

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

CHEVRON PIPE LINE COMPANY

AI # 19861

PROCEEDINGS UNDER THE LOUISIANA
ENVIRONMENTAL QUALITY ACT
LA. R.S. 30:2001, ET SEQ.

* Settlement Tracking No.
* SA-MM-14-0070
*
* Enforcement Tracking No.
* HE-CN-12-00731
* AE-CN-13-00107
*
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* Docket No. 2014-0758-EQ
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SETTLEMENT

The following Settlement is hereby agreed to between Chevron Pipe Line Company (“Respondent”) and the Department of Environmental Quality (“DEQ” or “the Department”), under authority granted by the Louisiana Environmental Quality Act, La. R.S. 30:2001, et seq. (“the Act”).

I

Respondent is a corporation that owns and/or operates a facility located in Buras, Plaquemines Parish, Louisiana (“the Facility”).

II

On October 19, 2012, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty (CONOPP), Enforcement No. HE-CN-12-00731, which was based upon the following findings of fact:

“The Respondent owns and/or operates Chevron Pipe Line Empire-Ostrica Terminal, a crude oil storage and pipeline transmission terminal located on the left descending bank of the Mississippi River, Mile Post 25 in Buras, Plaquemines Parish, Louisiana. The facility is a large quantity generator of hazardous waste and operates under the EPA Identification Number LA0001000280.

On or about March 7, 2012, an inspection of the Respondent's facility revealed the following violations:

- A. The Respondent failed to determine if solid wastes generated at its facility were hazardous wastes, in violation of LAC 33:V.1103. Specifically, the Respondent failed to determine whether the following solid wastes generated are hazardous wastes:
 - 1. A supersack filled with empty and partially filled waste paint cans and five (5) gallon buckets were observed in the Contractor Laydown Yard. Many of the containers in the supersack were observed to contain three to five inches (3-5") of dried paint. A facility representative stated in an email that the paint found in this area would be disposed of as hazardous waste.
 - 2. An area of spilled paint, a sheet of visqueen containing dried waste paint, and slabs of dried paint one to two inches (1-2") thick were dumped on the ground located in the Contractor Laydown Yard.
 - 3. An open five (5) gallon bucket, filled with four to five inches (4-5") of dried waste paint containing chromium, lead chromate, and having a flash point of 104 degrees Fahrenheit according to the MSDS was observed in the Blanchard Contractor Area.

- B. The Respondent failed to notify the Office of Environmental Services within seven (7) days if any of the information submitted in the application for the identification number changes, in violation of LAC 33:V.1105.B. Specifically, the waste code for D009 for Mercury was included on the following manifests: #004687453, #00468745, and #004687456 that were dated January 12, 2012; #004687439 #004687440, and #004687441 dated January 13, 2012; #004687443 dated January 16, 2012; and #004687447 dated January 19, 2012. The Respondent's HW-1 notification form submitted with the facility's 2010 Annual Report dated March 1, 2011, did not include the waste code D009. In addition, the waste codes for D005, D007, D008, and D035 were used on hazardous waste manifests 001435539 dated April 14, 2011, and 001436425 dated July 28, 2011 and were not included in the HW-1 submitted with the facility's 2010 Annual Report dated March 1, 2011.

- C. The Respondent failed to mark containers of hazardous waste with an accumulation start date, in violation of LAC 33:V.1109.E.1.c. Specifically, seven (7) roll-off containers numbered 2798826, N48940, DB03-2511, RT-042507, RT-022545, RT-042543, and RT-022589 containing hazardous waste tank bottoms (D018) located in the Tank 6116 Less Than 90 Day Container Storage Area had not been marked with accumulation start dates.

