

**Executive Summary – Enforcement Matter – Case No. 61017**  
**Occidental Permian Ltd.**  
**RN102414307**  
**Docket No. 2021-0896-AIR-E**

**Order Type:**

1660 Agreed Order

**Findings Order Justification:**

N/A

**Media:**

AIR

**Small Business:**

No

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

Johnson GBSA Unit CB, located approximately three miles northwest of the intersection of Farm-to-Market Road 1936 and State Highway 302, Odessa, Ector County

**Type of Operation:**

Oil and gas handling and production facility

**Other Significant Matters:**

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

**Texas Register Publication Date:** October 6, 2023

**Comments Received:** No

***Penalty Information***

**Total Penalty Assessed:** \$150,000

**Amount Deferred for Expedited Settlement:** \$30,000

**Total Paid to General Revenue:** \$60,000

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

Payment Plan: N/A

**Supplemental Environmental Project (“SEP”) Conditional Offset:** \$60,000

Name of SEP: Texas Congress of Parents and Teachers dba Texas PTA (Third-Party Pre-Approved)

**Compliance History Classifications:**

Person/CN - Satisfactory

Site/RN - High

**Major Source:** Yes

**Statutory Limit Adjustment:** N/A

**Applicable Penalty Policy:** January 2021

***Investigation Information***

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

**Complaint Information:** N/A

**Date(s) of Investigation:** June 22, 2021

**Date(s) of NOE(s):** July 2, 2021

**Executive Summary – Enforcement Matter – Case No. 61017  
Occidental Permian Ltd.  
RN102414307  
Docket No. 2021-0896-AIR-E**

***Violation Information***

Failed to comply with all representations with regard to construction plans, operating procedures, and maximum emission rates in any certified registration. Specifically, the Respondent represented in the registration for Permit by Rule ("PBR") Registration No. 44178 that the Plant-wide emissions rates based on any consecutive 12 months would not exceed 0.27 ton per year ("tpy") of carbon monoxide ("CO"), 0.13 tpy of nitrogen oxides ("NOx"), and 0.01 tpy of sulfur dioxide ("SO2"), but the Plant-wide CO, NOx, and SO2 annual emissions rates were exceeded for the 12-month periods ending from March 2018 through February 2021, resulting in 3.09 tons of unauthorized CO emissions, 3.26 tons of unauthorized NOx emissions, and 147.28 tons of unauthorized SO2 emissions [30 TEX. ADMIN. CODE §§ 106.4(a)(1)(B) and 106.6(b), PBR Registration No. 44178, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

***Corrective Actions/Technical Requirements***

**Corrective Action(s) Completed:**

The Respondent implemented the following corrective measures:

- a. By February 28, 2021, implemented shut-ins during third-party emissions events in order to reduce the Plant-wide emissions;
- b. By August 31, 2021, demonstrated compliance with the certified Plant-wide CO and NOx annual emissions rates; and
- c. By February 28, 2022, demonstrated compliance with the certified Plant-wide SO2 annual emissions rate.

**Technical Requirements:**

The Order will require the Respondent to implement and complete a SEP (see SEP Attachment A).

***Contact Information***

**TCEQ Attorney:** N/A

**TCEQ Enforcement Coordinator:** Mackenzie Mehlmann, Enforcement Division, Enforcement Team 2, MC 219, (512) 239-2572; Michael Parrish, Enforcement Division, MC 219, (512) 239-2548

**TCEQ SEP Coordinator:** Stuart Beckley, SEP Coordinator, Enforcement Division, MC 219, (512) 239-3565

**SEP Third-Party Administrator:** Texas PTA, 408 West 11th Street, Austin, Texas 78701

**Respondent:** Vishal Gupta, President and General Manager, Occidental Permian Ltd., 5 Greenway Plaza, Suite 110, Houston, Texas 77046

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



# Penalty Calculation Worksheet (PCW)

Policy Revision 5 (January 28, 2021)

