

**Executive Summary – Enforcement Matter – Case No. 59772
Occidental Permian Ltd.
RN102205119
Docket No. 2020-1138-AIR-E**

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Mallet CO2 Recovery Plant, located approximately 3.0 miles west of the Farm-to-Market Road 303 and Farm-to-Market Road 301 intersection and on Farm-to-Market Road 301 near Sundown, Hockley County

Type of Operation:

Natural gas processing plant

Other Significant Matters:

Additional Pending Enforcement Actions: Yes, Docket Nos. 2021-0819-AIR-E and 2021-1333-AIR-E

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: December 10, 2021

Comments Received: No

Penalty Information

Total Penalty Assessed: \$29,945

Amount Deferred for Expedited Settlement: \$5,989

Total Paid to General Revenue: \$23,956

Total Due to General Revenue: \$0

Payment Plan: N/A

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - Satisfactory

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: April 2014

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: July 23, 2020

Date(s) of NOE(s): August 26, 2020

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Occidental Permian Ltd.
RN102205119
Docket No. 2020-1138-AIR-E

Violation Information

1. Failed to submit an initial notification for a reportable emissions event no later than 24 hours after the discovery of an emissions event. Specifically, the Respondent did not submit the initial notifications for the reportable emissions events that occurred on August 14, 2018, occurred on October 19, 2018, occurred on March 19, 2019, and began on May 24, 2019 [30 TEX. ADMIN. CODE §§ 101.201(a)(1)(B) and 122.143(4), Federal Operating Permit ("FOP") No. O3636, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 2.F, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

2. Failed to prevent unauthorized emissions. Specifically, the Respondent released 721.95 pounds ("lbs") of carbon monoxide ("CO"), 5.3 lbs of hydrogen sulfide ("H₂S"), 84.2 lbs of nitrogen oxides ("NO_x"), 129.5 lbs of volatile organic compounds ("VOC"), and 2,318.9 lbs of sulfur dioxide ("SO₂") from the Pilot/Sweep Gas Flare, Emissions Point Number ("EPN") FE1, during an emissions event (Incident No. 340617) that occurred on August 14, 2018 and lasted five hours. The emissions event occurred when the jack bolt on the head end of the suction valves for the second stage cylinder for the E4-305-4 Recompressor became loose, resulting in flaring. Since the Respondent did not comply with the emissions event reporting requirements, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), New Source Review ("NSR") Permit No. 16842, Special Conditions ("SC") No. 1, FOP No. O3636, GTC and STC No. 7, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

3. Failed to prevent unauthorized emissions. Specifically, the Respondent released 1,026.34 lbs of CO, 119.43 lbs of NO_x, 290.91 lbs of VOC, and 5,266.71 lbs of SO₂ from the Pilot/Sweep Gas Flare, EPN FE1, during an emissions event (Incident No. 340622) that began on May 24, 2019 and lasted 102 hours and nine minutes. The emissions event occurred due to a leak in the fifth stage packing for the E4-305-3 Compressor, resulting in flaring. Since the Respondent did not comply with the emissions event reporting requirements, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), NSR Permit No. 16842, SC No. 1, FOP No. O3636, GTC and STC No. 7, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

4. Failed to report all instances of deviations. Specifically, the deviation report for the August 7, 2018 through February 6, 2019 reporting period did not include the deviations for failing to submit the initial notifications for Incident Nos. 340617 and 340618 and the deviation report for the February 7, 2019 through August 6, 2019 reporting period did not include the deviations for failing to submit the initial notifications for Incident Nos. 340620 and 340622 [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), FOP No. O3636, GTC, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

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5. Failed to prevent unauthorized emissions. Specifically, the Respondent released 1,644.16 lbs of CO, 44.4 lbs of H₂S, 191.74 lbs of NO_x, 283.69 lbs of VOC, and 5,071.99 lbs of SO₂ from the Pilot/Sweep Gas Flare, EPN FE1, during an emissions event (Incident No. 340618) that occurred on October 19, 2018 and lasted two hours and 40 minutes. The emissions event occurred due to a high temperature on the fourth stage cylinder for the E4-305-1 Recompressor, resulting in flaring. Since the Respondent did not comply with the emissions event reporting requirements, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), NSR Permit No. 16842, SC No. 1, FOP No. O3636, GTC and STC No. 7, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

6. Failed to prevent unauthorized emissions. Specifically, the Respondent released 4,382.36 lbs of CO, 44.1 lbs of H₂S, 511.16 lbs of NO_x, 2,710.85 lbs of VOC, and 7,911.09 lbs of SO₂ from the Pilot/Sweep Gas Flare, EPN FE3, during an emissions event (Incident No. 340620) that occurred on March 19, 2019 and lasted ten hours and 30 minutes. The emissions event occurred due to damaged guide wires on the flare stack, resulting in flaring. Since the Respondent did not comply with the emissions event reporting requirements, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), NSR Permit No. 16842, SC No. 1, FOP No. O3636, GTC and STC No. 7, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent implemented the following corrective measures:

