

**Executive Summary – Enforcement Matter – Case No. 61160**  
**ONEOK Hydrocarbon Southwest, LLC**  
**RN100209949**  
**Docket No. 2021-1102-AIR-E**

**Order Type:**

1660 Agreed Order

**Findings Order Justification:**

N/A

**Media:**

AIR

**Small Business:**

No

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

Mont Belvieu Fractionator, 9900 Farm-to-Market Road 1942, Mont Belvieu, Chambers County

**Type of Operation:**

Natural gas fractionation plant

**Other Significant Matters:**

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

**Texas Register Publication Date:** August 11, 2023

**Comments Received:** No

***Penalty Information***

**Total Penalty Assessed:** \$47,025

**Amount Deferred for Expedited Settlement:** \$9,405

**Total Paid to General Revenue:** \$18,810

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

Payment Plan: N/A

**Supplemental Environmental Project (“SEP”) Conditional Offset:** \$18,810

Name of SEP: Barbers Hill Independent School District (Third-Party Pre-Approved)

**Compliance History Classifications:**

Person/CN - Satisfactory

Site/RN - Satisfactory

**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 23, 2021 and July 11, 2022

**Date(s) of NOE(s):** July 21, 2021 and August 30, 2022

**Executive Summary – Enforcement Matter – Case No. 61160**  
**ONEOK Hydrocarbon Southwest, LLC**  
**RN100209949**  
**Docket No. 2021-1102-AIR-E**

***Violation Information***

1. Failed to prevent unauthorized emissions. Specifically, the Respondent released 0.31 pound ("lb") of sulfur dioxide, 281.95 lbs of nitrogen oxides ("NOx"), 562.88 lbs of carbon monoxide ("CO"), and 753.18 lbs of volatile organic compounds from Flare No. 1, Emissions Point Number ("EPN") FL-1, during an emissions event (Incident No. 288052) that occurred on July 10, 2018 and lasted seven hours and two minutes. The emissions event occurred when a two-inch valve was inadvertently left open after a maintenance activity, resulting in flaring. Since the emissions event was not caused by a sudden unavoidable breakdown of equipment or process beyond the control of the owner or operator and could have been avoided by better design and/or better operational and maintenance practices, 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. 3956B, Special Conditions ("SC") No. 1, Federal Operating Permit ("FOP") No. O107, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 13, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

2. Failed to comply with the maximum allowable emissions rates ("MAERs") and failed to comply with the emissions limit. Specifically, the Respondent exceeded the CO MAER of 50 pounds per hour ("lbs/hr") by a range from 1.76 lbs/hr to 126.30 lbs/hr for 36 hours on nine days from January 10, 2021 to August 7, 2021, exceeded the NOx MAER of 6.97 lbs/hr by 0.03 lb/hr and 0.53 lb/hr for two hours on November 4, 2021, and exceeded the CO emissions limit of 400 parts per million by volume ("ppmv") at 3.0 percent oxygen dry basis on a rolling 24-hour averaging period by a range from 1.60 ppmv to 1,136.00 ppmv for 100 hours on seven days from January 13, 2021 to October 11, 2021 for Heater No. 2, EPN H-2, resulting in the unauthorized release of 1,991.38 lbs of CO and 0.56 lb of NOx [30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and (c), 117.310(c)(1), and 122.143(4), NSR Permit No. 3956B, SC No. 1, FOP No. O107, GTC and STC Nos. 1.A and 13, 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 February 1, 2021, installed alarms for the CO and NOx hourly MAERs for Heater No. 2, EPN H-2;
- b. By February 28, 2021, implemented a pre-commissioning safety checklist to improve communication of lockout/tagout equipment, uploaded the completed pre-commissioning safety checklist to an electronic permit system prior to returning any lockout/tagout equipment to service, and adopted a more robust electronic permit system to enhance awareness of all energy control changes to ensure all applicable steps have been taken before returning equipment to service in order to prevent the

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**Docket No. 2021-1102-AIR-E**

recurrence of emissions events due to the same or similar causes as Incident No. 288052;

c. On April 27, 2021, conducted annual environmental training that included heater operation troubleshooting to prevent emissions events;

d. On November 9, 2022, added the display for the CO concentration for Heater No. 2 to the operator's display; and

e. On November 28, 2022, conducted training for all operators that included the familiarization of the new display for the CO concentration and the CO and NOx hourly MAERs for Heater No. 2, EPN H-2.

