



State of Louisiana

Department of Environmental Quality



KATHLEEN BABINEAUX BLANCO
GOVERNOR

September 18, 2006

MIKE D. McDANIEL, Ph.D.
SECRETARY

CERTIFIED MAIL (7003 2260 0000 5825 7081)
RETURN RECEIPT REQUESTED

CHALMETTE REFINING, L.L.C.
c/o Corporation Service Company
Agent of Service
320 Somerulos Street
Baton Rouge, Louisiana 70802-6129

**RE: NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-PP-06-0121
AGENCY INTEREST NO. 1376**

Dear Sir:

On or about August 14, 2006, a file review of the **CHALMETTE REFINERY**, owned and/or operated by **CHALMETTE REFINING, L.L.C. (RESPONDENT)**, was performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Air Quality Regulations. The facility is located at or near 500 West St. Bernard Highway in Chalmette, St. Bernard Parish, Louisiana.

While the Louisiana Department of Environmental Quality's (the Department) investigation is not yet complete, the following violations were noted during the course of the file review:

- A. The Department received an unauthorized discharge notification report from the Respondent dated July 22, 2005, indicating a release of approximately 155 pounds of sulfur dioxide (SO₂) and 22 pounds of nitric oxide (NO). The release occurred on or about July 17, 2005, beginning at approximately 1:09 a.m. and lasted for approximately twenty-one (21) minutes. According to the Respondent's report, the release occurred when the No. 1 Coker wet gas compressor (K-2800) shutdown due to high knock-out drum level. The shutdown of the No. 1 Coker wet gas compressor resulted in the flaring from the No. 2 Flare of process gasses until it could be restarted. The Respondent's failure to manage fractionator tower parameters to prevent liquid carry

Chalmette Refining, L.L.C.
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over caused the release. This is a violation of LAC 33:III.905 which states, "When facilities have been installed on a property, they shall be used and diligently maintained in proper working order whenever any emissions are being made which can be controlled by the facilities, even though the ambient air quality standards in affected areas are not exceeded." Control equipment as defined by LAC 33:III.111 is "any device or contrivance, operating procedure or abatement scheme used to prevent or reduce air pollution." This is also a violation of Sections 2057(A)(1) and 2057(A)(2) of the Act.

- B. The Department received an unauthorized discharge notification report from the Respondent dated July 28, 2006, indicating a release of approximately 2,287 pounds of sulfur dioxide (SO₂) and 22 pounds of nitric oxide (NO). The release occurred on or about July 21, 2006, beginning at approximately 3:27 p.m. and lasted for approximately one (1) hour and fourteen (14) minutes. According to the Respondent's report, the release occurred when the No. 1 Coker wet gas compressor (K-2800) automatically shut down due to motor overload (thermal), causing overpressure to the emergency flare system. The Respondent noted in the report that results of further investigation indicated the alarm set points designed to prevent the motor from being operated above its designed load, were inadvertently set slightly above the appropriate amperage. According to the Respondent, the motor is designed for a maximum draw of 210 amps, but the high amperage alarm for this motor was found to be set at 220 amps. This resulted in the motor being run in excess of its fully loaded amperage of 210 amps causing the motor to overheat and automatically shut down. The Respondent's failure to have the alarm set point at the appropriate amperage led to the resulting release. This is a violation of LAC 33:III.905 which states, "When facilities have been installed on a property, they shall be used and diligently maintained in proper working order whenever any emissions are being made which can be controlled by the facilities, even though the ambient air quality standards in affected areas are not exceeded." Control equipment as defined by LAC 33:III.111 is "any device or contrivance, operating procedure or abatement scheme used to prevent or reduce air pollution." This is also a violation of Sections 2057(A)(1) and 2057(A)(2) of the Act.

Chalmette Refining, L.L.C.
Notice of Potential Penalty
Page 3

Pursuant to La. R.S. 30:2050.3(B), you are hereby notified that the issuance of a penalty assessment is being considered for the violations described herein. Written comments may be filed regarding the violations and the contemplated penalty. If you elect to submit comments, it is requested that they be submitted within ten (10) days of receipt of this notice.

