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December 1, 2014

Via Hand-Delivery

Regional Hearing Clerk (6RC-D)
U.S. Environmental Protection Agency
Region 6, 1445 Ross Avenue, Suite 1200
Dallas, Texas 75202-2733

**Re: In the Matter of CITGO Refining and Chemicals Company, LP
EPA Docket Number CAA-06-2014-3304**

Dear Sir/Madam:

Enclosed please find for filing an original and two (2) copies of Respondent's Answer to Amended Complaint and Request for Hearing in the above-referenced matter. Please return a file-stamped copy to the undersigned in the enclosed self-addressed and stamped envelope. Thank you for your assistance.

Sincerely,



Jean M. Flores

Cc: Brian Tomasovic, Esq. (*via hand-delivery*)
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December 1, 2014
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43242-v1

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 6
BEFORE THE ADMINISTRATOR

FILED
2014 DEC -2 PM 4:16
RECORDS & HEARING CLERK
EPA REGION VI

IN THE MATTER OF:	§	EPA DOCKET NO.
	§	CAA-06-2014-3304
CITGO Refining and Chemicals Company L.P.	§	
	§	
CITGO East Plant Refinery Corpus Christi, Nueces County, State of Texas	§	ANSWER TO AMENDED COMPLAINT AND REQUEST FOR A HEARING
	§	
RESPONDENT	§	
	§	
	§	

ANSWER TO AMENDED COMPLAINT

COMES NOW CITGO Refining and Chemicals Company, LP ("CITGO") and files this Answer to Amended Complaint and Request for Hearing in the above-styled matter.¹

The introductory paragraph of the Complaint contains allegations about: (i) the authority under which the Complaint is issued; (ii) the legal authority of the Administrator of the U.S. Environmental Protection Agency ("EPA" or "Complainant") to issue complaints and compliance orders; (iii) delegation of such authority; and (iv) identification of the Complainant and applicable procedural rules. Such allegations constitute conclusions of law which CITGO is not required to admit or deny. Further, CITGO is without knowledge or information sufficient to form a belief as to the truth of the allegations regarding the delegation of authority referenced in

¹ Note that no facility that is the subject of this Complaint is referred to as "CITGO East Plant Refinery" and CITGO is not aware of any legal entity in business with that name.

this the introductory paragraph, and therefore cannot admit same. To the extent any allegation in the introductory paragraph of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

The headings specifically recited in the following paragraphs reflect the headings contained in the Complaint and do not constitute CITGO's agreement with the substance or accuracy of such headings.

NATURE OF ACTION

1. Paragraph 1 of the Complaint contains allegations about the authority under which the Complaint is issued. Such allegations constitute conclusions of law which CITGO is not required to admit or deny. Further, CITGO is without knowledge or information sufficient to form a belief as to the truth of the allegations regarding the authority under which the Complaint is issued, conclusions about the regulatory status of certain materials, and the legality of the management thereof and therefore cannot admit same. To the extent any allegation in paragraph 1 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

2. Paragraph 2 of the Complaint contains allegations regarding the physical location at which EPA alleges certain violations occurred. CITGO's refinery in Corpus Christi, Texas is referred to as the Corpus Christi East Plant ("East Plant") and the Corpus Christi West Plant. To avoid the necessity of denying every allegation in the Complaint that refers to "CITGO's East Plant Refinery," a name that CITGO assumes is being used by EPA as shorthand for CITGO's Corpus Christi East Plant, CITGO will deem such allegations and references to the "Facility" to

be references to the Corpus Christi East Plant and will refer to same as the Facility. All other allegations in paragraph 2 of the Complaint are denied and CITGO demands strict proof thereof.

3. Paragraph 3 of the Complaint purports to summarize Complainant's own listing of "regulated substances" under the RMP regulations. The RMP regulations speak for themselves; such allegations constitute conclusions of law which CITGO is not required to admit or deny. Paragraph 3 further contains unsupported statements concerning physical properties of hydrogen fluoride ("HF") and health effects of HF and, for that reason, CITGO denies such statements. Finally, to the extent any allegation in paragraph 3 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

4. CITGO denies the allegation in paragraph 4 of the Complaint that it "uses" 250,000 lbs of HF, and avers that it has equipment with storage capacity to store approximately 250,000 lbs of HF at the Facility but employs administrative limitations to minimize the volume of HF present on site. The maximum intended inventory is 220,000 lbs. CITGO neither admits or denies the remaining allegations of Paragraph 4 and avers that the CITGO Risk Management Plan submittals speak for themselves, being documents required to be compiled and submitted using specifications and assumptions imposed by the EPA.

5. CITGO admits the allegations in paragraph 5 of the Complaint.

6. CITGO denies the allegations in paragraph 6 of the Complaint and demands strict proof thereof.

7. CITGO admits that on March 10, 2012 a small amount of HF was released during the course of maintenance work involving reinstallation of a control valve, and the small release activated the water canon mitigation system. CITGO admits that on March 11, 2012 during the

course of maintenance work involving removal of a blind flange, a small amount of HF was released and activated the water canon mitigation system. To the extent any allegation in paragraph 7 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

8. CITGO admits the allegations in paragraph 8 of the Complaint.

9. CITGO admits that on May 15, 2012, HF was released from two bleeder valves while operators were introducing HF from the storage tank into the unit, but denies that such release was 330 lbs; the amount of the HF release on May 15, 2012 was 53 lbs. CITGO admits that the HF vapor water mitigation system activated as a result of the release. CITGO admits that this HF release resulted in HF detections beyond the unit boundaries within the perimeter of the facility.

10. Paragraph 10 of the Complaint purports to contain a recitation of events and motivations of the United States Chemical Safety and Hazard Investigation Board of which CITGO has no independent knowledge and CITGO, therefore, denies same and demands strict proof thereof.

11. CITGO admits the allegations in paragraph 11 of the Complaint.

STATUTORY AND REGULATORY BACKGROUND

12. Paragraph 12 of the Complaint purports to quote and interpret portions of the CAA. The CAA speaks for itself; such allegations constitute conclusions of law which CITGO is not required to admit or deny. To the extent any allegation in paragraph 12 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

13. Paragraph 13 of the Complaint purports to quote and interpret portions of the CAA. The CAA speaks for itself; such allegations constitute conclusions of law which CITGO is not required to admit or deny. To the extent any allegation in paragraph 13 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

14. Paragraph 14 of the Complaint purports to quote portions of the CAA. The CAA speaks for itself; such allegations constitute conclusions of law which CITGO is not required to admit or deny. To the extent any allegation in paragraph 14 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

15. Paragraph 15 of the Complaint contains a statement concerning promulgation of EPA regulations which CITGO is not required to admit or deny. To the extent any allegation in paragraph 15 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

16. Paragraph 16 of the Complaint purports to summarize Complainant's own regulations. The regulations speak for themselves; such allegations constitute conclusions of law which CITGO is not required to admit or deny. To the extent any allegation in paragraph 16 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

17. Paragraph 17 of the Complaint purports to summarize Complainant's own regulations. The regulations speak for themselves; such allegations constitute conclusions of law which CITGO is not required to admit or deny. To the extent any allegation in paragraph 17 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

18. Paragraph 18 of the Complaint purports to summarize Complainant's own regulations. The regulations speak for themselves; such allegations constitute conclusions of law

which CITGO is not required to admit or deny. To the extent any allegation in paragraph 18 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

19. Paragraph 19 of the Complaint purports to summarize Complainant's own regulations. The regulations speak for themselves; such allegations constitute conclusions of law which CITGO is not required to admit or deny. To the extent any allegation in paragraph 19 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

20. Paragraph 20 of the Complaint purports to summarize portions of the CAA. The CAA speaks for itself; such allegations constitute conclusions of law which CITGO is not required to admit or deny. To the extent any allegation in paragraph 20 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

21. Paragraph 21 of the Complaint contains allegations about EPA's authority. Such allegations constitute conclusions of law which CITGO is not required to admit or deny. Further, CITGO is without knowledge or information sufficient to form a belief as to the truth of such allegations and therefore cannot admit same. Finally, to the extent any allegation in paragraph 21 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

22. Paragraph 22 of the Complaint contains allegations about EPA's authority. Such allegations constitute conclusions of law which CITGO is not required to admit or deny. Further, CITGO is without knowledge or information sufficient to form a belief as to the truth of such allegations and therefore cannot admit same. Finally, to the extent any allegation in paragraph 22 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

23. CITGO is without knowledge or information sufficient to form a belief as to the truth of allegations in paragraph 23 of the Complaint and therefore cannot admit same. More specifically, CITGO has no independent knowledge of any communications between Complainant and the U.S. Department of Justice. Finally, to the extent any allegation in paragraph 23 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

PRELIMINARY ALLEGATIONS

24. Paragraph 24 of the Complaint contains legal conclusions and CITGO is not required to admit or deny the contents thereof. Accordingly, CITGO denies all the allegations of paragraph 24 of the Complaint and demands strict proof thereof.

