

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF
EXXONMOBIL OIL CORPORATION
ACCOUNT NO. JE-0067-I
CN 601470214
RN 102450756**

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**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

DOCKET NO. 2004-0846-SIP

AGREED ORDER

The Texas Commission on Environmental Quality (the Commission or TCEQ) and ExxonMobil Oil Corporation (the Company) enter into this Agreed Order for the purpose of achieving reductions and improved monitoring of emissions, and to make those reductions and monitoring requirements enforceable by TCEQ and the United States Environmental Protection Agency (EPA) in the Beaumont/Port Arthur ozone nonattainment area (BPA area). The Commission and the Company agree that these reductions and improved monitoring of emissions by the Company will improve air quality in BPA. As part of this continuing local effort, the Company has voluntarily agreed to reduce emissions as agreed herein.

The Commission hereby orders the Company to comply with the requirements herein regarding control of emissions from the facilities referenced below, pursuant to §§ 382.011, 382.012, 382.016, 382.023, 382.024, and 382.025 of Texas Health & Safety Code, Chapter 382 (the Texas Clean Air Act [TCAA]), and §§ 101 and 110 of the Federal Clean Air Act, 42 U.S.C. § 7401 et. seq., (FCAA) for the purpose of revising the Texas SIP.

I. STIPULATIONS

For the purpose of this Agreed Order, the parties have agreed and stipulated as follows:

1. Section 101 of the FCAA states that the one of the purposes of the FCAA is to protect and enhance the quality of the Nation's air resources, and a primary goal of the FCAA is to encourage or otherwise promote reasonable Federal, State and local governmental actions, consistent with the provisions of the FCAA, for pollution prevention. Section 110 of the FCAA requires Texas to submit SIP revisions to the United States Environmental Protection Agency (EPA) for approval and to demonstrate that such SIP revisions provide for protection of the National Ambient Air Quality Standards (NAAQS).

2. Sections 382.011 and 382.012 of the TCAA provide authority for the Commission to control the quality of the state's air and prepare and develop a general, comprehensive plan for the proper control of the state's air; § 382.016 of the TCAA provides the Commission's authority for measuring and monitoring the emission of air contaminants; and §§ 382.023, 382.024, and 382.025 of the TCAA provide the Commission's authority to issue orders. The issuance of this Order is in compliance with the TCAA.

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

4. In order to better safeguard the air resources of this state, the Company agrees to comply with the terms of this Order.

5. The Commission and the Company acknowledge that the Company has entered into this Order voluntarily. Nothing in this Order shall be interpreted as evidence that the Company is causing or contributing to a violation of the NAAQS or is in any respect non-compliant with any

federal, state or local law and nothing in this Order shall impair the Company's compliance history. The Company is subject to enforcement action by the TCEQ for failure to comply with this Order. Violations of this Order shall be subject to the Commission's rules regarding Compliance History in 30 Tex. Admin. Code Chapter 60.

6. The parties agree that this Order will be submitted to the EPA as a revision to the Texas SIP within 60 days of its final execution and approval by the Commission. The parties agree that the emissions reductions achieved pursuant to this Order are not otherwise required by federal or state law. The parties agree that the emissions reduced pursuant to paragraphs 15 and 16; the sulfur dioxide (SO₂) emission reductions in excess of 300 tons per year, but not to exceed 9400 tons per year, from the fluid catalytic cracking unit identified in paragraph 14; and the volatile organic compounds (VOC) emission reductions from the boilers identified in paragraph 17 will not be used for the purpose of offsetting or banking future emissions.

7. Nothing in this Order supercedes any requirement of the TCAA or the rules and requirements of the Commission.

8. The Company owns and operates an oil refinery, located at 1795 Burt Street, Beaumont, Jefferson County, Texas (the plant).

9. The plant consists of one or more sources as defined in § 382.003(12) of the TCAA.

10. Monitoring, recordkeeping, reporting, and testing necessary to demonstrate compliance with this Order shall be conducted as specified in the commission's rules and requirements, or where applicable in any commission authorization, in addition to any requirement contained in this Order to demonstrate compliance with stipulations 14-18, except that records shall be maintained until the latter of five years from the date of this Order or five years from the dates of compliance in

stipulations 14-18 below. The Company shall make records available upon request by the TCEQ or any other air pollution control agency with jurisdiction. No shut-down shall be deemed in compliance with this Order unless operation of the facility is precluded by physically disconnecting the facility from both the process and all utilities and support equipment, and permanently removed from service. For the shut-down of units which occur after the date of this Order, the Company shall notify the TCEQ in writing no later than thirty days after the date of shut-down. The notification shall include documentation of the method used to shut down the facility. The Company understands that TCEQ shall remove the shutdown facilities from the TCEQ inventory of the BPA area. The Company shall take appropriate action with the TCEQ to alter its permit to remove the facilities from the permit or any permit by rule registration.

