frank			
Violation Number	2			
Rule Cite(s)	30 Tex. Admin. Code § 335.69(a)(1)(B) and 40 CFR §§ 262.34(a)(1)(ii) and 265.191			
Violation Description	Failed to prevent the storage or treatment of hazardous waste in an unauthorized tank system. Specifically, the Respondent was storing discarded end-product lab samples (Pentanes, Hexanes, Conosol, Advasol, Naphthalene, etc.) in the lab tank/sump and recycle tank no. 14 at Facility 1.			
		Base Penalty	\$25,000	

>> Environmental, Property and Human Health Matrix

OR	Harm			
	Major	Moderate	Minor	
	Actual			Percent <input type="text" value="5.0%"/>
Potential		x		

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	
					Percent <input type="text" value="0.0%"/>

Matrix Notes: Human health or the environment will or could be exposed to significant amounts of pollutants which would not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment

Violation Events

Number of Violation Events	<input type="text" value="1"/>	<input type="text" value="82"/>	Number of violation days
mark only one with an x	daily	<input type="text"/>	Violation Base Penalty <input type="text" value="\$1,250"/>
	weekly	<input type="text"/>	
	monthly	<input type="text"/>	
	quarterly	x	
	semiannual	<input type="text"/>	
	annual	<input type="text"/>	
single event	<input type="text"/>		
One quarterly event is recommended based on documentation of the violation from the July 26, 2012 investigation to the October 16, 2012 screening date.			

Good Faith Efforts to Comply Reduction

		Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary	<input type="text"/>	<input type="text"/>	
Ordinary	<input type="text"/>	<input type="text"/>	
N/A	x	(mark w th x)	
Notes	The Respondent does not meet the good faith criteria for this violation.		
		Violation Subtotal	<input type="text" value="\$1,250"/>

Economic Benefit (EB) for this violation	<input type="text" value="\$4,660"/>	Statutory Limit Test	
Estimated EB Amount	<input type="text" value="\$4,660"/>	Violation Final Penalty Total	<input type="text" value="\$1,850"/>
This violation Final Assessed Penalty (adjusted for limits)			<input type="text" value="\$1,850"/>

Economic Benefit Worksheet

Respondent South Hampton Resources, Inc. (Facility 1)
Case ID No. 45226
Reg. Ent. Reference No. RN101995611
Media Violation No. Industrial and Hazardous Waste
 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	\$50,000	26-Jul-2012	24-Nov-2013	1.33	\$222	\$4,438	\$4,660
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to construct authorized tanks designed for the treatment or storage of hazardous waste. Date Required is the investigation date. Final Date is the estimated date of compliance.

Avoided Costs

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

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$50,000

TOTAL

\$4,660

Screening Date	16-Oct-2012	Docket No.	2012-2108-IHW-E	PCW
Respondent	South Hampton Resources, Inc. (Facility 1)			<i>Policy Revision 3 (September 2011)</i>
Case ID No.	45226			<i>PCW Revision August 3, 2011</i>
Reg. Ent. Reference No.	RN101995611			
Media [Statute]	Industrial and Hazardous Waste			
Enf. Coordinator	Keith Frank			

Violation Number

Rule Cite(s)

Violation Description

Base Penalty

>> **Environmental, Property and Human Health Matrix**

Release	Harm			Percent
	Major	Moderate	Minor	
Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="15.0%"/>
Potential	<input type="text" value="x"/>	<input type="text"/>	<input type="text"/>	

>> **Programmatic Matrix**

Falsification	Major	Moderate	Minor	Percent
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0.0%"/>

Matrix Notes

Adjustment

Violation Events

Number of Violation Events Number of violation days

mark only one with an x

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

Violation Base Penalty

Good Faith Efforts to Comply Reduction

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

Notes

Violation Subtotal

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

Estimated EB Amount **Violation Final Penalty Total**

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent South Hampton Resources, Inc. (Facility 1)
Case ID No. 45226
Reg. Ent. Reference No. RN101995611
Media Violation No. Industrial and Hazardous Waste
 3

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$4,200	1-Aug-2012	24-Nov-2013	1.32	\$276	n/a	\$276

Notes for DELAYED costs Estimated cost to conduct waste determinations and waste classifications. Date Required is the record review date. Final Date is the estimated date of compliance.

Avoided Costs

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

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance	\$4,200	TOTAL	\$276
-----------------------------------	---------	--------------	-------

Screening Date	16-Oct-2012	Docket No.	2012-2108-IHW-E	PCW
Respondent	South Hampton Resources, Inc. (Facility 1)			<i>Policy Revision 3 (September 2011)</i>
Case ID No.	45226			<i>PCW Revision August 3, 2011</i>
Reg. Ent. Reference No.	RN101995611			
Media [Statute]	Industrial and Hazardous Waste			
Enf. Coordinator	Keith Frank			

Violation Number

Rule Cite(s)

Violation Description

Base Penalty

>> **Environmental, Property and Human Health Matrix**

Release	Harm			Percent
	Major	Moderate	Minor	
Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0.0%"/>
Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	

>> **Programmatic Matrix**

Falsification	Major	Moderate	Minor	Percent
<input type="text"/>	<input checked="" type="text" value="x"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="5.0%"/>

Matrix Notes

Adjustment

Violation Events

Number of Violation Events Number of violation days

mark only one with an x

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

Violation Base Penalty

Good Faith Efforts to Comply

Reduction

Before NOV NOV to EDPRP/Settlement Offer

Extraordinary	<input type="text"/>	<input type="text"/>
Ordinary	<input type="text"/>	<input type="text"/>
N/A	<input checked="" type="text" value="x"/>	(mark w th x)

Notes

Violation Subtotal

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount

Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent South Hampton Resources, Inc. (Facility 1)
Case ID No. 45226
Reg. Ent. Reference No. RN101995611
Media Violation No. Industrial and Hazardous Waste
 4

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System	\$500	26-Jul-2012	24-Nov-2013	1.33	\$33	n/a	\$33
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to update the Notice of Registration. Date Required is the investigation date. Final Date is the estimated date of compliance.

Avoided Costs

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

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance \$500

TOTAL \$33

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 CN600129878, RN101995611, Rating Year 2012 which includes Compliance History (CH) components from September 1, 2007, through August 31, 2012.

