Order Type: 1660 Agreed Order
Findings Order Justification: N/A
Media: AIR
Small Business: No
Location(s) Where Violation(s) Occurred: Arkema Crosby Plant, 18000 Crosby Eastgate Road, Crosby, Harris County
Type of Operation: Chemical plant
Other Significant Matters:
  - Additional Pending Enforcement Actions: No
  - Past-Due Penalties: No
  - Other: N/A
  - Interested Third-Parties: None
Texas Register Publication Date: September 23, 2011
Comments Received: No

**Penalty Information**

Total Penalty Assessed: $20,300
Amount Deferred for Expedited Settlement: $4,060
Amount Deferred for Financial Inability to Pay: $0
Total Paid to General Revenue: $16,240
Total Due to General Revenue: $0
  - Payment Plan: N/A
SEP Conditional Offset: $0
  - Name of SEP: N/A
Compliance History Classifications:
  - Person/CN - Average
  - Site/RN - Average
Major Source: Yes
Statutory Limit Adjustment: N/A
Applicable Penalty Policy: September 2002
Executive Summary – Enforcement Matter – Case No. 41955
Arkema Inc.
RN100210301
Docket No. 2011-1069-AIR-E

Investigation Information

Complaint Date(s): N/A
Complaint Information: N/A
Date(s) of Investigation: April 13, 2011
Date(s) of NOE(s): June 13, 2011

Violation Information

Failed to maintain the temperature above 1,480 degrees Fahrenheit for the thermal oxidizer, EPN 43-TO-1STK, and 1,600 degrees Fahrenheit for thermal oxidizer, Emission Point Numbers ("EPN") 44-TO-1STK. Specifically, from October 1, 2009 through June 19, 2010, the temperature for oxidizer EPN 43-TO-1STK was not maintained to be at least 1,480 degrees Fahrenheit for a total of 30 hours and 30 minutes and from August 24, 2009 through July 30, 2010, the temperature for oxidizer EPN 44-TO-1STK was not maintained to be at least 1,600 degrees Fahrenheit for a total of 65 hours and 30 minutes [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), Federal Operating Permit No. 01554, Standard Terms and Conditions No. 8, New Source Review Permit No. 6271 Special Conditions Nos. 22.A. and B., and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:
The Executive Director recognizes that by August 22, 2010, the Respondent mechanically adjusted the thermal oxidizers’ control logic system to prevent the recurrence of deviations at the thermal oxidizers, EPN 43-TO-1STK and 44-TO-1STK.

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: Raymond Marlow, Enforcement Division, Enforcement Team 5, MC R-10, (409) 899-8785; Debra Barber, Enforcement Division, MC 219, (512) 239-0412
TCEQ SEP Coordinator: N/A
Executive Summary – Enforcement Matter – Case No. 41955
Arkema Inc.
RN100210301
Docket No. 2011-1069-AIR-E

Respondent: Theadore M. Cour, II, Plant Manager, Arkema Inc., 18000 Crosby
Eastgate Road, Crosby, Texas 77532
Denise Hubbard, Regional Director of Manufacturing, Arkema Inc., 18000 Crosby
Eastgate Road, Crosby, Texas 77532
Respondent's Attorney: N/A
# Penalty Calculation Worksheet (PCW)

**Policy Revision 2 (September 2002)**

<table>
<thead>
<tr>
<th>DATES</th>
<th>Assigned</th>
<th>20-Jun-2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PCW</td>
<td>28-Jun-2011</td>
</tr>
<tr>
<td></td>
<td>Screening</td>
<td>28-Jun-2011</td>
</tr>
<tr>
<td></td>
<td>EPA Due</td>
<td></td>
</tr>
</tbody>
</table>

## RESPONDENT/FACILITY INFORMATION

- **Respondent**: Arkema Inc.
- **Reg. Ent. Ref. No.**: RN100210301
- **Facility/Site Region**: 12-Houston
- **Major/Minor Source**: Major

## CASE INFORMATION

- **Enf./Case ID No.**: 41955
- **Docket No.**: 2011-1069-AIR-E
- **Media Program(s)**: Air
- **Multi-Media**: No
- **Admin. Penalty $ Limit Minimum**: $0
- **Maximum**: $10,000

### Penalty Calculation Section

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

| Subtotal 1 | $17,500 |

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

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

- **Compliance History**: 41.0% Enhancement
  - **Subtotals 2, 3, & 7**: $7,175

- **Notes**: Enhancement for one NOV with same/similar violations, nine NOVs for dissimilar violations, and one Agreed Order with denial of liability. Reduction for two Notices of Intent to conduct an audit.

