

**Executive Summary – Enforcement Matter – Case No. 62898**  
**Occidental Permian Ltd.**  
**RN100212786**  
**Docket No. 2022-1125-AIR-E**

**Order Type:**

1660 Agreed Order

**Findings Order Justification:**

N/A

**Media:**

AIR

**Small Business:**

No

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

Slaughter Gasoline Plant, located approximately three miles west of the intersection of Farm-to-Market Road 303 and Farm-to-Market Road 301, Sundown, Hockley County

**Type of Operation:**

Oil and natural gas separation and storage facility

**Other Significant Matters:**

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Past-Due Fees: No

Other: N/A

Interested Third-Parties: None

**Texas Register Publication Date:** August 15, 2025

**Comments Received:** No

***Penalty Information***

**Total Penalty Assessed:** \$83,250

**Amount Deferred for Expedited Settlement:** \$16,650

**Total Paid to General Revenue:** \$33,300

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

Payment Plan: N/A

**Supplemental Environmental Project (“SEP”) Conditional Offset:** \$33,300

Name of SEP: American Energy Institute (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:** July 20, 2022

**Date(s) of NOE(s):** August 24, 2022

**Executive Summary – Enforcement Matter – Case No. 62898**  
**Occidental Permian Ltd.**  
**RN100212786**  
**Docket No. 2022-1125-AIR-E**

***Violation Information***

Failed to comply with the maximum allowable emissions rate ("MAER"). Specifically, during the monthly volatile organic compounds ("VOC") emissions monitoring tests conducted in February 2021, March 2021, April 2021, May 2021, June 2021, and January 2022 the Respondent exceeded the VOC MAER of 0.88 pound per hour ("lb/hr") by a range of 0.66 lb/hr to 15.86 lbs/hr for the Cooling Tower, Emissions Point Number ("EPN") CTOWER, resulting in approximately 18,082.56 lbs of unauthorized VOC emissions [30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and (c) and 122.143(4), New Source Review Permit No. 18406, Special Conditions No. 1, Federal Operating Permit No. 02883, General Terms and Conditions and Special Terms and Conditions No. 8, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

***Corrective Actions/Technical Requirements***

**Corrective Action(s) Completed:**

By August 1, 2024, the Respondent repaired or replaced the Cooling Tower exchanger tubes that were identified as potentially leaking and submitted test records demonstrating compliance the VOC hourly MAER for the Cooling Tower, EPN CTOWER.

**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:** Yuliya Dunaway, Enforcement Division, Enforcement Team 2, MC R-13, (210) 403-4077; 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:** American Energy Institute, 2315 Newfield Lane, Austin, Texas 78703

**Respondent:** Bryan Alexander, Operations Manager, Occidental Permian Ltd., P.O. Box 1140, Sundown, Texas 79372-1140

**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>	30-Aug-2022	<b>Screening</b>	12-Sep-2022	<b>EPA Due</b>	
	<b>PCW</b>	4-Nov-2024				

## RESPONDENT/FACILITY INFORMATION

<b>Respondent</b>	Occidental Permian Ltd.
<b>Reg. Ent. Ref. No.</b>	RN100212786
<b>Facility/Site Region</b>	2-Lubbock
<b>Major/Minor Source</b>	Major

## CASE INFORMATION

<b>Enf./Case ID No.</b>	62898	<b>No. of Violations</b>	1
<b>Docket No.</b>	2022-1125-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>	Yuliya Dunaway
		<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>	\$75,000
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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>21.0%</b>	<b>Adjustment</b>	<b>Subtotals 2, 3, &amp; 7</b>	\$15,750
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Notes: Enhancement for one NOV with same/similar violations and one Order containing a denial of liability. Reduction for two notices of intent to conduct an audit and one disclosure of violation.