- a. On August 13, 2020, submitted the initial notifications for the reportable emissions events that occurred on August 14, 2018 (Incident No. 340617), occurred on October 19, 2018 (Incident No. 340618), occurred on March 19, 2019 (Incident No. 340620), and began on May 24, 2019 (Incident No. 340622);
- b. On August 27, 2020, submitted the deviation report for the February 7, 2020 through August 6, 2020 reporting period that included the deviations for failing to submit the initial notifications for Incident Nos. 340617, 340618, 340620, and 340622;
- c. By September 22, 2020, implemented measures and procedures for reviewing the deviation reports prior to occurrence and submittal in order to ensure that all instances of deviations are reported in a timely manner;
- d. By October 22, 2020, performed appropriate maintenance and conducted weekly valve temperature checks on all units to make sure that no valves are running hot or are

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damaged in order to prevent the recurrence of emissions events due to the same or similar causes as Incident Nos. 340617 and 340618;

e. By October 22, 2020, performed appropriate maintenance; conducted weekly valve temperature checks on all units to make sure that no valves are running hot or are damaged; and conducted multiple inspections on a daily basis of the Compressor Buildings to check for leaks, oil levels, and listening for abnormal leaks in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 340622; and

f. By October 22, 2020, conducted daily inspections of the flare and guide wires that included the use of a drone to take pictures of parts that cannot be visually seen from the ground in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 340620.

Technical Requirements:

N/A

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Richard Garza, Enforcement Division, Enforcement Team 4, MC 219, (512) 239-2697; Michael Parrish, Enforcement Division, MC 219, (512) 239-2548

Respondent: Mike Kelly, Plant Manager, Occidental Permian Ltd., P.O. Box 1140, Sundown, Texas 79372-1140

Vishal Gupta, President, Occidental Permian EOR, P.O. Box 2647, Houston, Texas 77252-2647

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

DATES	Assigned	31-Aug-2020	Screening	31-Aug-2020	EPA Due	
	PCW	27-Oct-2021				

RESPONDENT/FACILITY INFORMATION	
Respondent	Occidental Permian Ltd.
Reg. Ent. Ref. No.	RN102205119
Facility/Site Region	2-Lubbock
Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	59772	No. of Violations	6
Docket No.	2020-1138-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Richard Garza
		EC's Team	Enforcement Team 4
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$34,250
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ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History	4.0% Adjustment	Subtotals 2, 3, & 7	\$1,370
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Notes	Enhancement for one NOV with same/similar violations. Reduction for one notice of intent to conduct an audit.
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Culpability	No	0.0% Enhancement	Subtotal 4	\$0
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Notes	The Respondent does not meet the culpability criteria.
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Good Faith Effort to Comply Total Adjustments	Subtotal 5	-\$5,675
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Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
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Total EB Amounts	\$2,837	*Capped at the Total EB \$ Amount
Estimated Cost of Compliance	\$32,750	

SUM OF SUBTOTALS 1-7	Final Subtotal	\$29,945
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OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0%	Adjustment	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes	
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Final Penalty Amount	\$29,945
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$29,945
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DEFERRAL	20.0%	Reduction	Adjustment	-\$5,989
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Reduces the Final Assessed Penalty by the indicated percentage.

Notes	Deferral offered for expedited settlement.
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PAYABLE PENALTY	\$23,956
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Screening Date 31-Aug-2020

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PCW

Respondent Occidental Permian Ltd.

Policy Revision 4 (April 2014)

Case ID No. 59772

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102205119

Media Air

Enf. Coordinator Richard Garza

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Number	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>)	1	5%
	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%
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) 4%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

Enhancement for one NOV with same/similar violations. Reduction for one notice of intent to conduct an audit.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 4%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 4%

Screening Date 31-Aug-2020 **Docket No.** 2020-1138-AIR-E **PCW**
Respondent Occidental Permian Ltd. *Policy Revision 4 (April 2014)*
Case ID No. 59772 *PCW Revision March 26, 2014*
Reg. Ent. Reference No. RN102205119
Media Air
Enf. Coordinator Richard Garza

Violation Number 1
Rule Cite(s) 30 Tex. Admin. Code §§ 101.201(a)(1)(B) and 122.143(4), Federal Operating Permit ("FOP") No. O3636, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 2.F, and Tex. Health & Safety Code § 382.085(b)
Violation Description Failed to submit an initial notification for a reportable emissions event no later than 24 hours after the discovery of an emissions event. Specifically, the Respondent did not submit the initial notifications for the reportable emissions events that occurred on August 14, 2018, occurred on October 19, 2018, occurred on March 19, 2019, and began on May 24, 2019.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR		Harm			
	Release	Major	Moderate	Minor	
	Actual				Percent 0.0%
Potential					

>> 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 4 729 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$15,000

Four single events are recommended (one event for each notification).