PCW Revision February 11, 2021

|              |                 |             |                  |            |                |  |
|--------------|-----------------|-------------|------------------|------------|----------------|--|
| <b>DATES</b> | <b>Assigned</b> | 6-Jul-2021  | <b>Screening</b> | 9-Jul-2021 | <b>EPA Due</b> |  |
|              | <b>PCW</b>      | 30-Jul-2023 |                  |            |                |  |

|  |                         |
|--|-------------------------|
| <b>RESPONDENT/FACILITY INFORMATION</b> |                         |
| <b>Respondent</b>                      | Occidental Permian Ltd. |
| <b>Reg. Ent. Ref. No.</b>              | RN102414307             |
| <b>Facility/Site Region</b>            | 7-Midland               |
| <b>Major/Minor Source</b>              | Major                   |

|                          |                      |                              |                    |          |
|--------------------------|----------------------|------------------------------|--------------------|----------|
| <b>CASE INFORMATION</b>  |                      |                              |                    |          |
| <b>Enf./Case ID No.</b>  | 61017                | <b>No. of Violations</b>     | 1                  |          |
| <b>Docket No.</b>        | 2021-0896-AIR-E      | <b>Order Type</b>            | 1660               |          |
| <b>Media Program(s)</b>  | Air                  | <b>Government/Non-Profit</b> | No                 |          |
| <b>Multi-Media</b>       |                      | <b>Enf. Coordinator</b>      | Mackenzie Mehlmann |          |
|                          |                      | <b>EC's Team</b>             | Enforcement Team 2 |          |
| <b>Admin. Penalty \$</b> | <b>Limit Minimum</b> | \$0                          | <b>Maximum</b>     | \$25,000 |

## Penalty Calculation Section

|   |                   |           |
|---|-------------------|-----------|
| <b>TOTAL BASE PENALTY (Sum of violation base penalties)</b> | <b>Subtotal 1</b> | \$150,000 |
|---|-------------------|-----------|

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

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

|                           |      |            |                                |     |
|---------------------------|------|------------|--------------------------------|-----|
| <b>Compliance History</b> | 0.0% | Adjustment | <b>Subtotals 2, 3, &amp; 7</b> | \$0 |
|---------------------------|------|------------|--------------------------------|-----|

Notes: Since the reduction for one notice of intent to conduct an audit and one disclosure of violations is below zero, the Adjustment Percentage (Subtotal 2) defaults to zero.

|                    |    |      |             |                   |     |
|--------------------|----|------|-------------|-------------------|-----|
| <b>Culpability</b> | No | 0.0% | Enhancement | <b>Subtotal 4</b> | \$0 |
|--------------------|----|------|-------------|-------------------|-----|

Notes: The Respondent does not meet the culpability criteria.

|  |                   |     |
|--|-------------------|-----|
| <b>Good Faith Effort to Comply Total Adjustments</b> | <b>Subtotal 5</b> | \$0 |
|--|-------------------|-----|

|                         |      |              |                   |     |
|-------------------------|------|--------------|-------------------|-----|
| <b>Economic Benefit</b> | 0.0% | Enhancement* | <b>Subtotal 6</b> | \$0 |
|-------------------------|------|--------------|-------------------|-----|

Total EB Amounts: \$525  
 Estimated Cost of Compliance: \$3,000  
 \*Capped at the Total EB \$ Amount

|                             |                       |           |
|-----------------------------|-----------------------|-----------|
| <b>SUM OF SUBTOTALS 1-7</b> | <b>Final Subtotal</b> | \$150,000 |
|-----------------------------|-----------------------|-----------|

|   |      |            |     |
|---|------|------------|-----|
| <b>OTHER FACTORS AS JUSTICE MAY REQUIRE</b> | 0.0% | Adjustment | \$0 |
|---|------|------------|-----|

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

**Final Penalty Amount** \$150,000

|                                   |                               |           |
|-----------------------------------|-------------------------------|-----------|
| <b>STATUTORY LIMIT ADJUSTMENT</b> | <b>Final Assessed Penalty</b> | \$150,000 |
|-----------------------------------|-------------------------------|-----------|

|                 |       |           |                   |           |
|-----------------|-------|-----------|-------------------|-----------|
| <b>DEFERRAL</b> | 20.0% | Reduction | <b>Adjustment</b> | -\$30,000 |
|-----------------|-------|-----------|-------------------|-----------|

Reduces the Final Assessed Penalty by the indicated percentage.