25. Paragraph 25 of the Complaint contains allegations regarding EPA's jurisdiction over this matter. Such allegations constitute conclusions of law which CITGO is not required to admit or deny. Further, CITGO is without knowledge or information sufficient to form a belief as to the truth of such allegations and therefore cannot admit same. Finally, to the extent any allegation in paragraph 25 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

26. CITGO admits the allegations in paragraph 26 of the Complaint.

27. Paragraph 27 of the Complaint purports to quote portions of the CAA. The CAA speaks for itself; such allegations constitute legal conclusions which CITGO is not required to admit or deny. To the extent any allegation in paragraph 27 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

28. Paragraph 28 of the Complaint contains allegations which are legal conclusions and CITGO is not required to admit or deny the contents thereof and therefore denies all the allegations of paragraph 28 of the Complaint. Accordingly, CITGO denies each and every allegation in paragraph 28 and demands strict proof thereof.

29. Paragraph 29 of the Complaint purports to quote portions of the CAA. The CAA speaks for itself; such allegations constitute conclusions of law which CITGO is not required to admit or deny. To the extent any allegation in paragraph 29 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

30. Paragraph 30 of the Complaint purports to quote portions of the CAA. The CAA speaks for itself; such allegations constitute conclusions of law which CITGO is not required to admit or deny. To the extent any allegation in paragraph 30 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

31. Paragraph 31 of the Complaint purports to quote and summarize portions of Complainant's own regulations. The regulations speak for themselves; such allegations constitute conclusions of law which CITGO is not required to admit or deny. To the extent any allegation in paragraph 31 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

FACTUAL BASIS OF VIOLATIONS

32. CITGO denies the allegations of paragraph 32 of the Complaint to the extent it is vague and ambiguous in its use of the undefined term "[a]t all time relevant to this complaint." CITGO admits that it currently owns and operates a petroleum refining facility located at 1801 Nueces Bay Blvd. in Corpus Christi, Texas, a portion of which is referred to as the Corpus

Christi East Plant (and such portion previously defined in this Answer as the “Facility”). To the extent any allegation in paragraph 32 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

33. Paragraph 33 of the Complaint purports to quote portions of the CAA. The CAA speaks for itself; such allegations constitute conclusions of law which CITGO is not required to admit or deny. To the extent any allegation in paragraph 33 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

34. CITGO admits that the Facility currently has a throughput of approximately 165,000 barrels of crude oil per day.

35. CITGO denies the allegations of paragraph 35 of the Complaint to the extent it is vague and ambiguous in its use of the undefined term “[a]t all time relevant to this complaint.” CITGO admits that the processes listed in paragraph 35 subparagraphs a through p of the Complaint are located at the Facility.

36. CITGO denies the allegations of paragraph 36 of the Complaint to the extent it is vague and ambiguous in its use of the undefined term “[a]t all time relevant to this complaint.” Additionally, paragraph 36 of the Complaint contains conclusions of law and CITGO is not required to admit or deny the contents thereof. Accordingly, CITGO denies each and every allegation in paragraph 36 of the Complaint and demands strict proof thereof.

37. Paragraph 37 of the Complaint purports to summarize portions of Complainant’s own regulations. The regulations speak for themselves; such allegations constitute conclusions of law which CITGO is not required to admit or deny. To the extent any allegation in paragraph

37 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

38. CITGO denies the allegations of paragraph 38 of the Complaint to the extent it is vague and ambiguous in its use of the undefined term “[a]t all time relevant to this complaint.” Additionally, paragraph 38 of the Complaint contains conclusions of law and CITGO is not required to admit or deny the contents thereof. Accordingly, CITGO denies each and every allegation in paragraph 38 of the Complaint and demands strict proof thereof.

39. Paragraph 39 of the Complaint purports to summarize portions of Complainant’s own regulations. The regulations speak for themselves; such allegations constitute conclusions of law which CITGO is not required to admit or deny. To the extent any allegation in paragraph 39 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

40. CITGO denies the allegations of paragraph 40 of the Complaint to the extent it is vague and ambiguous in its use of the undefined term “[a]t all time relevant to this complaint.” Additionally, paragraph 40 of the Complaint contains conclusions of law and CITGO is not required to admit or deny the contents thereof. Accordingly, CITGO denies each and every allegation in paragraph 40 of the Complaint and demands strict proof thereof.

41. CITGO denies the allegations of paragraph 41 of the Complaint to the extent it is vague and ambiguous in its use of the undefined term “[a]t all time relevant to this complaint.” Additionally, paragraph 41 of the Complaint contains conclusions of law and CITGO is not required to admit or deny the contents thereof. Accordingly, CITGO denies each and every allegation in paragraph 41 of the Complaint and demands strict proof thereof.

42. Paragraph 42 of the Complaint purports to summarize portions of Complainant's own regulations. The regulations speak for themselves; such allegations constitute conclusions of law which CITGO is not required to admit or deny. To the extent any allegation in paragraph 42 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

43. Paragraph 43 of the Complaint purports to summarize portions of Complainant's own regulations. The regulations speak for themselves; such allegations constitute conclusions of law which CITGO is not required to admit or deny. To the extent any allegation in paragraph 43 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

44. Paragraph 44 of the Complaint purports to summarize portions of Complainant's own regulations. The regulations speak for themselves; such allegations constitute conclusions of law which CITGO is not required to admit or deny. To the extent any allegation in paragraph 44 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

45. CITGO denies the allegations of paragraph 45 of the Complaint to the extent it is vague and ambiguous in its use of the undefined term "[a]t all time relevant to this complaint." Additionally, paragraph 45 of the Complaint contains conclusions of law and CITGO is not required to admit or deny the contents thereof. Accordingly, CITGO denies each and every allegation in paragraph 45 of the Complaint and demands strict proof thereof.

46. Paragraph 46 of the Complaint purports to summarize portions of Complainant's own regulations. The regulations speak for themselves; such allegations constitute conclusions

of law which CITGO is not required to admit or deny. To the extent any allegation in paragraph 46 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

47. CITGO denies the allegations of paragraph 47 of the Complaint to the extent it is vague and ambiguous in its use of the undefined term “[a]t all time relevant to this complaint.” Additionally, paragraph 47 of the Complaint contains conclusions of law and CITGO is not required to admit or deny the contents thereof. Accordingly, CITGO denies each and every allegation in paragraph 47 of the Complaint and demands strict proof thereof.

48. CITGO denies the allegations of paragraph 48 of the Complaint to the extent it is vague and ambiguous in its use of the undefined term “[a]t all time relevant to this complaint.” Additionally, paragraph 48 of the Complaint contains conclusions of law and CITGO is not required to admit or deny the contents thereof. Accordingly, CITGO denies each and every allegation in paragraph 48 of the Complaint and demands strict proof thereof.

49. Paragraph 49 of the Complaint purports to summarize portions of Complainant’s own regulations. The regulations speak for themselves; such allegations constitute conclusions of law which CITGO is not required to admit or deny. To the extent any allegation in paragraph 49 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

50. CITGO denies the allegations of paragraph 50 of the Complaint to the extent it is vague and ambiguous in its use of the undefined term “[a]t all time relevant to this complaint.” Additionally, paragraph 50 of the Complaint contains conclusions of law and CITGO is not

required to admit or deny the contents thereof. Accordingly, CITGO denies each and every allegation in paragraph 50 of the Complaint and demands strict proof thereof.

