

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	Settlement Tracking No.
	*	SA-MM-11-0021
PLACID REFINING COMPANY LLC	*	
	*	Enforcement Tracking Nos.
	*	MM-CN-03-0114
AI NO. 2366	*	As Amended by
	*	MM-CN-03-0114A
	*	AE-N-05-0225
PROCEEDINGS UNDER THE LOUISIANA	*	
ENVIRONMENTAL QUALITY ACT	*	Docket Nos. 2004-8083-EQ
LA. R.S. 30:2001, <u>ET SEQ.</u>	*	2006-1355-EQ

FIRST MATERIAL MODIFICATION TO SETTLEMENT

Pursuant to Paragraph 77 of the Settlement, Settlement Tracking No. SA-MM-11-0021, effective July 29, 2011, by and between the Louisiana Department of Environmental Quality (“LDEQ”) and Placid Refining Company LLC (“Placid”) in the above-captioned proceedings,¹ the Parties hereby modify certain provisions of the Settlement as forth in this First Material Modification to Settlement (“Modification”).

1.

Except as otherwise expressly provided herein or as the context otherwise requires, all capitalized terms used in this Modification shall have the meanings and/or definitions given them in the Settlement.

2.

The first sentence of Paragraph 9.A of the Settlement -- which currently provides, “By no later than December 31, 2016, Placid shall limit NOx emissions from the Refinery FCCU to 30 ppmvd NOx or less on a 365-day rolling average basis and 60 ppmvd NOx or less on a 7-day

¹ EDMS Document No. 8049267.

rolling average basis, each at 0% Oxygen ('O₂')." -- is hereby revised in its entirety to read as follows: "By no later than December 31, 2017, Placid shall limit NO_x emissions from the Refinery FCCU to 30 ppmvd NO_x or less on a 365-day rolling average basis and 60 ppmvd NO_x or less on a 7-day rolling average basis, each at 0% Oxygen ('O₂')."

3.

New Paragraphs 9.C, D, E and F are hereby added to the Settlement and shall read in their entirety as follows:

"C. By no later than December 31, 2016, Placid shall limit the NO_x emissions from the Refinery FCCU to no more than 45 ppmvd NO_x on a 365-day rolling average basis and 60 ppmvd or less on a 7-day rolling average basis, each at 0% Oxygen ("O₂"). For purposes of this Settlement only, NO_x emissions during periods of Startup, Shutdown, or Malfunction shall not be used in determining compliance with the 60 ppmvd 7-day emissions limit, provided that during such periods Placid implements good air pollution control practices to minimize NO_x emissions. Placid currently meets its permit limit for NO_x emissions from the Refinery FCCU of 80 ppmvd NO_x or less on a 365-day rolling average basis at 0% O₂ and shall continue to meet this permit limit until the new emissions limits set forth in this paragraph 9.C become effective.

D. As a condition of this settlement modification which extends the FCCU NO_x compliance date to December 31, 2017 (from December 31, 2016 in Paragraph 9.A of SA-MM-11-0021), Placid shall evaluate and identify sources from which, or acceptable mechanisms through which, a total of 27 tons of NO_x emissions reductions per year (total reduction) can be obtained by no later than December 31, 2017. Until otherwise notified by LDEQ, Placid shall submit quarterly progress reports to LDEQ regarding Placid's

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alternative NOx reduction strategies. The first quarterly progress report shall be due on April 15, 2016 for the first three (3) months of 2016. Subsequent quarterly progress reports shall be due on July 15 (for April through June); October 15 (for July through September); January 15 (for October through December); and April 15 (for January through March) of each year. The reports shall include, but not be limited to, the following information as it becomes available:

- i) The source(s) of the planned reduction(s) (Proposed Sources);
- ii) Specifications of Proposed Sources;
- iii) The current permit limits of Proposed Sources;
- iv) How much reduction is planned on each of the Proposed Sources;
- v) How the reduction will be achieved on the Proposed Sources;
- vi) Whether the reduction from the Proposed Sources will have an effect on other sources' limits or permit conditions or any state, federal and consent decree limitations;
- vii) If the reduction is achieved from a design change of a source in the Proposed Sources, the time line for the full implementation of the reduction from the source (such as equipment modification, permit approval and operation);
- viii) A timeline of the proposed milestones for achieving the total reduction from the Proposed Sources that includes the final date on which the reduction will be achieved, if sooner than December 31, 2017.

E. If by no later than December 31, 2017, or such later date as reasonably approved by LDEQ in writing, LDEQ approves the alternative NOx reduction strategies proposed by Placid pursuant to Paragraph 9.D and Placid implements such reduction strategies,

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Paragraph 9.A of the Settlement shall be deleted in its entirety; such deletion to be effective upon LDEQ's receipt of written confirmation from Placid of the implementation of the approved alternative NOx reduction strategies.

F. If by no later than December 31, 2017, or such later date as reasonably approved by LDEQ in writing, Placid fails to implement the total reduction strategies approved pursuant to Paragraph 9.D, Paragraph 9.C of this Settlement shall be considered null and void and deleted in its entirety.”

4.

Except as expressly provided herein, the Settlement shall remain unchanged and in full force and effect.

5.

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

6.

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

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7.

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

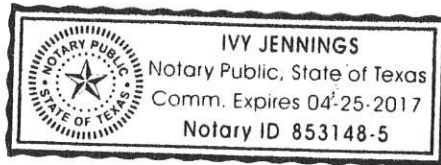
PLACID REFINING COMPANY LLC

By: [Signature]
(Signature)

Daniel R. Robinson
(Printed)

TITLE: President

THUS DONE AND SIGNED in duplicate original before me this 3rd day of
February, 2016, at Dallas, TX.



[Signature]
Notary Public (ID # 853148-5)

(Stamped or Printed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY

Chuck Carr Brown, Ph.D., Secretary

BY: [Signature]
Lourdes Iturralde, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 3rd day of
May, 2016, at Baton Rouge, Louisiana.

[Signature]
Notary Public (ID # 19181)

Perry Theriot
(Stamped or Printed)

Approved: [Signature]
D. Chance McNeely, Assistant Secretary

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