

**Executive Summary – Enforcement Matter – Case No. 50841**  
**Union Oil Company of California**  
**RN102596210**  
**Docket No. 2015-1087-AIR-E**

**Order Type:**

1660 Agreed Order

**Findings Order Justification:**

N/A

**Media:**

AIR

**Small Business:**

No

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

Phillips 66 Pipeline Beaumont Terminal, located one half mile east of North Twin City Highway on Magnolia Avenue, Nederland, Jefferson County

**Type of Operation:**

Oil and gas terminal

**Other Significant Matters:**

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

**Texas Register Publication Date:** December 18, 2015

**Comments Received:** No

***Penalty Information***

**Total Penalty Assessed:** \$11,025

**Amount Deferred for Expedited Settlement:** \$2,205

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

**Total Paid to General Revenue:** \$8,820

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

Payment Plan: N/A

**Supplemental Environmental Project ("SEP") Conditional Offset:** \$0

Name of SEP: N/A

**Compliance History Classifications:**

Person/CN - High

Site/RN - High

**Major Source:** Yes

**Statutory Limit Adjustment:** N/A

**Applicable Penalty Policy:** April 2014

**Executive Summary – Enforcement Matter – Case No. 50841**  
**Union Oil Company of California**  
**RN102596210**  
**Docket No. 2015-1087-AIR-E**

***Investigation Information***

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

**Complaint Information:** N/A

**Date(s) of Investigation:** November 14, 2014

**Date(s) of NOE(s):** May 28, 2015

***Violation Information***

1. Failed to report all instances of deviations. Specifically, the Respondent failed to include visible emissions that occurred at Thermal Oxidizer 2530 on June 21, 2013 as a deviation on the deviation report for the January 1, 2013 through June 30, 2013 reporting period [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), Federal Operating Permit ("FOP") No. O1025, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 3.B.(iii)(4)(b), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

2. Failed to comply with the maximum allowable barge loading rate for crude oil. Specifically, the Respondent exceeded the barge loading rate of 12,000 barrels per hour ("bbls/hr") at Tank 397 for 1.16 hours on June 18, 2014 by a rate of 2,305 bbls/hr [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), FOP No. O1025, GTC and STC No. 13, New Source Review Permit No. 56419, Special Conditions No. 3, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

3. Failed to timely create a final record of a non-reportable emissions event. Specifically, the Respondent failed to timely create a final record of a non-reportable emissions event that began on October 2, 2013 and lasted 434 hours at Tank 128 [30 TEX. ADMIN. CODE §§ 101.201(b) and 122.143(4), FOP No. O1025, GTC and STC No. 2F, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

4. Failed to timely submit a complete and accurate semi-annual deviation report. Specifically, the Respondent failed to timely submit an accurate deviation report for the January 1, 2014 through June 30, 2014 reporting period by July 30, 2014 [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(C), FOP No. O1025, GTC, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

**Executive Summary – Enforcement Matter – Case No. 50841  
Union Oil Company of California  
RN102596210  
Docket No. 2015-1087-AIR-E**

***Corrective Actions/Technical Requirements***

**Corrective Action(s) Completed:**

The Respondent has implemented the following corrective measures:

- a. On August 1, 2014, changed ownership of the Plant; and
- b. By June 25, 2015, created a complete final record of a non-reportable emissions event.

**Technical Requirements:**

N/A

***Litigation Information***

**Date Petition(s) Filed:** N/A

**Date Answer(s) Filed:** N/A

**SOAH Referral Date:** N/A

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

**Settlement Date:** N/A

***Contact Information***

**TCEQ Attorney:** N/A

**TCEQ Enforcement Coordinator:** Raime Hayes-Falero, Enforcement Division, Enforcement Team 5, MC R-12, (713) 767-3567; Candy Garrett, Enforcement Division, MC 219, (512) 239-1456

**TCEQ SEP Coordinator:** N/A

**Respondent:** James M. Barnum, Vice President, Union Oil Company of California, 4800 Fournace Place, Bellaire, Texas 77401-2324

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





# Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

TCEQ

DATES	Assigned	1-Jun-2015	Screening	17-Jul-2015	EPA Due	
	PCW	12-Oct-2015				

## RESPONDENT/FACILITY INFORMATION

Respondent	Union Oil Company of California		
Reg. Ent. Ref. No.	RN102596210		
Facility/Site Region	10-Beaumont	Major/Minor Source	Major

## CASE INFORMATION

Enf./Case ID No.	50841	No. of Violations	4
Docket No.	2015-1087-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Raime Hayes-Falero
		EC's Team	Enforcement Team 5
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$25,000

## Penalty Calculation Section

**TOTAL BASE PENALTY (Sum of violation base penalties)** **Subtotal 1**

### ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

**Compliance History**  Enhancement **Subtotals 2, 3, & 7**

Notes: Reduction for one Notice of Intent to conduct an audit; however, because the Adjustment Percentage (Subtotal 2) is below zero, it defaults to zero, but the Reduction for the High Performer Classification is applied to the Adjustment Percentage (Subtotal 7).