- D. The Respondent failed to label or mark containers of hazardous waste with the words "Hazardous Waste," in violation of LAC 33:V.1109.E.1.d. Specifically, seven (7) roll-off containers numbered 2798826, N48940, DB03-2511, RT-042507, RT-022545, RT-042543, and RT-022589 containing hazardous waste tank bottoms (D018) located in the Tank 6116 Less Than 90 Day Container Storage Area were not labeled or marked with the words "Hazardous Waste."
- E. The Respondent failed to label or mark 55 gallon containers of hazardous waste with the words "Hazardous Waste" or with other words that identify the contents of the containers, in violation of LAC 33:V.1109.E.4. Specifically, a partially filled drum of hazardous paraffin waste, waste code (D018) per facility personnel located in the West Bay Satellite Accumulation Area was not labeled with the words "Hazardous Waste" or with other words that identified the contents of the container.
- F. The Respondent failed to include the following in the facility's contingency plan as specified in LAC 33:V.1109.E.1.e.:
1. The Respondent failed to attempt to make arrangements to familiarize police, fire departments, and emergency response teams, with the properties of hazardous waste handled at the facility and the types of injuries or illnesses which could result from fires, explosions, or releases at the facility, as required by LAC 33:V.1511.G.1.a.
 2. The Respondent failed to attempt to make arrangements to familiarize the local hospitals with the properties of hazardous waste handled at the facility and the types of injuries or illnesses which could result from fires, explosions, or releases at the facility, as required by LAC 33:V.1511.G.1.d.
 3. The Respondent failed to make arrangements agreed to by local police departments, fire departments, hospitals, contractors, and state and local emergency response teams to coordinate emergency services, as required by LAC 33:V.1513.B.3.
- G. The Respondent failed to prepare a hazardous waste contingency plan that list the names, addresses, and phone numbers (office and home) of all persons qualified to act as emergency coordinator, and this list must be kept up to date, as required by LAC 33:V.1513.B.4, in violation of LAC 33:V.1109.E.1.e.
- H. The Respondent failed to submit a copy of the facility's contingency plan to the local police departments, fire departments, hospitals, and state and local emergency response teams that may be called upon to provide emergency services as required by LAC 33:V.1513.C.2, in violation of LAC 33:V.1109.E.1.e.

- I. The Respondent failed to implement a training program instructing facility personnel in hazardous waste management procedures relevant to the positions in which they are employed, as required by LAC 33:V.1515.A.2, in violation of LAC 33:V.1109.E.1.e. Specifically, the Respondent failed to provide proof of relevant hazardous waste training given to contracted employees of Pelichem and Pyramid Services who handle hazardous waste.
- J. The Respondent failed to maintain the job title for each position at the facility related to the hazardous waste management, and the name of the employee filling each job at the facility, as required by LAC 33:V.1515.D.1, in violation of LAC 33:V.1109.E.1.e.
- K. The Respondent failed to provide written description of the type and amount of introductory and continuing training provided to facility contractors who handle hazardous waste, as required by LAC 33:V.1515.D.3, in violation of LAC 33:V.1109.E.1.e. Specifically, the facility failed to provide a written description or any details of hazardous waste training given to contracted employees of Pyramid Services and Pelichem.
- L. The facility failed to provide facility records documenting that the training or job experience required under LAC 33:V.1515.A, B, and C have been given to, and completed by, facility personnel as required by LAC 33:V.1515.D.4, in violation of LAC 33:V.1109.E.1.e.”

On June 10, 2013, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty (CONOPP), Enforcement No. AE-CN-13-00107, which was based upon the following findings of fact:

“The Respondent owns and/or operates the Empire-Ostrica Terminal, an existing pipeline terminal, located at 104 Pipeline Road in Buras, Plaquemines Parish, Louisiana. The facility currently operates under Title V Permit No. 2240-00048-V2 issued on January 25, 2013.

On or about March 18, 2013, and April 9, 2013, file reviews of the Respondent’s facility were conducted to determine the degree of compliance with the Act and the Air Quality Regulations. While the Department’s investigation is not yet complete, the following violations were noted during the course of the file reviews:

- A. In correspondence dated September 2, 2010, the Respondent reported that an inspection of an external floating roof tank (EQT041) was conducted on August 19, 2010, and it was determined that a leak existed in the bottom of one of the pontoons. This leak caused small amounts of crude oil stored in the tank

to leak into the pontoon and volatilize to the atmosphere since the top of the pontoon is not air-tight. This is a violation of 40 CFR 60.112a(a)(1)(i)(D), which language has been adopted as a Louisiana regulation in LAC 33:III.3003, Specific Requirement No. 187 of Permit No. 2240-00048-07, LAC 33:III.501.C.4, LAC 33:III.905, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