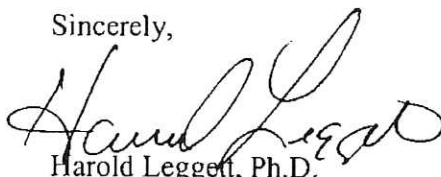
Prior to the issuance of any additional appropriate enforcement action, you may request a meeting with the Department to present any mitigating circumstances concerning the violations. If you would like to have such a meeting, please contact Richard Ober, Environmental Scientist, at (225) 219-3767 within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.

The Department is required by La. R.S. 30:2025(E)(3)(a) to consider the gross revenues of the Respondent and the monetary benefits of noncompliance in order to determine whether a penalty will be assessed and the amount of such penalty. Please forward the Respondent's most current annual gross revenue statement along with a statement of the monetary benefits of noncompliance for the cited violations to the above named contact person within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**. Include with your statement of monetary benefits the method(s) you utilized to arrive at the sum. If you assert that no monetary benefits have been gained, you are to fully justify this statement.

For each violation described herein, the Department reserves the right to seek civil penalties and the right to seek compliance with its rules and regulations in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such penalties and compliance.

To reduce document handling, please refer to the **Enforcement Tracking Number** and **Agency Interest Number** on the front of this document on all correspondence in response to this action.

Sincerely,



Harold Leggett, Ph.D.
Assistant Secretary
Office of Environmental Compliance

HL/RO/ro
Alt ID No. 2500-00005



DEPARTMENT OF ENVIRONMENTAL QUALITY

KATHLEEN BABINEAUX BLANCO

GOVERNOR

MIKE D. McDANIEL, Ph.D.

SECRETARY

October 16, 2007

CERTIFIED MAIL (7003 2260 0000 5825 7272)
RETURN RECEIPT REQUESTED

CHALMETTE REFINING, L.L.C.

c/o Corporation Service Company

Agent of Service

320 Somerulos Street

Baton Rouge, Louisiana 70802-6129

**RE: AMENDED NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-PP-06-0121A
AGENCY INTEREST NO. 1376**

Dear Sir:

Pursuant to the Louisiana Environmental Quality Act (La. R.S. 30:2001, et seq.), the attached **AMENDED NOTICE OF POTENTIAL PENALTY** is hereby served on **CHALMETTE REFINING, L.L.C. (RESPONDENT)** for the violations described therein.

Any questions concerning this action should be directed to Richard Ober, Jr. at (225) 219-3704.

Sincerely,

Peggy M. Hatch
Administrator
Enforcement Division

PMH/RO/ro
Alt ID No. 2500-00005
Attachment

c: Mr. Charles Kominas
Environmental Group Leader
Chalmette Refining, L.L.C.
Chalmette Refinery
Post Office Box 1007
Chalmette, Louisiana 70044

ENVIRONMENTAL COMPLIANCE

: PO BOX 4312, BATON ROUGE, LA 70821-4312

P:225-219-3700 F:225-219-3708

WWW.DEQ.LOUISIANA.GOV

STATE OF LOUISIANA
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

IN THE MATTER OF

CHALMETTE REFINING, L.L.C.
ST. BERNARD PARISH
ALT ID NO. 2500-00005

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

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*	ENFORCEMENT TRACKING NO.
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*	AE-PP-06-0121A
*	
*	AGENCY INTEREST NO.
*	
*	1376
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AMENDED NOTICE OF POTENTIAL PENALTY

The Louisiana Department of Environmental Quality (the Department) hereby amends the **NOTICE OF POTENTIAL PENALTY** issued to **CHALMETTE REFINING, L.L.C.** (**RESPONDENT**) on September 18, 2006, in the above-captioned matter as follows:

I.