Notes:

Deferral offered for expedited settlement.

|                        |           |
|------------------------|-----------|
| <b>PAYABLE PENALTY</b> | \$120,000 |
|------------------------|-----------|

Screening Date 9-Jul-2021

Docket No. 2021-0896-AIR-E

PCW

Respondent Occidental Permian Ltd.

Policy Revision 5 (January 28, 2021)

Case ID No. 61017

PCW Revision February 11, 2021

Reg. Ent. Reference No. RN102414307

Media Air

Enf. Coordinator Mackenzie Mehlmann

### 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> )  | 0      | 0%      |
|                               | Other written NOVs   | 0      | 0%      |
| Orders                        | Any agreed final enforcement orders containing a denial of liability ( <i>number of orders meeting criteria</i> )  | 0      | 0%      |
|                               | Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission | 0      | 0%      |
| Judgments and Consent Decrees | Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government ( <i>number of judgments or consent decrees meeting criteria</i> )                               | 0      | 0%      |
|                               | Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government  | 0      | 0%      |
| Convictions                   | Any criminal convictions of this state or the federal government ( <i>number of counts</i> )   | 0      | 0%      |
| Emissions                     | Chronic excessive emissions events ( <i>number of events</i> )   | 0      | 0%      |
| Audits                        | Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which notices were submitted</i> )     | 1      | -1%     |
|                               | Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which violations were disclosed</i> )  | 1      | -2%     |
| 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)** 0%

#### >> 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**

Since the reduction for one notice of intent to conduct an audit and one disclosure of violations is below zero, the Adjustment Percentage (Subtotal 2) defaults to zero.

**Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7)** 0%

#### >> Final Compliance History Adjustment

**Final Adjustment Percentage \*capped at 100%** 0%

**Screening Date** 9-Jul-2021  
**Respondent** Occidental Permian Ltd.  
**Case ID No.** 61017  
**Reg. Ent. Reference No.** RN102414307  
**Media** Air  
**Enf. Coordinator** Mackenzie Mehlmann

**Docket No.** 2021-0896-AIR-E

**PCW**

*Policy Revision 5 (January 28, 2021)*

*PCW Revision February 11, 2021*

**Violation Number** 1

**Rule Cite(s)** 30 Tex. Admin. Code §§ 106.4(a)(1)(B) and 106.6(b), Permit by Rule ("PBR") Registration No. 44178, and Tex. Health & Safety Code § 382.085(b)

**Violation Description**  
 Failed to comply with all representations with regard to construction plans, operating procedures, and maximum emission rates in any certified registration. Specifically, the Respondent represented in the registration for PBR Registration No. 44178 that the Plant-wide emissions rates based on any consecutive 12 months would not exceed 0.27 ton per year ("tpy") of carbon monoxide ("CO"), 0.13 tpy of nitrogen oxides ("NOx"), and 0.01 tpy of sulfur dioxide ("SO2"), but the Plant-wide CO, NOx, and SO2 annual emissions rates were exceeded for the 12-month periods ending from March 2018 through February 2021, resulting in 3.09 tons of unauthorized CO emissions, 3.26 tons of unauthorized NOx emissions, and 147.28 tons of unauthorized SO2 emissions.

**Base Penalty** \$25,000

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

| OR | Release   | Harm  |          |       | Percent |
|----|-----------|-------|----------|-------|---------|
|    |           | Major | Moderate | Minor |         |
|    | Actual    |       | X        |       | 50.0%   |
|    | 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 this violation.