11. This Order does not authorize or prohibit any modification of the Plant listed above. Within 60 days of its final execution and approval by the Commission, the Company is ordered to submit the appropriate application or registration documentation to the TCEQ's Office of Permitting, Remediation and Registration for any authorization necessary to implement the requirements of this Order, including revision of its existing federal operating permit or application to include the applicable requirements of this Order.

12. Nothing in this Order shall preclude the Company from including the reductions in emissions from the change in operation or shutdown of the facilities at the plant in the Company's application for any voluntary emissions reduction permit (VERP), as authorized by 30 TAC Chapter 116, Subchapter H, however, nothing in this Order shall assure the eligibility of such reductions for inclusion in any application for any VERP.

13. Notwithstanding any other provision of this Order, any delays in or failure of performance by the Company, its contractors or any entity controlled by the Company under this Order caused by an act of God, war, strike, riot, or other catastrophe beyond the control of the company (Force Majeure), despite the Company's best efforts to anticipate and address the potential Force Majeure event such that the delay or failure of performance is minimized to the extent possible, shall not constitute a violation of this Order. The Company has the burden of establishing that such an event has occurred. In the event the Company's performance under this Order is prevented by the Force Majeure condition, the Company shall notify the TCEQ within seven (7) business days of the causes, all measures taken to avoid and minimize the event and estimated duration of such condition, and shall keep TCEQ advised of the progress in eliminating such condition, and proceed with compliance with this Order as expeditiously as practicable.

14. By April 1, 2004, the Company installed a wet gas scrubber on the fluid catalytic cracking unit Emission Point Number (EPN) 06ST_003 for reduction in emissions of sulfur dioxide.

15. On or before December 31, 2005, the Company will implement improved practices and maintenance procedures for the two ketone units to reduce fugitive emissions reported under EPNs 41FUG_001, 41FUG_002, 42FUG_001, and 42FUG_002 for the purpose of reducing solvent loss through emissions of volatile organic compounds. The Company will implement the improvements by preparing a written plan which describes the specific work practices and maintenance procedures and by directing operation and maintenance personnel to follow the plan. The Company will keep a copy of the plan on site, available for inspection by TCEQ or any air pollution control agency with jurisdiction.

16. By July 31, 2004, the Company installed and configure Vivicom Software, and replace PtR-4 NOx and CO emission analyzers. The purpose of the software is to provide improved tracking of actual emissions as compared to permit limits and other applicable emission standards, and provide more timely notice of emissions variations enabling better operator response and corrective action by the Company. The Company will continue use of the software, including any upgrades or updates as they become available. The company may, if necessary, replace or upgrade the software with that of equivalent or greater capabilities.

17. By May 1, 2006, the Company will shut down the following boilers and amend Air Quality Permit #19566:

EPN 56SKT_015
EPN 56STK_016
EPN 56STK_017
EPN 56STK_018
EPN 56STK_019
EPN 57STK_032

18. The Company will continue to operate two monitors for collection of data regarding emissions of sulfur dioxide (SO₂) and comply with the Order Provision #2 of the Agreed Order entered into between the Company and TCEQ, Docket No. 97-0827-AIR-E until EPA has determined that BPA has attained the 8-hour ozone standard and redesignated the area as in attainment, or until December 31, 2008, whichever is later.

II. ORDER

It is therefore ordered by the Texas Commission on Environmental Quality that ExxonMobil Oil Corporation, shall, from and after the date of this Agreed Order, take the actions as specified 14-18 above, and maintain compliance with this Order.

The provisions of this Agreed Order shall apply to and be binding upon ExxonMobil Oil Corporation, its successors, assigns and upon those persons in active concert or participation with them. The Authorized Representative of the Company signing this document represents that it is duly authorized to execute this Order and is duly authorized to bind the Company, its officers, directors, employees, agents, servants, authorized representatives, successors, subsequent purchasers and assigns to this Order. ExxonMobil Oil Corporation is hereby ordered to give notice of this Agreed Order to any successor in interest prior to transfer of ownership of all or any part of its plant, located at 1795 Burt Street, Beaumont, Jefferson County, Texas and within ten days of any such transfer, provide the Texas Commission on Environmental Quality with written notice via certified mail that such notice of transfer has been given.

No extensions of the deadlines in this Order shall be granted.

The Chief Clerk shall provide a copy of this Order to each of the parties.

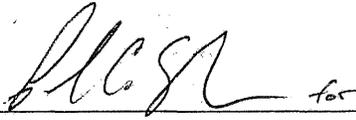
PASSED AND APPROVED at the regular meeting of the Texas Commission on
Environmental Quality on DEC 15 2004.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



For the Commission

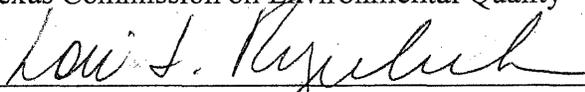
I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below
my signature, and do hereby agree to the terms and conditions specified therein.



Lydia González-Gromatzky
Deputy Director, Office of Legal Services
Texas Commission on Environmental Quality

10/27/04

Date



[name]
Authorized Representative of
ExxonMobil Oil Corporation

10/27/04

Date