- **Culpability**: 0.0% Enhancement
  - **Subtotal 4**: $0

- **Notes**: The Respondent does not meet the culpability criteria.

- **Good Faith Effort to Comply Total Adjustments**: $4,375
  - **Subtotal 5**: $4,375

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

**SUM OF SUBTOTALS 1-7**

- **Final Subtotal**: $20,300

**OTHER FACTORS AS JUSTICE MAY REQUIRE**

| Adjustment | 0.0% |

**Notes**

**Final Penalty Amount**: $20,300

**STATUTORY LIMIT ADJUSTMENT**

| Final Assessed Penalty | $20,300 |

**DEFERRAL**

| Adjustment | -$4,060 |

- **Reduction**: 20.0%

**Notes**: Deferral offered for expedited settlement.

**PAYABLE PENALTY**: $16,240
### Compliance History Worksheet

#### Component

<table>
<thead>
<tr>
<th>NOVs</th>
<th>Written notices of violation (&quot;NOVs&quot;) with same or similar violations as those in the current enforcement action (number of NOVs meeting criteria)</th>
<th>1</th>
<th>5%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Other written NOVs</td>
<td>9</td>
<td>18%</td>
</tr>
<tr>
<td>Orders</td>
<td>Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)</td>
<td>1</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td>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</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Judgments and Consent Decrees</td>
<td>Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgements or consent decrees meeting criteria)</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>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</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Convictions</td>
<td>Any criminal convictions of this state or the federal government (number of counts)</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Emissions</td>
<td>Chronic excessive emissions events (number of events)</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Audits</td>
<td>Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)</td>
<td>2</td>
<td>-2%</td>
</tr>
<tr>
<td></td>
<td>Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Other</td>
<td>Environmental management systems in place for one year or more</td>
<td>No</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>Voluntary on-site compliance assessments conducted by the executive director under a special assistance program</td>
<td>No</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>Participation in a voluntary pollution reduction program</td>
<td>No</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>Early compliance with, or offer of a product that meets future state or federal government environmental requirements</td>
<td>No</td>
<td>0%</td>
</tr>
</tbody>
</table>

#### Adjustment Percentage (Subtotal 2)

41%

#### Repeat Violator (Subtotal 3)

No

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

Average Performer

#### Compliance History Summary

**Compliance History Notes**

Enhancement for one NOV with same/similar violations, nine NOVs for dissimilar violations, and one Agreed Order with denial of liability. Reduction for two Notices of Intent to conduct an audit.

**Total Adjustment Percentage (Subtotals 2, 3, & 7)**

41%
Violation Description
Failed to maintain the temperature above 1,480 degrees Fahrenheit for the thermal oxidizer, Emission Point Number ("EPN") 43-TO-1STK, and 1,600 degrees Fahrenheit for thermal oxidizer, EPN 44-TO-1STK. Specifically, from October 1, 2009 through June 19, 2010, the temperature for oxidizer EPN 43-TO-1STK was not maintained to be at least 1,480 degrees Fahrenheit for a total of 30 hours and 30 minutes and from August 24, 2009 through July 30, 2010, the temperature for oxidizer EPN 44-TO-1STK was not maintained to be at least 1,600 degrees Fahrenheit for a total of 65 hours and 30 minutes.

Rule Cite(s)

Environmental, Property and Human Health Matrix

<table>
<thead>
<tr>
<th>Release</th>
<th>Harm</th>
<th>Actual</th>
<th>Moderate</th>
<th>Minor</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Potential</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>25%</td>
</tr>
</tbody>
</table>

Programmatic Matrix

<table>
<thead>
<tr>
<th>Falsification</th>
<th>Major</th>
<th>Moderate</th>
<th>Minor</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0%</td>
</tr>
</tbody>
</table>

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

Adjustment: $7,500

Violation Base Penalty: $17,500

Seven quarterly events are recommended, three quarters for EPN 43-TO-1STK and four quarters for EPN 44-TO-1STK.

Good Faith Efforts to Comply

<table>
<thead>
<tr>
<th>Extraordinary</th>
<th>Ordinary</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOV to EDRPP/Settlement Offer</td>
<td>x</td>
<td>(mark with x)</td>
</tr>
</tbody>
</table>

Notes
Corrective actions were reported completed on August 22, 2010, prior to the June 13, 2011 Notice of Enforcement.