The Department hereby amends the **NOTICE OF POTENTIAL PENALTY** to add the following:

“On or about September 13, 2007, a file review of the Respondent’s facility was performed 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 review:

Chalmette Refining, L.L.C.
Notice of Potential Penalty
Page 2

- A. The Department received an unauthorized discharge notification report from the Respondent dated September 14, 2006, indicating a release of approximately 14.42 pounds of nitric oxide (NO). The release occurred on or about September 8, 2006, beginning at approximately 7:48 a.m. and lasted for approximately 46 minutes. According to the Respondent's report, the release occurred when the Respondent's personnel were shutting down the Gas Recovery Unit (GRU). During the shutdown of the GRU, the quality of the gas sent to the fuel drum from the unit was higher in British Thermal Unit (BTU) value. Due to the increase in the BTU value of the Fuel Drum gas, the refinery furnaces automatically reduced the volume of the gas consumed. At the same time, the refinery fuel system was limited in its ability to absorb fluctuations in the quantity or quality of fuel gas within the refinery. The combination of the GRU shutdown and the fuel drum limitations caused the fuel drum to vent excess pressure to the flare. The Respondent's failure to verify that the refinery fuel system had available capacity to handle the fluctuations in the fuel gas quantity or quality when the GRU was shut down and the gas was sent to the fuel drum led to the resulting release. This is a violation of LAC 33:III.905 which states, "When facilities have been installed on a property, they shall be used and diligently maintained in proper working order whenever any emissions are being made which can be controlled by the facilities, even though the ambient air quality standards in affected areas are not exceeded." Control equipment as defined by LAC 33:III.111 is "any device or contrivance, operating procedure or abatement scheme used to prevent or reduce air pollution." This is also a violation of La. R.S. 30:2057(A)(1) and La. R.S. 30:2057(A)(2).
- B. The Department received an unauthorized discharge notification report from the Respondent dated February 9, 2007, indicating a release of approximately 784 pounds of sulfur dioxide (SO₂). The release occurred on or about February 3, 2007, beginning at approximately 6:15 p.m. and lasted for approximately 65 minutes. According to the Respondent's report, the release occurred when the Waste Gas System (WGS) Compressor K-400 shut down due to an operational adjustment that caused high jacket water temperature. During operational rounds to check equipment, an operator detected that the temperature of the circulating jacket water to the engine driver for WGS K-400 was below the desired operating temperature range. The operator manually adjusted the cooling water system that cools the circulating jacket water in order to raise the water

Chalmette Refining, L.L.C.
Notice of Potential Penalty
Page 3

temperature to the desired operating range. The operator continued on a normal round to observe the operation of the other assigned equipment. The K-400 Waste Gas Compressor shut down on high jacket water temperature before the operator completed the normal round. Sour hydrocarbon gas was diverted to the refinery Emergency Flare System due to the reduced WGS capacity. The operator's failure to closely monitor the water jacket temperature when the adjustment was made to the cooling water system for the circulating jacket water for K-400 Waste Gas Compressor's engine driver led to the resulting release. This is a violation of LAC 33:III.905 which states, "When facilities have been installed on a property, they shall be used and diligently maintained in proper working order whenever any emissions are being made which can be controlled by the facilities, even though the ambient air quality standards in affected areas are not exceeded." Control equipment as defined by LAC 33:III.111 is "any device or contrivance, operating procedure or abatement scheme used to prevent or reduce air pollution." This is also a violation of La. R.S. 30:2057(A)(1) and La. R.S. 30:2057(A)(2).