51. Paragraph 51 of the Complaint purports to summarize portions of Complainant's own regulations. The regulations speak for themselves; such allegations constitute conclusions of law which CITGO is not required to admit or deny. To the extent any allegation in paragraph 51 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

52. CITGO objects to the allegations of paragraph 52 of the Complaint to the extent it is vague and ambiguous in its use of the undefined term "[a]t all time relevant to this complaint." Additionally, paragraph 52 of the Complaint contains conclusions of law and CITGO is not required to admit or deny the contents thereof. Without waiving these objections, CITGO admits that it has regulated substances, as defined in 40 C.F.R. Part 68, in excess of the EPA-established threshold quantities in the processes identified in paragraph 52, subparagraphs A through K of the Complaint.

53. Paragraph 53 of the Complaint contains conclusions of law and CITGO is not required to admit or deny the contents thereof. Accordingly, CITGO denies each and every allegation in paragraph 53 of the Complaint and demands strict proof thereof.

54. CITGO denies the allegations of paragraph 54 of the Complaint to the extent it is vague and ambiguous in its use of the undefined term "[a]t all time relevant to this complaint." Additionally, paragraph 54 of the Complaint contains conclusions of law and CITGO is not required to admit or deny the contents thereof. Accordingly, CITGO denies each and every allegation in paragraph 54 of the Complaint and demands strict proof thereof.

55. CITGO denies the allegations of paragraph 55 of the Complaint and demands strict proof thereof.

56. CITGO admits the allegations of paragraph 56 of the Complaint.

57. CITGO admits that on May 19, 2011 representatives of Valiant torqued the 16 bolts on the Inlet Flange Set.

58. CITGO admits that on September 7, 2011 an inspection of the Inlet Flange Set revealed no leaks.

59. CITGO denies that on September 8, 2011 the Inlet Flange Set was leaking. CITGO admits that on September 8, 2011 a work order was prepared to make appropriate repairs to the Inlet Flange. CITGO denies the remaining allegations of paragraph 59 of the Complaint and demands strict proof thereof.

60. CITGO admits the allegations in paragraph 60 of the Complaint.

61. CITGO admits the allegations in paragraph 61 of the Complaint.

62. CITGO denies the allegations in paragraph 62 of the Complaint and demands strict proof thereof.

63. CITGO admits the allegations in paragraph 63 of the Complaint.

64. CITGO admits the allegations in paragraph 64 of the Complaint.

65. CITGO admits the allegations in paragraph 65 of the Complaint.

66. CITGO admits the allegations in paragraph 66 of the Complaint.

67. CITGO admits the allegations in paragraph 67 of the Complaint.

68. CITGO admits the allegations in paragraph 68 of the Complaint.

69. CITGO admits the allegations in paragraph 69 of the Complaint.

70. CITGO admits the allegations in paragraph 70 of the Complaint.

71. CITGO admits that on March 10, 2012 a small amount of HF was released. CITGO denies the remaining allegations in paragraph 71 of the Complaint and demands strict proof thereof.

72. CITGO admits the allegations in paragraph 72 of the Complaint.

73. CITGO admits that on March 11, 2012 a small amount of HF was released. CITGO denies the remaining allegations in paragraph 73 of the Complaint and demands strict proof thereof.

74. CITGO admits the allegations in paragraph 74 of the Complaint.

75. CITGO admits that on May 15, 2012, CITGO reported that HF was released from two bleeder valves while operators were introducing HF from the storage tank into the unit, and that the initial estimated amount of the release was 330 lbs; however, the amount of the HF release was 53 lbs.

76. CITGO admits that the EPA conducted an unannounced inspection of the CITGO Corpus Christi East Plant from June 11-15, 2012.

77. CITGO has no independent knowledge of EPA's observations during the inspection and, therefore, denies the allegations in paragraph 77 of the Complaint and demands strict proof thereof.

78. CITGO has no independent knowledge of EPA's observations during the inspection and, therefore, denies the allegations in paragraph 78 of the Complaint and demands strict proof thereof.

79. CITGO has no independent knowledge of EPA's observations during the inspection and, therefore, denies the allegations in paragraph 79 of the Complaint and demands strict proof thereof.

VIOLATIONS

Count I. Violation of 40 C.F.R. § 68.65(d)(1)(ii)

80. CITGO hereby restates and incorporates by references its Answers to paragraphs 1 through 79 of the Complaint above.

81. Paragraph 81 of the Complaint purports to summarize portions of Complainant's own regulations. The regulations speak for themselves; such allegations constitute conclusions of law which CITGO is not required to admit or deny. To the extent any allegation in paragraph 81 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

82. If the reference in paragraph 82 of the Complaint to a "Risk Management Plan inspection" is intended to be a reference to a Risk Management Program inspection, and the reference to the CITGO Refinery East (a term undefined in the Complaint) is intended to be a reference to the Facility (as previously defined), CITGO admits that EPA conducted a Risk Management Program inspection at the Facility" from June 11 through June 15, 2012. However, CITGO has no independent knowledge of the substance of EPA's P&ID "field verification." Consequently, CITGO is without knowledge or information sufficient to form a belief as to the truth of any allegations relating to field verification of equipment and instruments and therefore cannot admit same. Finally, to the extent any allegation in paragraph 82 is not admitted, it is denied and CITGO demands strict proof thereof.

83. CITGO admits the allegations in paragraph 83 of the Complaint.

84. CITGO admits the allegations in paragraph 84 of the Complaint.

85. CITGO admits the allegations in paragraph 85 of the Complaint.

86. CITGO denies each and every allegation in paragraph 86 of the Complaint and demands strict proof thereof.

Count 2. Violation of 40 C.F.R. § 68.67(f)

87. CITGO hereby restates and incorporates by references its Answers to paragraphs 1 through 86 of the Complaint above.

88. Paragraph 88 of the Complaint purports to summarize portions of Complainant's own regulations. The regulations speak for themselves; such allegations constitute conclusions of law which CITGO is not required to admit or deny. To the extent any allegation in paragraph 88 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

89. CITGO admits the allegations in paragraph 89 of the Complaint.

90. CITGO denies the allegations in paragraph 90 of the Complaint and demands strict proof thereof

91. CITGO denies the allegations in paragraph 91 of the Complaint and demands strict proof thereof.

92. The allegations in paragraph 92 of the Complaint constitute conclusions of law which CITGO is not required to admit or deny. To the extent any allegation in paragraph 92 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

93. Paragraph 93 of the Complaint contains conclusions of law and CITGO is not required to admit or deny the contents thereof. Accordingly, CITGO denies each and every allegation in paragraph 93 of the Complaint and demands strict proof thereof.

Count 3. Violation of 40 C.F.R. § 68.69(a)

94. CITGO hereby restates and incorporates by references its Answers to paragraphs 1 through 93 of the Complaint above.

95. Paragraph 95 of the Complaint purports to summarize portions of Complainant's own regulations. The regulations speak for themselves; such allegations constitute conclusions of law which CITGO is not required to admit or deny. To the extent any allegation in paragraph 95 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

96. CITGO admits the allegations in paragraph 96 of the Complaint.

97. CITGO admits the allegations in paragraph 97 of the Complaint.

98. CITGO denies the allegations in paragraph 98 of the Complaint and demands strict proof thereof.

99. CITGO denies the allegations in paragraph 99 of the Complaint.

100. Paragraph 100 of the Complaint contains conclusions of law and CITGO is not required to admit or deny the contents thereof. Accordingly, CITGO denies each and every allegation in paragraph 100 of the Complaint and demands strict proof thereof.

Count 4. Violation of 40 C.F.R. § 68.69(c)

101. CITGO hereby restates and incorporates by references its Answers to paragraphs 1 through 100 of the Complaint above.