**Technical Requirements:**

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

2. The Order will also require the Respondent to:

a. Within 30 days, demonstrate compliance with the CO and NOx hourly MAERs and CO emissions limit for Heater No. 2, EPN H-2; and

b. Within 45 days, submit written certification to demonstrate compliance with 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:** John Johnson, Consultant, Carl R. Griffith & Associates, Inc., 2901 Turtle Creek Drive, Suite 445, Port Arthur, Texas 77642

**Respondent:** Jeremy Wise, Vice President, ONEOK Hydrocarbon Southwest, LLC, 9900 Farm-to-Market Road 1942, Mont Belvieu, Texas 77580

Shawn Sandefur, Director of Operations, ONEOK Hydrocarbon Southwest, LLC, P.O. Box 550, Mont Belvieu, Texas 77580-0550

**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>	26-Jul-2021	<b>Screening</b>	30-Jul-2021	<b>EPA Due</b>	
	<b>PCW</b>	14-Jun-2023				

<b>RESPONDENT/FACILITY INFORMATION</b>	
<b>Respondent</b>	ONEOK Hydrocarbon Southwest, LLC
<b>Reg. Ent. Ref. No.</b>	RN100209949
<b>Facility/Site Region</b>	12-Houston
<b>Major/Minor Source</b>	Major

<b>CASE INFORMATION</b>			
<b>Enf./Case ID No.</b>	61160	<b>No. of Violations</b>	2
<b>Docket No.</b>	2021-1102-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 \$ 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>	<b>\$30,000</b>
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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.

<b>Compliance History</b>	<b>63.0%</b> Adjustment	<b>Subtotals 2, 3, &amp; 7</b>	<b>\$18,900</b>
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Notes: Enhancement for one NOV with same/similar violations, two NOVs with dissimilar violations, and three orders containing a denial of liability. Reduction for two notices of intent to conduct an audit and two disclosures of violations.

<b>Culpability</b>	No	<b>0.0%</b> Enhancement	<b>Subtotal 4</b>	<b>\$0</b>
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Notes: The Respondent does not meet the culpability criteria.

<b>Good Faith Effort to Comply Total Adjustments</b>	<b>Subtotal 5</b>	<b>-\$1,875</b>
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<b>Economic Benefit</b>	<b>0.0%</b> Enhancement*	<b>Subtotal 6</b>	<b>\$0</b>
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Total EB Amounts	\$2,772
Estimated Cost of Compliance	\$26,500

\*Capped at the Total EB \$ Amount

<b>SUM OF SUBTOTALS 1-7</b>	<b>Final Subtotal</b>	<b>\$47,025</b>
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<b>OTHER FACTORS AS JUSTICE MAY REQUIRE</b>	<b>0.0%</b> Adjustment	<b>\$0</b>
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

<b>Final Penalty Amount</b>	<b>\$47,025</b>
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<b>STATUTORY LIMIT ADJUSTMENT</b>	<b>Final Assessed Penalty</b>	<b>\$47,025</b>
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<b>DEFERRAL</b>	<b>20.0%</b> Reduction	<b>Adjustment</b>	<b>-\$9,405</b>
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Reduces the Final Assessed Penalty by the indicated percentage.

Notes: Deferral offered for expedited settlement.

<b>PAYABLE PENALTY</b>	<b>\$37,620</b>
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**Screening Date** 30-Jul-2021

**Docket No.** 2021-1102-AIR-E

**PCW**

**Respondent** ONEOK Hydrocarbon Southwest, LLC

*Policy Revision 5 (January 28, 2021)*

**Case ID No.** 61160

*PCW Revision February 11, 2021*

**Reg. Ent. Reference No.** RN100209949

**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> )	1	5%
	Other written NOVs	2	4%
Orders	Any agreed final enforcement orders containing a denial of liability ( <i>number of orders meeting criteria</i> )	3	60%
	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> )	2	-2%
	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> )	2	-4%
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)** 63%

#### >> 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, two NOVs with dissimilar violations, and three orders containing a denial of liability. Reduction for two notices of intent to conduct an audit and two disclosures of violations.

**Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7)** 63%

#### >> Final Compliance History Adjustment

**Final Adjustment Percentage \*capped at 100%** 63%

**Screening Date** 30-Jul-2021 **Docket No.** 2021-1102-AIR-E **PCW**  
**Respondent** ONEOK Hydrocarbon Southwest, LLC *Policy Revision 5 (January 28, 2021)*  
**Case ID No.** 61160 *PCW Revision February 11, 2021*  
**Reg. Ent. Reference No.** RN100209949  
**Media** Air  
**Enf. Coordinator** Mackenzie Mehlmann

**Violation Number**

**Rule Cite(s)** 30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), New Source Review ("NSR") Permit No. 3956B, Special Conditions ("SC") No. 1, Federal Operating Permit ("FOP") No. O107, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 13, and Tex. Health & Safety Code § 382.085(b)

**Violation Description** Failed to prevent unauthorized emissions. Specifically, the Respondent released 0.31 pound ("lb") of sulfur dioxide, 281.95 lbs of nitrogen oxides ("NOx"), 562.88 lbs of carbon monoxide ("CO"), and 753.18 lbs of volatile organic compounds from Flare No. 1, Emissions Point Number ("EPN") FL-1, during an emissions event (Incident No. 288052) that occurred on July 10, 2018 and lasted seven hours and two minutes. The emissions event occurred when a two-inch valve was inadvertently left open after a maintenance activity, resulting in flaring. Since the emissions event was not caused by a sudden unavoidable breakdown of equipment or process beyond the control of the owner or operator and could have been avoided by better design and/or better operational and maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

**Base Penalty**

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

Release	Harm			Percent
	Major	Moderate	Minor	
Actual	<input type="text"/>	<input type="text"/>	<input checked="" type="checkbox"/>	<input type="text" value="30.0%"/>
Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	

**>> Programmatic Matrix**

Falsification	Major	Moderate	Minor	Percent
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0.0%"/>

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

**Adjustment**

**Violation Events**

Number of Violation Events   Number of violation days

daily	<input type="text"/>
weekly	<input type="text"/>
monthly	<input checked="" type="checkbox"/>
quarterly	<input type="text"/>
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 checked="" type="checkbox"/>	<input type="text"/>
N/A	<input type="text"/>	<input type="text"/>

**Notes** The Respondent completed the corrective measures by February 28, 2021, prior to the Notice of Enforcement dated July 21, 2021.

**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** ONEOK Hydrocarbon Southwest, LLC  
**Case ID No.** 61160  
**Reg. Ent. Reference No.** RN100209949  
**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)	\$5,000	10-Jul-2018	28-Feb-2021	2.64	\$660	n/a	\$660

**Notes for DELAYED costs**

Estimated cost to implement a pre-commissioning safety checklist to improve communication of lockout/tagout equipment, upload the completed pre-commissioning safety checklist to an electronic permit system prior to returning any lockout/tagout equipment to service, and adopt a more robust electronic permit system to enhance awareness of all energy control changes to ensure all applicable steps have been taken before returning equipment to service in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 288052. 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 \$5,000

**TOTAL** \$660

**Screening Date** 30-Jul-2021 **Docket No.** 2021-1102-AIR-E **PCW**  
**Respondent** ONEOK Hydrocarbon Southwest, LLC *Policy Revision 5 (January 28, 2021)*  
**Case ID No.** 61160 *PCW Revision February 11, 2021*  
**Reg. Ent. Reference No.** RN100209949  
**Media** Air  
**Enf. Coordinator** Mackenzie Mehlmann

**Violation Number**

**Rule Cite(s)** 30 Tex. Admin. Code §§ 116.115(b)(2)(F) and (c), 117.310(c)(1), and 122.143(4), NSR Permit No. 3956B, SC No. 1, FOP No. O107, GTC and STC Nos. 1.A and 13, and Tex. Health & Safety Code § 382.085(b)

**Violation Description** Failed to comply with the maximum allowable emissions rates ("MAERs") and failed to comply with the emissions limit. Specifically, the Respondent exceeded the CO MAER of 50 pounds per hour ("lbs/hr") by a range from 1.76 lbs/hr to 126.30 lbs/hr for 36 hours on nine days from January 10, 2021 to August 7, 2021, exceeded the NOx MAER of 6.97 lbs/hr by 0.03 lb/hr and 0.53 lb/hr for two hours on November 4, 2021, and exceeded the CO emissions limit of 400 parts per million by volume ("ppmv") at 3.0 percent oxygen dry basis on a rolling 24-hour averaging period by a range from 1.60 ppmv to 1,136.00 ppmv for 100 hours on seven days from January 13, 2021 to October 11, 2021 for Heater No. 2, EPN H-2, resulting in the unauthorized release of 1,991.38 lbs of CO and 0.56 lb of NOx.