- B. In the Respondent's 2011 Title V Annual Compliance Certification dated March 30, 2012, the Respondent reported monthly sampling of gas routed to the flare (EQT0053) was not conducted to verify the flare heat content. A sample port was not available to conduct the sampling. This occurred during July through October 2011. Each failure to verify the heat content of the flare is a violation of Specific Requirement No. 69 of Title V Permit No. 2240-00048-V0, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2). The Respondent reported sampling of the heat content was conducted in November and December 2011 once the sample port and connection was installed.
- C. The Respondent failed to submit the 2011 2nd Semiannual Monitoring Report by the March 31, 2012, due date. This is a violation of Part 70 General Condition K, Title V Permit No. 2240-00048-V1, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2). On or about March 28, 2013, this report was submitted to the Department.
- D. In the Respondent's 2012 Title V 1st Semiannual Monitoring Report dated September 25, 2012, and correspondence dated March 12, 2012, and September 5, 2012, the Respondent reported a release of crude oil onto the external floating roof surface on Tank 6114 (EQT0064). The Respondent reported 6,486 pounds (lbs) of Volatile Organic Compounds (VOCs) were released during the period of March 4 through March 6, 2012. The Respondent's correspondence dated September 5, 2012, states, "When a new single deck pontoon roof was installed on Tank 6114 in 2010, the roof access ladder track was installed too short for the full height of the tank wall. This discrepancy was not discovered at the time, and when the roof reached its minimum height the ladder came off its roller track. When the roof began rising again, the ladder became jammed between the edge of the roller track and the top of the tank wall and punctured the roof adjacent to the roller track." This incident is a violation of 40 CFR 60.112a(a)(1)(ii)(C), which language has been adopted as a Louisiana regulation in LAC 33:III.3003, Specific Requirement No. 130 of Title V Permit No. 2240-00048-V1, LAC 33:III.501.C.4, LAC 33:III.905, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- E. The Respondent's initial written report regarding the release occurring on March 4 through March 6, 2012, was submitted on or about March 12, 2012. This report states, "At this time we have not determined whether or not the discharge was preventable..." LAC 33:I.3925.A.3 requires updates on the status of the ongoing investigation of an unauthorized discharge be submitted

every 60 days until the investigation is complete and the results of the investigation have been submitted. The Respondent provided an update to the release which occurred on March 4 through March 6, 2012, in a letter dated September 5, 2012. The Respondent's failure to submit an update on the investigation within 60 days is a violation of LAC 33:I.3925.A.3 and La. R.S. 30:2057(A)(2).

- F. The Respondent's Addendum to the 2011 Title V Annual Compliance Certification dated September 25, 2012, states, "After submitting the report, due on March 31, 2012, CPL discovered one unreported instance of deviation in which the facility exceeded the permitted annual gasoline throughput limit of 2,000 gallons." The Respondent reported the annual throughput was 5,145 gallons. The Respondent's failure to report this compliance deviation is a violation of Part 70 General Condition M, Title V Permit No. 2240-00048-V0, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(2).
- G. The Respondent's 2012 Annual Compliance Certification dated March 28, 2013, reported the discovery that Tank 6114 (EQT0064) was put back into service on October 4, 2011, and the primary and secondary seals gap inspections were completed on October 6, 2011. The Respondent failed to submit notification at least 30 days prior to the gap measurement to afford the Department to have an observer present. This is a violation of 40 CFR 60.113a(a)(1)(iv), which language has been adopted as a Louisiana regulation in LAC 33:III.3003, Specific Requirement No. 138 of Title V Permit No. 2240-00048-V0, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
- H. In an Addendum to the Respondent's 2011 Title V Annual Compliance Certification dated September 25, 2012, the Respondent reported exceeding the gasoline throughput for EQT0069 which resulted in an exceedance of the VOCs tons per year permit limit during 2011. The Respondent's correspondence dated March 4, 2013, provided the following information:

Pollutant	2011 Emissions (tons)	Permit Limit
VOCs	0.1146	0.100

The exceedance of a permitted emission limit is a violation of Title V Permit No. 2240-00048-V0, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2). A permit modification application was submitted on December 15, 2011, requesting the emissions for EQT0069 be increased. Title V Permit No. 2240-00048-V1 issued on March 5, 2012, increased the VOC permit limit for EQT0069."