102. Paragraph 102 of the Complaint purports to summarize portions of Complainant's own regulations. The regulations speak for themselves; such allegations constitute conclusions of law which CITGO is not required to admit or deny. To the extent any allegation in paragraph 102 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

103. If the reference in paragraph 103 of the Complaint to a "Risk Management Plan inspection" is intended to be a reference to a Risk Management Program inspection, CITGO admits that during the Risk Management Program inspection conducted by EPA June 11, through June 15 2012, EPA requested that CITGO provide certified operating procedures for all covered processes. To the extent any allegation in paragraph 103 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

104. Paragraph 104 of the Complaint contains conclusions of law and CITGO is not required to admit or deny the contents thereof. Accordingly, CITGO denies each and every allegation in paragraph 104 of the Complaint and demands strict proof thereof.

Count 5. Violation of 40 C.F.R. § 68.69(h)

105. CITGO hereby restates and incorporates by references its Answers to paragraphs 1 through 104 of the Complaint above.

106. Paragraph 106 of the Complaint purports to summarize portions of Complainant's own regulations. The regulations speak for themselves; such allegations constitute conclusions

of law which CITGO is not required to admit or deny. To the extent any allegation in paragraph 106 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

107. Paragraph 107 of the Complaint purports to summarize portions of API Recommended Practice 751. Such document speaks for itself; such allegations constitute conclusions of law which CITGO is not required to admit or deny. To the extent any allegation in paragraph 107 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

108. Paragraph 108 of the Complaint contains EPA's internal judgment that a CITGO sampling process is "complex," and that the sampling process requires valve "manipulations." CITGO is not required to admit or deny such judgments. To the extent any allegation in paragraph 108 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

109. CITGO denies the allegations in paragraph 109 of the Complaint.

110. CITGO admits allegations in paragraph 110 of the Complaint.

111. Paragraph 111 of the Complaint contains conclusions of law and CITGO is not required to admit or deny the contents thereof. Accordingly, CITGO denies each and every allegation in paragraph 111 of the Complaint and demands strict proof thereof.

Count 6. Violation of 40 C.F.R. § 68.71(a)

112. CITGO hereby restates and incorporates by references its Answers to paragraphs 1 through 111 of the Complaint above.

113. Paragraph 113 of the Complaint purports to summarize portions of Complainant's own regulations. The regulations speak for themselves; such allegations constitute conclusions of law which CITGO is not required to admit or deny. To the extent any allegation in paragraph 113 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

114. CITGO admits the allegations of paragraph 114.

115. Paragraph 115 of the Complaint contains conclusions of law and CITGO is not required to admit or deny the contents thereof. Accordingly, CITGO denies each and every allegation in paragraph 115 of the Complaint and demands strict proof thereof.

Count 7. Violation of 40 C.F.R. § 68.73(a)

116. CITGO hereby restates and incorporates by references its Answers to paragraphs 1 through 115 of the Complaint above.

117. Paragraph 117 of the Complaint purports to summarize portions of Complainant's own regulations. The regulations speak for themselves; such allegations constitute conclusions of law which CITGO is not required to admit or deny. To the extent any allegation in paragraph 117 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

118. If the reference in paragraph 118 of the Complaint to an "inspection" is intended to be a reference to the Risk Management Program inspection conducted by EPA June 11, through June 15 2012, CITGO admits that during the inspection EPA asked representatives at the Facility for inspection and test records relating to the Alkylation/Mole Sieve Process unit. To the

extent any allegation in paragraph 118 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

119. Paragraph 119 of the Complaint contains conclusions of law and CITGO is not required to admit or deny the contents thereof. Accordingly, CITGO denies each and every allegation in paragraph 119 of the Complaint and demands strict proof thereof.

120. CITGO admits that Equipment ID Number 83HV09 was listed as a “safeguard” in the September 2011 PHA Revalidation. The remainder of paragraph 120 of the Complaint contains conclusions of law which CITGO denies and demands strict proof thereof.

121. CITGO denies the allegations in paragraph 121 of the Complaint and demands strict proof thereof.

122. Paragraph 122 of the Complaint contains conclusions of law and CITGO is not required to admit or deny the contents thereof. Accordingly, CITGO denies each and every allegation in paragraph 122 of the Complaint and demands strict proof thereof.

123. CITGO admits that Equipment ID Number PI-1013/1012 on 083P008A was listed as a “safeguard” in the September 2011 PHA Revalidation. The remainder of paragraph 123 of the Complaint contains conclusions of law which CITGO denies and demands strict proof thereof.

124. CITGO denies the allegations in paragraph 124 of the Complaint and demands strict proof thereof.

125. Paragraph 125 of the Complaint contains conclusions of law and CITGO is not required to admit or deny the contents thereof. Accordingly, CITGO denies each and every allegation in paragraph 125 of the Complaint and demands strict proof thereof.

126. CITGO denies the allegations in paragraph 126 of the Complaint and demands strict proof thereof.

127. CITGO denies the allegations in paragraph 127 of the Complaint and demands strict proof thereof.

128. Paragraph 128 of the Complaint contains conclusions of law and CITGO is not required to admit or deny the contents thereof. Accordingly, CITGO denies each and every allegation in paragraph 128 of the Complaint and demands strict proof thereof.

129. CITGO admits that Equipment ID Number PI-950 was listed as a "safeguard" in the September 2011 PHA Revalidation. The remainder of paragraph 129 of the Complaint contains conclusions of law which CITGO denies and demands strict proof thereof.

130. CITGO admits the allegations in paragraph 130 of the Complaint.

131. Paragraph 131 of the Complaint contains conclusions of law and CITGO is not required to admit or deny the contents thereof. Accordingly, CITGO denies each and every allegation in paragraph 131 of the Complaint and demands strict proof thereof.

132. CITGO admits that Equipment ID Number PC-2 was listed as a "safeguard" in the September 2011 PHA Revalidation. The remainder of paragraph 132 of the Complaint contains conclusions of law which CITGO denies and demands strict proof thereof.

133. CITGO denies the allegations in paragraph 133 of the Complaint and demands strict proof thereof.

134. CITGO denies the allegations in paragraph 134 of the Complaint and demands strict proof thereof.

135. Paragraph 135 of the Complaint contains conclusions of law and CITGO is not required to admit or deny the contents thereof. Accordingly, CITGO denies each and every allegation in paragraph 135 of the Complaint and demands strict proof thereof.

136. CITGO admits that Equipment ID Number LI-12 was listed as a "safeguard" in the September 2011 PHA Revalidation. The remainder of paragraph 136 of the Complaint contains conclusions of law which CITGO denies and demands strict proof thereof.

137. CITGO denies the allegations in paragraph 137 of the Complaint and demands strict proof thereof.

138. Paragraph 138 of the Complaint contains conclusions of law and CITGO is not required to admit or deny the contents thereof. Accordingly, CITGO denies each and every allegation in paragraph 138 of the Complaint and demands strict proof thereof.

139. Paragraph 139 of the Complaint contains conclusions of law and CITGO is not required to admit or deny the contents thereof. Accordingly, CITGO denies each and every allegation in paragraph 139 of the Complaint and demands strict proof thereof.

140. CITGO admits the allegations in paragraph 140 of the Complaint.

141. CITGO admits the allegations in paragraph 141 of the Complaint.

142. Paragraph 142 of the Complaint contains conclusions of law and CITGO is not required to admit or deny the contents thereof. Accordingly, CITGO denies each and every allegation in paragraph 142 of the Complaint and demands strict proof thereof.

143. CITGO admits that Equipment ID Number FI-119 was listed as a “safeguard” in the September 2011 PHA Revalidation. The remainder of paragraph 143 of the Complaint contains conclusions of law which CITGO denies and demands strict proof thereof.

144. CITGO denies the allegations in paragraph 144 of the Complaint and demands strict proof thereof.

145. Paragraph 145 of the Complaint contains conclusions of law and CITGO is not required to admit or deny the contents thereof. Accordingly, CITGO denies each and every allegation in paragraph 145 of the Complaint and demands strict proof thereof.