Good Faith Efforts to Comply 25.0% Reduction \$3,750

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	x	
N/A		

Notes The Respondent achieved compliance on August 13, 2020, prior to the Notice of Enforcement ("NOE") dated August 26, 2020.

Violation Subtotal \$11,250

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

Estimated EB Amount \$100 **Violation Final Penalty Total** \$11,850

This violation Final Assessed Penalty (adjusted for limits) \$11,850

Economic Benefit Worksheet

Respondent Occidental Permian Ltd.
Case ID No. 59772
Reg. Ent. Reference No. RN102205119
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
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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)	\$1,000	15-Aug-2018	13-Aug-2020	2.00	\$100	n/a	\$100

Notes for DELAYED costs

Estimated costs to submit the initial notifications for the reportable emissions events that occurred on August 14, 2018 (Incident No. 340617), occurred on October 19, 2018 (Incident No. 340618), occurred on March 19, 2019 (Incident No. 340620), and began on May 24, 2019 (Incident No. 340622). The Date Required is the date the first notification was due and the Final Date is the date of compliance.

Avoided Costs

ANNUALIZE 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				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$1,000

TOTAL

\$100

Screening Date 31-Aug-2020
Respondent Occidental Permian Ltd.
Case ID No. 59772
Reg. Ent. Reference No. RN102205119
Media Air
Enf. Coordinator Richard Garza

Docket No. 2020-1138-AIR-E

PCW

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

Violation Number

Rule Cite(s)

30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), New Source Review ("NSR") Permit No. 16842, Special Conditions ("SC") No. 1, FOP No. O3636, GTC and STC No. 7, and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 721.95 pounds ("lbs") of carbon monoxide ("CO"), 5.3 lbs of hydrogen sulfide ("H2S"), 84.2 lbs of nitrogen oxides ("NOx"), 129.5 lbs of volatile organic compounds ("VOC"), and 2,318.9 lbs of sulfur dioxide ("SO2") from the Pilot/Sweep Gas Flare, Emissions Point Number ("EPN") FE1, during an emissions event (Incident No. 340617) that occurred on August 14, 2018 and lasted five hours. The emissions event occurred when the jack bolt on the head end of the suction valves for the second stage cylinder for the E4-305-4 Recompressor became loose, resulting in flaring. Since the Respondent did not comply with the emissions event reporting requirements, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty

>> Environmental, Property and Human Health Matrix

OR

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

Percent

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Percent

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

Violation Events

Number of Violation Events Number of violation days

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

Violation Base Penalty

Good Faith Efforts to Comply

Reduction

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

Extraordinary	<input type="text"/>	<input type="text"/>
Ordinary	<input type="text"/>	<input checked="" type="text" value="x"/>
N/A	<input type="text"/>	<input type="text"/>

Notes

The Respondent achieved compliance by October 22, 2020, after the NOE dated August 26, 2020.

Violation Subtotal

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount

Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent Occidental Permian Ltd.
Case ID No. 59772
Reg. Ent. Reference No. RN102205119
Media Air
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
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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)	\$10,000	14-Aug-2018	22-Oct-2020	2.19	\$1,096	n/a	\$1,096

Notes for DELAYED costs

Estimated cost to perform appropriate maintenance and conduct weekly valve temperature checks on all units to make sure that no valves are running hot or are damaged in order to prevent the recurrence of emissions events due to the same or similar causes as Incident Nos. 340617 and 340618. The Date Required is the date the first emissions event occurred and the Final Date is the date of compliance.

Avoided Costs

ANNUALIZE 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				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$10,000

TOTAL

\$1,096

Screening Date 31-Aug-2020
Respondent Occidental Permian Ltd.
Case ID No. 59772
Reg. Ent. Reference No. RN102205119
Media Air
Enf. Coordinator Richard Garza

Docket No. 2020-1138-AIR-E

PCW

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

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), NSR Permit No. 16842, SC No. 1, FOP No. O3636, GTC and STC No. 7, and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to prevent unauthorized emissions. Specifically, the Respondent released 1,026.34 lbs of CO, 119.43 lbs of NOx, 290.91 lbs of VOC, and 5,266.71 lbs of SO2 from the Pilot/Sweep Gas Flare, EPN FE1, during an emissions event (Incident No. 340622) that began on May 24, 2019 and lasted 102 hours and nine minutes. The emissions event occurred due to a leak in the fifth stage packing for the E4-305-3 Compressor, resulting in flaring. Since the Respondent did not comply with the emissions event reporting requirements, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual			X	15.0%
	Potential				

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	Percent
					0.0%

Matrix 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 the violation.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1 5 Number of violation days

daily	
weekly	
monthly	
quarterly	X
semiannual	
annual	
single event	

Violation Base Penalty \$3,750

One quarterly 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		

Notes The Respondent achieved compliance by October 22, 2020, after the NOE dated August 26, 2020.