**Base Penalty**

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

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual	<input type="text"/>	<input type="text"/>	<input type="text" value="x"/>	<input type="text" value="30.0%"/>
	Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	

**>> Programmatic Matrix**

	Falsification	Major	Moderate	Minor	Percent
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0.0%"/>

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

**Adjustment**

**Violation Events**

Number of Violation Events   Number of violation days

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

**Violation Base Penalty**

Three quarterly events are recommended for the instances of non-compliance that occurred from January 10, 2021 to February 1, 2021 and from July 29, 2021 to November 4, 2021.

**Good Faith Efforts to Comply**

Reduction

	Before NOE/NOV	NOE/NOV to EDRP/Settlement Offer
Extraordinary	<input type="text"/>	<input type="text"/>
Ordinary	<input type="text"/>	<input type="text"/>
N/A	<input type="text" value="x"/>	<input type="text"/>

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

**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** ONEOK Hydrocarbon Southwest, LLC  
**Case ID No.** 61160  
**Reg. Ent. Reference No.** RN100209949  
**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	\$1,500	10-Jan-2021	1-Feb-2024	3.06	\$230	n/a	\$230
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)	\$20,000	10-Jan-2021	28-Nov-2022	1.88	\$1,882	n/a	\$1,882

**Notes for DELAYED costs**

Estimated costs to install alarms for the CO and NOx hourly MAERs, conduct annual environmental training that included heater operation troubleshooting to prevent emissions events, add the display for the CO concentration for Heater No. 2 to the operator's display, and conduct training for all operators that included the familiarization of the new display for the CO concentration and the CO and NOx hourly MAERs for Heater No. 2, EPN H-2, (\$20,000) and to demonstrate compliance with the CO and NOx hourly MAERs and CO emissions limit for Heater No. 2, EPN H-2, (\$1,500). The Dates Required are the first date of non-compliance and the Final Dates are the date of compliance and the estimated 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

\$21,500

**TOTAL**

\$2,112

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 CN601669849, RN100209949, Rating Year 2022 which includes Compliance History (CH) components from September 1, 2017, through August 31, 2022.

**Customer, Respondent, or Owner/Operator:** CN601669849, ONEOK Hydrocarbon Southwest, LLC **Classification:** SATISFACTORY **Rating:** 6.21

**Regulated Entity:** RN100209949, Mont Belvieu Fractionator **Classification:** SATISFACTORY **Rating:** 6.21

**Complexity Points:** 16 **Repeat Violator:** NO

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

**Location:** 9900 Farm-to-Market Road 1942, Mont Belvieu, Chambers County, Texas

**TCEQ Region:** REGION 12 - HOUSTON

**ID Number(s):**

- AIR OPERATING PERMITS** ACCOUNT NUMBER CI0005A
- AIR NEW SOURCE PERMITS** PERMIT 3956B
- AIR NEW SOURCE PERMITS** ACCOUNT NUMBER CI0005A
- AIR NEW SOURCE PERMITS** REGISTRATION 86353
- AIR NEW SOURCE PERMITS** REGISTRATION 151111
- AIR NEW SOURCE PERMITS** REGISTRATION 167121
- AIR NEW SOURCE PERMITS** REGISTRATION 151704
- AIR NEW SOURCE PERMITS** REGISTRATION 151110
- AIR NEW SOURCE PERMITS** REGISTRATION 161565
- AIR NEW SOURCE PERMITS** REGISTRATION 156151
- AIR NEW SOURCE PERMITS** REGISTRATION 159829
- AIR NEW SOURCE PERMITS** AFS NUM 4807100004
- WASTEWATER** EPA ID TX0005886
- POLLUTION PREVENTION PLANNING** ID NUMBER P00446
- INDUSTRIAL AND HAZARDOUS WASTE** SOLID WASTE REGISTRATION # (SWR) 30305
- AIR OPERATING PERMITS** PERMIT 107
- AIR NEW SOURCE PERMITS** REGISTRATION 11843A
- AIR NEW SOURCE PERMITS** REGISTRATION 168391
- AIR NEW SOURCE PERMITS** REGISTRATION 139615
- AIR NEW SOURCE PERMITS** REGISTRATION 164500
- AIR NEW SOURCE PERMITS** REGISTRATION 146168
- AIR NEW SOURCE PERMITS** REGISTRATION 146169
- AIR NEW SOURCE PERMITS** REGISTRATION 156152
- AIR NEW SOURCE PERMITS** REGISTRATION 160725
- AIR NEW SOURCE PERMITS** REGISTRATION 156555
- AIR NEW SOURCE PERMITS** REGISTRATION 159123
- WASTEWATER** PERMIT WQ0005353000
- AIR EMISSIONS INVENTORY** ACCOUNT NUMBER CI0005A
- INDUSTRIAL AND HAZARDOUS WASTE** EPA ID TXD054458773