<b>Culpability</b>	No	<b>0.0%</b>	<b>Enhancement</b>	<b>Subtotal 4</b>	\$0
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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>	-\$7,500
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<b>Economic Benefit</b>	<b>0.0%</b>	<b>Enhancement*</b>	<b>Subtotal 6</b>	\$0
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Total EB Amounts: \$1,749  
Estimated Cost of Compliance: \$10,000  
\*Capped at the Total EB \$ Amount

<b>SUM OF SUBTOTALS 1-7</b>	<b>Final Subtotal</b>	\$83,250
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<b>OTHER FACTORS AS JUSTICE MAY REQUIRE</b>	<b>0.0%</b>	<b>Adjustment</b>	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

<b>Final Penalty Amount</b>	\$83,250
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<b>STATUTORY LIMIT ADJUSTMENT</b>	<b>Final Assessed Penalty</b>	\$83,250
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<b>DEFERRAL</b>	<b>20.0%</b>	<b>Reduction</b>	<b>Adjustment</b>	-\$16,650
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Reduces the Final Assessed Penalty by the indicated percentage.

Notes:

Deferral offered for expedited settlement.

<b>PAYABLE PENALTY</b>	\$66,600
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<b>Screening Date</b>	12-Sep-2022	<b>Docket No.</b>	2022-1125-AIR-E	<b>PCW</b>
<b>Respondent</b>	Occidental Permian Ltd.			<i>Policy Revision 5 (January 28, 2021)</i>
<b>Case ID No.</b>	62898			<i>PCW Revision February 11, 2021</i>
<b>Reg. Ent. Reference No.</b>	RN100212786			
<b>Media</b>	Air			
<b>Enf. Coordinator</b>	Yuliya Dunaway			

### Compliance History Worksheet

#### >> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Number	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action ( <i>number of NOVs meeting criteria</i> )	1	5%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability ( <i>number of orders meeting criteria</i> )	1	20%
	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> )	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)** 21%

#### >> 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 and one Order containing a denial of liability. Reduction for two notices of intent to conduct an audit and one disclosure of violation.

**Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7)** 21%

#### >> Final Compliance History Adjustment

**Final Adjustment Percentage \*capped at 100%** 21%

<b>Screening Date</b> 12-Sep-2022 <b>Respondent</b> Occidental Permian Ltd. <b>Case ID No.</b> 62898 <b>Reg. Ent. Reference No.</b> RN100212786 <b>Media</b> Air <b>Enf. Coordinator</b> Yuliya Dunaway	<b>Docket No.</b> 2022-1125-AIR-E	<b>PCW</b> <i>Policy Revision 5 (January 28, 2021)</i> <i>PCW Revision February 11, 2021</i>																		
<b>Violation Number</b> <span style="border: 1px solid black; padding: 2px;">1</span>																				
<b>Rule Cite(s)</b> 30 Tex. Admin. Code §§ 116.115(b)(2)(F) and (c) and 122.143(4), New Source Review Permit No. 18406, Special Conditions No. 1, Federal Operating Permit No. 02883, General Terms and Conditions and Special Terms and Conditions No. 8, and Tex. Health & Safety Code § 382.085(b)																				
<b>Violation Description</b> <div style="border: 1px solid black; padding: 5px; margin-top: 5px;">         Failed to comply with the maximum allowable emissions rate ("MAER"). Specifically, during the monthly volatile organic compounds ("VOC") emissions monitoring tests conducted in February 2021, March 2021, April 2021, May 2021, June 2021, and January 2022 the Respondent exceeded the VOC MAER of 0.88 pound per hour ("lb/hr") by a range of 0.66 lb/hr to 15.86 lbs/hr for the Cooling Tower, Emissions Point Number ("EPN") CTOWER, resulting in approximately 18,082.56 lbs of unauthorized VOC emissions.       </div>																				
<b>Base Penalty</b>		\$25,000																		
<b>&gt;&gt; Environmental, Property and Human Health Matrix</b>																				
OR	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:20%;">Release</th> <th style="width:20%;">Major</th> <th style="width:20%;">Harm Moderate</th> <th style="width:20%;">Minor</th> </tr> <tr> <td>Actual</td> <td></td> <td style="text-align: center;">x</td> <td></td> </tr> <tr> <td>Potential</td> <td></td> <td></td> <td></td> </tr> </table>	Release	Major	Harm Moderate	Minor	Actual		x		Potential				<b>Percent</b> <span style="border: 1px solid black; padding: 2px;">50.0%</span>						
	Release	Major	Harm Moderate	Minor																
	Actual		x																	
Potential																				
<b>&gt;&gt; Programmatic Matrix</b>																				
	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:20%;">Falsification</th> <th style="width:20%;">Major</th> <th style="width:20%;">Moderate</th> <th style="width:20%;">Minor</th> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </table>	Falsification	Major	Moderate	Minor					<b>Percent</b> <span style="border: 1px solid black; padding: 2px;">0.0%</span>										
Falsification	Major	Moderate	Minor																	
Matrix Notes	Human health or the environment has been exposed to significant amounts of pollutants that do not exceed levels that are protective of human health or environmental receptors as a result of the violation.																			
<b>Adjustment</b>		\$12,500																		
		\$12,500																		
<b>Violation Events</b>																				
Number of Violation Events <span style="border: 1px solid black; padding: 2px;">6</span>		<span style="border: 1px solid black; padding: 2px;">181</span> Number of violation days																		
	<table border="1" style="width:100%; border-collapse: collapse;"> <tr><td>daily</td><td></td></tr> <tr><td>weekly</td><td></td></tr> <tr><td>monthly</td><td style="text-align: center;">x</td></tr> <tr><td>quarterly</td><td></td></tr> <tr><td>semiannual</td><td></td></tr> <tr><td>annual</td><td></td></tr> <tr><td>single event</td><td></td></tr> </table>	daily		weekly		monthly	x	quarterly		semiannual		annual		single event		<b>Violation Base Penalty</b> <span style="border: 1px solid black; padding: 2px;">\$75,000</span>				
daily																				
weekly																				
monthly	x																			
quarterly																				
semiannual																				
annual																				
single event																				
Six monthly events are recommended for the periods of non-compliance from February 1, 2021 through June 30, 2021 and from January 1, 2022 through January 31, 2022.																				
<b>Good Faith Efforts to Comply</b>		<b>Reduction</b> <span style="border: 1px solid black; padding: 2px;">\$7,500</span>																		
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:30%;"></th> <th style="width:20%; text-align: center;">10.0%</th> <th style="width:50%;"></th> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">Before NOE/NOV    NOE/NOV to EDPRP/Settlement Offer</td> </tr> <tr> <td>Extraordinary</td> <td></td> <td></td> </tr> <tr> <td>Ordinary</td> <td></td> <td style="text-align: center;">x</td> </tr> <tr> <td>N/A</td> <td></td> <td></td> </tr> <tr> <td>Notes</td> <td colspan="2" style="border: 1px solid black; padding: 5px;">           The Respondent completed corrective measures by August 1, 2024 after the Notice of Enforcement dated August 24, 2022.         </td> </tr> </table>			10.0%				Before NOE/NOV    NOE/NOV to EDPRP/Settlement Offer	Extraordinary			Ordinary		x	N/A			Notes	The Respondent completed corrective measures by August 1, 2024 after the Notice of Enforcement dated August 24, 2022.		
	10.0%																			
		Before NOE/NOV    NOE/NOV to EDPRP/Settlement Offer																		
Extraordinary																				
Ordinary		x																		
N/A																				
Notes	The Respondent completed corrective measures by August 1, 2024 after the Notice of Enforcement dated August 24, 2022.																			
<b>Violation Subtotal</b>		\$67,500																		
<b>Economic Benefit (EB) for this violation</b>																				
<b>Statutory Limit Test</b>																				
<b>Estimated EB Amount</b>	\$1,749	<b>Violation Final Penalty Total</b> <span style="border: 1px solid black; padding: 2px;">\$83,250</span>																		
<b>This violation Final Assessed Penalty (adjusted for limits)</b>		\$83,250																		

# Economic Benefit Worksheet

**Respondent** Occidental Permian Ltd.  
**Case ID No.** 62898  
**Reg. Ent. Reference No.** RN100212786  
**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)	\$10,000	1-Feb-2021	1-Aug-2024	3.50	\$1,749	n/a	\$1,749
Notes for DELAYED costs Estimated cost to repair or replace the Cooling Tower exchanger tubes that were identified as potentially leaking and submit test records demonstrating compliance the VOC hourly MAER for the Cooling Tower, EPN CTOWER. The Date Required is the first date of non-compliance and the Final Date is the date of compliance.							

## Avoided Costs

### ANNUALIZE avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Notes for AVOIDED costs							

Approx. Cost of Compliance \$10,000

**TOTAL** \$1,749



# Compliance History Report

Compliance History Report for CN600755086, RN100212786, Rating Year 2024 which includes Compliance History (CH) components from September 1, 2019, through August 31, 2024.