Violation Subtotal \$3,375

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$708

Violation Final Penalty Total \$3,525

This violation Final Assessed Penalty (adjusted for limits) \$3,525

Economic Benefit Worksheet

Respondent Occidental Permian Ltd.
Case ID No. 59772
Reg. Ent. Reference No. RN102205119
Media Air
Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
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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)	\$10,000	24-May-2019	22-Oct-2020	1.42	\$708	n/a	\$708

Notes for DELAYED costs

Estimated cost to perform appropriate maintenance; conduct weekly valve temperature checks on all units to make sure that no valves are running hot or are damaged; and conduct multiple inspections on a daily basis of the Compressor Buildings to check for leaks, oil levels, and listening for abnormal leaks in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 340622. The Date Required is the date the emissions event began and the Final Date is the date of compliance.

Avoided Costs

ANNUALIZE 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				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance \$10,000

TOTAL \$708

Screening Date 31-Aug-2020
Respondent Occidental Permian Ltd.
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Media Air
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PCW

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

Violation Number 4

Rule Cite(s) 30 Tex. Admin. Code §§ 122.143(4) and 122.145(2)(A), FOP No. O3636, GTC, and Tex. Health & Safety Code § 382.085(b)

Violation Description
 Failed to report all instances of deviations. Specifically, the deviation report for the August 7, 2018 through February 6, 2019 reporting period did not include the deviations for failing to submit the initial notifications for Incident Nos. 340617 and 340618 and the deviation report for the February 7, 2019 through August 6, 2019 reporting period did not include the deviations for failing to submit the initial notifications for Incident Nos. 340620 and 340622.

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 1.0%

Matrix Notes

Less than 30% of the rule requirements were not met.

Adjustment \$24,750

\$250

Violation Events

Number of Violation Events 2 542 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$500

Two single events are recommended (one event for each incomplete report).

Good Faith Efforts to Comply

10.0%

Reduction \$50

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		x
N/A		

Notes

The Respondent achieved compliance by September 22, 2020, after the NOE dated August 26, 2020.

Violation Subtotal \$450

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$134

Violation Final Penalty Total \$470

This violation Final Assessed Penalty (adjusted for limits) \$470

Economic Benefit Worksheet

Respondent Occidental Permian Ltd.
Case ID No. 59772
Reg. Ent. Reference No. RN102205119
Media Air
Violation No. 4

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
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Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System	\$1,500	8-Mar-2019	22-Sep-2020	1.55	\$116	n/a	\$116
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	8-Mar-2019	27-Aug-2020	1.47	\$18	n/a	\$18

Notes for DELAYED costs

Estimated costs to submit the deviation report for the February 7, 2020 through August 6, 2020 reporting period that included the deviations for failing to submit the initial notifications for Incident Nos. 340617, 340618, 340620, and 340622 (\$250) and to implement measures and procedures for reviewing the deviation reports prior to occurrence and submittal in order to ensure that all instances of deviations are reported in a timely manner (\$1,500). The Dates Required are the date the first deviations should have been reported and the Final Dates are the dates of compliance.

Avoided Costs

ANNUALIZE 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				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance \$1,750

TOTAL \$134

Screening Date 31-Aug-2020
Respondent Occidental Permian Ltd.
Case ID No. 59772
Reg. Ent. Reference No. RN102205119
Media Air
Enf. Coordinator Richard Garza

Docket No. 2020-1138-AIR-E

PCW

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

Violation Number 5

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), NSR Permit No. 16842, SC No. 1, FOP No. O3636, GTC and STC No. 7, and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to prevent unauthorized emissions. Specifically, the Respondent released 1,644.16 lbs of CO, 44.4 lbs of H2S, 191.74 lbs of NOx, 283.69 lbs of VOC, and 5,071.99 lbs of SO2 from the Pilot/Sweep Gas Flare, EPN FE1, during an emissions event (Incident No. 340618) that occurred on October 19, 2018 and lasted two hours and 40 minutes. The emissions event occurred due to a high temperature on the fourth stage cylinder for the E4-305-1 Recompressor, resulting in flaring. Since the Respondent did not comply with the emissions event reporting requirements, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual			X	15.0%
	Potential				

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	Percent
					0.0%

Matrix 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 the violation.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1 1 Number of violation days

daily	
weekly	
monthly	
quarterly	X
semiannual	
annual	
single event	

Violation Base Penalty \$3,750

One quarterly event is recommended.