**Compliance History Period:** September 01, 2017 to August 31, 2022 **Rating Year:** 2022 **Rating Date:** 09/01/2022

**Date Compliance History Report Prepared:** November 14, 2022

**Agency Decision Requiring Compliance History:** Enforcement

**Component Period Selected:** November 14, 2017 to November 14, 2022

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

**Name:** Mackenzie Mehlmann

**Phone:** (512) 239-2572

**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:**

- 1 Effective Date: 07/10/2018 ADMINORDER 2017-1254-AIR-E (1660 Order-Agreed Order With Denial)  
 Classification: Minor  
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 5C THSC Chapter 382 382.085(b)  
 Rqmt Prov: NSR Permit No. 3956B PERMIT  
 Description: Failure to limit sulfur content of gas fired by Heaters H-1 and H-2 to not more than 2.0 grain per 100 standard cubic feet (Category A12.i.(6)).

2 Effective Date: 02/11/2020 ADMINORDER 2019-1030-AIR-E (1660 Order-Agreed Order With Denial)  
 Classification: Moderate  
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 5C THSC Chapter 382 382.085(b)  
 Rqmt Prov: Special Condition No. 1 PERMIT  
 Description: Failure to meet the demonstration criteria for an affirmative defense for unauthorized emissions during an emissions event. [Category A12.i.(6)]

See addendum for information regarding federal actions.

**B. Criminal convictions:**

N/A

**C. Chronic excessive emissions events:**

N/A

**D. The approval dates of investigations (CCEDS Inv. Track. No.):**

Item 1	January 04, 2018	(1454196)
Item 2	January 25, 2018	(1776692)
Item 3	April 27, 2018	(1776647)
Item 4	July 27, 2018	(1776667)
Item 5	October 25, 2018	(1776677)
Item 6	January 28, 2019	(1776693)
Item 7	May 20, 2019	(1569344)
Item 8	July 22, 2019	(1776673)
Item 9	August 14, 2019	(1582427)
Item 10	October 23, 2019	(1776683)
Item 11	April 21, 2020	(1776649)
Item 12	April 24, 2020	(1639347)
Item 13	July 21, 2020	(1776664)
Item 14	January 14, 2021	(1776695)
Item 15	April 27, 2021	(1776650)
Item 16	July 21, 2021	(1776670)
Item 17	August 23, 2021	(1686631)
Item 18	August 31, 2021	(1756629)
Item 19	October 27, 2021	(1776685)
Item 20	January 24, 2022	(1790639)
Item 22	April 28, 2022	(1813374)
Item 23	July 09, 2022	(1824288)
Item 24	July 26, 2022	(1835077)
Item 25	October 28, 2022	(1856212)

**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.

- 1 Date: 03/31/2022 (1819946)  
 Self Report? YES Classification: Moderate  
 Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)  
 30 TAC Chapter 305, SubChapter F 305.125(1)  
 Description: Failure to meet the limit for one or more permit parameter
  
- 2 Date: 04/30/2022 (1835076)  
 Self Report? YES Classification: Moderate  
 Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)  
 30 TAC Chapter 305, SubChapter F 305.125(1)  
 Description: Failure to meet the limit for one or more permit parameter
  
- 3 Date: 08/30/2022 (1795536)  
 Self Report? NO Classification: Minor  
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
 30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)  
FOP, Special Term & Condition 13 OP  
NSR, Special Condition 14 PERMIT

Description: Failure to conduct quarterly visible emissions observations for Unit IDs: Unit IDs: CM-11, Bypass Vent, Lube Oil Vent. (CATEGORY C1 Violation)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
FOP, Special Term & Condition 13 OP  
NSR, Special Condition 12 PERMIT

Description: Failure to maintain maximum fill rate within permitted limit for Tank (Unit ID: SV-1). (CATEGORY C4 Violation)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
FOP, Special Term & Condition 13 OP  
NSR, Special Condition 19(E)2 PERMIT