Customer, Respondent, or Owner/Operator: CN600129878, South Hampton Resources, Inc. **Classification:** SATISFACTORY **Rating:** 34.72

Regulated Entity: RN101995611, South Hampton Resources Silsbee **Classification:** SATISFACTORY **Rating:** 40.70

Complexity Points: 19 **Repeat Violator:** NO

CH Group: 05 - Chemical Manufacturing

Location: 7752 FM 418 SILSBEE, TX 77656-8943, HARDIN COUNTY

TCEQ Region: REGION 10 - BEAUMONT

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER HF0017K

AIR NEW SOURCE PERMITS PERMIT 3295

AIR NEW SOURCE PERMITS ACCOUNT NUMBER HF0017K

AIR NEW SOURCE PERMITS REGISTRATION 79438

AIR NEW SOURCE PERMITS PERMIT 83833

AIR NEW SOURCE PERMITS REGISTRATION 98400

AIR NEW SOURCE PERMITS REGISTRATION 111288

AIR NEW SOURCE PERMITS REGISTRATION 111290

WASTEWATER PERMIT WQ0001403000

IHW CORRECTIVE ACTION SOLID WASTE REGISTRATION# (SWR) 30672

INDUSTRIAL AND HAZARDOUS WASTE EPA ID TXD062120340

INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE REGISTRATION # (SWR) 30672

POLLUTION PREVENTION PLANNING ID NUMBER P00636

AIR OPERATING PERMITS PERMIT 2776

AIR NEW SOURCE PERMITS AFS NUM 4819900003

AIR NEW SOURCE PERMITS REGISTRATION 78484

AIR NEW SOURCE PERMITS REGISTRATION 83081

AIR NEW SOURCE PERMITS REGISTRATION 111291

AIR NEW SOURCE PERMITS REGISTRATION 111292

AIR NEW SOURCE PERMITS REGISTRATION 108801

AIR EMISSIONS INVENTORY ACCOUNT NUMBER HF0017K

WASTEWATER EPA ID TX0003204

Compliance History Period: September 01, 2007 to August 31, 2012 **Rating Year:** 2012 **Rating Date:** 09/01/2012

Date Compliance History Report Prepared: July 10, 2013

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: July 10, 2008 to July 10, 2013

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

Name: Keith Frank

Phone: (512) 239-1203

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: 10/23/2008 **ADMINORDER 1997-0180-AIR-E (Findings Order-Agreed Order Without Denial)**

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.7(a)
30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: 3295, SC No. 1 PERMIT

Description: Failed to properly report unauthorized emissions from a maintenance from Flare (EPN F-2) from 0600 hours on October 19, 1999 to 2400 hours on October 20, 1999 that occurred due to a maintenance event on Boiler EPN B-1.

Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter D 115.352(1)(B)
30 TAC Chapter 115, SubChapter D 115.352(2)
30 TAC Chapter 115, SubChapter D 115.352(3)
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failed to repair VOC leaks greater than 10,000 ppm on four pumps (3944-P-139A, 3945-P-139B, 3947-P-7B, and 3965-P-204A) in the Penhex Unit within 15 calendar days after the leaks were found, or tagged and repaired during a unit shutdown if repair would create more emissions than the repair would eliminate. On November 30, 1999, the pumps were found to be leaking but were not tagged and were not repaired during the next unit shut down during the first week in January 2000. (ppm = part/million)

Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter B 115.112(a)(1)
30 TAC Chapter 115, SubChapter B 115.112(a)(2)
30 TAC Chapter 115, SubChapter B 115.112(a)(3)
5C THSC Chapter 382 382.085(b)

Description: Failed to have emission controls on Tank No. 7. Specifically, the investigator documented that Tank No. 7, which received wastewater from the sump, received effluent as a VOC water separator but was not controlled as required.

Classification: Moderate
 Citation: 5C THC Chapter 382, SubChapter A 382.085(a)
 Description: Failed to prevent the unauthorized emission of 64 lbs of tetralin (70%) naphthalene (30%) mixture over an eight hour period on April 23, 2001.

Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 5C THSC Chapter 382 382.085(b)
 Rqmt Prov: PP1 OP
 Description: Failed to maintain an emission rate below the allowable emission limit. Special condition No. 1 of permit No. 3295 limits the VOC emission rate at tank 41 (EPN TK-41) to 0.36 pounds/hour

Classification: Major
 Citation: 30 TAC Chapter 335, SubChapter A 335.2
 30 TAC Chapter 335, SubChapter B 335.43
 40 CFR Chapter 268, SubChapter I, PT 268, SubPT A 268.4(a)(3)
 40 CFR Chapter 270, SubChapter I, PT 270, SubPT A 270.1(b)
 40 CFR Chapter 270, SubChapter I, PT 270, SubPT A 270.1(c)
 Description: Stored, processed and/or disposed of hazardous waste in the Surface Impoundment without a permit or other authorization.

Classification: Moderate
 Citation: 30 TAC Chapter 335, SubChapter A 335.6
 Description: Failed to notify TCEQ of storage, processing, and disposal of hazardous waste in the Surface Impoundment and the generation of spent sandblasting grit. Failed to properly determine whether contaminated ground water was hazardous.

Classification: Moderate
 Citation: 30 TAC Chapter 335, SubChapter A 335.9(a)(1)
 Description: Failed to keep records of all hazardous and industrial solid waste activities regarding the quantities generated, stored, processed, and disposed of on-site or shipped off-site for storage, processing, or disposal.

Classification: Moderate
 Citation: 30 TAC Chapter 335, SubChapter C 335.62
 30 TAC Chapter 335, SubChapter R 335.503(a)
 30 TAC Chapter 335, SubChapter R 335.503(b)
 Rqmt Prov: 1.e. ORDER
 Description: Failed to conduct hazardous waste determinations and further classify the effluent from Tank No. 7 that was conveyed and placed in the Surface Impoundment.

Classification: Moderate
 Citation: 30 TAC Chapter 335, SubChapter O 335.431
 40 CFR Chapter 268, SubChapter I, PT 268, SubPT A 268.7(a)(1)
 Description: Failed to provide the required land disposal restriction notice for a shipment of hazardous waste. Specifically, a shipment of ignitable waste (EPA hazardous waste ID No. D001 was sent on July 19, 1996 to Pure Solve, Inc. in Port Allan, Louisiana without an LDR form).

Classification: Moderate
 Citation: 30 TAC Chapter 115, SubChapter B 115.112(a)(2)(F)
 30 TAC Chapter 116, SubChapter B 116.115(a)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Rqmt Prov: 3295, SC 10 PERMIT
 Description: Failed to equip floating roof tanks 1, 4, 40, 41, 48, 64, 65, and 66 with an approved seal system prior to storing material with a vapor pressure at or above 0.5 pounds psi at maximum storage temperature.

Classification: Moderate
 Citation: 30 TAC Chapter 335, SubChapter C 335.62
 Rqmt Prov: 94-0578-IHW-E, OP No. 1A ORDER
 Description: Failed to properly determine whether contaminated ground water was hazardous.

Classification: Moderate
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
 30 TAC Chapter 115, SubChapter D 115.352(4)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Description: Operated eight open-ended valves on volatile organic compound "VOC" lines (Valve Nos. 4155, 4153, 5154 on the slop oil tank; Valve No. 2403 near Heater H103; and Valve Nos XV-069, 1823, 1830, and 1286A) that were not sealed with a second valve, a blind flange, a cap, or a plug and by failing to properly seal all valves in VOC service.