146. CITGO admits that Equipment ID Number MOV-4AS/MOV-4AD were listed as “safeguards” in the September 2011 PHA Revalidation. The remainder of paragraph 146 of the Complaint contains conclusions of law which CITGO denies and demands strict proof thereof.

147. CITGO admits the allegations in paragraph 147 of the Complaint.

148. CITGO admits the allegations in paragraph 148 of the Complaint.

149. Paragraph 149 of the Complaint contains conclusions of law and CITGO is not required to admit or deny the contents thereof. Accordingly, CITGO denies each and every allegation in paragraph 149 of the Complaint and demands strict proof thereof.

150. CITGO admits that Equipment ID Number MOC-4CS/MOV-4CD were listed as “safeguards” in the September 2011 PHA Revalidation. The remainder of paragraph 150 of the Complaint contains conclusions of law which CITGO denies and demands strict proof thereof.

151. CITGO admits the allegations in paragraph 151 of the Complaint.

152. Paragraph 152 of the Complaint is vague and ambiguous because it does not refer to any identifiable piece of equipment. Accordingly, CITGO denies each and every allegation in paragraph 152 of the Complaint and demands strict proof thereof.

153. Paragraph 153 of the Complaint contains conclusions of law and CITGO is not required to admit or deny the contents thereof. Accordingly, CITGO denies each and every allegation in paragraph 153 of the Complaint and demands strict proof thereof.

Count 8. Violation of 40 C.F.R. § 68.73(b)

154. CITGO hereby restates and incorporates by references its Answers to paragraphs 1 through 153 of the Complaint above.

155. Paragraph 155 of the Complaint purports to summarize portions of Complainant's own regulations. The regulations speak for themselves; such allegations constitute conclusions of law which CITGO is not required to admit or deny. To the extent any allegation in paragraph 155 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

156. CITGO admits the allegations in paragraph 156 of the Complaint.

157. CITGO admits that a portion of the Facility's maintenance and inspection procedure is accurately summarized in paragraph 157 of the Complaint.

158. CITGO has no independent knowledge of what documentation EPA did or did not find during the June 11 through June 15, 2012 inspection of the Facility, or whether EPA's endeavors to find documentation at that time were reasonable and CITGO, therefore cannot admit the allegations in paragraph 158 of the Complaint. To the extent any allegation in

paragraph 158 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

159. Paragraph 159 of the Complaint contains conclusions of law and CITGO is not required to admit or deny the contents thereof. Accordingly, CITGO denies each and every allegation in paragraph 159 of the Complaint and demands strict proof thereof.

Count 9. Violation of 40 C.F.R. § 68.73(c)

160. CITGO hereby restates and incorporates by references its Answers to paragraphs 1 through 159 of the Complaint above.

161. Paragraph 161 of the Complaint purports to summarize portions of Complainant's own regulations. The regulations speak for themselves; such allegations constitute conclusions of law which CITGO is not required to admit or deny. To the extent any allegation in paragraph 161 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

162. CITGO denies that a "release" occurred on February 3, 2011 but admits the remainder of the allegations in paragraph 162 of the Complaint.

163. CITGO admits the allegations in paragraph 163 of the Complaint.

164. To the extent the allegation uses "root cause" as a legal conclusion, CITGO is not required to admit or deny the contents thereof. To the extent the allegation uses "root cause" as a statement of fact, CITGO admits the allegations in paragraph 164 of the Complaint.

165. Paragraph 165 of the Complaint contains conclusions of law and CITGO is not required to admit or deny the contents thereof. Accordingly, CITGO denies each and every allegation in paragraph 165 of the Complaint and demands strict proof thereof.

Count 10. Violation of 40 C.F.R. § 68.73(e)

166. CITGO hereby restates and incorporates by references its Answers to paragraphs 1 through 165 of the Complaint above.

167. Paragraph 167 of the Complaint purports to summarize portions of Complainant's own regulations. The regulations speak for themselves; such allegations constitute conclusions of law which CITGO is not required to admit or deny. To the extent any allegation in paragraph 167 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

168. Paragraph 168 of the Complaint purports to summarize portions of the "March 5, 2012, Flange Leak at the Alkylation Unit CITGO Refining and Chemicals Company, L.P. Report of the Investigation Team, April 3, 2012." This report speaks for itself, and to the extent the allegations of paragraph 168 deviate from the report, CITGO denies the allegations in paragraph 168 of the Complaint and demands strict proof thereof.

169. CITGO admits that acid reactive paint turned red on September 8, 2011 but denies the remainder of paragraph 169 of the Complaint and demands strict proof thereof.

170. CITGO admits the allegations in paragraph 170 of the Complaint.

171. CITGO denies that acid reactive paint indicated HF leakage on September 8, 2011 and denies any significance of the passage of time between September 8, 2011 and March 5, 2012, and admits the remainder of paragraph 171 of the Complaint.

172. Paragraph 172 of the Complaint contains conclusions of law and CITGO is not required to admit or deny the contents thereof. Accordingly, CITGO denies each and every allegation in paragraph 172 of the Complaint and demands strict proof thereof.

Count 11. Violation of 40 C.F.R. § 68.73(f)(2)

173. CITGO hereby restates and incorporates by references its Answers to paragraphs 1 through 172 of the Complaint above.

174. Paragraph 174 of the Complaint purports to summarize portions of Complainant's own regulations. The regulations speak for themselves; such allegations constitute conclusions of law which CITGO is not required to admit or deny. To the extent any allegation in paragraph 174 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

175. CITGO admits that its investigation identified the parallel misalignment of the inlet flange set as the root cause of the March 2, 2012 HF release, and admits that the flange bolts failed due to exposure to the HF. CITGO denies the remaining allegations in paragraph 175 of the Complaint and demands strict proof thereof.

176. Paragraph 176 of the Complaint contains conclusions of law and CITGO is not required to admit or deny the contents thereof. Accordingly, CITGO denies each and every allegation in paragraph 176 of the Complaint and demands strict proof thereof.

Count 12. Violation of 40 C.F.R. § 68.75(b)(2)

177. CITGO hereby restates and incorporates by references its Answers to paragraphs 1 through 176 of the Complaint above.

178. Paragraph 178 of the Complaint purports to summarize portions of Complainant's own regulations. The regulations speak for themselves; such allegations constitute conclusions of law which CITGO is not required to admit or deny. To the extent any allegation in paragraph

178 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

179. CITGO admits the allegations of paragraph 179.

180. CITGO denies that a color change in HF reactive paint indicated that HF was leaking, and denies that the February 10, 2012 MOC required a deadline by which it had to be approved, and admits the remainder of the allegations in paragraph 180 of the Complaint.

181. CITGO admits a leak of HF occurred on March 5, 2012.

182. CITGO admits that the MOC initiated on February 10, 2012 had not been approved on March 5, 2012. CITGO specifically denies the allegation in paragraph 182 of the Complaint that no action had been taken to install the repair clamp based between February 10, 2012 and March 5, 2012, and demands strict proof thereof.

183. CITGO admits the first and second sentences of paragraph 183 of the Complaint, and further admits that the change discussed therein was described as "Permanent." CITGO specifically denies that the MOC implies that the change is temporary and denies that the MOC has inconsistent timing descriptions, and demands strict proof thereof. To the extent any allegation in paragraph 183 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

184. Paragraph 184 of the Complaint contains conclusions of law and CITGO is not required to admit or deny the contents thereof. Accordingly, CITGO denies each and every allegation in paragraph 184 of the Complaint and demands strict proof thereof.

Count 13. Violation of 40 C.F.R. § 68.77(b)(1)

185. CITGO hereby restates and incorporates by references its Answers to paragraphs 1 through 184 of the Complaint above.