**Culpability**   Enhancement **Subtotal 4**

Notes: The Respondent does not meet the culpability criteria.

**Good Faith Effort to Comply Total Adjustments** **Subtotal 5**

**Economic Benefit**  Enhancement\* **Subtotal 6**

Total EB Amounts	<input type="text" value="\$1,071"/>	*Capped at the Total EB \$ Amount
Estimated Cost of Compliance	<input type="text" value="\$1,250"/>	

**SUM OF SUBTOTALS 1-7** **Final Subtotal**

**OTHER FACTORS AS JUSTICE MAY REQUIRE**  **Adjustment**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes: Recommended enhancement to capture the avoided cost of compliance associated with Violation Nos. 1, 2 and 4.

**Final Penalty Amount**

**STATUTORY LIMIT ADJUSTMENT** **Final Assessed Penalty**

**DEFERRAL**  Reduction **Adjustment**

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

Notes: Deferral offered for expedited settlement.

**PAYABLE PENALTY**

Screening Date 17-Jul-2015

Docket No. 2015-1087-AIR-E

PCW

Respondent Union Oil Company of California

Policy Revision 4 (April 2014)

Case ID No. 50841

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102596210

Media [Statute] Air

Enf. Coordinator Raime Hayes-Falero

### 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	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government ( <i>number of judgments 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> )	0	0%

Please Enter Yes or No

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

Adjustment Percentage (Subtotal 2)

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

Adjustment Percentage (Subtotal 3)

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

Adjustment Percentage (Subtotal 7)

#### >> Compliance History Summary

Compliance History Notes

Reduction for one Notice of Intent to conduct an audit; however, because the Adjustment Percentage (Subtotal 2) is below zero, it defaults to zero, but the Reduction for the High Performer Classification is applied to the Adjustment Percentage (Subtotal 7).

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

#### >> Final Compliance History Adjustment

Final Adjustment Percentage \*capped at 100%

Screening Date 17-Jul-2015  
 Respondent Union Oil Company of California  
 Case ID No. 50841

Docket No. 2015-1087-AIR-E

PCW

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

Reg. Ent. Reference No. RN102596210  
 Media [Statute] Air  
 Enf. Coordinator Raime Hayes-Falero  
 Violation Number 1

Rule Cite(s)

30 Tex. Admin. Code §§ 122.143(4) and 122.145(2)(A), Federal Operating Permit ("FOP") No. O1025, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 3.B.(iii)(4)(b), and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to report all instances of deviations. Specifically, the Respondent failed to include visible emissions that occurred at Thermal Oxidizer 2530 on June 21, 2013 as a deviation on the deviation report for the January 1, 2013 through June 30, 2013 reporting period.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual				0.0%
	Potential				

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	Percent
				X	1.0%

Matrix Notes

Less than 30% of the rule requirement was not met.

Adjustment \$24,750

\$250

Violation Events

Number of Violation Events 1 Number of violation days 367

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

Violation Base Penalty \$250

One single event is recommended for the incomplete report.

Good Faith Efforts to Comply

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

Extraordinary		
Ordinary		
N/A	X	(mark with x)

Notes

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

Violation Subtotal \$250

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$274

Violation Final Penalty Total \$249

This violation Final Assessed Penalty (adjusted for limits) \$249

# Economic Benefit Worksheet

**Respondent** Union Oil Company of California  
**Case ID No.** 50841  
**Reg. Ent. Reference No.** RN102596210  
**Media** Air  
**Violation No.** 1

<b>Percent Interest</b>	<b>Years of Depreciation</b>
5.0	15

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

**Delayed Costs**

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)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

**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]	\$250	30-Jul-2013	1-Aug-2014	1.92	\$24	\$250	\$274
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Estimated avoided cost to report all instances of deviations. The Date Required is the date the report was due and the Final Date is the date the ownership of the Plant changed.