Classification: Moderate
 Citation: 30 TAC Chapter 115, SubChapter D 115.354(1)(A)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Description: Failed to monitor emissions from the T-8 Unit process drain with a hydrocarbon gas analyzer.

Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(a)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Rqmt Prov: SC 1 PERMIT
 Description: Exceeded the VOC emission limits from Tank Nos. 41, 48, and 66, as specified in the MAERT.

Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(a)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT J 60.105(a)(4)(iii)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Rqmt Prov: SC 9A PERMIT
 Description: Failed to properly certify its CEMS for the H2S concentration of the refinery fuel gas.

Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(a)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Rqmt Prov: SC13 PERMIT
 Description: Stored material with a vapor pressure greater than 11.0 psia (later reported by South Hampton to be mostly a mixed aldehyde and alcohol stream) in pressurized tanks (Tank Nos. 72, 74, 75, 76, and 77) that did not have pressure gauges between the relief valves and rupture discs.

Classification: Minor
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT J 60.105(a)(11)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Description: Failed to properly operate and record CEMS data on January 3, 11, and 30, 1996; February 3, 15, and 16, 1996; and April 6, 9, 17, 23 and 30, 1996.

Classification: Moderate
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
 30 TAC Chapter 115, SubChapter D 115.352(4)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Description: Failed to properly seal valves in VOC service and operated eight open-ended valves on VOC lines that were not sealed with a second valve, a blind flange, a cap or a plug.

Classification: Moderate
 Citation: 30 TAC Chapter 115, SubChapter B 115.112(a)(1)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Description: Stored VOCs in tanks and reservoirs that did not have proper control equipment and that were incapable of preventing vapor or gas loss to the atmosphere. Specifically, stored VOC in a sump. this sump was not equipped with either a cover or floating seal device; rather, it had only a metal grating over the top of it.

Classification: Moderate
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
 30 TAC Chapter 115, SubChapter B 115.112(a)(1)
 30 TAC Chapter 116, SubChapter B 116.115(a)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT Kb 60.112b(a)(1)(ii)(B)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Rqmt Prov: Special condition No. 10 PERMIT
 Description: Failed to equip Tank Nos. 1, 4, and 66 with secondary seals, or otherwise meet the requirements of Special condition No. 10 and 10.e. and Stored VOL with a vapor pressure in excess of 5.2 kPa in Tank No. 66, which did not have double vapor mounted seals.

Classification: Moderate
 Citation: 30 TAC Chapter 115, SubChapter D 115.354(1)(A)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Description: Failed to monitor emissions from 11 separate process drains with an HGA

Classification: Moderate
 Citation: 30 TAC Chapter 115, SubChapter B 115.112(a)(1)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Description: Stored VOCs in tanks and reservoirs that did not have control equipment and that were incapable of preventing vapor or gas loss to the atmosphere.

Classification: Moderate
 Citation: 30 TAC Chapter 115, SubChapter C 115.212(a)(3)(A)(i)
 30 TAC Chapter 115, SubChapter C 115.212(a)(3)(A)(ii)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Description: Failed to conduct all VOC loading and unloading in such a manner that all liquid and vapor lines were either equipped with fittings which made vapor-tight connections that closed automatically when disconnected or equipped to permit the discharge of residual VOC into a vapor recovery or vapor balance system.

Classification: Moderate
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
 30 TAC Chapter 116, SubChapter B 116.115(a)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT J 60.104(a)(1)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Rqmt Prov: SC 2, 4, 9C PERMIT
 Description: Combusted fuel gas that contained H2S in excess of 0.1 gr/dscf [230 mg/dscm) in the facility heaters.

Classification: Moderate
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
 30 TAC Chapter 115, SubChapter D 115.352(2)
 30 TAC Chapter 116, SubChapter B 116.115(a)
 40 CFR Part 61, Subpart V 61.242-7(d)(1)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Rqmt Prov: Special Condition No. 5 PERMIT
 Description: Failed to repair leaks in Valves Nos. 1578 and 275 as soon as practicable after the leaks were detected, but no later than 15 calendar days after the leaks were discovered.

Classification: Minor
 Citation: 30 TAC Chapter 101, SubChapter A 101.6(b)(5)
 30 TAC Chapter 101, SubChapter A 101.6(b)(6)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Description: Failed to create, within 2 weeks of an incident, complete records of the emissions released during an upset that occurred on Feb. 23, 1998 when Tank 71 was over-pressurized.

Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(a)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Rqmt Prov: Special Conditions 13 and 20 PERMIT
 Description: Stored material with a vapor pressure greater than 11.0 psia) in pressurized tanks (Tank Nos. 72, 74, 75, 76, and 77) and the relief valves were not vented to a flare.

Classification: Moderate
 Citation: 30 TAC Chapter 115, SubChapter D 115.352(2)
 30 TAC Chapter 115, SubChapter D 115.352(3)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Description: Failed to properly tag and attempt to repair and/or repair two leaking valves (Valve Nos. 266 and 2166) in VOC service .

Classification: Moderate
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
 30 TAC Chapter 115, SubChapter F 115.541(a)
 30 TAC Chapter 115, SubChapter F 115.542(a)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT Kb 60.112b(a)(2)(iii)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Description: Failed to properly empty and degas Tank No. 57 when it was taken out of service.

Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(a)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Rqmt Prov: SC 2 and 9B PERMIT
 Description: Failed to conduct a CGA for first quarter 1998 on the CEMS used to measure and record the H2S concentration of refinery fuel gas.

Classification: Moderate
 Citation: 30 TAC Chapter 115, SubChapter F 115.546(1)(A)
 30 TAC Chapter 115, SubChapter F 115.546(1)(B)
 30 TAC Chapter 115, SubChapter F 115.546(1)(C)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Description: Failed to maintain records of the chemical name and estimated liquid quantity contained in and removed from each transport vessel which was degassed or cleaned.

Classification: Moderate
 Citation: 30 TAC Chapter 101, SubChapter A 101.7(a)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Description: Failed to properly report unauthorized emissions from maintenance, start-ups, and/or shutdown activities.

Classification: Moderate
 Citation: 30 TAC Chapter 101, SubChapter A 101.6(b)
 30 TAC Chapter 101, SubChapter A 101.7(c)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Description: Failed to create complete records of all non-reportable upsets, maintenance, start-ups, and shutdowns with authorized emissions as soon as practicable but no later than two weeks after upset/events occurred.

Classification: Moderate
 Citation: 30 TAC Chapter 101, SubChapter A 101.6(a)
 5C THC Chapter 382, SubChapter A 382.085(b)
 Description: Failed to report the upset emissions from flare (EPN F-2) and/or flare area on May 28, 1999 and June 29, 1999. The emissions were not exempt from compliance and therefore, were unauthorized. Specifically, records from the June event were incomplete in that they lacked start and end times and the contaminants were not speciated. The records from the May event lacked an emission rate and the event was avoidable with better maintenance on the knockout drum.