Good Faith Efforts to Comply

10.0%

Reduction \$375

	Before NOE/NOV	NOE/NOV to EDRP/Settlement Offer
Extraordinary		
Ordinary		X
N/A		

Notes

The Respondent achieved compliance by October 22, 2020, after the NOE dated August 26, 2020.

Violation Subtotal \$3,375

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$3,525

This violation Final Assessed Penalty (adjusted for limits) \$3,525

Economic Benefit Worksheet

Respondent Occidental Permian Ltd.
Case ID No. 59772
Reg. Ent. Reference No. RN102205119
Media Air
Violation No. 5

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
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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

See the Economic Benefit in Violation No. 2.

Avoided Costs

ANNUALIZE 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				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance \$0

TOTAL \$0

Screening Date 31-Aug-2020
Respondent Occidental Permian Ltd.
Case ID No. 59772
Reg. Ent. Reference No. RN102205119
Media Air
Enf. Coordinator Richard Garza

Docket No. 2020-1138-AIR-E

PCW

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

Violation Number 6

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), NSR Permit No. 16842, SC No. 1, FOP No. O3636, GTC and STC No. 7, and Tex. Health & Safety Code § 382.085(b)

Violation Description
 Failed to prevent unauthorized emissions. Specifically, the Respondent released 4,382.36 lbs of CO, 44.1 lbs of H2S, 511.16 lbs of NOx, 2,710.85 lbs of VOC, and 7,911.09 lbs of SO2 from the Pilot/Sweep Gas Flare, EPN FE3, during an emissions event (Incident No. 340620) that occurred on March 19, 2019 and lasted ten hours and 30 minutes. The emissions event occurred due to damaged guide wires on the flare stack, resulting in flaring. Since the Respondent did not comply with the emissions event reporting requirements, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual		X		30.0%
	Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0.0%

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

Adjustment \$17,500

\$7,500

Violation Events

Number of Violation Events 1 Number of violation days 1

daily	
weekly	
monthly	X
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty \$7,500

One monthly event is recommended.

Good Faith Efforts to Comply

10.0% Reduction \$750

	Before NOE/NOV	NOE/NOV to EDRP/Settlement Offer
Extraordinary		
Ordinary		X
N/A		

Notes
 The Respondent achieved compliance by October 22, 2020, after the NOE dated August 26, 2020.

Violation Subtotal \$6,750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$799

Violation Final Penalty Total \$7,050

This violation Final Assessed Penalty (adjusted for limits) \$7,050

Economic Benefit Worksheet

Respondent Occidental Permian Ltd.
Case ID No. 59772
Reg. Ent. Reference No. RN102205119
Media Air
Violation No. 6

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
------------------	-----------	---------------	------------	-----	----------------	-------------	-----------

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)	\$10,000	19-Mar-2019	22-Oct-2020	1.60	\$799	n/a	\$799

Notes for DELAYED costs

Estimated cost to conduct daily inspections of the flare and guide wires including the use of a drone to take pictures of parts that cannot be visually seen from the ground in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 340620. The Date Required is the date the emissions event occurred and the Final Date is the date of compliance.

Avoided Costs

ANNUALIZE 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				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance \$10,000

TOTAL \$799

The TCEQ is committed to accessibility.

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



Compliance History Report

Compliance History Report for CN600755086, RN102205119, Rating Year 2020 which includes Compliance History (CH) components from September 1, 2015, through August 31, 2020.

Customer, Respondent, or Owner/Operator: CN600755086, Occidental Permian Ltd. **Classification:** SATISFACTORY **Rating:** 0.40
Regulated Entity: RN102205119, MALLETT CO2 RECOVERY PLANT **Classification:** SATISFACTORY **Rating:** 0.48
Complexity Points: 5 **Repeat Violator:** NO
CH Group: 05 - Chemical Manufacturing
Location: APPROXIMATELY 3.0 MILES WEST OF THE FM RD 303 AND FM RD 301 INTERSECTION AND ON FM RD 301 NEAR SUNDOWN, HOCKLEY COUNTY, TEXAS
TCEQ Region: REGION 02 - LUBBOCK

ID Number(s):

AIR OPERATING PERMITS PERMIT 3636 **AIR OPERATING PERMITS** ACCOUNT NUMBER HP0074I
PUBLIC WATER SYSTEM/SUPPLY REGISTRATION 1100039 **AIR NEW SOURCE PERMITS** AFS NUM 4821900009
AIR NEW SOURCE PERMITS PERMIT 16842 **AIR NEW SOURCE PERMITS** ACCOUNT NUMBER HP0074I
AIR EMISSIONS INVENTORY ACCOUNT NUMBER HP0074I **TAX RELIEF** ID NUMBER 20763

Compliance History Period: September 01, 2015 to August 31, 2020 **Rating Year:** 2020 **Rating Date:** 09/01/2020