- C. The Department received an unauthorized discharge notification report from the Respondent dated May 30, 2007, indicating a release of approximately 523 pounds of sulfur dioxide (SO₂) on May 23, 2007 and May 24, 2007, during three (3) events. Two (2) events occurred on or about May 23, 2007. The first event began at approximately 6:00 p.m. and lasted approximately 21 minutes. The second event began at 9:00 p.m. and lasted approximately 39 minutes. The third event occurred on May 24, 2007. The third event began at 9:25 a.m. and lasted for approximately 17 minutes. According to the Respondent's report, the release began when the Respondent's operators attempted to re-commission the Hydrodesulfurization Unit (HDS) off-gas compression system by starting Off-Gas Compressor K-3304. According to the Respondent's unauthorized discharge notification report, the compressor was started when the pressure, at the location where the HDS off-gas compression system joins the Amine Unit feed gas, was higher than normal causing the discharge gas pressure from Off-Gas Compressor K-3304 to exceed the set pressure of the pressure safety valve at the compressor. The pressure safety valve opened to relieve the pressure routing the off-gas to the Number 2 Flare. The pressure where the HDS off-gas compression system joins the Amine Unit feed gas was higher than normal because the pre-requisite step of the

Chalmette Refining, L.L.C.
Notice of Potential Penalty
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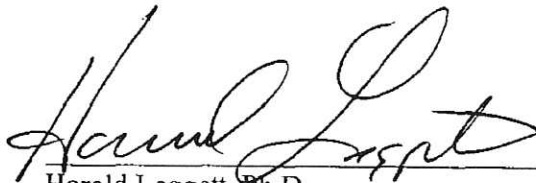
off-gas compressor start-up procedure was not verified. According to the Respondent's letter dated August 30, 2007, which also provided information on the SO₂ release, the procedure specifically requires the operator to verify that the pressure at the location where the Off-Gas Compressor K-3304 discharges to the Amine Unit tie-in was less than the set point for the Off-Gas Compressor K-3304 pressure safety valve. The Respondent's failure to follow the established start-up procedure when starting the Off-Gas Compressor K-3304 was the root cause of the resulting release of SO₂. This is a violation of LAC 33:III.905 which states, "When facilities have been installed on a property, they shall be used and diligently maintained in proper working order whenever any emissions are being made which can be controlled by the facilities, even though the ambient air quality standards in affected areas are not exceeded." Control equipment as defined by LAC 33:III.111 is "any device or contrivance, operating procedure or abatement scheme used to prevent or reduce air pollution." This is also a violation of La. R.S. 30:2057(A)(1) and La. R.S. 30:2057(A)(2)."

II.

The Department incorporates all of the remainder of the original **NOTICE OF POTENTIAL PENALTY, ENFORCEMENT TRACKING NO. AE-PP-06-0121** and **AGENCY INTEREST NO. 1376** as if reiterated herein.

This **AMENDED NOTICE OF POTENTIAL PENALTY** is effective upon receipt.

Baton Rouge, Louisiana, this 16 day of October, 2007.



Harold Leggett, Ph.D.
Assistant Secretary
Office of Environmental Compliance

Chalmette Refining, L.L.C.
Notice of Potential Penalty
Page 5

Copies of a request for a hearing and/or
related correspondence should be sent to:

Louisiana Department of Environmental Quality
Office of Environmental Compliance
P.O. Box 4312
Baton Rouge, LA 70821-4312
Attention: Richard Ober, Jr.

BOBBY JINDAL
GOVERNOR



PEGGY M. HATCH
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

October 21, 2010

CERTIFIED MAIL (7004 2510 0005 5763 8023)
RETURN RECEIPT REQUESTED

CHALMETTE REFINING, L.L.C.
c/o Corporation Service Company
Agent for Service of Process
320 Somerulos Street
Baton Rouge, Louisiana 70802-6129

**RE: CONSOLIDATED COMPLIANCE ORDER
& NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-CN-10-01431
AGENCY INTEREST NO. 1376**

Dear Sir:

Pursuant to the Louisiana Environmental Quality Act (La. R.S. 30:2001, et seq.), the attached **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is hereby served on **CHALMETTE REFINING, L.L.C. (RESPONDENT)** for the violation described therein.

Compliance is expected within the maximum time period established by each part of the **COMPLIANCE ORDER**. The violation cited in the **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** could result in the issuance of a civil penalty or other appropriate legal actions.