2 Effective Date: 06/17/2012 ADMINORDER 2011-2177-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
 30 TAC Chapter 116, SubChapter B 116.115(c)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT Kb 60.112b(a)(2)(iii)
 5C THSC Chapter 382 382.085(b)
 Rqmt Prov: Special Conditions No. 1 PERMIT
 Special Terms and Conditions No. 12 OP
 Description: Failed to prevent unauthorized emissions.

Classification: Minor
 Citation: 30 TAC Chapter 101, SubChapter F 101.211(c)
 5C THSC Chapter 382 382.085(b)
 Rqmt Prov: SC1 OP
 Description: Failed to submit the final record for Incident No. 150015 within two weeks after the end of the emissions event.

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

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

Item 1	August 20, 2008	(700258)	Item 5	November 06, 2008	(727376)
Item 2	August 22, 2008	(710578)	Item 6	November 20, 2008	(727375)
Item 3	October 22, 2008	(727374)	Item 7	December 19, 2008	(750114)
Item 4	November 03, 2008	(710579)	Item 8	January 22, 2009	(724529)

Item 9	February 16, 2009	(750110)	Item 39	May 13, 2011	(937979)
Item 10	February 18, 2009	(726879)	Item 40	June 13, 2011	(945303)
Item 11	March 05, 2009	(737274)	Item 41	July 12, 2011	(952578)
Item 12	March 23, 2009	(750111)	Item 42	August 08, 2011	(959260)
Item 13	April 10, 2009	(768256)	Item 43	August 15, 2011	(971332)
Item 14	May 22, 2009	(768255)	Item 44	August 22, 2011	(965289)
Item 15	June 15, 2009	(804305)	Item 45	November 14, 2011	(977490)
Item 16	August 17, 2009	(804306)	Item 46	December 12, 2011	(984258)
Item 17	October 05, 2009	(764842)	Item 47	December 13, 2011	(962350)
Item 18	October 09, 2009	(766309)	Item 48	January 13, 2012	(980538)
Item 19	October 16, 2009	(804308)	Item 49	January 19, 2012	(977188)
Item 20	November 16, 2009	(804309)	Item 50	February 07, 2012	(981344)
Item 21	December 11, 2009	(804310)	Item 51	February 13, 2012	(1078873)
Item 22	February 16, 2010	(804304)	Item 52	March 21, 2012	(1003442)
Item 23	March 17, 2010	(830745)	Item 53	April 09, 2012	(1010006)
Item 24	April 12, 2010	(830746)	Item 54	May 17, 2012	(1016402)
Item 25	May 13, 2010	(830747)	Item 55	June 21, 2012	(1024123)
Item 26	May 28, 2010	(860820)	Item 56	July 10, 2012	(1015858)
Item 27	June 09, 2010	(846223)	Item 57	July 12, 2012	(1031518)
Item 28	July 31, 2010	(828740)	Item 58	August 16, 2012	(1037893)
Item 29	August 09, 2010	(866783)	Item 59	September 10, 2012	(1046617)
Item 30	August 13, 2010	(841068)	Item 60	September 28, 2012	(1031030)
Item 31	September 17, 2010	(873857)	Item 61	October 15, 2012	(1060722)
Item 32	October 26, 2010	(881459)	Item 62	November 12, 2012	(1060723)
Item 33	November 17, 2010	(887989)	Item 63	November 20, 2012	(1043726)
Item 34	December 17, 2010	(896188)	Item 64	December 07, 2012	(1060724)
Item 35	January 14, 2011	(902263)	Item 65	January 24, 2013	(1053828)
Item 36	February 18, 2011	(909037)	Item 66	January 30, 2013	(1053376)
Item 37	March 14, 2011	(916298)	Item 67	February 22, 2013	(1058654)
Item 38	April 11, 2011	(924724)	Item 68	March 11, 2013	(1089260)
			Item 69	April 08, 2013	(1095654)

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: 07/11/2012 (1007946) CN600129878

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 335, SubChapter A 335.4
 Description: Failure to prevent discharge of industrial solid waste.

2 Date: 07/17/2012 (1009392) CN600129878

Self Report? NO Classification: Moderate
 Citation: 1(A) OP
 30 TAC Chapter 113, SubChapter C 113.110
 30 TAC Chapter 116, SubChapter B 116.115(c)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT AA 63.644(a)(1)
 5C THSC Chapter 382 382.085(b)
 SC 21(B) PERMIT

Description: On November 6, 2011, from 5:43 a.m. til 7:18 a.m. the computer that monitors the flame at Flare F-10 overheated and shut down to avoid damage. The facility confirmed that the air conditioner settings were changed in the building housing the computer, causing the air conditioning system to freeze up and shut down.

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT J 60.104(a)(1)
 5C THSC Chapter 382 382.085(b)
 SC 1(A) OP
 SC 5 PERMIT

Description: On November 28, 2010 from 12:08 p.m. until 7:51 a.m. on November 29, 2010, and on February 11, 2011 from 4:16 p.m. until 4:34 p.m. on February 11, 2011. The regulated entity failed to maintain the fuel gas H2S concentration below 161 ppmv. This resulted from a change in feedstock fuel, causing the scrubber caustic to become sour, keeping the scrubbers from working efficiently.

3 Date: 01/31/2013 (1078872) CN600129878

Self Report? YES Classification: Moderate
 Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
 30 TAC Chapter 305, SubChapter F 305.125(1)
 Description: Failure to meet the limit for one or more permit parameter

F. Environmental audits:

Notice of Intent Date: 03/24/2011(914694)

Disclosure Date: 02/15/2012

Viol. Classification: Minor

Citation: 40 CFR Part 60, Subpart VV 60.486

Rqmt Prov: OP SC 1.A.

PERMIT SC 2B

Description: Failed to clearly document monitoring results for approximately 2,802 components subject to 40 CFR Part 60, Subpart VV. They were in the PENHEX, Isomerization, Hex Treater, Aromax, Reformer and Advanced Aromatics Units, and in the statewide flare and fuel as systems. They were monitored pursuant to Subpart VV, but the results documented as subject to 28 RCT or 28 VHP instead of Subpart VV.

Viol. Classification: Minor

Citation: 40 CFR Part 60, Subpart VV 60.487
Rqmt Prov: OP SC 1A
PERMIT SC 2.B.

Description: Failed to report monitoring results for approximately 2,802 components subject to 40 CFR Part 60, Subpart VV, in the PENHEX, Isomerization, Hex Treater, Aromax, Reformer and Advanced Aromatics Units. Such monitoring results were retained as subject to 28 RCT or 28 VHP instead of Subpart VV.