Date Compliance History Report Prepared: January 29, 2021

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: January 29, 2016 to January 29, 2021

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

Name: Richard Garza

Phone: (512) 239-2697

Site and Owner/Operator History:

- 1) Has the site been in existence and/or operation for the full five year compliance period? YES
2) Has there been a (known) change in ownership/operator of the site during the compliance period? NO

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	February 22, 2016	(1312759)
Item 2	March 01, 2016	(1261647)
Item 3	March 17, 2016	(1314061)
Item 4	March 21, 2016	(1319759)
Item 5	March 24, 2016	(1319396)
Item 6	April 06, 2016	(1322320)
Item 7	May 18, 2016	(1330446)
Item 8	May 23, 2016	(1330750)

Item 9	May 25, 2016	(1331146)
Item 10	May 26, 2016	(1335715)
Item 11	May 27, 2016	(1335712)
Item 12	May 31, 2016	(1335708)
Item 13	June 01, 2016	(1331045)
Item 14	June 23, 2016	(1338753)
Item 15	June 24, 2016	(1342447)
Item 16	July 12, 2016	(1344561)
Item 17	July 21, 2016	(1345285)
Item 18	July 29, 2016	(1350601)
Item 19	August 08, 2016	(1351829)
Item 20	August 09, 2016	(1351644)
Item 21	August 12, 2016	(1351957)
Item 22	August 26, 2016	(1314276)
Item 23	August 29, 2016	(1314273)
Item 24	August 30, 2016	(1314274)
Item 25	October 06, 2016	(1364856)
Item 26	October 11, 2016	(1365175)
Item 27	October 20, 2016	(1368632)
Item 28	November 17, 2016	(1375390)
Item 29	November 28, 2016	(1376465)
Item 30	November 30, 2016	(1376961)
Item 31	December 01, 2016	(1376944)
Item 32	December 05, 2016	(1377161)
Item 33	December 06, 2016	(1377011)
Item 34	January 04, 2017	(1383408)
Item 35	January 09, 2017	(1383725)
Item 36	January 13, 2017	(1384059)
Item 37	January 17, 2017	(1383488)
Item 38	January 19, 2017	(1382655)
Item 39	January 20, 2017	(1387995)
Item 40	January 24, 2017	(1388349)
Item 41	January 27, 2017	(1388224)
Item 42	January 30, 2017	(1388338)
Item 43	January 31, 2017	(1388201)
Item 44	February 01, 2017	(1389095)
Item 45	February 07, 2017	(1383235)
Item 46	February 23, 2017	(1395454)
Item 47	May 18, 2017	(1409107)
Item 48	May 24, 2017	(1415741)
Item 49	May 25, 2017	(1415835)
Item 50	May 30, 2017	(1077710)
Item 51	June 01, 2017	(1416052)
Item 52	August 01, 2017	(1428869)
Item 53	August 09, 2017	(1430533)
Item 54	August 11, 2017	(1429260)
Item 55	August 18, 2017	(1434686)
Item 56	August 30, 2017	(1435178)
Item 57	November 30, 2017	(1438948)
Item 58	December 13, 2017	(1447154)
Item 59	December 22, 2017	(1459850)
Item 60	January 08, 2018	(1459410)
Item 61	March 15, 2018	(1474364)
Item 62	March 27, 2018	(1478956)
Item 63	April 03, 2018	(1479248)
Item 64	April 13, 2018	(1481192)
Item 65	April 25, 2018	(1481544)
Item 66	May 04, 2018	(1481109)
Item 67	June 13, 2018	(1485878)
Item 68	June 25, 2018	(1498205)
Item 69	July 02, 2018	(1498195)

Item 70	July 09, 2018	(1498164)
Item 71	July 11, 2018	(1499828)
Item 72	July 23, 2018	(1504751)
Item 73	September 24, 2018	(1513767)
Item 74	September 27, 2018	(1518347)
Item 75	November 14, 2018	(1526700)
Item 76	February 11, 2019	(1541070)
Item 77	February 26, 2019	(1549635)
Item 78	April 15, 2019	(1555339)
Item 79	April 26, 2019	(1556382)
Item 80	April 29, 2019	(1556674)
Item 81	July 19, 2019	(1579750)
Item 82	September 16, 2019	(1596552)
Item 83	October 22, 2019	(1603693)
Item 84	November 13, 2019	(1604467)
Item 85	January 16, 2020	(1623212)
Item 86	January 31, 2020	(1624148)
Item 87	February 10, 2020	(1623409)
Item 88	February 12, 2020	(1630029)
Item 89	February 14, 2020	(1625019)
Item 90	February 21, 2020	(1630710)
Item 91	February 24, 2020	(1631447)
Item 92	March 30, 2020	(1639633)
Item 93	March 31, 2020	(1639757)
Item 94	April 02, 2020	(1639946)
Item 95	April 14, 2020	(1644412)
Item 96	October 13, 2020	(1677544)
Item 97	October 16, 2020	(1677550)
Item 98	October 20, 2020	(1683572)
Item 99	October 21, 2020	(1680075)
Item 100	October 23, 2020	(1684531)
Item 101	November 05, 2020	(1679123)
Item 102	November 12, 2020	(1679142)
Item 103	November 19, 2020	(1690709)
Item 104	December 11, 2020	(1696561)
Item 105	December 16, 2020	(1696575)
Item 106	December 18, 2020	(1692680)
Item 107	January 05, 2021	(1697369)

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.