**Customer, Respondent, or Owner/Operator:** CN600755086, Occidental Permian Ltd. **Classification:** SATISFACTORY **Rating:** 1.39

**Regulated Entity:** RN100212786, SLAUGHTER GASOLINE PLANT **Classification:** SATISFACTORY **Rating:** 3.60

**Complexity Points:** 7 **Repeat Violator:** NO

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

**Location:** Approximately three miles west of the intersection of Farm-to-Market Road 303 and Farm-to-Market Road 301, Hockley County, Texas

**TCEQ Region:** REGION 02 - LUBBOCK

## ID Number(s):

**AIR OPERATING PERMITS** ACCOUNT NUMBER HP0005E  
**AIR NEW SOURCE PERMITS** PERMIT 18406

**AIR NEW SOURCE PERMITS** PERMIT 6282  
**AIR NEW SOURCE PERMITS** PERMIT 7561  
**AIR NEW SOURCE PERMITS** PERMIT 3633  
**AIR NEW SOURCE PERMITS** REGISTRATION 93626  
**AIR NEW SOURCE PERMITS** AFS NUM 4821900003

**AIR OPERATING PERMITS** PERMIT 2883  
**AIR NEW SOURCE PERMITS** ACCOUNT NUMBER HP0005E  
**AIR NEW SOURCE PERMITS** PERMIT 5974  
**AIR NEW SOURCE PERMITS** PERMIT 3394  
**AIR NEW SOURCE PERMITS** REGISTRATION 47103  
**AIR NEW SOURCE PERMITS** REGISTRATION 111287  
**AIR EMISSIONS INVENTORY** ACCOUNT NUMBER HP0005E

**Compliance History Period:** September 01, 2019 to August 31, 2024 **Rating Year:** 2024 **Rating Date:** 09/01/2024

**Date Compliance History Report Prepared:** November 01, 2024

**Agency Decision Requiring Compliance History:** Enforcement

**Component Period Selected:** November 01, 2019 to November 01, 2024

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

**Name:** Yuliya Dunaway

**Phone:** (210) 403-4077

## 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: 05/28/2024 ADMINORDER 2021-0936-AIR-E (1660 Order-Agreed Order With Denial)
- Classification: Moderate
- Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)  
30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)
- Rqmt Prov: FOP Special Terms and Condition No. 8 PERMIT  
Special Condition 1 PERMIT
- Description: Failure to comply with the maximum allowable emissions rate ("MAER") for EPN: CTOWER. ). Specifically, during the monthly volatile organic compounds ("VOC") emissions monitoring test conducted in January 2020, February 2020, April 2020, May 2020, June 2020, August 2020, September 2020, December 2020, and January 2021, the Respondent exceeded the VOC MAER of 0.88 pound per hour ("lb/hr") by a range from 0.06 lb/hr to 111.62 lbs/hr for the Cooling Tower, Emissions Point Number ("EPN") CTOWER.

**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 17, 2020	(1623301)
Item 2	February 10, 2020	(1624644)
Item 3	February 13, 2020	(1624993)
Item 4	February 19, 2020	(1630963)
Item 5	April 22, 2020	(1638317)
Item 6	April 23, 2020	(1638319)
Item 7	May 20, 2020	(1650894)
Item 8	October 29, 2020	(1679116)
Item 9	January 26, 2021	(1700361)
Item 10	July 22, 2021	(1745788)
Item 11	August 13, 2021	(1745211)
Item 12	October 22, 2021	(1762451)
Item 13	December 20, 2021	(1775293)
Item 14	June 03, 2022	(1790355)
Item 15	February 27, 2023	(1840551)
Item 16	May 31, 2023	(1898290)
Item 17	December 20, 2023	(1917234)
Item 18	August 12, 2024	(2000766)