Viol. Classification: Minor

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT V 61.246
Rqmt Prov: OP 1.A.
PERMIT SC 3.B.

Description: Failed to clearly document monitoring results for 259 components. They were in the Aromax and Reformer Units. They were documented as subject to 28 RCT and 28 VHP instead of Subpart V.

Viol. Classification: Minor

Citation: 40 CFR Chapter 61, SubChapter C, PT 61, SubPT V 61.247
Rqmt Prov: OP SC 1.A
PERMIT SC 3.B.

Description: Failed to report monitoring results for approximately 259 components. Such results were retained as subject to 28 RCT or 28 VHP instead of Subpart V and were therefore unreported.

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



Penalty Calculation Worksheet (PCW)

Policy Revision 3 (September 2011)

PCW Revision August 3, 2011

TCEQ

DATES	Assigned	8-Oct-2012	Screening	16-Oct-2012	EPA Due	
	PCW	5-Jan-2015				

RESPONDENT/FACILITY INFORMATION	
Respondent	South Hampton Resources, Inc. (Facility 2)
Reg. Ent. Ref. No.	RN102591955
Facility/Site Region	10-Beaumont
Major/Minor Source	Minor

CASE INFORMATION			
Enf./Case ID No.	45226	No. of Violations	4
Docket No.	2012-2108-IHW-E	Order Type	1660
Media Program(s)	Industrial and Hazardous Waste	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Keith Frank
		EC's Team	Enforcement Team 7
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$10,000
---	-------------------	----------

ADJUSTMENTS (+/-) TO SUBTOTAL 1	
Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.	
Compliance History	25.0% Enhancement Subtotals 2, 3, & 7 \$2,500

Notes: Enhancement for one order without denial of liability.

Culpability	No	0.0% Enhancement	Subtotal 4	\$0
--------------------	----	------------------	-------------------	-----

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments	Subtotal 5	\$0
--	-------------------	-----

Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
-------------------------	-------------------	-------------------	-----

Total EB Amounts: \$5,036
 Approx. Cost of Compliance: \$55,700
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$12,500
-----------------------------	-----------------------	----------

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

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes: [Empty box]

Final Penalty Amount	\$12,500
-----------------------------	----------

STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$12,500
-----------------------------------	-------------------------------	----------

DEFERRAL	0.0%	Reduction	Adjustment	\$0
-----------------	------	-----------	-------------------	-----

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

Notes: Deferral not offered for non-expedited settlement.

PAYABLE PENALTY	\$12,500
------------------------	----------

Screening Date 16-Oct-2012

Docket No. 2012-2108-IHW-E

PCW

Respondent South Hampton Resources, Inc. (Facility 2)

Policy Revision 3 (September 2011)

Case ID No. 45226

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN102591955

Media [Statute] Industrial and Hazardous Waste

Enf. Coordinator Keith Frank

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	1	25%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgements or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	0	0%
<i>Please Enter Yes or No</i>			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 25%

>> 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 one order without denial of liability.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 25%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 25%

Screening Date	16-Oct-2012	Docket No.	2012-2108-IHW-E	PCW
Respondent	South Hampton Resources, Inc. (Facility 2)			<i>Policy Revision 3 (September 2011)</i>
Case ID No.	45226			<i>PCW Revision August 3, 2011</i>
Reg. Ent. Reference No.	RN102591955			
Media [Statute]	Industrial and Hazardous Waste			
Enf. Coordinator	Keith Frank			

Violation Number	1
Rule Cite(s)	30 Tex. Admin. Code § 335.1(140)(I) and 40 Code of Federal Regulations ("CFR") § 261.2(f)
Violation Description	Failed to demonstrate that certain collected materials are not solid waste and that there is a known market or disposition for the collected materials, or are conditionally exempted from regulation, and that the materials meet the terms of the exclusion or exemption. Specifically, the Respondent failed to provide appropriate documentation demonstrating that materials (D001 hazardous waste code) collected from the spillage collection tank/sump at Facility 2 are not solid waste, have a market for disposition of the material, or are exempt from regulation.

Base Penalty

>> Environmental, Property and Human Health Matrix

OR		Harm			
	Release	Major	Moderate	Minor	
	Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	Percent <input type="text" value="0.0%"/>
Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>		

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	
	<input type="text"/>	<input checked="" type="text" value="x"/>	<input type="text"/>	<input type="text"/>	Percent <input type="text" value="5.0%"/>

Matrix Notes

Adjustment

Violation Events

Number of Violation Events Number of violation days

mark only one with an x

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

Violation Base Penalty

Good Faith Efforts to Comply Reduction

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

Notes

Violation Subtotal

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

Estimated EB Amount **Violation Final Penalty Total**

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent South Hampton Resources, Inc. (Facility 2)
Case ID No. 45226
Reg. Ent. Reference No. RN102591955
Media Violation No. Industrial and Hazardous Waste
 1

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System	\$1,000	26-Jul-2012	24-Nov-2013	1.33	\$67	n/a	\$67
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs Estimated cost to provide records demonstrating the collected materials are not solid waste or exempt from regulation. Date Required is the investigation date. Final Date is the estimated date of compliance.

Avoided Costs

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

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance	\$1,000	TOTAL	\$67
-----------------------------------	---------	--------------	------

Screening Date	16-Oct-2012	Docket No.	2012-2108-IHW-E	PCW
Respondent	South Hampton Resources, Inc. (Facility 2)			Policy Revision 3 (September 2011)
Case ID No.	45226			PCW Revision August 3, 2011
Reg. Ent. Reference No.	RN102591955			
Media [Statute]	Industrial and Hazardous Waste			
Enf. Coordinator	Keith Frank			
Violation Number	2			
Rule Cite(s)	30 Tex. Admin. Code § 335.69(a)(1)(B) and 40 CFR §§ 262.34(a)(1)(ii) and 265.191			
Violation Description	Failed to prevent the storage or treatment of hazardous waste in an unauthorized tank system. Specifically, the Respondent was storing end-products (Pentanes, Hexanes, Conosol, Advasol, Naphthalene, etc.) in a spillage collection tank/sump at Facility 2.			
		Base Penalty	\$25,000	

>> Environmental, Property and Human Health Matrix

OR	Harm			
	Major	Moderate	Minor	
	Actual			Percent <input type="text" value="5.0%"/>
Potential		x		

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	
					Percent <input type="text" value="0.0%"/>

Matrix Notes: Human health or the environment will or could be exposed to significant amounts of pollutants which would not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment

Violation Events

Number of Violation Events Number of violation days

<i>mark only one with an x</i>	daily	<input type="text"/>
	weekly	<input type="text"/>
	monthly	<input type="text"/>
	quarterly	x
	semiannual	<input type="text"/>
	annual	<input type="text"/>
	single event	<input type="text"/>

Violation Base Penalty

One quarterly event is recommended based on documentation of the violation from the July 26, 2012 investigation to the October 16, 2012 screening date.