- Date: 08/26/2020 (1625474)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
SC 1 PERMIT
SC 7 OP

Description: Failure to meet emissions limits on the Emission Sources - Maximum Allowable Emissions Rates Table (MAERT) of Permit 16842 for EPN: FE 1 during maintenance, start-up and shutdown (MSS) events.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
SC 1 PERMIT
SC 7 OP

Description: Failure to meet emissions limits on the Emission Sources - Maximum Allowable Emissions Rates Table (MAERT) of Permit 16842 for EPN: FE2 during maintenance, start-up and shutdown (MSS) events.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)
30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)

SC 1 PERMIT
SC 7 OP
Description: Failure to meet emissions limits on the Emission Sources - Maximum Allowable Emissions Rates Table (MAERT) of Permit 16842 for EPN: FE3 during maintenance, start-up and shutdown (MSS) events.
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 122, SubChapter B 122.145(1)(C)
Description: Failure to report a required monitoring report within 30 days of the end of the monitoring period.

F. Environmental audits:

Notice of Intent Date: 11/30/2018 (1532904)
No DOV Associated

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
OCCIDENTAL PERMIAN LTD.
RN102205119**

**§
§
§
§
§**

**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

**AGREED ORDER
DOCKET NO. 2020-1138-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 Occidental Permian Ltd. (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 together stipulate that:

1. The Respondent owns and operates a mallet carbon dioxide recovery plant located approximately 3.0 miles west of the Farm-to-Market Road 303 and Farm-to-Market Road 301 intersection and on Farm-to-Market Road 301 near Sundown, Hockley County, Texas (the "Plant"). The Plant consists or consisted of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
2. The Executive Director and the Respondent agree that the TCEQ has jurisdiction to enter this Order pursuant to TEX. WATER CODE §§ 7.002, 7.051, and 7.073, and that the Respondent is subject to TCEQ's jurisdiction. The TCEQ has jurisdiction in this matter pursuant to TEX. WATER CODE § 5.013 because it alleges violations of TEX. HEALTH & SAFETY CODE ch. 382 and the rules of the TCEQ.
3. The occurrence of any violation is in dispute and the entry of this Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
4. An administrative penalty in the amount of \$29,945 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent paid \$23,956 of the penalty and \$5,989 is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Order. The deferred amount shall be waived only upon full compliance with all the terms and conditions contained in this Order. If the Respondent fails to timely and satisfactorily comply with any of the terms or requirements contained in this Order, the Executive Director may demand payment of all or part of the deferred penalty amount.
5. 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). Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.

6. The Executive Director 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 Order.
7. This Order represents the complete and fully-integrated agreement of the parties. The provisions of this Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Order unenforceable, the remaining provisions shall be valid and enforceable.
8. This Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Order, whichever is later.
9. The Executive Director recognizes that the Respondent implemented the following corrective measures at the Plant:
 - a. On August 13, 2020, submitted the initial notifications for the reportable emissions events that occurred on August 14, 2018 (Incident No. 340617), occurred on October 19, 2018 (Incident No. 340618), occurred on March 19, 2019 (Incident No. 340620), and began on May 24, 2019 (Incident No. 340622).
 - b. On August 27, 2020, submitted the deviation report for the February 7, 2020 through August 6, 2020 reporting period that included the deviations for failing to submit the initial notifications for Incident Nos. 340617, 340618, 340620, and 340622.
 - c. By September 22, 2020, implemented measures and procedures for reviewing the deviation reports prior to occurrence and submittal in order to ensure that all instances of deviations are reported in a timely manner.
 - d. By October 22, 2020, performed appropriate maintenance and conducted weekly valve temperature checks on all units to make sure that no valves are running hot or are damaged in order to prevent the recurrence of emissions events due to the same or similar causes as Incident Nos. 340617 and 340618.
 - e. By October 22, 2020, performed appropriate maintenance; conducted weekly valve temperature checks on all units to make sure that no valves are running hot or are damaged; and conducted multiple inspections on a daily basis of the Compressor Buildings to check for leaks, oil levels, and listening for abnormal leaks in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 340622.
 - f. By October 22, 2020, conducted daily inspections of the flare and guide wires that included the use of a drone to take pictures of parts that cannot be visually seen from the ground in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 340620.