Approx. Cost of Compliance \$250

**TOTAL** \$274

Screening Date 17-Jul-2015

Docket No. 2015-1087-AIR-E

PCW

Respondent Union Oil Company of California

Policy Revision 4 (April 2014)

Case ID No. 50841

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102596210

Media [Statute] Air

Enf. Coordinator Raime Hayes-Falero

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), FOP No. O1025, GTC and STC No. 13, New Source Review Permit No. 56419, Special Conditions No. 3, and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to comply with the maximum allowable barge loading rate for crude oil. Specifically, the Respondent exceeded the barge loading rate of 12,000 barrels per hour ("bbls/hr") at Tank 397 for 1.16 hours on June 18, 2014 by a rate of 2,305 bbls/hr.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 15.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

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

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

1 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	X

mark only one with an x

Violation Base Penalty \$3,750

One single event is recommended.

Good Faith Efforts to Comply

0.0%

Reduction \$0

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

Notes

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

Violation Subtotal \$3,750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$526

Violation Final Penalty Total \$3,730

This violation Final Assessed Penalty (adjusted for limits) \$3,730

# Economic Benefit Worksheet

**Respondent** Union Oil Company of California  
**Case ID No.** 50841  
**Reg. Ent. Reference No.** RN102596210  
**Media** Air  
**Violation No.** 2

<b>Percent Interest</b>	<b>Years of Depreciation</b>
5.0	15

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

**Delayed Costs**

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)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

**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]	\$500	18-Jun-2014	1-Aug-2014	1.04	\$26	\$500	\$526
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Estimated avoided cost to comply with the maximum allowable barge loading rate. The Date Required is the date violation occurred and the Final Date is the date the ownership of the Plant changed on August 1, 2014.

Approx. Cost of Compliance \$500

**TOTAL** \$526

Screening Date 17-Jul-2015  
 Respondent Union Oil Company of California  
 Case ID No. 50841

Docket No. 2015-1087-AIR-E

PCW

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

Reg. Ent. Reference No. RN102596210

Media [Statute] Air

Enf. Coordinator Raime Hayes-Falero

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code §§ 101.201(b) and 122.143(4), FOP No. O1025, GTC and STC No. 2F, and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to timely create a final record of a non-reportable emissions event. Specifically, the Respondent failed to timely create a final record of a non-reportable emissions event that began on October 2, 2013 and lasted 434 hours at Tank 128.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm		
		Major	Moderate	Minor
Actual				
Potential				

Percent 0.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
	X		

Percent 15.0%

Matrix Notes

100% of the rule requirement was not met.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

599 Number of violation days

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

Violation Base Penalty \$3,750

One single event is recommended.

Good Faith Efforts to Comply

10.0%

Reduction \$375

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

Notes The Respondent completed corrective action on June 25, 2015, after the May 28, 2015 NOE.

Violation Subtotal \$3,375

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$21

Violation Final Penalty Total \$3,316

This violation Final Assessed Penalty (adjusted for limits) \$3,316

# Economic Benefit Worksheet

**Respondent** Union Oil Company of California

**Case ID No.** 50841

**Reg. Ent. Reference No.** RN102596210

**Media** Air

**Violation No.** 3

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

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

**Delayed Costs**

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$250	3-Nov-2013	25-Jun-2015	1.64	\$21	n/a	\$21

Notes for DELAYED costs

Estimated cost to create a complete final record of a non-reportable emissions event. The Date Required is the date the final record was due and the Final Date is the date of compliance.

**Avoided Costs**

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance \$250

**TOTAL** \$21

**Screening Date** 17-Jul-2015  
**Respondent** Union Oil Company of California  
**Case ID No.** 50841

**Docket No.** 2015-1087-AIR-E

**PCW**

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

**Reg. Ent. Reference No.** RN102596210

**Media [Statute]** Air

**Enf. Coordinator** Raime Hayes-Falero

**Violation Number** 4

**Rule Cite(s)** 30 Tex. Admin. Code §§ 122.143(4) and 122.145(2)(C), FOP No. O1025, GTC, and Tex. Health & Safety Code § 382.085(b)

**Violation Description** Failed to timely submit a complete and accurate semi-annual deviation report. Specifically, the Respondent failed to timely submit an accurate deviation report for the January 1, 2014 through June 30, 2014 reporting period by July 30, 2014.

**Base Penalty** \$25,000

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

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

**Percent** 0.0%

>> **Programmatic Matrix**

Falsification	Harm		
	Major	Moderate	Minor
	x		

**Percent** 15.0%

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

**Adjustment** \$21,250

\$3,750

**Violation Events**

Number of Violation Events 1

2 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

**Violation Base Penalty** \$3,750

One single event is recommended.