**Adjustment** \$12,500

\$12,500

**Violation Events**

Number of Violation Events 12      1095 Number of violation days

|              |   |
|--------------|---|
| daily        |   |
| weekly       |   |
| monthly      |   |
| quarterly    | X |
| semiannual   |   |
| annual       |   |
| single event |   |

**Violation Base Penalty** \$150,000

Twelve quarterly events are recommended based on the period of non-compliance from March 1, 2018 through February 28, 2021.

**Good Faith Efforts to Comply**

0.0%

Reduction \$0

|               | Before NOE/NOV | NOE/NOV to EDPRP/Settlement Offer |
|---------------|----------------|-----------------------------------|
| Extraordinary |                |                                   |
| Ordinary      |                |                                   |
| N/A           | X              |                                   |

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

**Violation Subtotal** \$150,000

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

**Statutory Limit Test**

**Estimated EB Amount** \$525

**Violation Final Penalty Total** \$150,000

**This violation Final Assessed Penalty (adjusted for limits)** \$150,000

# Economic Benefit Worksheet

**Respondent** Occidental Permian Ltd.  
**Case ID No.** 61017  
**Reg. Ent. Reference No.** RN102414307  
**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 |
|------------------|-----------|---------------|------------|-----|----------------|-------------|-----------|
|------------------|-----------|---------------|------------|-----|----------------|-------------|-----------|

### 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   |
| Other (as needed)        | \$1,500 | 1-Mar-2018 | 28-Feb-2021 | 3.00 | \$225 | n/a | \$225 |
| Other (as needed)        | \$1,500 | 1-Mar-2018 | 28-Feb-2022 | 4.00 | \$300 | n/a | \$300 |

**Notes for DELAYED costs**

Estimated delayed costs to implement shut-ins during third-party emissions events in order to reduce the Plant-wide emissions (\$1,500) and to demonstrate compliance with the certified Plant-wide CO, NOx, and SO2 annual emissions rates (\$1,500). The Dates Required are the initial date of non-compliance 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 \$3,000

**TOTAL** \$525

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, RN102414307, Rating Year 2021 which includes Compliance History (CH) components from September 1, 2016, through August 31, 2021.

**Customer, Respondent, or Owner/Operator:** CN600755086, Occidental Permian Ltd. **Classification:** SATISFACTORY **Rating:** 0.53

**Regulated Entity:** RN102414307, JOHNSON GBSA UNIT CB **Classification:** HIGH **Rating:** 0.00

**Complexity Points:** 1 **Repeat Violator:** NO

**CH Group:** 03 - Oil and Gas Extraction

**Location:** APPROXIMATELY THREE MILES NORTHWEST OF THE FARM-TO-MARKET ROAD 1936 AND STATE HIGHWAY 302 INTERSECTION NEAR ODESSA, ECTOR COUNTY, TEXAS

**TCEQ Region:** REGION 07 - MIDLAND

**ID Number(s):**  
**AIR NEW SOURCE PERMITS** REGISTRATION 44178 **AIR NEW SOURCE PERMITS** ACCOUNT NUMBER EB0893D

**Compliance History Period:** September 01, 2016 to August 31, 2021 **Rating Year:** 2021 **Rating Date:** 09/01/2021

**Date Compliance History Report Prepared:** September 17, 2021

**Agency Decision Requiring Compliance History:** Enforcement

**Component Period Selected:** September 17, 2016 to September 17, 2021

**TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.**  
**Name:** Toni Red **Phone:** (512) 239-1704

## 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  | October 29, 2016  | (1369014) |
| Item 2  | March 09, 2018    | (1473503) |
| Item 3  | August 03, 2018   | (1496694) |
| Item 4  | May 23, 2019      | (1540358) |
| Item 5  | November 12, 2019 | (1554804) |
| Item 6  | December 30, 2019 | (1612127) |
| Item 7  | March 09, 2020    | (1540369) |
| Item 8  | June 16, 2020     | (1612609) |
| Item 9  | June 18, 2020     | (1646207) |
| Item 10 | July 29, 2020     | (1657475) |
| Item 11 | August 17, 2020   | (1658186) |