II. ALLEGATIONS

During a record review conducted on July 23, 2020, an investigator documented that the Respondent:

1. Failed to submit an initial notification for a reportable emissions event no later than 24 hours after the discovery of an emissions event, in violation of 30 TEX. ADMIN. CODE §§ 101.201(a)(1)(B) and 122.143(4), Federal Operating Permit ("FOP") No. O3636, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 2.F, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent did not submit the initial notifications for the reportable emissions events that occurred on August 14, 2018, occurred on October 19, 2018, occurred on March 19, 2019, and began on May 24, 2019.
2. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), New Source Review ("NSR") Permit No. 16842, Special Conditions ("SC") No. 1, FOP No. O3636, GTC and STC No. 7, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent released 721.95 pounds ("lbs") of carbon monoxide ("CO"), 5.3 lbs of hydrogen sulfide ("H₂S"), 84.2 lbs of nitrogen oxides ("NO_x"), 129.5 lbs of volatile organic compounds ("VOC"), and 2,318.9 lbs of sulfur dioxide ("SO₂") from the Pilot/Sweep Gas Flare, Emissions Point Number ("EPN") FE1, during an emissions event (Incident No. 340617) that occurred on August 14, 2018 and lasted five hours. The emissions event occurred when the jack bolt on the head end of the suction valves for the second stage cylinder for the E4-305-4 Recompressor became loose, resulting in flaring. Since the Respondent did not comply with the emissions event reporting requirements, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
3. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), NSR Permit No. 16842, SC No. 1, FOP No. O3636, GTC and STC No. 7, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent released 1,026.34 lbs of CO, 119.43 lbs of NO_x, 290.91 lbs of VOC, and 5,266.71 lbs of SO₂ from the Pilot/Sweep Gas Flare, EPN FE1, during an emissions event (Incident No. 340622) that began on May 24, 2019 and lasted 102 hours and nine minutes. The emissions event occurred due to a leak in the fifth stage packing for the E4-305-3 Compressor, resulting in flaring. Since the Respondent did not comply with the emissions event reporting requirements, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
4. Failed to report all instances of deviations, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), FOP No. O3636, GTC, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the deviation report for the August 7, 2018 through February 6, 2019 reporting period did not include the deviations for failing to submit the initial notifications for Incident Nos. 340617 and 340618 and the deviation report for the February 7, 2019 through August 6, 2019 reporting period did not include the deviations for failing to submit the initial notifications for Incident Nos. 340620 and 340622.
5. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), NSR Permit No. 16842, SC No. 1, FOP No. O3636, GTC and

STC No. 7, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent released 1,644.16 lbs of CO, 44.4 lbs of H₂S, 191.74 lbs of NO_x, 283.69 lbs of VOC, and 5,071.99 lbs of SO₂ from the Pilot/Sweep Gas Flare, EPN FE1, during an emissions event (Incident No. 340618) that occurred on October 19, 2018 and lasted two hours and 40 minutes. The emissions event occurred due to a high temperature on the fourth stage cylinder for the E4-305-1 Recompressor, resulting in flaring. Since the Respondent did not comply with the emissions event reporting requirements, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.

6. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), NSR Permit No. 16842, SC No. 1, FOP No. O3636, GTC and STC No. 7, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent released 4,382.36 lbs of CO, 44.1 lbs of H₂S, 511.16 lbs of NO_x, 2,710.85 lbs of VOC, and 7,911.09 lbs of SO₂ from the Pilot/Sweep Gas Flare, EPN FE3, during an emissions event (Incident No. 340620) that occurred on March 19, 2019 and lasted ten hours and 30 minutes. The emissions event occurred due to damaged guide wires on the flare stack, resulting in flaring. Since the Respondent did not comply with the emissions event reporting requirements, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.

III. DENIALS

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

IV. ORDERING PROVISIONS

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

1. The Respondent is assessed a penalty as set forth in Section I, Paragraph No. 4. The payment of this penalty and the Respondent's compliance with all of the requirements set forth in this Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Occidental Permian Ltd., Docket No. 2020-1138-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. All relief not expressly granted in this Order is denied.
3. The duties and provisions imposed by this Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of this Order to personnel who maintain day-to-day control over the Plant operations referenced in this Order.

4. The Executive Director may grant an extension of any deadline in this Order or in any plan, report, or other document submitted pursuant to this Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
5. This 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 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.
6. This Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms: electronic transmission, owner, person, writing, and written, shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
7. 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



8/31/2022

For the Executive Director

Date

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

I also understand that failure to comply with the Ordering Provisions, 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.



07/06/22

Signature

Date

Vishal Gupta

President and General Manager, Oxy Permian EOR

Name (Printed or typed)
Authorized Representative of
Occidental Permian Ltd.

Title

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