186. Paragraph 186 of the Complaint purports to summarize portions of Complainant's own regulations. The regulations speak for themselves; such allegations constitute conclusions of law which CITGO is not required to admit or deny. To the extent any allegation in paragraph 186 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

187. CITGO admits the allegations in paragraph 187 of the Complaint.

188. CITGO admits the allegations in paragraph 188 of the Complaint.

189. Paragraph 189 of the Complaint purports to summarize portions of "The pre-Startup Safety Review." That document speaks for itself; such allegations constitute conclusions of law which CITGO is not required to admit or deny. To the extent any allegation in paragraph 189 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

190. Paragraph 190 of the Complaint purports to summarize portions of a "pre-Startup Safety Review." That document speaks for itself; such allegations constitute conclusions of law which CITGO is not required to admit or deny. To the extent any allegation in paragraph 190 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

191. Paragraph 191 of the Complaint contains conclusions of law and speculations of fact and CITGO is not required to admit or deny the contents thereof. Accordingly, CITGO

denies each and every allegation in paragraph 191 of the Complaint and demands strict proof thereof.

192. Paragraph 192 of the Complaint contains conclusions of law and CITGO is not required to admit or deny the contents thereof. Accordingly, CITGO denies each and every allegation in paragraph 192 of the Complaint and demands strict proof thereof.

Count 14. Violation of 40 C.F.R. § 68.79(a)

193. CITGO hereby restates and incorporates by references its Answers to paragraphs 1 through 192 of the Complaint above.

194. Paragraph 194 of the Complaint purports to summarize portions of Complainant's own regulations. The regulations speak for themselves; such allegations constitute conclusions of law which CITGO is not required to admit or deny. To the extent any allegation in paragraph 194 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

195. CITGO admits the allegations in paragraph 195 of the Complaint.

196. Paragraph 196 of the Complaint contains conclusions of law and CITGO is not required to admit or deny the contents thereof. Accordingly, CITGO denies each and every allegation in paragraph 196 of the Complaint and demands strict proof thereof.

Count 15. Violation of 40 C.F.R. § 68.79(d)

197. CITGO hereby restates and incorporates by references its Answers to paragraphs 1 through 196 of the Complaint above.

198. Paragraph 198 of the Complaint purports to summarize portions of Complainant's own regulations. The regulations speak for themselves; such allegations constitute conclusions

of law which CITGO is not required to admit or deny. To the extent any allegation in paragraph 198 of the Complaint is not specifically admitted, it is denied and CITGO demands strict proof thereof.

199. CITGO denies the allegations in paragraph 199 of the Complaint and demands strict proof thereof.

200. Paragraph 200 of the Complaint contains conclusions of law and CITGO is not required to admit or deny the contents thereof. Accordingly, CITGO denies each and every allegation in paragraph 200 of the Complaint and demands strict proof thereof.

RESPONSE TO PROPOSED PENALTY

Paragraphs 201, 202, and 203 in the portion of the Complaint entitled "Proposed Penalty" do not require specific responses in the CITGO's Answer. However, to the extent the proposed civil penalty is considered, Paragraphs 201 and 202 of the Complaint purport to summarize portions of statutes which statutes speak for themselves; such allegations constitute conclusions of law which CITGO is not required to admit or deny. CITGO specifically denies each and every allegation contained in paragraph 203 of the Complaint and demands strict proof thereof. To the extent any allegation in paragraphs 201, 202, and 203 of the Complaint are not specifically admitted, it is denied and CITGO demands strict proof thereof.

CITGO'S REQUEST FOR A HEARING

Paragraphs 204 through 210 of the portion of the Complaint entitled "Notice of Opportunity to Request a Hearing" do not require admissions or denials in CITGO's Answer. **CITGO timely requests an administrative hearing to: (i) contest material facts on which**

the Complaint is based; (ii) contest the amount of the penalty as inappropriate; and (iii) seek judgment as a matter of law. The material facts at issue are those that CITGO has denied in the preceding Answers to the specific allegations contained in the Complaint, which are explained more fully in the Defenses/Mitigating Factors section of this Answer and Request for Hearing below.

SETTLEMENT CONFERENCE

Paragraphs 211 through 213 contained in the portion of the Complaint entitled "Settlement Conference" do not require a specific response. CITGO has previously indicated its interest in a Settlement Conference and reasserts its interest herein.

DEFENSES/MITIGATING FACTORS

Without admission of any issues of fact or law, except as expressly stated above, and with full reservation of all applicable rights and defenses, CITGO requests dismissal or mitigation of the allegations based upon the following factors, all of which are based upon CITGO's information and belief.

1. Regarding Count 1 of the Complaint, CITGO has undertaken good faith corrective action concerning the P&IDs referenced in the allegations in the Complaint.

2. Regarding Count 1 of the Complaint, a P&ID is only one of numerous pieces of information pertaining to written process safety information for equipment in a process, and is overlapping and/or redundant of other information made readily available by CITGO such as block flow or process flow diagrams. For example, CITGO has an operating procedure for car-

seals. Moreover, P&ID's are in constant flux since operations are continually changed and improved.

3. Regarding Count 1 of the Complaint, a snapshot inconsistency, if any, in CITGO's P&ID does not constitute a violation of 40 C.F.R. § 68.65(d)(1)(ii) which requires written process safety information for equipment in process. No EPA regulation requires 100% accuracy on a P&ID at any specific point in time; otherwise it would create an impossible standard of performance.

4. Regarding Count 1 of the Complaint, the 8" manual valve on the discharge of the Depropanizer Feed Condenser in the Alkylation/Mole Sieve process unit was in the appropriate position in the field during EPA's inspection.

5. Regarding Count 1 of the Complaint, neither instance of alleged P&ID "inconsistency" involved a condition that presented any threat of an unintended release.

6. Without making any admissions, if any penalty at all is deemed appropriate for the allegations in Count 1 of the Complaint, the penalty should be characterized under EPA's June 2012 "Final Combined Enforcement Policy for Clean Air Act Sections 112(r)(1), 112(r)(7), and 40 C.F.R. Part 68" as a Minor deviation that poses Minor potential for harm.

7. Regarding Count 2 of the Complaint, CITGO completed all field work associated with the PHA update and revalidation of the January 2007 PHA for the Gas Oil Unibon unit by January 2012, i.e. within five (5) years of the immediately prior PHA. All findings were designated 3's and 4's, indicating that there were no hazardous conditions. Safeguards in the field were all adequate to continue operations without immediate action. The

subsequent completion of the validation report was primarily a paperwork issue that created no risk of harm. CITGO complied with the spirit of 40 C.F.R. § 68.67(f).

8. Without making any admissions, if any penalty at all is deemed appropriate for the allegations in Count 2 of the Complaint, the penalty should be characterized under EPA's June 2012 "Final Combined Enforcement Policy for Clean Air Act Sections 112(r)(1), 112(r)(7), and 40 C.F.R. Part 68" as a Minor deviation that poses Minor potential for harm.

9. Regarding Count 3 of the Complaint, at the time of EPA's Risk Management Program inspection of the Facility, CITGO had developed and implemented the written operating procedure required by 40 CFR §68.69(a). Those procedures, "Drains and Vents," OPS-000-053 and "Use of the Equipment Out of Service Check Sheet," OPS-EP1-001, were used to train the operator involved in the incident alleged in Count 3 of the Complaint. That operator has acknowledged that he failed to follow the applicable procedures of which he was aware. Any perceived violation of that regulatory requirement, as alleged in Count 3 of the Complaint, was caused solely by unforeseeable employee conduct unrelated to CITGO's implementation of its procedures.

10. Regarding Count 3 of the Complaint, the CAA's RMP is not a strict liability program.

11. Regarding Counts 3, 6, 9, and 13 of the Complaint, Section 112(r)(7)(D) states that EPA "shall coordinate any requirements under [Section 121(r)(7)] with any requirements established for comparable purposes by the Occupational Safety and Health Administration..." In the context of process safety management enforcement, Circuit courts have recognized a defense to OSHA enforcement based on unforeseeable employee misconduct. EPA enforcement

of its RMP that does not recognize a similar defense would be inconsistent with its mandate under the CAA. CITGO is entitled to a defense from the allegations in Counts 3, 6, 9, and 13 based on unforeseeable employee misconduct and asserts same.