Violation Subtotal: $13,125

Economic Benefit (EB) for this violation

Estimated EB Amount: $139

Statutory Limit Test

Violation Final Penalty Total: $20,300

This violation final assessed penalty (adjusted for limits): $20,300
# Economic Benefit Worksheet

**Respondent:** Arkema Inc.  
**Case ID No.:** 41955  
**Rea. Ent. Reference No.:** RN100210301  
**Media:** Air  
**Violation No.:** 1  

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Item Cost</th>
<th>Date Required</th>
<th>Final Date</th>
<th>Yrs</th>
<th>Interest Saved</th>
<th>One Time Costs</th>
<th>EB Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Delayed Costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>0.00</td>
<td></td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Buildings</td>
<td>0.00</td>
<td></td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Other (as needed)</td>
<td>0.00</td>
<td></td>
<td>0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Engineering/construction</td>
<td>2,000</td>
<td>24-Aug-2009</td>
<td>22-Aug-2010</td>
<td>0.99</td>
<td>$7</td>
<td>$133</td>
<td>$139</td>
</tr>
<tr>
<td>Land</td>
<td>0.00</td>
<td></td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Record Keeping System</td>
<td>0.00</td>
<td></td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Training/Sampling</td>
<td>0.00</td>
<td></td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Remediation/Disposal</td>
<td>0.00</td>
<td></td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Permit Costs</td>
<td>0.00</td>
<td></td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Other (as needed)</td>
<td>0.00</td>
<td></td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

**Notes for DELAYED costs:** Expense to make mechanical adjustment to the thermal oxidizers control logic system during rainfall events, power surges, etc. Date required is the earliest date of noncompliance. Final date is the date corrective actions were completed.

| **Avoided Costs** | **ANNUALIZE (1) avoided costs before entering item (except for one-time avoided costs)** | | | | | | |
|-------------------|------------------------------------------------|----------------|-------|----------------|----------------|-----------|
| Disposal          | 0.00                                            |               | $0    | $0             | $0             | $0        |
| Personnel         | 0.00                                            |               | $0    | $0             | $0             | $0        |
| Inspection/Sampling| 0.00                                        |               | $0    | $0             | $0             | $0        |
| Supplies/equipment| 0.00                                        |               | $0    | $0             | $0             | $0        |
| Financial Assurance [2] | 0.00                        |               | $0    | $0             | $0             | $0        |
| ONE-TIME avoided costs [3] | 0.00                          |               | $0    | $0             | $0             | $0        |
| Other (as needed)  | 0.00                                            |               | $0    | $0             | $0             | $0        |

**Notes for AVOIDED costs**

**Approx. Cost of Compliance:** $2,000  
**TOTAL:** $139
## Compliance History

**Customer/Respondent/Owner-Operator:** CN600124044  Arkema Inc.  
**Classification:** AVERAGE  
**Rating:** 2.47  
**Regulated Entity:** RN100210301  ARKEMA CROSBY PLANT  
**Classification:** AVERAGE  
**Site Rating:** 1.72