Good Faith Efforts to Comply Reduction

		Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary	<input type="text"/>	<input type="text"/>	<input type="text"/>
Ordinary	<input type="text"/>	<input type="text"/>	<input type="text"/>
N/A	x	(mark w th x)	
Notes	The Respondent does not meet the good faith criteria for this violation.		

Violation Subtotal

Economic Benefit (EB) for this violation	Statutory Limit Test
Estimated EB Amount <input type="text" value="\$4,660"/>	Violation Final Penalty Total <input type="text" value="\$1,563"/>
This violation Final Assessed Penalty (adjusted for limits) <input type="text" value="\$1,563"/>	

Economic Benefit Worksheet

Respondent South Hampton Resources, Inc. (Facility 2)
Case ID No. 45226
Reg. Ent. Reference No. RN102591955
Media Violation No. Industrial and Hazardous Waste
 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	\$50,000	26-Jul-2012	24-Nov-2013	1.33	\$222	\$4,438	\$4,660
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to construct authorized tanks designed for the treatment or storage of hazardous waste. Date Required is the investigation date. Final Date is the estimated date of compliance.

Avoided Costs

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

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance \$50,000

TOTAL \$4,660

Screening Date	16-Oct-2012	Docket No.	2012-2108-IHW-E	PCW
Respondent	South Hampton Resources, Inc. (Facility 2)			<i>Policy Revision 3 (September 2011)</i>
Case ID No.	45226			<i>PCW Revision August 3, 2011</i>
Reg. Ent. Reference No.	RN102591955			
Media [Statute]	Industrial and Hazardous Waste			
Enf. Coordinator	Keith Frank			

Violation Number

Rule Cite(s)

Violation Description

Base Penalty

>> **Environmental, Property and Human Health Matrix**

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="15.0%"/>
	Potential	<input type="text" value="x"/>	<input type="text"/>	<input type="text"/>	

>> **Programmatic Matrix**

	Falsification	Major	Moderate	Minor	Percent
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0.0%"/>

Matrix Notes

Adjustment

Violation Events

Number of Violation Events Number of violation days

mark only one with an x

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

Violation Base Penalty

Good Faith Efforts to Comply Reduction

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

Notes

Violation Subtotal

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

Estimated EB Amount **Violation Final Penalty Total**

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent South Hampton Resources, Inc. (Facility 2)
Case ID No. 45226
Reg. Ent. Reference No. RN102591955
Media Violation No. Industrial and Hazardous Waste
 3

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$4,200	1-Aug-2012	24-Nov-2013	1.32	\$276	n/a	\$276

Notes for DELAYED costs

Estimated cost to conduct waste determinations and waste classifications. Date Required is the record review date. Final Date is the estimated date of compliance.

Avoided Costs

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

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$4,200

TOTAL

\$276

Screening Date	16-Oct-2012	Docket No.	2012-2108-IHW-E	PCW
Respondent	South Hampton Resources, Inc. (Facility 2)			<i>Policy Revision 3 (September 2011)</i>
Case ID No.	45226			<i>PCW Revision August 3, 2011</i>
Reg. Ent. Reference No.	RN102591955			
Media [Statute]	Industrial and Hazardous Waste			
Enf. Coordinator	Keith Frank			

Violation Number

Rule Cite(s)

Violation Description

Base Penalty

>> **Environmental, Property and Human Health Matrix**

Release	Harm			Percent
	Major	Moderate	Minor	
Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0.0%"/>
Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	

>> **Programmatic Matrix**

Falsification	Major	Moderate	Minor	Percent
<input type="text"/>	<input checked="" type="text" value="x"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="5.0%"/>

Matrix Notes

Adjustment

Violation Events

Number of Violation Events Number of violation days

mark only one with an x

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

Violation Base Penalty

Good Faith Efforts to Comply Reduction

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

Notes

Violation Subtotal

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

Estimated EB Amount **Violation Final Penalty Total**

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent South Hampton Resources, Inc. (Facility 2)
Case ID No. 45226
Reg. Ent. Reference No. RN102591955
Media Violation No. Industrial and Hazardous Waste
 4

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System	\$500	26-Jul-2012	24-Nov-2013	1.33	\$33	n/a	\$33
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to update the Notice of Registration. Date Required is the investigation date. Final Date is the estimated date of compliance.

Avoided Costs

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

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance \$500

TOTAL \$33

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 CN600129878, RN102591955, Rating Year 2012 which includes Compliance History (CH) components from September 1, 2007, through August 31, 2012.

Customer, Respondent, or Owner/Operator: CN600129878, South Hampton Resources, Inc. **Classification:** SATISFACTORY **Rating:** 34.72

Regulated Entity: RN102591955, Gasoline Loading Terminal **Classification:** SATISFACTORY **Rating:** 12.00

Complexity Points: 5 **Repeat Violator:** NO

CH Group: 14 - Other

Location: 8607 LOADING DOCK RD SILSBEE, TX 77656, HARDIN COUNTY

TCEQ Region: REGION 10 - BEAUMONT

ID Number(s): AIR NEW SOURCE PERMITS PERMIT 3102
AIR NEW SOURCE PERMITS ACCOUNT NUMBER HF0027H
AIR NEW SOURCE PERMITS REGISTRATION 107787
AIR NEW SOURCE PERMITS AFS NUM 4819900029
AIR EMISSIONS INVENTORY ACCOUNT NUMBER HF0027H
INDUSTRIAL AND HAZARDOUS WASTE NONPERMITTED ID NUMBER TXD062120340
INDUSTRIAL AND HAZARDOUS WASTE NONPERMITTED ID NUMBER SW30672

Compliance History Period: September 01, 2007 to August 31, 2012 **Rating Year:** 2012 **Rating Date:** 09/01/2012

Date Compliance History Report Prepared: July 10, 2013

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: July 10, 2008 to July 10, 2013

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

Name: Keith Frank

Phone: (512) 239-1203

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:** 10/23/2008 **ADMINORDER 1997-0180-AIR-E (Findings Order-Agreed Order Without Denial)**

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(1)
30 TAC Chapter 115, SubChapter B 115.114(a)(1)
30 TAC Chapter 115, SubChapter B 115.116(a)(2)
30 TAC Chapter 116, SubChapter B 116.115(a)
30 TAC Chapter 116, SubChapter B 116.115(b)
40 CFR Part 60, Subpart Kb 60.110b
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: GP 5 PERMIT

Description: Failed to conduct the required inspections and maintain records for the internal floating roof storage tanks to document whether these inspections did occur.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(a)
40 CFR Part 60, Subpart A 60.18
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: SC 4 PERMIT

Description: Failed to operate the flare in a manner that ensures adequate combustion and to monitor the flare during operation.

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

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

N/A

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.