**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:	07/19/2024	(1995414)		
	Self Report?	NO		Classification:	Moderate
	Citation:	30 TAC Chapter 116, SubChapter F 116.615(2) 30 TAC Chapter 122, SubChapter B 122.143(3) 5C THSC Chapter 382 382.085(b) ST&C 8 OP			
	Description:	Failure to operate as represented.			
	Self Report?	NO		Classification:	Moderate
	Citation:	30 TAC Chapter 116, SubChapter B 116.115(c) 30 TAC Chapter 122, SubChapter B 122.143(3) 5C THSC Chapter 382 382.085(b) SC 10(I) PERMIT ST&C 8 OP			
	Description:	Failure to complete repair of leaking components within 15 days of discovery			

**F. Environmental audits:**

Notice of Intent Date: 03/31/2021 (1797448)

Disclosure Date: 02/28/2022

Viol. Moderate

Classification:

Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(3)(ii)

Description: Failed to meet the minimum heating value requirement for the air-assisted flare at the facility.

Viol. Moderate

Classification:

Citation: 40 CFR Chapter 60, SubChapter C, PT 60, SubPT OOOO 60.5422(a)

40 CFR Chapter 60, SubChapter C, PT 60, SubPT OOOO 60.5422(c)

40 CFR Chapter 60, SubChapter C, PT 60, SubPT JJJ 60.636(a)

40 CFR Chapter 60, SubChapter C, PT 60, SubPT KKK 60.636(c)

Description: Failed to submit the semiannual NSPS KKK and OOOO reports for the periods of 4/1/21-9/30/21 and 11/1/20-10/30/21, respectively, within 30 days from the end of reporting period.

Viol. Moderate

Classification:

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)



40 CFR Chapter 60, SubChapter C, PT 60, SubPT OOOO 60.5400

40 CFR Chapter 60, SubChapter C, PT 60, SubPT KKK 60.632(a)

Rqmt Prov: PERMIT SC 10

Description: Failed to monitor applicable fugitive piping components related to 28 VHP (11/9/21), in accordance to requirements in NSPS KKKK (1/21/1984), and in accordance with NSPS OOOO (8/24/11).

Viol. Moderate

Classification:

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

40 CFR Chapter 60, SubChapter C, PT 60, SubPT OOOO 60.5421(a)

40 CFR Chapter 60, SubChapter C, PT 60, SubPT KKK 60.635(a)

Rqmt Prov: PERMIT SC 10.A

Description: Failed to maintain records of equipment that is excluded from monitoring requirements under NSR Permit No. 18406, SC 10; a number of necessary records in 40 CFR Part 60, Subpart KKK including records of components designated for no detectable emissions, UTM, or DTM; and records according to 40 CFR part 60, Subpart OOOO including components that are designated for no detectable emissions, UTM, or DTM.

Notice of Intent Date: 11/09/2021 (1819546)

No DOV Associated

**G. Type of environmental management systems (EMSs):**

N/A

**H. Voluntary on-site compliance assessment dates:**

N/A

**I. Participation in a voluntary pollution reduction program:**

N/A

**J. Early compliance:**

N/A

**Sites Outside of Texas:**

N/A

# TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
OCCIDENTAL PERMIAN LTD.  
RN100212786

§ BEFORE THE  
§  
§ TEXAS COMMISSION ON  
§  
§ ENVIRONMENTAL QUALITY

## AGREED ORDER DOCKET NO. 2022-1125-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 natural gas separation and storage facility located approximately three miles west of the intersection of Farm-to-Market Road 303 and Farm-to-Market Road 301, Hockley County, Texas (the "Plant"). The Plant consists or consisted of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
2. The Executive Director and the Respondent agree that the TCEQ has jurisdiction to enter this Order pursuant to TEX. WATER CODE §§ 7.002, 7.051, and 7.073, and that the Respondent is subject to TCEQ's jurisdiction. The TCEQ has jurisdiction in this matter pursuant to TEX. WATER CODE § 5.013 because it alleges violations of TEX. HEALTH & SAFETY CODE ch. 382 and the rules of the TCEQ.
3. The occurrence of any violation is in dispute and the entry of this Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
4. An administrative penalty in the amount of \$83,250 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent paid \$33,300 of the penalty and \$16,650 is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Order. The deferred amount shall be waived only upon full compliance with all the terms and conditions contained in this Order. If the Respondent fails to timely and satisfactorily comply with any of the terms or requirements contained in this Order, the Executive Director may demand payment of all or part of the deferred penalty amount.