12. Counts 3 and 13 of the Complaint both rely on one identical fact allegation that on May 15 (16?), 2012, a HF release occurred because “two HF ¾” bleeder valves were left open.” The penalty assessment for these two, essentially overlapping Counts constitutes “double dipping” and results in a disproportionately high penalty for a single alleged event.

13. Any perceived violation of 40 CFR §68.77(b)(1), as alleged in Count 3 of the Complaint, was caused solely by individual operator oversight unrelated to CITGO’s implementation of its procedures.

14. Without making any admissions, if any penalty at all is deemed appropriate for the allegations in Count 3 of the Complaint, the penalty should be characterized under EPA’s June 2012 “Final Combined Enforcement Policy for Clean Air Act Sections 112(r)(1), 112(r)(7), and 40 C.F.R. Part 68” as a Minor deviation that poses Minor potential for harm.

15. Regarding Count 4 of the Complaint, CITGO has provided copies of the annual certifications for the operating procedures to EPA twice following the EPA inspection. In fact, in a December 2012 face-to-face meeting between CITGO and EPA, EPA representatives acknowledged that CITGO had provided the requested procedures and that EPA’s representatives had not been reading the procedures correctly, leading to the mistaken impression that the procedures had not been provided to EPA.

16. Without making any admissions, if any penalty at all is deemed appropriate for the allegations in Count 4 of the Complaint, the penalty should be characterized under EPA’s

June 2012 “Final Combined Enforcement Policy for Clean Air Act Sections 112(r)(1), 112(r)(7), and 40 C.F.R. Part 68” as a Minor deviation that poses Minor potential for harm.

17. Regarding Count 5 of the Complaint, API’s Recommended Practices (“RPs”) are not prescriptive requirements. A facility may choose whether to follow a practice where, as in the case of API RP 751 cited in Count 5 of the Complaint, the practice is not required. See ALJ Opinion (Calhoun July 31, 2013) *Sec’y of Labor v. BP Products, NA*, OSHRC Docket No. 10-0637. The forward to API RP 751 itself acknowledges that the term “should” in a standard denotes a recommendation that is not required in order to conform to a specification.

18. Regarding Count 5, of the Complaint, API RP 751 (June 2007 and May 2013) recommend marking acid sample points and HF sample points. CITGO clearly marks such sample points on P&IDs. CITGO, in fact, has developed and implemented safe work practices and provides for the control of hazards during the opening of process equipment. There is no regulation requiring CITGO to include valve labels in sampling procedures and sampling locations. EPA’s Count 5 has provided no facts in support of the allegation that CITGO has any regulatory violation of 40 CFR §68.69(d).

19. There is no nexus between alleged deficiencies in Count 5 of the Complaint and the subject HF release.

20. Without making any admissions, if any penalty at all is deemed appropriate for the allegations in Count 5 of the Complaint, the penalty should be characterized under EPA’s June 2012 “Final Combined Enforcement Policy for Clean Air Act Sections 112(r)(1), 112(r)(7), and 40 C.F.R. Part 68” as a Minor deviation that poses Minor potential for harm.

21. Count 7 of the Complaint contains numerous allegations that certain process equipment had only a certain number of repair work orders available. Absolute numbers of work orders for a piece of equipment are not imposed by law and cannot be used by EPA to assess compliance with 40 C.F.R. §68.73(a). Moreover, Count 7 of the Complaint contains numerous allegations that certain equipment had no scheduled inspections/tests. However, CITGO monitors the high pressure alarms noted in Count 7 of the Complaint electronically at the board. Other equipment noted in Count 7 of the Complaint is inspected daily by operators and documentation of those inspections is maintained.

22. Count 8 of the Complaint fails to allege, or provide any facts in support of the contention, that any repairs that should have been performed at CITGO's Alkylation/Mole Sieve process unit were inappropriately deferred or not conducted. Count 8 of the Complaint also fails to allege any facts supporting EPA's contention that CITGO failed to properly document work orders for the repair of process equipment.

23. Without making any admissions, if any penalty at all is deemed appropriate for the allegations in Count 8 of the Complaint, the penalty should be characterized under EPA's June 2012 "Final Combined Enforcement Policy for Clean Air Act Sections 112(r)(1), 112(r)(7), and 40 C.F.R. Part 68" as a Minor deviation that poses Minor potential for harm.

24. Counts 6 and 9 of the Complaint are predicated upon the same incident and both seek identical penalties for alleged failure to train a technician. The penalty assessment for these two, essentially overlapping Counts constitutes "double dipping" and results in a disproportionately high penalty for a single alleged event.

25. Without making any admissions, if any penalty at all is deemed appropriate for the allegations in Count 9 of the Complaint, the penalty should be characterized under EPA's June 2012 "Final Combined Enforcement Policy for Clean Air Act Sections 112(r)(1), 112(r)(7), and 40 C.F.R. Part 68" as a Minor deviation that poses Minor potential for harm.

26. Regarding Count 10 of the Complaint, EPA incorrectly equates flange paint changes with an active HF leak. The alleged "leak" in Count 10 of the Complaint, in fact, was a monitored condition that -- at the time of the unannounced EPA inspection -- already was in the process of corrective action by design and installation of an appropriately designed temporary clamp system. The first design -- sent by CITGO's contractor SealTech -- required revision. CITGO, therefore, was engaged in precisely the type of activity required by 40 CFR §68.73(e).

27. The March 5, 2012 "leak" that is the subject of Count 10 of the Complaint was a minor event in which only 16 pounds of HF was released. As context, that amount constitutes only 16% of the reportable quantity established by EPA under 40 CFR §302.4. Moreover, there were no exposures on or off-site, no injuries, no equipment damage, and no release response issues as a result of the minor event. The event posed no risk to surrounding populations or the environment, and had no effect on the ability of CITGO to prevent or respond to releases through development and implementation of 40 C.F.R. Part 68.

28. Without making any admissions, if any penalty at all is deemed appropriate for the allegations in Count 10 of the Complaint, the penalty should be characterized under EPA's June 2012 "Final Combined Enforcement Policy for Clean Air Act Sections 112(r)(1), 112(r)(7), and 40 C.F.R. Part 68" as a Minor deviation that poses Minor potential for harm.

29. Counts 10 and 11 of the Complaint are predicated upon the same incident and both seek penalties for alleged violations of subsections of 40 CFR §68.73. The penalty assessment for these two, essentially overlapping Counts constitutes “double dipping” and results in a disproportionately high penalty for a single alleged event.

30. CITGO’s internal Report of the Investigation Team (April 3, 2012) findings and recommendations contradict the alleged facts and alleged violation in Count 11 of the Complaint.

31. Without making any admissions, if any penalty at all is deemed appropriate for the allegations in Count 11 of the Complaint, the penalty should be characterized under EPA’s June 2012 “Final Combined Enforcement Policy for Clean Air Act Sections 112(r)(1), 112(r)(7), and 40 C.F.R. Part 68” as a Minor deviation that poses Minor potential for harm.

32. CITGO’s internal Report of the Investigation Team (April 3, 2012) findings and recommendations contradict the alleged facts and alleged violation in Count 12 of the Complaint. 40 C.F.R. §68.75(b)(4) requires that MOC’s consider, among other things, the necessary time period for change “*prior to the change.*” This regulation does not require a MOC to have a “deadline” as asserted in Count 12 of the Complaint. With respect to MOC #12-0082 initiated February 10, 2012, in order to develop the “necessary time period,” CITGO engaged in precisely the activities contemplated by 40 C.F.R. §68.75(b)(4) by conducting orderly activities required to develop an appropriate clamp design. Such clamp design was required in advance of, and in order to, establish a “necessary time period” prior to the change. Those activities included numerous documented communications between CITGO’s Maintenance Engineer and SealTech on the following dates: (i) February 10, 2012 communications develop the clamp design; (ii)

February 13, 2012 correspondence indicating that the clamp would require strongback to prevent flange separation due to bolt failure; (iii) February 14, 2012 correspondence working on revisions to improve clamp design and specifications; and (iv) between February 14 and February 27, 2014, working together to develop a design for mitered, full enclosed clamp to address complicating issues related to flange location to V13, pipe elbow and clamp support. When all of this necessary evaluation was completed, a necessary time period prior to the change was established. No violation of 40 C.F.R. §68.75(b)(4) occurred.