N/A

F. Environmental audits:

N/A

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
SOUTH HAMPTON RESOURCES, INC.;
RN101995611 AND RN102591955

§
§
§
§
§
§

BEFORE THE

TEXAS COMMISSION ON

ENVIRONMENTAL QUALITY

AGREED ORDER

DOCKET NO. 2012-2108-IHW-E

I. JURISDICTION AND STIPULATIONS

On _____, the Texas Commission on Environmental Quality ("Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding South Hampton Resources, Inc. ("Respondent") under the authority of TEX. WATER CODE ch. 7 and TEX. HEALTH & SAFETY CODE ch. 361. The Executive Director of the TCEQ, represented by the Litigation Division, and Respondent, represented by John Turney of the law firm Richards Rodriguez & Skeith, LLP, together stipulate that:

1. Respondent owns and operates a petrochemical facility located at 7752 Farm-to-Market Road 418 in Silsbee, Hardin County, Texas ("Facility 1")(RN101995611). In addition, Respondent operates a product tank farm and railcar loading rack, connected by pipeline to Facility 1, located at 8607 Loading Dock Road in Silsbee, Hardin County, Texas ("Facility 2")(RN102591955). Facility 1 and Facility 2 are collectively referred to as the "Facilities." The Facilities contain and/or involve the management of industrial hazardous waste ("IHW") as defined in TEX. HEALTH & SAFETY CODE ch. 361.
2. The Executive Director and Respondent agree that TCEQ has jurisdiction to enter this Order pursuant to TEX. WATER CODE §§ 7.051 and 7.070, and that Respondent is subject to TCEQ's jurisdiction. The TCEQ has jurisdiction in this matter pursuant to TEX. WATER CODE § 5.013 because it alleges violations of TEX. HEALTH & SAFETY CODE ch. 361 and TCEQ rules.
3. The occurrence of any violation is in dispute and the entry of this Order shall not constitute an admission by Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
4. An administrative penalty in the amount of thirty-two thousand eight hundred fifty dollars (\$32,850.00) is assessed by the Commission in settlement of the violations alleged in Section II. Pursuant to TEX. WATER CODE § 7.067, sixteen thousand four hundred twenty-five dollars (\$16,425.00) of the penalty shall be conditionally offset by Respondent's timely and satisfactory completion of a Supplemental Environmental Project ("SEP") as defined in the SEP Agreement ("Attachment A" - incorporated herein by reference). Respondent's obligation to pay the conditionally offset portion of the penalty shall be discharged upon full compliance with all the terms of this Order, which includes any payment schedule and the timely and satisfactory completion of all provisions of the SEP Agreement, as determined by the Executive Director.

Respondent paid sixteen thousand four hundred twenty-five dollars (\$16,425.00) of the penalty.

5. 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.
6. The Executive Director and Respondent agree on a settlement of the matters addressed in this Order, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
7. 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 Respondent has not complied with one or more of the terms or conditions contained in this Order.
8. This Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Order, whichever is later.
9. The provisions of this Order are deemed severable, and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

1. During an investigation conducted at Facility 1 from July 26, 2012, through August 1, 2012, an investigator documented that Respondent:
 - a. Failed to demonstrate that certain collected materials are not solid waste and that there is a known market or disposition for the collected materials, or are conditionally exempted from regulation, and that the materials meet the terms of the exclusion or exemption, in violation of 30 TEX. ADMIN. CODE § 335.1(140)(I) and 40 C.F.R. § 261.2(f). Specifically, Respondent failed to provide appropriate documentation demonstrating that materials (D001 hazardous waste code) collected from the lab tank/sump and Recycle Tank No. 14 are not solid waste, have a market for disposition of the material, or are exempt from regulation;
 - b. Failed to prevent the storage or treatment of hazardous waste in an unauthorized tank system, in violation of 30 TEX. ADMIN. CODE § 335.69(a)(1)(B) and 40 C.F.R. §§ 262.34(a)(1)(ii) and 265.191. Specifically, Respondent was storing discarded end-product lab samples (pentanes, hexanes, conosol, advasol, naphthalene, etc.) in the lab tank/sump and Recycle Tank No. 14;
 - c. Failed to conduct waste determinations and waste classifications, in violation of 30 TEX. ADMIN. CODE § 335.62 and 40 CFR § 262.11. Specifically, waste determinations and waste classifications were not performed for the waste streams collected in the lab tank/sump and Recycle Tank No. 14; and
 - d. Failed to provide written notification for all waste management units and recyclable materials, in violation of 30 TEX. ADMIN. CODE § 335.6(a) and (b). Specifically, Respondent did not provide recycling and written notification for the following waste management units: lab/tank sump, oil/water basin, and Recycle Tank No. 14.
2. During an investigation conducted at Facility 2 from July 26, 2012, through August 1, 2012, an investigator documented that Respondent:
 - a. Failed to demonstrate that certain collected materials are not solid waste and that there is a known market or disposition for the collected materials, or are conditionally exempted from regulation, and that the materials meet the

terms of the exclusion or exemption, in violation of 30 TEX. ADMIN. CODE § 335.1(140)(I) and 40 C.F.R. § 261.2(f). Specifically, Respondent failed to provide appropriate documentation demonstrating that materials (D001 hazardous waste code) collected from the spillage collection tank/sump are not solid waste, have a market for disposition of the material, or are exempt from regulation;

- b. Failed to prevent the storage or treatment of hazardous waste in an unauthorized tank system, in violation of 30 TEX. ADMIN. CODE § 335.69(a)(1)(B) and 40 C.F.R. §§ 262.34(a)(1)(ii) and 265.191. Specifically, Respondent was storing end-products such as pentanes, hexanes, conosol, advasol and naphthalene in the spillage collection tank/sump;
- c. Failed to conduct waste determinations and waste classifications, in violation of 30 TEX. ADMIN. CODE § 335.62 and 40 C.F.R. § 262.11. Specifically, waste determinations and waste classifications were not performed for the waste streams collected in the spillage collection tank/sump; and
- d. Failed to provide written notification for all waste management units and recyclable materials, in violation of 30 TEX. ADMIN. CODE § 335.6(a) and (b). Specifically, Respondent did not provide recycling and written notification for the spillage collection tank/sump waste management unit.

III. DENIALS

Respondent generally denies each Allegation in Section II.