Description: Failure to conduct weekly total dissolved solid (TDS) and conductivity sampling for Cooling Towers (Unit IDs: CT-1; CT-2; and CT-3). (CATEGORY C1 Violation)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 117, SubChapter B 117.310(c)(1)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
FOP, Special Term & Condition 13 OP  
FOP, Special Term & Condition 1A OP  
NSR, Special Condition 1 PERMIT

Description: Failure to maintain emissions within permitted limit for a Heater (Unit ID: H-1). (CATEGORY B13 Violation)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)  
30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(1)  
5C THSC Chapter 382 382.085(b)  
FOP, Special Term & Condition 13 OP  
FOP, Special Term & Condition 1A OP  
NSR, Special Condition 15(C) PERMIT

Description: Failure to prevent visible emissions from Flare (Unit ID: FL-1). (CATEGORY B13 Violation)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(4)(ii)  
5C THSC Chapter 382 382.085(b)  
FOP, Special Term & Condition 13 OP  
FOP, Special Term & Condition 1A OP  
NSR, Special Condition 15A PERMIT

Description: Failure to maintain exit velocity with permitted limits for Flare (Unit ID: FL-1). (CATEGORY C4 Violation)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 117, SubChapter G 117.8100(a)(1)(A)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
FOP, Special Term & Condition 1A OP

Description: Failure to conducted daily continuous emissions monitoring system (CEMS) autocalibration for Heater (Unit ID: H-1 and H-2). (CATEGORY C1 Violation)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
NSR, Special Condition 20(E) PERMIT  
Special Term & Condition 13 OP

Description: Failure to monitor connectors (Unit PLANT FUG) in volatile organic compound (VOC) service. (CATEGORY C1 Violation)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 115, SubChapter D 115.352(4)  
30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)  
5C THSC Chapter 382 382.085(b)

FOP, Special Term & Condition 13 OP  
 FOP, Special Term & Condition 1A OP  
 NSR, Special Condition 20(E) PERMIT  
 Description: Failure to prevent open-ended lines (OEL) for Unit ID: PLANT-FUG. (CATEGORY C10 Violation)  
 Self Report? NO Classification: Minor  
 Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(ii)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 5C THSC Chapter 382 382.085(b)  
 FOP, Special Term & Condition 1A OP  
 Description: Failure to maintain daily observation records for Flare (Unit ID: FL-1). (CATEGORY C1 Violation)  
 Self Report? NO Classification: Minor  
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 5C THSC Chapter 382 382.085(b)  
 FOP, Special Term & Condition 13 OP  
 NSR, Special Condition 19(C) PERMIT  
 Description: Failure to conduct maintenance from annual drift eliminator inspection for Cooling Towers (Unit IDs: CT-1 and CT-2) in the required timeframe. (CATEGORY B1 Violation)  
 Self Report? NO Classification: Minor  
 Citation: 30 TAC Chapter 117, SubChapter B 117.310(f)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 5C THSC Chapter 382 382.085(b)  
 FOP, Special Term & Condition 1A OP  
 Description: Failure to operate emergency engine during permitted hours (Unit ID: FW-2). (CATEGORY C4 Violation)  
 Self Report? NO Classification: Minor  
 Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
 30 TAC Chapter 122, SubChapter B 122.143(4)  
 5C THSC Chapter 382 382.085(b)  
 NSR, Special Condition 29(C) PERMIT  
 Special Term & Condition 13 OP  
 Description: Failure to maintain daily vacuum truck records for Unit ID: MSS-FUG. (CATEGORY C3 Violation)  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
 30 TAC Chapter 122, SubChapter B 122.145(2)(A)  
 5C THSC Chapter 382 382.085(b)  
 FOP, General Terms & Conditions OP  
 Description: Failure to report all instances of deviations in the deviation report (DR) dated July 30, 2021. (CATEGORY B3 Violation)

**F. Environmental audits:**

Notice of Intent Date: 01/19/2018 (1467122)

Disclosure Date: 01/31/2019

Viol. Classification: Minor

Citation: 30 TAC Chapter 115, SubChapter D 115.354(2)  
 30 TAC Chapter 115, SubChapter D 115.356(2)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-2(a)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(a)(1)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(a)(2)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT KKK 60.632(a)

Rqmt Prov: PERMIT SC 20E  
 PERMIT SC 20F

Description: Certain components were not included in the Leak Detection and Repair ("LOAR") monitoring program and periodic monitoring was not completed in accordance with the required monthly and quarterly schedules.