<table>
<thead>
<tr>
<th>ID Number(s):</th>
<th>Description</th>
<th>ID</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIR OPERATING PERMITS</td>
<td>ACCOUNT NUMBER</td>
<td>HG0461W</td>
</tr>
<tr>
<td>AIR OPERATING PERMITS</td>
<td>PERMIT</td>
<td>1554</td>
</tr>
<tr>
<td>POLLUTION PREVENTION PLANNING</td>
<td>ID NUMBER</td>
<td>P00208</td>
</tr>
<tr>
<td>STORMWATER</td>
<td>PERMIT</td>
<td>TXR05AA07</td>
</tr>
<tr>
<td>INDUSTRIAL AND HAZARDOUS WASTE</td>
<td>EPA ID</td>
<td>TXD043750512</td>
</tr>
<tr>
<td>INDUSTRIAL AND HAZARDOUS WASTE</td>
<td>SOLID WASTE REGISTRATION # (SWR)</td>
<td>30458</td>
</tr>
<tr>
<td>PUBLIC WATER SYSTEM/SUPPLY</td>
<td>REGISTRATION</td>
<td>1011931</td>
</tr>
<tr>
<td>VOLUNTARY CLEANUP PROGRAM</td>
<td>ID NUMBER</td>
<td>644</td>
</tr>
<tr>
<td>UNDERGROUND INJECTION CONTROL</td>
<td>PERMIT</td>
<td>WDW230</td>
</tr>
<tr>
<td>UNDERGROUND INJECTION CONTROL</td>
<td>PERMIT</td>
<td>WDW122</td>
</tr>
<tr>
<td>PETROLEUM STORAGE TANK REGISTRATION</td>
<td>REGISTRATION</td>
<td>58385</td>
</tr>
<tr>
<td>AIR NEW SOURCE PERMITS</td>
<td>PERMIT</td>
<td>6271</td>
</tr>
<tr>
<td>AIR NEW SOURCE PERMITS</td>
<td>REGISTRATION</td>
<td>16080</td>
</tr>
<tr>
<td>AIR NEW SOURCE PERMITS</td>
<td>REGISTRATION</td>
<td>33865</td>
</tr>
<tr>
<td>AIR NEW SOURCE PERMITS</td>
<td>ACCOUNT NUMBER</td>
<td>HG0461W</td>
</tr>
<tr>
<td>AIR NEW SOURCE PERMITS</td>
<td>AFS NUM</td>
<td>4820100110</td>
</tr>
<tr>
<td>AIR NEW SOURCE PERMITS</td>
<td>REGISTRATION</td>
<td>78693</td>
</tr>
<tr>
<td>AIR NEW SOURCE PERMITS</td>
<td>REGISTRATION</td>
<td>81308</td>
</tr>
<tr>
<td>AIR NEW SOURCE PERMITS</td>
<td>REGISTRATION</td>
<td>90116</td>
</tr>
<tr>
<td>AIR NEW SOURCE PERMITS</td>
<td>REGISTRATION</td>
<td>83105</td>
</tr>
<tr>
<td>AIR NEW SOURCE PERMITS</td>
<td>REGISTRATION</td>
<td>91175</td>
</tr>
<tr>
<td>WATER LICENSING</td>
<td>LICENSE</td>
<td>1011931</td>
</tr>
<tr>
<td>AIR EMISSIONS INVENTORY</td>
<td>ACCOUNT NUMBER</td>
<td>HG0461W</td>
</tr>
</tbody>
</table>

**Location:** 18000 CROSBY EASTGATE RD, CROSBY, TX, 77532

**TCEQ Region:** REGION 12 - HOUSTON

**Date Compliance History Prepared:** June 28, 2011

**Agency Decision Requiring Compliance History:** Enforcement

**Compliance Period:** June 28, 2006 to June 28, 2011

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

**Name:** Raymond Marlow, P.G.  
**Phone:** (409) 899-8785
Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? Yes
2. Has there been a (known) change in ownership/operator of the site during the compliance period? No
3. If Yes, who is the current owner/operator? N/A
4. If Yes, who was/were the prior owner(s)/operator(s)? N/A
5. When did the change(s) in owner or operator occur? N/A
6. Rating Date: 9/1/2010 Repeat Violator: NO

Components (Multimedia) for the Site:

A. Final Enforcement Orders, court judgments, and consent decrees of the State of Texas and the federal government.

Effective Date: 07/13/2007
ADMINORDER 2006-1910-AIR-E
Classification: Moderate
Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(7)(A)
30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter A 382.085(b)
Reqmt Prov: Special Condition 1 PERMIT
Description: Failure to prevent unauthorized emissions during a fire that occurred on June 20, 2006.

B. Any criminal convictions of the state of Texas and the federal government.
N/A
C. Chronic excessive emissions events.
N/A
D. The approval dates of investigations. (CCEDS Inv. Track. No.)

1 10/10/2006 (510487)
2 10/06/2006 (513222)
3 10/06/2006 (513235)
4 11/08/2006 (518549)
5 02/06/2007 (533001)
6 01/18/2007 (535693)
7 01/18/2007 (536145)
8 01/25/2007 (536615)
9 01/29/2007 (536627)
10 02/21/2007 (541760)
11 04/12/2007 (543002)
12 04/12/2007 (543005)
13 11/20/2007 (600149)
14 11/20/2007    (600183)
15 11/19/2007    (608719)
16 08/28/2008    (610523)
17 02/13/2008    (615454)
18 02/13/2008    (615481)
19 04/29/2008    (639550)
20 04/29/2008    (639557)
21 11/17/2008    (706297)
22 11/17/2008    (706298)
23 11/25/2008    (708435)
24 03/04/2009    (722128)
25 01/20/2009    (722589)
26 01/20/2009    (722592)
27 02/16/2009    (725833)
28 02/16/2009    (725836)
29 09/03/2009    (759311)
30 07/31/2009    (760954)
31 07/30/2009    (760956)
32 07/24/2009    (762136)
33 11/20/2009    (782226)
34 03/24/2010    (784794)
35 01/19/2010    (878681)
36 02/01/2010    (787991)
37 04/28/2010    (799212)
38 04/28/2010    (799219)
39 04/30/2010    (800484)
40 05/05/2011    (864820)
41 11/29/2010    (877696)
42 06/13/2011    (877937)
43 01/25/2011    (885868)
### E. Written notices of violations (NOV) (CCEDS Inv. Track. No.)