**Good Faith Efforts to Comply**

0.0%

**Reduction** \$0

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

Extraordinary		
Ordinary		
N/A	x	(mark with x)

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

**Violation Subtotal** \$3,750

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

**Statutory Limit Test**

**Estimated EB Amount** \$250

**Violation Final Penalty Total** \$3,730

**This violation Final Assessed Penalty (adjusted for limits)** \$3,730

# Economic Benefit Worksheet

**Respondent** Union Oil Company of California  
**Case ID No.** 50841  
**Reg. Ent. Reference No.** RN102596210  
**Media** Air  
**Violation No.** 4

<b>Percent Interest</b>	<b>Years of Depreciation</b>
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)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

**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]	\$250	30-Jul-2014	1-Aug-2014	0.00	\$0	\$250	\$250
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Estimated avoided cost to submit a revised deviation report. The Date Required is the date the deviation report was due and the Final Date is the date the ownership of the Plant changed.

Approx. Cost of Compliance \$250

**TOTAL** \$250



# Compliance History Report

**PENDING** Compliance History Report for CN600124879, RN102596210, Rating Year 2015 which includes Compliance History (CH) components from September 1, 2010, through August 31, 2015.

<b>Customer, Respondent, or Owner/Operator:</b>	CN600124879, Union Oil Company of California	<b>Classification:</b> HIGH	<b>Rating:</b> 0.00
<b>Regulated Entity:</b>	RN102596210, PHILLIPS 66 PIPELINE BEAUMONT TERMINAL	<b>Classification:</b> HIGH	<b>Rating:</b> 0.00
<b>Complexity Points:</b>	35	<b>Repeat Violator:</b> NO	
<b>CH Group:</b>	14 - Other		
<b>Location:</b>	0.5 MILES EAST OF NORTH TWIN CITY HIGHWAY ON MAGNOLIA AVENUE, NEDERLAND, JEFFERSON COUNTY, TEXAS		
<b>TCEQ Region:</b>	REGION 10 - BEAUMONT		