Notice of Intent Date: 03/24/2022 (1806000)

Disclosure Date: 08/29/2022

Viol. Classification: Minor

Citation: 30 TAC Chapter 115, SubChapter D 115.354(2)(C)  
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(a)

Description: Six (6) components were found without tags and appear to have been overlooked from the LOAR inventory.

**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

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## *Addendum to Compliance History Federal Enforcement Actions*

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**Reg Entity Name:** ONEOK HYDROCARBON SOUTHWEST, LL

**Reg Entity Add:** 9900 FM 1942

**Reg Entity City:** MONT BELVIEU

**Reg Entity No:** RN100209949

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**EPA Case No:** 06-2019-1771

**Order Issue Date (yyyymmdd):** 20190531

**Case Result:** Final Order No Penalty

**Statute:** CWA

**Sect of Statute:** 301/402

**Classification:** Minor

**Program:** NPDES - Base Program

**Citation:**

**Violation Type:**

**Cite Sect:**

**Cite Part:**

**Enforcement Action:** Administrative Compliance Orders

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# TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
ONEOK HYDROCARBON SOUTHWEST,  
LLC  
RN100209949**

**§  
§  
§  
§  
§  
§**

**BEFORE THE  
  
TEXAS COMMISSION ON  
  
ENVIRONMENTAL QUALITY**

## **AGREED ORDER DOCKET NO. 2021-1102-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 ONEOK Hydrocarbon Southwest, LLC (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 natural gas fractionation plant located at 9900 Farm-to-Market Road 1942 in Mont Belvieu, Chambers 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 \$47,025 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent paid \$18,810 of the penalty and \$9,405 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, \$18,810 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. On February 1, 2021, installed alarms for the carbon monoxide ("CO") and nitrogen oxides ("NOx") hourly maximum allowable emissions rates ("MAERs") for Heater No. 2, Emissions Point Number ("EPN") H-2;
  - b. By February 28, 2021, implemented a pre-commissioning safety checklist to improve communication of lockout/tagout equipment, uploaded the completed pre-commissioning safety checklist to an electronic permit system prior to returning any lockout/tagout equipment to service, and adopted a more robust electronic permit system to enhance awareness of all energy control changes to ensure all applicable steps have been taken before returning equipment to service in order to prevent the recurrence of emissions events due to the same or similar causes as Incident No. 288052;
  - c. On April 27, 2021, conducted annual environmental training that included heater operation troubleshooting to prevent emissions events;
  - d. On November 9, 2022, added the display for the CO concentration for Heater No. 2 to the operator's display; and
  - e. On November 28, 2022, conducted training for all operators that included the familiarization of the new display for the CO concentration and the CO and NOx hourly MAERs for Heater No. 2, EPN H-2.

## II. ALLEGATIONS

1. During a record review for the Plant conducted on June 23, 2021, an investigator documented that the Respondent 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. 3956B, Special Conditions ("SC") No. 1, Federal Operating Permit ("FOP") No. O107, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 13, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent released 0.31 pound ("lb") of sulfur dioxide, 281.95 lbs of NO<sub>x</sub>, 562.88 lbs of CO, and 753.18 lbs of volatile organic compounds from Flare No. 1, EPN FL-1, during an emissions event (Incident No. 288052) that occurred on July 10, 2018 and lasted seven hours and two minutes. The emissions event occurred when a two-inch valve was inadvertently left open after a maintenance activity, resulting in flaring. Since the emissions event was not caused by a sudden unavoidable breakdown of equipment or process beyond the control of the owner or operator and could have been avoided by better design and/or better operational and maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
2. During a record review for the Plant conducted on July 11, 2022, an investigator documented that the Respondent failed to comply with the MAERs and failed to comply with the emissions limit, in violation of 30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and (c), 117.310(c)(1), and 122.143(4), NSR Permit No. 3956B, SC No. 1, FOP No. O107, GTC and STC Nos. 1.A and 13, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the Respondent exceeded the CO MAER of 50 pounds per hour ("lbs/hr") by a range from 1.76 lbs/hr to 126.30 lbs/hr for 36 hours on nine days from January 10, 2021 to August 7, 2021, exceeded the NO<sub>x</sub> MAER of 6.97 lbs/hr by 0.03 lb/hr and 0.53 lb/hr for two hours on November 4, 2021, and exceeded the CO emissions limit of 400 parts per million by volume ("ppmv") at 3.0 percent oxygen dry basis on a rolling 24-hour averaging period by a range from 1.60 ppmv to 1,136.00 ppmv for 100 hours on seven days from January 13, 2021 to October 11, 2021 for Heater No. 2, EPN H-2, resulting in the unauthorized release of 1,991.38 lbs of CO and 0.56 lb of NO<sub>x</sub>.