|         |                    |           |
|---------|--------------------|-----------|
| Item 12 | September 22, 2020 | (1664250) |
| Item 13 | October 02, 2020   | (1677663) |
| Item 14 | November 05, 2020  | (1657903) |
| Item 15 | November 18, 2020  | (1659322) |
| Item 16 | December 08, 2020  | (1659420) |
| Item 17 | December 15, 2020  | (1697040) |
| Item 18 | January 08, 2021   | (1664937) |
| Item 19 | February 05, 2021  | (1700517) |
| Item 20 | February 12, 2021  | (1699979) |
| Item 21 | March 04, 2021     | (1704160) |

**E. Written notices of violations (NOV) (CCEDS Inv. Track. No.):**

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

N/A

**F. Environmental audits:**

Notice of Intent Date: 08/21/2017 (1436831)

Disclosure Date: 11/01/2017

Viol. Classification: Minor

Citation: 30 TAC Chapter 106, SubChapter A 106.8(c)(5)

Description: The site did not keep records to support a compliance demonstration for any consecutive 12-month period.

**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.  
RN102414307

§  
§  
§  
§  
§

BEFORE THE  
TEXAS COMMISSION ON  
ENVIRONMENTAL QUALITY

## AGREED ORDER DOCKET NO. 2021-0896-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 an oil and gas handling and production facility located approximately three miles northwest of the Farm-to-Market Road 1936 and State Highway 302 intersection near Odessa, Ector 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 \$150,000 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent paid \$60,000 of the penalty and \$30,000 of the penalty is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Order and shall be waived only upon full compliance with all the terms and conditions of this Order. If the Respondent fails to timely and satisfactorily comply with any of the terms and conditions contained in this Order, the Executive Director may demand payment of all or part of the deferred penalty amount.

Pursuant to TEX. WATER CODE § 7.067, \$60,000 of the penalty shall be conditionally offset by the Respondent's timely and satisfactory completion of a Supplemental Environmental Project ("SEP") as defined in the attached SEP Agreement ("Attachment A", incorporated herein by reference). The Respondent's obligation to pay the conditionally offset portion of the penalty shall be discharged upon full compliance with all the terms

and conditions of this Order, which includes the timely and satisfactory completion of all provisions of the SEP Agreement, as determined by the Executive Director.

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. By February 28, 2021, implemented shut-ins during third-party emissions events in order to reduce the Plant-wide emissions;
  - b. By August 31, 2021, demonstrated compliance with the certified Plant-wide carbon monoxide ("CO") and nitrogen oxides ("NOx") annual emissions rates; and
  - c. By February 28, 2022, demonstrated compliance with the certified Plant-wide sulfur dioxide ("SO2") annual emissions rate.

## II. ALLEGATIONS

During a record review for the Plant conducted on June 22, 2021, an investigator documented that the Respondent failed to comply with all representations with regard to construction plans, operating procedures, and maximum emission rates in any certified registration, in violation of 30 TEX. ADMIN. CODE §§ 106.4(a)(1)(B) and 106.6(b), Permit by Rule ("PBR") Registration No. 44178, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent represented in the registration for PBR Registration No. 44178 that the Plant-wide emissions rates based on any consecutive 12 months would not exceed 0.27 ton per year ("tpy") of CO, 0.13 tpy of NOx, and 0.01 tpy of SO2, but the Plant-wide CO, NOx, and SO2 annual emissions rates were exceeded for the 12-month periods ending from March 2018 through February 2021, resulting in 3.09 tons of unauthorized CO emissions, 3.26 tons of unauthorized NOx emissions, and 147.28 tons of unauthorized SO2 emissions.