Any questions concerning this action should be directed to Richard Ober, Jr. at (225) 219-3704.

Sincerely,

A handwritten signature in black ink, appearing to read "Celena J. Cage".

Celena J. Cage
Administrator
Enforcement Division

CJC/RO/ro
Alt ID No. 2500-00005
Attachment

c: Mr. Richard A. Igercich
Refinery Manager
Chalmette Refining, L.L.C.
Post Office Box 1007
Chalmette, Louisiana 70044-1007

STATE OF LOUISIANA
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

IN THE MATTER OF

CHALMETTE REFINING, L.L.C.
ST. BERNARD PARISH
ALT ID NO. 2500-00005

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

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ENFORCEMENT TRACKING NO.

AE-CN-10-01431

AGENCY INTEREST NO.

1376

CONSOLIDATED
COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY

The following **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is issued to **CHALMETTE REFINING, L.L.C. (RESPONDENT)** by the Louisiana Department of Environmental Quality (the Department), under the authority granted by the Louisiana Environmental Quality Act (the Act), La. R.S. 30:2001, et seq., and particularly by La. R.S. 30:2025(C), 30:2050.2 and 30:2050.3(B).

FINDINGS OF FACT

I.

The Respondent owns and/or operates a petroleum refinery known as the Chalmette Refinery (the facility) located at or near 500 West St. Bernard Highway in Chalmette, St. Bernard Parish, Louisiana. The facility operates under multiple air permits, including Title V Permit No. 3018-V2 for the No.1 Crude/Coker Units issued on November 19, 2009.

II.

On or about June 25, 2010, an inspection of the Respondent's facility was performed in response to a citizen's complaint to determine the degree of compliance with the Act and the Air Quality Regulations.

While the investigation by the Department is not yet complete, the following violation was noted during the course of the inspection:

Observations made from outside of the facility along West St. Bernard Highway revealed that roof panels were missing from the facility's coke storage barn. The coke storage barn is a control device used for controlling particulate matter. The Respondent was contacted by a representative of the Department about the missing panels and a representative of the Respondent indicated that the facility was aware of the missing panels and repairs were in process. The Respondent also reported the coke barn roof matter in its 2010 first quarterly permit deviation report dated June 23, 2010. According to the Respondent's report, a storm resulted in roof damage in the first quarter of 2010. The report indicated that repairs were currently underway for the roof damage. By email sent on September 20, 2010, the Department requested additional information pertaining to the status of the coke barn roof. The Respondent sent an email on September 27, 2010, that indicated that work orders were not entered until May 28, 2010. The failure to diligently maintain the coke barn in proper working order to control particulate matter is a violation Specific Requirement 132 of Title V Permit No. 3018-V2, LAC 33:III.501.C.4, LAC 33:III.905 and La. R.S. 30:2057(A)(2). The Louisiana Air Quality Regulations, in particular LAC 33:III.905 states "When facilities have been installed on a property, they shall be used and diligently maintained in proper working order whenever any emissions are being made which can be controlled by the facilities, even though the ambient air quality standards in affected areas are not exceeded." Control equipment as defined by LAC 33:III.111 is "any device or contrivance, operating procedure or abatement scheme used to prevent or reduce air pollution."

III.

The Respondent's email sent on September 27, 2010, noted that the work order entered on May 28, 2010, was completed on July 9, 2010. It also indicated that a second work order was entered on August 23, 2010, for a missing roof panel. According to the Respondent, the work order entered on August 23, 2010, is currently being completed. It was confirmed, based on conversations with a representative of the Respondent on or about September 28, 2010, that the work order entered on August 23, 2010, was for another missing roof panel. According to the email sent by the Respondent, the Coker No. 1, which utilized the coke barn, has been down since August 23, 2010.

COMPLIANCE ORDER

Based on the foregoing, the Respondent is **hereby ordered**:

I.