33. Without making any admissions, if any penalty at all is deemed appropriate for the allegations in Count 12 of the Complaint, the penalty should be characterized under EPA's June 2012 "Final Combined Enforcement Policy for Clean Air Act Sections 112(r)(1), 112(r)(7), and 40 C.F.R. Part 68" as a Minor deviation that poses Minor potential for harm.

34. Regarding Count 13 of the Complaint, CITCO's Level 3 MOC/Level 3 PSSR is appropriate for pre-startup safety review prior to introduction of a regulated substance to a process to confirm that equipment is in accordance with design specifications. No violation of 40 C.F.R. §68.77(b)(1) occurred.

35. Counts 6, 9, and 13 of the Complaint are predicated upon the same incident. The penalty assessment for these essentially overlapping Counts constitutes "double dipping" and results in a disproportionately high penalty for a single alleged event.

36. Without making any admissions, if any penalty at all is deemed appropriate for the allegations in Count 13 of the Complaint, the penalty should be characterized under EPA's June 2012 "Final Combined Enforcement Policy for Clean Air Act Sections 112(r)(1), 112(r)(7), and 40 C.F.R. Part 68" as a Minor deviation that poses Minor potential for harm.

37. Regarding Count 14 of the Complaint, CITGO evaluated compliance with the provisions of Subpart D of 40 C.F.R. Part 68 within three years of the prior compliance evaluation in December 2008, in compliance with 40 C.F.R. §68.79(b). CITGO conducted field review activities during December 1 through 11, 2012. Although additional field work, and the issuance of the report, i.e. certification, occurred in the next 90 days, the evaluation required by the regulations was timely.

38. Without making any admissions, if any penalty at all is deemed appropriate for the allegations in Count 14 of the Complaint, the penalty should be characterized under EPA's June 2012 "Final Combined Enforcement Policy for Clean Air Act Sections 112(r)(1), 112(r)(7), and 40 C.F.R. Part 68" as a Minor deviation that poses Minor potential for harm.

39. Count 15 of the Complaint materially misrepresents the facts. EPA generally alleges that compliance audits conducted in 2012 and 2008 "had the same findings," and concludes that CITGO did not properly address the findings in the 2008 compliance audit. The implication is that CITGO completely ignored its own compliance audit findings. In fact, only 1 finding in the 2008 audit was also a finding in the 2012 audit, and that was observation of a "similar" issue in the FWP weekly inspection reporting system. One other finding in the 2008 audit (Finding #11) involving MOCs might incorrectly be compared to Finding #8 in the 2012 audit which also involved MOCs, but the issues are completely different. CITGO responded to the findings in the compliance audits in compliance with 40 C.F.R. §68.79(d).

40. The penalty calculation for Count 15 is grossly disproportionate due to its characterization by EPA as a "Major" deviation resulting in substantial non-compliance. In fact, CITGO's compliance audits are intensely detailed and comprehensive, and meet the intent of the

performance standard set forth in the regulations. Without making any admissions, if any penalty at all is deemed appropriate for the allegations in Count 15 of the Complaint, the penalty should be characterized under EPA's June 2012 "Final Combined Enforcement Policy for Clean Air Act Sections 112(r)(1), 112(r)(7), and 40 C.F.R. Part 68" as a Minor deviation that poses Minor potential for harm.

41. For all Counts in the Complaint, the size of violator component of the penalty results in a grossly disproportionately high penalty considering the nature of the alleged violations and should be reduced or eliminated altogether.

42. For all Counts in the Complaint, the size of violator component of the penalty is incorrectly calculated because it is based on the SEC filings of the wrong corporate entity, and is based on 2005 filings.

43. For all Counts in the Complaint, there is no sensitive environmental receptor that is threatened by any of the allegations in the Complaint.

44. For all Counts in the Complaint, the penalty is based on incorrect facts and/or assumptions that exaggerate the potential harm associated with the alleged violations.

45. For all Counts in the Complaint, the extent of deviation associated with the alleged violations is exaggerated and does not comport with EPA's June 2012 "Final Combined Enforcement Policy for Clean Air Act Sections 112(r)(1), 112(r)(7), and 40 C.F.R. Part 68."

46. For all Counts in the Complaint, the penalty is excessive and unreasonable under the circumstances for numerous reasons including, without limitation:

- a. No sensitive environmental receptors or population were exposed or impacted in any way by the alleged violations.

- b. None of the allegations in the Complaint involve any situation in which evacuation was required.
- c. None of the allegations in the Complaint would, if true, cause any impact on the surrounding community's ability to plan for chemical emergencies.
- d. None of the allegations in the Complaint involve any situation in which first responders or emergency managers were impacted in any negative way.
- e. The alleged deviations were minor as defined in the applicable penalty policy in that, even if the allegations were true, CITGO would only allegedly have deviated somewhat from the regulatory or statutory requirements, but most (or all important) aspects of the requirements were met.

47. For all Counts in the Complaint, CITGO has demonstrated good-faith efforts to comply with the applicable requirements and has demonstrated a willingness to cooperate with the applicable regulatory authorities.

48. CITGO denies that issuance of the Complaint is reasonable or consistent with applicable law because, among other things, many of the alleged violations are entirely past occurrences for which corrective action has been taken.

49. The Complaint in whole or in part fails to state a claim upon which relief can be granted.

50. The Complaint does not consider appropriate mitigating circumstances.

51. The Complaint violates both CITGO's substantive due process and equal protection rights under the U.S. Constitution, and has no rational relationship to the legitimate ends of the Clean Air Act.

52. The Complaint is arbitrary, capricious, discriminatory, and otherwise not in compliance with law.

53. CITGO reserves the right to amend or supplement this Answer and/or to assert additional defenses or facts as necessary or appropriate in this proceeding.

54. The Complaint fails and should be dismissed because it does not include an adequate statement explaining the reasoning behind the proposed penalty as required by 40 C.F.R. 22.14(a) (4).

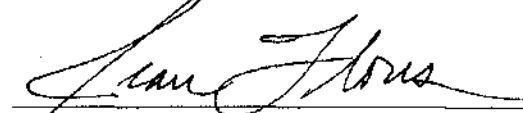
55. CITGO cannot be penalized for the violations alleged in the Complaint due to Petitioner's failure to provide fair notice of the regulatory requirements, in violation of CITGO's due process rights. *See Christopher v. SmithKline Beecham Corp.*, 132 S. Ct. 2156 (2012); *General Electric Co. v. U. S. Environmental Protection Agency*, 53 F. 3rd 1324 (1995).

PRAYER

WHEREFORE, CITGO prays that the Complaint be withdrawn with prejudice in whole or in part as it pertains to CITGO, and for such other relief, at law or in equity, to which CITGO show itself to be justly entitled.

Respectfully Submitted,

GUIDA, SLAVICH & FLORES, P.C.



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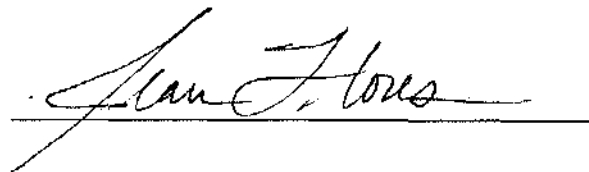
**ATTORNEYS FOR RESPONDENT
CITGO REFINING AND CHEMICALS
COMPANY, LP**

CERTIFICATE OF SERVICE

I hereby certify that on the 1st day of December 2014, the original Answer to Amended Complaint and Request for Hearing was sent for filing via hand delivery to the Regional Hearing Clerk (6RC-D), U.S. Environmental Protection Agency, Region 6, 1445 Ross Avenue, Suite 1200 and a copy of the same has been sent via hand delivery to:

Jacob A. Gallegos, Esq.
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1445 Ross Avenue, Suite 1200
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A handwritten signature in cursive script, reading "Sean Flores", is written over a horizontal line.