Pursuant to TEX. WATER CODE § 7.067, \$33,300 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 by August 1, 2024, the Respondent repaired or replaced the Cooling Tower exchanger tubes that were identified as potentially leaking and submitted test records demonstrating compliance the volatile organic compounds ("VOC") hourly maximum allowable emissions rate ("MAER") for the Cooling Tower, Emissions Point Number ("EPN") CTOWER.

## **II. ALLEGATIONS**

During an investigation at the Plant conducted on July 20, 2022, an investigator documented that the Respondent failed to comply with the MAER, in violation of 30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and (c) and 122.143(4), New Source Review Permit No. 18406, Special Conditions No. 1, Federal Operating Permit No. 02883, General Terms and Conditions and Special Terms and Conditions No. 8, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, during the monthly VOC emissions monitoring tests conducted in February 2021, March 2021, April 2021, May 2021, June 2021, and January 2022 the Respondent exceeded the VOC MAER of 0.88 pound per hour ("lb/hr") by a range of 0.66 lb/hr to 15.86 lbs/hr for the Cooling Tower, EPN CTOWER, resulting in approximately 18,082.56 lbs of unauthorized VOC 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. 2022-1125-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 \$33,300 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. 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.
6. 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.
7. 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.

8. 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**

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For the Commission

-----  
Date

*Krista Mello-Jurack*  
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For the Executive Director

09/20/2025  
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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.

*Bryan Alexander*  
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Signature

07-07-2025  
-----  
Date

*Bryan ALEXANDER*  
-----  
Name (Printed or typed)  
Authorized Representative of  
Occidental Permian Ltd.

*OPERATIONS MANAGER*  
-----  
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: 2022-1125-AIR-E**  
**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

<b>Respondent:</b>	<b>Occidental Permian Ltd.</b>
<b>Payable Penalty Amount:</b>	<b>\$66,600</b>
<b>SEP Offset Amount:</b>	<b>\$33,300</b>
<b>Type of SEP:</b>	<b>Contribution to a Third-Party Administrator SEP</b>
<b>Third-Party Administrator:</b>	<b>American Energy Institute</b>
<b>Project Name:</b>	<b><i>High Emission Vehicle Replacement Project</i></b>
<b>Location of SEP:</b>	<b>TCEQ Air Quality Control Region 211 - Amarillo-Lubbock - Preference for Hockley 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 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 for the *High Emission Vehicle Replacement Project* (the “Project”). The contribution will be used in accordance with the Supplemental Environmental Project between the Third-Party Administrator and the TCEQ, which details the terms and conditions of the Project.

Specifically, the SEP Offset Amount will be used to reimburse an eligible public entity for the total purchase price or five-year lease price of a standard base model alternative-fueled vehicle that will replace an eligible older, diesel-fueled vehicle that the public entity has decommissioned and removed from its fleet. Public entities eligible to receive assistance include state agencies, counties, municipalities, school districts, or other political subdivisions created under the constitution or any statute of this state.

Old, diesel-fueled vehicles emit large amounts of nitrogen oxides (“NOx”) and particulate matter (“PM”), as well as other harmful pollutants such as volatile organic compounds (“VOCs”) and carbon monoxide (“CO”). These pollutants contribute to serious public health problems. This Project shall reduce NOx, PM, VOCs, and CO emissions by replacing high-emission, diesel-fueled vehicles with low-emission, alternative-fueled vehicles. 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 implementing 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. The Respondent shall not profit from this SEP.

b. Environmental Benefit

This Project will directly benefit air quality by reducing harmful exhaust emissions that contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma. For example, replacing a model year 2002 heavy-duty diesel dump truck with a model year 2010 or newer dump truck powered by natural gas or propane may reduce passengers' exposure to NO<sub>x</sub> by 95% and PM by 99.9%. Moreover, replacing a model year 1989 diesel school bus with a model year 2010 or newer school bus powered by natural gas or propane may reduce passengers' exposure to NO<sub>x</sub> by 98%, VOCs by 83%; and PM by 99%.

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 Natural Gas Foundation SEP** and shall mail the contribution with a copy of the Agreed Order to:

American Energy Institute  
Attention: Heather Ball, Grant Coordinator  
2315 Newfield Lane  
Austin, Texas 78703

**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 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. 2022-1125-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 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.