IV. ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. Respondent is assessed an administrative penalty as set forth in Section I, Paragraph 4. The payment of this penalty and Respondent's compliance with all of the requirements set forth in this Order resolve only the Allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective actions or penalties for violations which are not raised here.
2. Respondent shall implement and complete a SEP as set forth in Section I, Paragraph 4. The amount of sixteen thousand four hundred twenty-five dollars (\$16,425.00) of the assessed administrative penalty is conditionally offset based on Respondent's implementation and completion a SEP pursuant to the terms and conditions contained in the SEP Agreement, as defined in Attachment A. Penalty payments for any portion of the SEP deemed by the Executive Director as not complete shall be paid within 30 days after the date the Executive Director demands payment.
3. Respondent shall undertake the following technical requirements:
 - a. Within 60 days after the effective date of this Order:
 - i. At Facility 1:
 - (A) Submit documentation demonstrating that all affected collected materials, including material collected from the lab tank/sump and Recycle Tank No. 14, are not solid waste and that there is a known market or disposition or are conditionally exempted from regulation, in accordance with 30 TEX. ADMIN. CODE § 335.1 and 40 CFR § 261.2;

- (B) Begin storing or treating all hazardous wastes in approved tanks, including the collected materials in the lab tank/sump and Recycle Tank No. 14, in accordance with 30 TEX. ADMIN. CODE § 335.69 and 40 CFR §§ 262.34 and 265.191;
 - (C) Conduct waste determinations and waste classifications on all waste streams generated, in accordance with 30 TEX. ADMIN. CODE § 335.62 and 40 CFR § 262.11; and
 - (D) Update the Notice of Registration to accurately reflect all waste management units and provide recycling notification for all waste management units, in accordance with 30 TEX. ADMIN. CODE § 335.6; and
- ii. At Facility 2:
- (A) Submit documentation demonstrating that all affected collected materials, including material collected from the spillage collection tank/sump, are not solid waste and that there is a known market or disposition or are conditionally exempted from regulation, in accordance with 30 TEX. ADMIN. CODE § 335.1 and 40 CFR § 261.2;
 - (B) Begin storing or treating all hazardous wastes in approved tanks, including the spillage collection tank/sump, in accordance with 30 TEX. ADMIN. CODE § 335.69 and 40 CFR §§ 262.34 and 265.191;
 - (C) Conduct waste determinations and waste classifications on all waste streams generated, in accordance with 30 TEX. ADMIN. CODE § 335.62 and 40 CFR § 262.11; and
 - (D) Update the Notice of Registration to accurately reflect all waste management units and provide recycling notification for all waste management units, in accordance with 30 TEX. ADMIN. CODE § 335.6.
- b. Within 75 days after the effective date of this Order, submit written certification to demonstrate compliance with Ordering Provisions Nos. 3.a.i.(A) through 3.a.ii.(D). The certification shall be accompanied by detailed supporting documentation, including photographs, receipts, and/or other records, shall be signed by an authorized representative of Respondent, and shall include the following certification language:

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

Respondent shall submit the written certification and copies of documentation necessary to demonstrate compliance with these Ordering Provisions to:

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

and:

Waste Section Manager
Texas Commission on Environmental Quality
Beaumont Regional Office
3870 Eastex Freeway
Beaumont, TX 77703-1830

4. All relief not expressly granted in this Order is denied.
5. The duties and provisions imposed by this Order shall apply to and be binding upon Respondent. Respondent is ordered to give notice of this Order to personnel who maintain day-to-day control over the Facilities' operations referenced in this Order.
6. If Respondent fails to comply with any of the Ordering Provisions in this Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, Respondent's failure to comply is not a violation of this Order. Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Respondent shall notify the Executive Director within seven days after Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
7. The Executive Director may grant an extension of any deadline in this Order or in any plan, report, or other document submitted pursuant to this Order, upon a written and substantiated showing of good cause. All requests for extensions by Respondent shall be made in writing to the Executive Director. Extensions are not effective until Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director. Extension requests shall be sent to the Order Compliance Team at the address listed above.
8. This Order, issued by the Commission, shall not be admissible against Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Order, or (2) pursue violations of a statute within TCEQ's jurisdiction or of a rule adopted or an order or permit issued by the TCEQ under such a statute.
9. This Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this 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 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.
10. Pursuant to 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142, the effective date of this Order is the date of hand delivery of the fully executed Order to Respondent, or three days after the date on which the Commission mails a copy of the fully executed Order to Respondent, whichever is earlier. The Chief Clerk shall provide a copy of the fully executed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission



For the Executive Director

April 13, 2015
Date

I, the undersigned, have read and understand the attached Order. I am authorized to agree to the attached Order, 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 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;
- 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, I understand that any falsification of any compliance documents may result in criminal prosecution.



Signature - Nicholas N. Carter, Chief Executive Officer
South Hampton Resources, Inc.
P.O. Box 1636
Silsbee, Texas 77656

JAN 9, 2015
Date

If mailing address has changed, please check this box and provide the new address below:

Attachment A
Docket Number: 2012-2108-IHW-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	South Hampton Resources, Inc.
Penalty Amount:	Thirty-Two Thousand Eight Hundred Fifty Dollars (\$32,850)
SEP Offset Amount:	Sixteen Thousand Four Hundred Twenty-Five Dollars (\$16,425)
Type of SEP:	Contribution to a Pre-Approved Third-Party Administrator
Third-Party Administrator:	The Conservation Fund
Project Name:	<i>Cade Ranch Habitat Acquisition & Preservation Project</i>
Location of SEP:	Neches-Trinity Coastal Basin and Gulf Coast Aquifer

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

1. Project Description

A. Project

Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to **The Conservation Fund** for the *Cade Ranch Habitat Acquisition & Preservation Project*. The contribution will be used in accordance with the Supplemental Environmental Project between the Third-Party Administrator and the TCEQ (the “Project”). Specifically, the SEP Offset Amount will be used to acquire 2,614 coastal acres known as the Cade Ranch to be permanently protected for water quality and wildlife habitat. Following its purchase, the Property shall be conveyed by donation to the United States Fish & Wildlife Service to be permanently protected as part of the Anahuac National Wildlife Refuge. 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 implementing 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.

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

B. Environmental Benefit

Acquiring and permanently protecting the Cade Ranch tract will prevent pollution, reduce the amount of pollutants reaching the environment, and enhance the quality of the environment. This community provides habitat for wintering, migration and breeding birds including waterfowl, wading birds, and shorebirds. Permanently protecting this land will improve water

quality, prevent fragmentation, and protect this large expanse of open space and important wildlife habitat.

C. Minimum Expenditure

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, Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. Respondent shall make the check payable to **The Conservation Fund – Cade Ranch SEP** and shall mail the contribution with a copy of the Agreed Order to:

The Conservation Fund
Attention: Julie Shackelford, Texas Program Director
P.O. Box 4608 SFA Station
Nacogdoches, Texas 75962-4608

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, Respondent shall provide the Litigation SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount to the Third-Party Administrator. Respondent shall mail a copy of the check and transmittal letter to:

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

4. Failure to Fully Perform

If 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 Respondent failed to fully implement and complete the Project, 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, 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 and/or project, made by or on behalf of Respondent must include a clear statement that **the project was performed as part of the settlement of an enforcement action brought by the TCEQ**. Such statements include advertising, public relations, and press releases.

6. Recognition

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