## 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: ONEOK Hydrocarbon Southwest, LLC, Docket No. 2021-1102-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 \$18,810 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. The Respondent shall undertake the following technical requirements:
  - a. Within 30 days after the effective date of this Order, demonstrate compliance with the CO and NOx hourly MAERs and CO emissions limit for Heater No. 2, EPN H-2.
  - b. Within 45 days after the effective date of this Order, submit written certification, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 3.a. The certification shall be signed by the Respondent and shall include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."

The certification shall be submitted to:

Enforcement Division, MC 149A  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

with a copy to:

Air Section Manager  
Houston Regional Office  
Texas Commission on Environmental Quality  
5425 Polk Street, Suite H  
Houston, Texas 77023-1452

4. All relief not expressly granted in this Order is denied.

5. 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.
6. 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.
7. 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. Extension requests shall be sent to the Enforcement Division at the address listed above.
8. 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.
9. 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.
10. The effective date of this Order is the date it is signed by the Commission. A copy of this fully executed Order shall be provided to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

-----  
For the Commission

-----  
Date

  
-----  
For the Executive Director

8/25/2023

-----  
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.

  
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Signature

8/5/2023  
-----  
Date

SHAWN SANDERF  
-----  
Name (Printed or typed)  
Authorized Representative of  
ONEOK Hydrocarbon Southwest, LLC

DIRECTOR OF OPERATIONS  
-----  
Title

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: 2021-1102-AIR-E**  
**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

<b>Respondent:</b>	ONEOK Hydrocarbon Southwest, LLC
<b>Payable Penalty Amount:</b>	\$37,620
<b>SEP Offset Amount:</b>	\$18,810
<b>Type of SEP:</b>	Contribution to a Third-Party Administrator SEP
<b>Third-Party Administrator:</b>	Barbers Hill Independent School District
<b>Project Name:</b>	<i>Energy Efficiency Building Upgrade/Retrofit Project</i>
<b>Total Project Budget:</b>	\$1,151,928
<b>Location of SEP:</b>	Chambers County

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 offset is equal to the SEP Offset Amount set forth above and 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 **Barbers Hill Independent School District** for the *Energy Efficiency Building Upgrade/Retrofit Project* (the “Project”). The Project is to pay a contractor to install and monitor sub-meters. The contractor's work will include installing revenue grade electric sub-meters in the line feed of certain facilities; installing revenue grade current transformers; incorporating all engineering, software, and graphics to accomplish effective monitoring of the status of this equipment; and a one-year warranty including parts and labor for the new sub-meters. In addition to sub-metering, the contractor will monitor, calibrate, and repair existing meters and complete energy efficiency upgrades and/or retrofits based on needs identified in energy audits. The Project will be performed in accordance with all federal, state, and local environmental laws and regulations. The contribution will be used in accordance with the SEP Agreement between the Third-Party Administrator and the TCEQ.

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 the Respondent has no prior commitment to make this contribution and that it is being contributed solely to settle this enforcement action. Respondent shall not profit from this SEP.

**B. Environmental Benefit**

The Project will result in reduced energy consumption by school district buildings and will contribute to the overall reduction of greenhouse gases. The sub-metering is expected to reduce energy consumption up to eight percent. The Project will reduce fuel and electricity usage for heating and cooling and day-to-day operations. These reductions will reduce emission of particulate matter, volatile organic carbon compounds, nitrogen oxides, and other pollutants associated with the combustion of fuel and generation of electricity. It will also contribute to a reduction in peak loads on the State electric power grid.

**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 **Barbers Hill ISD SEP** and shall mail the contribution with a copy of the Agreed Order to:

John Johnson, Consultant  
Carl R. Griffith & Associates, Inc.  
2901 Turtle Creek Drive, Suite 445  
Port Arthur, Texas 77642

**3. Records and Reporting**

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the Enforcement SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount to the Third-Party Administrator. The Respondent shall mail or email 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  
SEPReports@tceq.texas.gov

**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

ONEOK Hydrocarbon Southwest, LLC  
Docket No. 2021-1102-AIR-E  
Agreed Order - Attachment A

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:

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 and/or project, 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 Attachment A and in the attached 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.