III

In response to the CONOPP, Respondent made a timely request for a hearing.

IV

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

V

Nonetheless, Respondent, without making any admission of liability under state or federal statute or regulation, agrees to pay, and the Department agrees to accept, a payment in the amount of TWENTY THOUSAND AND NO/100 DOLLARS (\$20,000.00), of which One Thousand Eight Hundred Thirteen and 97/100 Dollars (\$1,813.97) represents the Department's enforcement costs, in settlement of the claims set forth in this agreement. The total amount of money expended by Respondent on cash payments to the Department as described above, shall be considered a civil penalty for tax purposes, as required by La. R.S. 30:2050.7(E)(1).

VI

Respondent further agrees that the Department may consider the inspection report(s), permit record(s), the CONOPPs and this Settlement for the purpose of determining compliance history in connection with any future enforcement or permitting action by the Department against Respondent, and in any such action Respondent shall be estopped from objecting to the above-referenced documents being considered as proving the violations alleged herein for the sole purpose of determining Respondent's compliance history.

VII

This agreement shall be considered a final order of the Secretary for all purposes, including, but not limited to, enforcement under La. R.S. 30:2025(G)(2), and Respondent hereby waives any right to administrative or judicial review of the terms of this agreement, except such review as may be required for interpretation of this agreement in any action by the Department to enforce this

agreement.

VIII

This settlement is being made in the interest of settling the state's claims and avoiding for both parties the expense and effort involved in litigation or an adjudicatory hearing. In agreeing to the compromise and settlement, the Department considered the factors for issuing civil penalties set forth in La. R. S. 30:2025(E) of the Act.

IX

As required by law, the Department has submitted this Settlement Agreement to the Louisiana Attorney General for approval or rejection. The Attorney General's concurrence is appended to this Settlement Agreement.

X

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Plaquemines Parish, Louisiana. The advertisement, in form, wording, and size approved by the Department, announced the availability of this settlement for public view and comment and the opportunity for a public hearing. Respondent has submitted an original proof-of-publication affidavit and an original public notice to the Department and, as of the date this Settlement is executed on behalf of the Department, more than forty-five (45) days have elapsed since publication of the notice.

XI

Payment is to be made within ten (10) days from notice of the Secretary's signature. If payment is not received within that time, this Agreement is voidable at the option of the Department. Payments are to be made by check, payable to the Department of Environmental Quality, and mailed or delivered to the attention of Accountant Administrator, Financial Services Division, Department

of Environmental Quality, Post Office Box 4303, Baton Rouge, Louisiana, 70821-4303. Each payment shall be accompanied by a completed Settlement Payment Form (Exhibit A).

XII

In consideration of the above, any claims for penalties are hereby compromised and settled in accordance with the terms of this Settlement.

XIII

Each undersigned representative of the parties certifies that he or she is fully authorized to execute this Settlement Agreement on behalf of his or her respective party, and to legally bind such party to its terms and conditions.

CHEVRON PIPE LINE COMPANY

BY: Edward C. LaCour
(Signature)

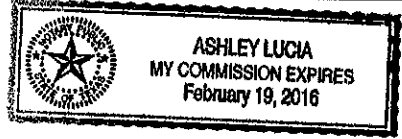
Edward C. LaCour
(Printed)

TITLE: Attorney-in-Fact

APJ

THUS DONE AND SIGNED in duplicate original before me this 14th day of APRIL, 20 15, at HARRIS COUNTY, TEXAS.

Ashley Lucia
NOTARY PUBLIC (ID #126394025)



(stamped or printed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY

Peggy M. Hatch Secretary

BY: D. Chance McNeely
D. Chance McNeely, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 16th day of June, 20 15, at Baton Rouge, Louisiana.

Perry Theriot
NOTARY PUBLIC (ID # 19181)

Approved: D. Chance McNeely
D. Chance McNeely, Assistant Secretary