### 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. 2021-0896-AIR-E" to:

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

2. The Respondent shall implement and complete the SEP as set forth in Section I, Paragraph No. 4. The amount of \$60,000 of the assessed penalty is conditionally offset based on the Respondent's implementation and completion of the SEP pursuant to the terms of the SEP Agreement, as defined in Attachment A. Penalty payments for any portion of the SEP deemed by the Executive Director as not complete shall be paid within 30 days after the date the Executive Director demands payment.
3. All relief not expressly granted in this Order is denied.
4. 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.
5. If the Respondent fails to comply with any of the Ordering Provisions in this Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
6. 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.
7. 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.


8. 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.
9. 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

  
-----

11/21/2023  
-----

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 OAG 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 OAG 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

11/07/2023  
-----  
Date

Vishal Gupta  
-----

President & General Manager, Permian EOR  
-----  
Title

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

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

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

**Attachment A**  
**Docket Number: 2021-0896-AIR-E**  
**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

|                                   |  |
|-----------------------------------|--|
| <b>Respondent:</b>                | <b>Occidental Permian Ltd.</b>   |
| <b>Payable Penalty Amount:</b>    | <b>\$120,000</b>   |
| <b>SEP Offset Amount:</b>         | <b>\$60,000</b>  |
| <b>Type of SEP:</b>               | <b>Contribution to a Third-Party Pre-Approved SEP</b>  |
| <b>Third-Party Administrator:</b> | <b>Texas Congress of Parents and Teachers dba Texas PTA</b>  |
| <b>Project Name:</b>              | <b><i>Texas PTA Clean School Bus Replacement Program</i></b>   |
| <b>Location of SEP:</b>           | <b>Texas Air Quality Control Region 218: Midland-Odessa-San Angelo - Preference for Ector County</b> |

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

**1. Project Description**

a. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Texas Congress of Parents and Teachers dba Texas PTA** for the *Texas PTA Clean School Bus Replacement Program*. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the “Project”). Specifically, the contribution will be used to reduce nitrogen oxides, volatile organic compounds, carbon monoxide, and particulate matter emissions by replacing older diesel buses with newer buses that meet more stringent emission standards. The Third-Party Administrator shall use the SEP Offset Amount for up to 100% of the purchase price of a model year 2010 or newer bus to replace a diesel school bus that is model year 2002 or older. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used solely for the direct cost of the Project, including but not limited to supplies, materials, and equipment. Any portion of this contribution that is not spent on the specifically identified SEP may, at the discretion of the Executive Director (“ED”), be applied to another pre-approved SEP.

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

b. Environmental Benefit

This SEP will directly benefit air quality by reducing harmful exhaust emissions which contribute to the formation of ozone and may cause or exacerbate many respiratory diseases, including asthma. In addition, by encouraging less school bus idling, this SEP contributes to public awareness of environmental matters.

c. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

**2. Performance Schedule**

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Texas Congress of Parents and Teachers SEP** and shall mail the contribution with a copy of the Agreed Order to:

Texas PTA  
408 West 11th Street  
Austin, Texas 78701

**3. Records and Reporting**

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

Texas Commission on Environmental Quality  
Enforcement Division  
Attention: SEP Coordinator, MC 219  
P.O. Box 13087  
Austin, Texas 78711-3087

**4. Failure to Fully Perform**

If the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality"; and shall mail it to:

Occidental Permian Ltd.  
Docket No. 2021-0896-AIR-E  
Agreed Order - Attachment A

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

**5. Publicity**

Any public statements concerning this SEP made by or on behalf of the Respondent, must include a clear statement that **the Project was performed as part of the settlement of an enforcement action brought by the TCEQ**. Such statements include advertising, public relations, and press releases.

**6. Recognition**

The Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

**7. Other SEPs by TCEQ or Other Agencies**

The SEP Offset Amount identified in this Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.