To take, immediately upon receipt of this **COMPLIANCE ORDER**, any and all steps necessary to meet and maintain compliance with Title V Permit No. 3018-V2 and the Air Quality Regulations, including but not limited to, assuring that the coke barn is used and diligently maintained in proper

working order whenever any emissions are being made which can be controlled in accordance with Specific Requirement 132 of Title V Permit No. 3018-V2 and LAC 33:III.905.

II.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a written report that includes a detailed description of the circumstances surrounding the cited violation and actions taken or to be taken to achieve compliance with the Order. Portion of this **COMPLIANCE ORDER**. The report shall contain, but not be limited to, what measures the Respondent shall take to ensure that the roof panels are maintained securely in place on the coke barn, and provide procedures that have been or will be taken to minimize any impacts from particulate matter for any events in which the coke barn fails to meet control requirements, including procedures to expeditiously find and address any problems with the coke barn. The report shall also include information as to when the coke storage barn roof panel became missing in the first quarter of 2010 and when it was noted by the Respondent. In the report, provide more information for the missing roof panel which instigated the second work order entered on August 23, 2010, such as, but not limited to, when this roof panel became missing, when it was noted, the cause of the roof panel becoming missing and what actions were taken to address the missing roof panel. This report and all other reports or information required to be submitted to the Enforcement Division by this **COMPLIANCE ORDER** shall be submitted to:

Office of Environmental Compliance
Post Office Box 4312
Baton Rouge, Louisiana 70821-4312
Attn: **Richard Ober, Jr.**
Re: **Enforcement Tracking No. AE-CN-10-01431**
Agency Interest No. 1376

THE RESPONDENT SHALL FURTHER BE ON NOTICE THAT:

I.

The Respondent has a right to an adjudicatory hearing on a disputed issue of material fact or of law arising from this **COMPLIANCE ORDER**. This right may be exercised by filing a written request with the Secretary no later than thirty (30) days after receipt of this **COMPLIANCE ORDER**.

II.

The request for an adjudicatory hearing shall specify the provisions of the **COMPLIANCE ORDER** on which the hearing is requested and shall briefly describe the basis for the request. This

request should reference the Enforcement Tracking Number and Agency Interest Number, which are located in the upper right-hand corner of the first page of this document and should be directed to the following:

Department of Environmental Quality
Office of the Secretary
Post Office Box 4302
Baton Rouge, Louisiana 70821-4302
Attn: Hearings Clerk, Legal Division
Re: Enforcement Tracking No. AE-CN-10-01431
Agency Interest No. 1376

III.

Upon the Respondent's timely filing a request for a hearing, a hearing on the disputed issue of material fact or of law regarding this **COMPLIANCE ORDER** may be scheduled by the Secretary of the Department. The hearing shall be governed by the Act, the Administrative Procedure Act (La. R.S. 49:950, et seq.), and the Department's Rules of Procedure. The Department may amend or supplement this **COMPLIANCE ORDER** prior to the hearing, after providing sufficient notice and an opportunity for the preparation of a defense for the hearing.

IV.

This **COMPLIANCE ORDER** shall become a final enforcement action unless the request for hearing is timely filed. Failure to timely request a hearing constitutes a waiver of the Respondent's right to a hearing on a disputed issue of material fact or of law under Section 2050.4 of the Act for the violation(s) described herein.

V.

The Respondent's failure to request a hearing or to file an appeal or the Respondent's withdrawal of a request for hearing on this **COMPLIANCE ORDER** shall not preclude the Respondent from contesting the findings of facts in any subsequent penalty action addressing the same violation(s), although the Respondent is estopped from objecting to this **COMPLIANCE ORDER** becoming a permanent part of its compliance history.

VI.