<table>
<thead>
<tr>
<th>Date</th>
<th>(533001)CN600124044</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self Report?</td>
<td>NO</td>
</tr>
<tr>
<td>Citation:</td>
<td>30 TAC Chapter 335, SubChapter C 335.69(a)(1)(A)</td>
</tr>
<tr>
<td></td>
<td>30 TAC Chapter 335, SubChapter E 335.112(a)(8)</td>
</tr>
<tr>
<td></td>
<td>40 CFR Chapter 262, SubChapter I, PT 262, SubPT C 262.34(a)(1)(i)</td>
</tr>
<tr>
<td></td>
<td>40 CFR Chapter 265, SubChapter I, PT 265, SubPT I 265.174</td>
</tr>
<tr>
<td>Description:</td>
<td>An inspection log for the hazardous waste container storage areas for January 19, 2006 was not found in the facility files.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date</th>
<th>(610523)CN600124044</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self Report?</td>
<td>YES</td>
</tr>
<tr>
<td>Citation:</td>
<td>30 TAC Chapter 111, SubChapter A 111.111(a)(1)(F)</td>
</tr>
<tr>
<td></td>
<td>30 TAC Chapter 122, SubChapter B 122.143(4)</td>
</tr>
<tr>
<td></td>
<td>5C THSC Chapter 382 382.085(b)</td>
</tr>
<tr>
<td></td>
<td>FOP O-01554 OP</td>
</tr>
<tr>
<td>Description:</td>
<td>Failure to conduct quarterly opacity checks.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date</th>
<th>(610523)CN600124044</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self Report?</td>
<td>YES</td>
</tr>
<tr>
<td>Citation:</td>
<td>30 TAC Chapter 117, SubChapter B 117.340(i)</td>
</tr>
<tr>
<td></td>
<td>30 TAC Chapter 122, SubChapter B 122.143(4)</td>
</tr>
<tr>
<td></td>
<td>5C THSC Chapter 382 382.085(b)</td>
</tr>
<tr>
<td></td>
<td>FOP No.O-01554 OP</td>
</tr>
<tr>
<td>Description:</td>
<td>Failure to maintain run time meters in working condition.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date</th>
<th>(610523)CN600124044</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self Report?</td>
<td>YES</td>
</tr>
<tr>
<td>Citation:</td>
<td>30 TAC Chapter 117, SubChapter B 117.345(f)(6)(B)</td>
</tr>
<tr>
<td></td>
<td>30 TAC Chapter 122, SubChapter B 122.143(4)</td>
</tr>
<tr>
<td></td>
<td>5C THSC Chapter 382 382.085(b)</td>
</tr>
<tr>
<td></td>
<td>FOP No.O-01554 OP</td>
</tr>
<tr>
<td>Description:</td>
<td>Failure to maintain records of engine run times during three emergency situations.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date</th>
<th>(610523)CN600124044</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self Report?</td>
<td>YES</td>
</tr>
<tr>
<td>Citation:</td>
<td>30 TAC Chapter 117, SubChapter B 117.345(f)(10)(B)</td>
</tr>
<tr>
<td></td>
<td>30 TAC Chapter 122, SubChapter B 122.143(4)</td>
</tr>
<tr>
<td></td>
<td>5C THSC Chapter 382 382.085(b)</td>
</tr>
<tr>
<td></td>
<td>FOP No.O-01554 OP</td>
</tr>
<tr>
<td>Description:</td>
<td>Failure to maintain records of start and end times for test runs.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date</th>
<th>(610523)CN600124044</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self Report?</td>
<td>YES</td>
</tr>
<tr>
<td>Citation:</td>
<td>30 TAC Chapter 116, SubChapter B 116.115(c)</td>
</tr>
<tr>
<td></td>
<td>30 TAC Chapter 122, SubChapter B 122.143(4)</td>
</tr>
<tr>
<td></td>
<td>5C THSC Chapter 382 382.085(b)</td>
</tr>
</tbody>
</table>
FOP No. O-01554 OP
NSR Permit No. 6271 PERMIT