**ID Number(s):**

**POLLUTION PREVENTION PLANNING** ID NUMBER P00746

**WASTEWATER PERMIT** WQ0000316000

**WASTEWATER** EPA ID TX0002909

**AIR NEW SOURCE PERMITS** REGISTRATION 41459

**AIR NEW SOURCE PERMITS** REGISTRATION 42991

**AIR NEW SOURCE PERMITS** REGISTRATION 43772

**AIR NEW SOURCE PERMITS** REGISTRATION 41570

**AIR NEW SOURCE PERMITS** REGISTRATION 43867

**AIR NEW SOURCE PERMITS** REGISTRATION 44524

**AIR NEW SOURCE PERMITS** REGISTRATION 46006

**AIR NEW SOURCE PERMITS** REGISTRATION 47059

**AIR NEW SOURCE PERMITS** REGISTRATION 50315

**AIR NEW SOURCE PERMITS** PERMIT 481

**AIR NEW SOURCE PERMITS** PERMIT 2365

**AIR NEW SOURCE PERMITS** PERMIT 6559

**AIR NEW SOURCE PERMITS** REGISTRATION 13244

**AIR NEW SOURCE PERMITS** REGISTRATION 16166

**AIR NEW SOURCE PERMITS** REGISTRATION 18698

**AIR NEW SOURCE PERMITS** REGISTRATION 31944

**AIR NEW SOURCE PERMITS** REGISTRATION 33494

**AIR NEW SOURCE PERMITS** REGISTRATION 34691

**AIR NEW SOURCE PERMITS** REGISTRATION 54132

**AIR NEW SOURCE PERMITS** PERMIT 56419

**AIR NEW SOURCE PERMITS** REGISTRATION 55671

**AIR NEW SOURCE PERMITS** REGISTRATION 74873

**AIR NEW SOURCE PERMITS** REGISTRATION 80839

**AIR NEW SOURCE PERMITS** REGISTRATION 86893

**AIR NEW SOURCE PERMITS** REGISTRATION 94408

**AIR NEW SOURCE PERMITS** REGISTRATION 103004

**AIR NEW SOURCE PERMITS** REGISTRATION 123408

**AIR NEW SOURCE PERMITS** REGISTRATION 120316

**AIR NEW SOURCE PERMITS** EPA PERMIT PSDTX1466

**AIR NEW SOURCE PERMITS** REGISTRATION 111570

**AIR NEW SOURCE PERMITS** REGISTRATION 132852

**AIR NEW SOURCE PERMITS** REGISTRATION 115261

**AIR OPERATING PERMITS** ACCOUNT NUMBER JE0111H

**INDUSTRIAL AND HAZARDOUS WASTE** EPA ID

TXD010794097

**INDUSTRIAL AND HAZARDOUS WASTE** PERMIT 50157

**AIR EMISSIONS INVENTORY** ACCOUNT NUMBER JE0111H

**AIR NEW SOURCE PERMITS** REGISTRATION 37614

**AIR NEW SOURCE PERMITS** REGISTRATION 41854

**AIR NEW SOURCE PERMITS** REGISTRATION 43507

**AIR NEW SOURCE PERMITS** REGISTRATION 41572

**AIR NEW SOURCE PERMITS** REGISTRATION 41571

**AIR NEW SOURCE PERMITS** REGISTRATION 43427

**AIR NEW SOURCE PERMITS** REGISTRATION 45732

**AIR NEW SOURCE PERMITS** REGISTRATION 47097

**AIR NEW SOURCE PERMITS** REGISTRATION 47098

**AIR NEW SOURCE PERMITS** ACCOUNT NUMBER JE0111H

**AIR NEW SOURCE PERMITS** PERMIT 1973

**AIR NEW SOURCE PERMITS** PERMIT 6312

**AIR NEW SOURCE PERMITS** PERMIT 8113

**AIR NEW SOURCE PERMITS** REGISTRATION 13788

**AIR NEW SOURCE PERMITS** PERMIT 18295

**AIR NEW SOURCE PERMITS** REGISTRATION 23318

**AIR NEW SOURCE PERMITS** REGISTRATION 32967

**AIR NEW SOURCE PERMITS** REGISTRATION 33316

**AIR NEW SOURCE PERMITS** REGISTRATION 34517

**AIR NEW SOURCE PERMITS** REGISTRATION 54766

**AIR NEW SOURCE PERMITS** AFS NUM 4824500001

**AIR NEW SOURCE PERMITS** REGISTRATION 56427

**AIR NEW SOURCE PERMITS** REGISTRATION 79404

**AIR NEW SOURCE PERMITS** REGISTRATION 90627

**AIR NEW SOURCE PERMITS** REGISTRATION 91757

**AIR NEW SOURCE PERMITS** REGISTRATION 101162

**AIR NEW SOURCE PERMITS** REGISTRATION 111569

**AIR NEW SOURCE PERMITS** REGISTRATION 118690

**AIR NEW SOURCE PERMITS** REGISTRATION 132851

**AIR NEW SOURCE PERMITS** REGISTRATION 111572

**AIR NEW SOURCE PERMITS** REGISTRATION 120399

**AIR NEW SOURCE PERMITS** REGISTRATION 111939

**AIR NEW SOURCE PERMITS** EPA PERMIT GHGPSDTX139

**AIR OPERATING PERMITS** PERMIT 1025

**INDUSTRIAL AND HAZARDOUS WASTE** SOLID WASTE

REGISTRATION # (SWR) 30001

**IHW CORRECTIVE ACTION** SOLID WASTE REGISTRATION #

(SWR) 30001

**STORMWATER** PERMIT TXR150016737

**Compliance History Period:** September 01, 2010 to August 31, 2015      **Rating Year:** 2015      **Rating Date:** 09/01/2015

**Date Compliance History Report Prepared:** October 12, 2015

**Agency Decision Requiring Compliance History:** Enforcement

**Component Period Selected:** October 12, 2010 to October 12, 2015

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

**Name:** Raime Hayes-Falero

**Phone:** (713) 767-3567

**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? YES
- 3) If **YES** for #2, who is the current owner/operator? Phillips 66 Pipeline LLC
- 4) If **YES** for #2, who was/were the prior owner(s)/operator(s)? Union Oil Company of California
- 5) If **YES**, when did the change(s) in owner or operator occur? 8/1/2014

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

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

N/A

**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 22, 2011	(936285)
Item 2	February 17, 2012	(982449)
Item 3	May 25, 2012	(1006879)
Item 4	October 11, 2013	(1123333)
Item 5	October 16, 2013	(1121898)
Item 6	March 26, 2014	(1151285)
Item 7	March 27, 2014	(1055038)
Item 8	April 25, 2014	(1164506)
Item 9	June 10, 2014	(1159551)
Item 10	August 16, 2014	(1179476)
Item 11	August 21, 2015	(1222446)