Description: Failure to maintain proper records that demonstrates compliance with Molten Diol tank filling conditions for units 30-T61ASTK and 30-T61BSTK.
Self Report? YES Classification: Minor
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
FOP No. O-01554 OP
NSR Permit No. 6271 PERMIT

Description: Failure to include two valves between a nitrogen purge line and t-iso-amylene loading line in the LDAR program.
Self Report? YES 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 VV 60.482-6(a)(1)
5C THSC Chapter 382 382.085(b)
FOP No. O-01554 OP
NSR Permit No. 6271 PERMIT

Description: Failure to cap two open-ended lines identified by tag numbers 70447 and 70448.
Self Report? YES Classification: Minor
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
FOP Permit No. O-01554 OP
NSR Permit No. 6271 PERMIT

Description: Failure to maintain records that demonstrates compliance with some authorized short term and annual emission rates for specific storage tanks (17-T-20STK 17-T-22STK, 17-T-24STK, and 17-T-26STK) in the CPU emission unit.
Self Report? YES Classification: Minor
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
FOP No. O-01554 OP
NSR Permit No. 6271 PERMIT

Description: Failure to maintain records for the performance of the maintenance activities for Units 43-TO-1STK and 44-TO-1STK.
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
FOP No. O-01554 OP
NSR Permit No. 6271 PERMIT

Description: Failure to maintain adequate records to demonstrate quarterly open ended line tracking and recordkeeping.
Self Report? YES Classification: Minor
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
FOP No. O-01554 OP
NSR Permit No. 6271 PERMIT

Description: Failure to prevent exceedence of 14 days of total bypass time for thermal oxidizers 43-TO-1STK.
Self Report? YES Classification: Minor
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
FOP No. O-01554 OP
NSR Permit No. 6271 PERMIT

Description: Failure to prevent exceedence of 14 days of total bypass time for thermal oxidizers 44-TO-1STK.
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
FOP No. O-01554 OP

Failure to report two deviations on the semi-annual deviation report.

Date: 07/31/2009 (760954) Classification: Minor
Self Report? NO Citation: 30 TAC Chapter 335, SubChapter C 335.69(a)(1)(B)
40 CFR Chapter 262, SubChapter I, PT 262, SubPT C 262.34(a)(1)(ii)
Description: Missing daily tank inspection log.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 335, SubChapter Q 335.474
30 TAC Chapter 335, SubChapter Q 335.479
Description: The plan is overdue for renewal.

Date: 01/20/2010 (787991) Classification: Moderate
Self Report? NO Citation: 30 TAC Chapter 331, SubChapter D 331.64(e)(2)
Description: Failure to conduct or run a temperature log, noise log, oxygen activation log, or
other approved log at least once every five years to test for fluid movement along the borehole on WDW-230 as required by 30 TAC 331.64(e)(2).

Date: 03/24/2010 (784794) Classification: Minor
Self Report? NO Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP
SC No. 28 PERMIT
Special Terms and Conditions No. 8 OP
Description: Failed to maintain records of generator (EPN GRP-GEN) run-time during power outages associated with Maintenance, Startup, Shutdown (MSS) activities from June 29-30, 2009. Violation Category C3
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP
Special Conditions No. 8 PERMIT
Special Terms and Conditions No. 8 OP
Description: Failed to vent Tank 17-T-28 to Scrubber (FIN 17 FS 90). Violation Category B19 g (1).
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP
Special Terms and Conditions No. 15 OP
Description: Failed to maintain follow-up refrigeration system tracking documentation on leaks repaired during this compliance period, Violation Category C3.
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP
SC 22A and 22B PERMIT
Special Terms and Conditions No. 8 OP
Description: Failed to maintain the minimum firebox temperatures for the Thermal Oxidizers.
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP
SC 15F PERMIT
Special Terms and Conditions No. 8 OP
Description: Failed to conduct quarterly LDAR monitoring of BPU unit components associated
with tanks (4T-26, 4T-51, and 4T-68) during the fourth quarter of 2008

Date: 03/04/2011          (886875)          CN600124044
Self Report?  NO  Classification: Minor
Citation: 30 TAC Chapter 331, SubChapter D 331.64(h)(2)  PP.VIII.Monitoring and Testing OP
Description: Failure to monitor the pressure buildup in the injection zone annually via a pressure fall-off test.