**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:**

Notice of Intent Date: 08/08/2014 (1190395)

No DOV Associated

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

N/A

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

N/A

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

N/A

*Pending Compliance History Report for CN600124879, RN102596210, Rating Year 2015 which includes Compliance History (CH) components from October 12, 2010, through October 12, 2015.*

**J. Early compliance:**

N/A

**Sites Outside of Texas:**

N/A



# TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
UNION OIL COMPANY OF  
CALIFORNIA  
RN102596210**

**§ BEFORE THE  
§ TEXAS COMMISSION ON  
§ ENVIRONMENTAL QUALITY**

## **AGREED ORDER DOCKET NO. 2015-1087-AIR-E**

### **I. JURISDICTION AND STIPULATIONS**

On \_\_\_\_\_, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Union Oil Company of California ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owned and operated an oil and gas terminal located one half mile east of North Twin City Highway on Magnolia Avenue in Nederland, Jefferson County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Executive Director and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about June 2, 2015.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Eleven Thousand Twenty-Five Dollars (\$11,025) is assessed by the Commission in settlement of the violations alleged in Section

- II ("Allegations"). The Respondent has paid Eight Thousand Eight Hundred Twenty Dollars (\$8,820) of the administrative penalty and Two Thousand Two Hundred Five Dollars (\$2,205) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty.
7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
  8. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
  9. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:
    - a. On August 1, 2014, changed ownership of the Plant; and
    - b. By June 25, 2015, created a complete final record of a non-reportable emissions event.
  10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
  11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
  12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

## II. ALLEGATIONS

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

1. Failed to report all instances of deviations, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), Federal Operating Permit ("FOP") No. O1025, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 3.B.(iii)(4)(b), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on November 14, 2014. Specifically, the Respondent failed to include visible emissions that occurred at Thermal Oxidizer 2530 on June 21, 2013 as a deviation on the deviation report for the January 1, 2013 through June 30, 2013 reporting period.

2. Failed to comply with the maximum allowable barge loading rate for crude oil, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), FOP No. O1025, GTC and STC No. 13, New Source Review Permit No. 56419, Special Conditions No. 3, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on November 14, 2014. Specifically, the Respondent exceeded the barge loading rate of 12,000 barrels per hour ("bbls/hr") at Tank 397 for 1.16 hours on June 18, 2014 by a rate of 2,305 bbls/hr.
3. Failed to timely create a final record of a non-reportable emissions event, in violation of 30 TEX. ADMIN. CODE §§ 101.201(b) and 122.143(4), FOP No. O1025, GTC and STC No. 2F, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on November 14, 2014. Specifically, the Respondent failed to timely create a final record of a non-reportable emissions event that began on October 2, 2013 and lasted 434 hours at Tank 128.
4. Failed to timely submit a complete and accurate semi-annual deviation report, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(C), FOP No. O1025, GTC, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on November 14, 2014. Specifically, the Respondent failed to timely submit an accurate deviation report for the January 1, 2014 through June 30, 2014 reporting period by July 30, 2014.

### III. DENIALS

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

### IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Union Oil Company of California, Docket No. 2015-1087-AIR-E" to:  
  
Financial Administration Division, Revenue Operations Section  
Attention: Cashier's Office, MC 214  
Texas Commission on Environmental Quality  
P.O. Box 13088  
Austin, Texas 78711-3088
2. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.

3. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
  
4. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
  
5. The effective date of this Order is the date it is signed by the Commission. A copy of this fully executed Order shall be provided to each of the parties.

## SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

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

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
For the Executive Director

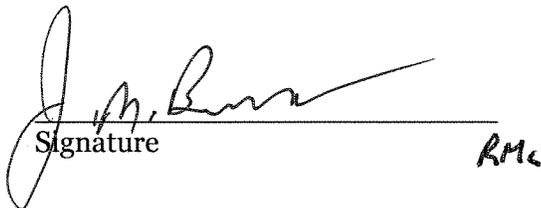
\_\_\_\_\_  
1/8/16  
\_\_\_\_\_  
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

  
\_\_\_\_\_  
Signature RMc

\_\_\_\_\_  
11/9/15  
\_\_\_\_\_  
Date

James M. Baran  
\_\_\_\_\_  
Name (Printed or typed)  
Authorized Representative of  
Union Oil Company of California

\_\_\_\_\_  
VP  
\_\_\_\_\_  
Title

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