Date: 05/20/2011          (907521)          CN600124044
Self Report?  NO  Classification: Moderate
Citation: 30 TAC Chapter 335, SubChapter E 335.112(a)(1)  40 CFR Chapter 265, SubChapter I, PT 265, SubPT B 265.15(d)
Description: Failure to record the time of inspections in the tank inspection log.

Date: 05/27/2011          (907867)          CN600124044
Self Report?  NO  Classification: Moderate
Citation: 30 TAC Chapter 331, SubChapter D 331.63(g)  PROVISION VII.A. PERMIT
Description: Failure to test and calibrate the WDW-122 flow transmitter, injection pressure, and annulus pressure gauges during the fourth quarter of 2010

Date: 05/27/2011          (907868)          CN600124044
Self Report?  NO  Classification: Moderate
Citation: 30 TAC Chapter 331, SubChapter D 331.63(g)  PROVISION VII.A. PERMIT
Description: Failure to test and calibrate the WDW-230 flow transmitter, injection pressure, and annulus pressure gauges during the fourth quarter of 2010

Date: 06/13/2011          (877937)          CN600124044
Self Report?  NO  Classification: Moderate
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  30 TAC Chapter 122, SubChapter B 122.145(2)(A)  5C THSC Chapter 382 382.085(b)  General Terms and Conditions OP
Description: Failure to report three deviations on the deviation report in the period February 21, 2009 through August 20, 2009. (Category B3)

F. Environmental audits.

Notice of Intent Date: 02/09/2007
No DOV Associated

Notice of Intent Date: 02/01/2010
No DOV Associated
G. Type of environmental management systems (EMSs).
   N/A

H. Voluntary on-site compliance assessment dates.
   N/A

I. Participation in a voluntary pollution reduction program.
   N/A

J. Early compliance.
   N/A

Sites Outside of Texas
   N/A
AGreed ORDER
DOCKET NO. 2011-1069-AIR-E

I. Jurisdiction and Stipulations

At its ______________ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Arkema Inc. ("the Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent appear before the Commission and together stipulate that:

1. The Respondent owns and operates a chemical plant at 18000 Crosby Eastgate Road near Crosby, Harris County, Texas (the "Plant").

2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).

3. The Commission and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.

4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about June 18, 2011.

5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.

6. An administrative penalty in the amount of Twenty Thousand Three Hundred Dollars ($20,300) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Sixteen Thousand Two Hundred
Forty Dollars ($16,240) of the administrative penalty and Four Thousand Sixty Dollars ($4,060) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty.

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.

8. The Executive Director of the TCEQ and the Respondent have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.

9. The Executive Director recognizes that by August 22, 2010, the Respondent mechanically adjusted the thermal oxidizers’ control logic system to prevent the recurrence of deviations at the thermal oxidizers, Emission Point Numbers ("EPN") 43-TO-1STK and 44-TO-1STK.

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 failed to maintain the temperature above 1,480 degrees Fahrenheit for the thermal oxidizer, EPN 43-TO-1STK, and 1,600 degrees Fahrenheit for thermal oxidizer, EPN 44-TO-1STK, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), Federal Operating Permit No. O1554, Standard Terms and Conditions No. 8, New Source Review Permit No. 6271 Special Conditions Nos. 22.A. and B., and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on April 13, 2011. Specifically, from October 1, 2009 through June 19, 2010, the temperature for oxidizer EPN 43-TO-1STK was not maintained to be at least 1,480 degrees Fahrenheit for a total of 30 hours and 30 minutes and from August 24, 2009 through July 30, 2010, the temperature for oxidizer EPN 44-TO-1STK was not maintained to be at least 1,600 degrees Fahrenheit for a total of 65 hours and 30 minutes.
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: Arkema Inc., Docket No. 2011-1069-AIR-E" to:

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

2. The 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. Under 30 Tex. Admin. Code § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

For the Executive Director

10/6/11
Date

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

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

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

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

Signature

8/4/11
Date

THEODORE M. CONRAD III

Name (Printed or typed)

Authorized Representative of Arkema Inc.

PLANT MANAGER

Title

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