Civil penalties of not more than twenty-seven thousand five hundred dollars (\$27,500) for each day of violation for the violation(s) described herein may be assessed. For violations which occurred on August 15, 2004, or after, civil penalties of not more that thirty-two thousand five hundred dollars (\$32,500) may be assessed for each day of violation. The Respondent's failure or refusal to comply with

this **COMPLIANCE ORDER** and the provisions herein will subject the Respondent to possible enforcement procedures under La. R.S. 30:2025, which could result in the assessment of a civil penalty in an amount of not more than fifty thousand dollars (\$50,000) for each day of continued violation or noncompliance.

VII.

For each violation described herein, the Department reserves the right to seek civil penalties in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such penalties.

NOTICE OF POTENTIAL PENALTY

I.

Pursuant to La. R.S. 30:2050.3(B), you are hereby notified that the issuance of a penalty assessment is being considered for the violation(s) described herein. Written comments may be filed regarding the violation(s) and the contemplated penalty. If you elect to submit comments, it is requested that they be submitted within ten (10) days of receipt of this notice.

II.

Prior to the issuance of additional appropriate enforcement action(s), you may request a meeting with the Department to present any mitigating circumstances concerning the violation(s). If you would like to have such a meeting, please contact Richard Ober, Jr. at (225) 219-3704 within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.


III.

The Department is required by La. R.S. 30:2025(E)(3)(a) to consider the gross revenues of the Respondent and the monetary benefits of noncompliance to determine whether a penalty will be assessed and the amount of such penalty. Please forward the Respondent's most current annual gross revenue statement along with a statement of the monetary benefits of noncompliance for the cited violation(s) to the above named contact person within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**. Include with your statement of monetary benefits the method(s) you utilized to arrive at the sum. If you assert that no monetary benefits have been gained, you are to fully justify that statement.

IV.

This **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is effective upon receipt.

Baton Rouge, Louisiana, this 21 day of October, 2010.



Beau James/Brock
Assistant Secretary
Office of Environmental Compliance

Copies of a request for a hearing and/or related correspondence should be sent to:

Louisiana Department of Environmental Quality
Office of Environmental Compliance
Enforcement Division
P.O. Box 4312-
Baton Rouge, LA 70821-4312
Attention: Richard Ober, Jr.



BOBBY JINDAL
GOVERNOR

PEGGY M. HATCH
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

May 13, 2011

CERTIFIED MAIL (7003 2260 0000 5826 4935)
RETURN RECEIPT REQUESTED

CHALMETTE REFINING, L.L.C.
c/o Corporation Service Company
Agent for Service of Process
320 Somerlos Street
Baton Rouge, Louisiana 70802-6129

**RE: AMENDED CONSOLIDATED COMPLIANCE ORDER &
NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-CN-10-01431A
AGENCY INTEREST NO. 1376**

Dear Sir:

Pursuant to the Louisiana Environmental Quality Act (La. R.S. 30:2001, et seq.), the attached **AMENDED CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is hereby served on **CHALMETTE REFINING, L.L.C. (RESPONDENT)** for the violation described therein.

Any questions concerning this action should be directed to Mary Caldwell at (225) 219-3072.

Sincerely,

A handwritten signature in black ink, appearing to read "Celena J. Cage".

Celena J. Cage
Administrator
Enforcement Division

CJC/MJC/mjc
Alt ID No. 2500-00005
Attachment

c: Mr. Richard A. Igercich
Refinery Manager
Chalmette Refining, L.L.C.
Post Office Box 1007
Chalmette, Louisiana 70044-1007

**STATE OF LOUISIANA
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE**

IN THE MATTER OF

**CHALMETTE REFINING, L.L.C.
ST. BERNARD PARISH
ALT ID NO. 2500-00005**

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

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ENFORCEMENT TRACKING NO.

AE-CN-10-01431A

AGENCY INTEREST NO.

1376

**AMENDED CONSOLIDATED COMPLIANCE ORDER &
NOTICE OF POTENTIAL PENALTY**

The Louisiana Department of Environmental Quality (the Department) hereby amends the **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY, ENFORCEMENT TRACKING NO. AE-CN-10-01431** issued to **CHALMETTE REFINING, L.L.C (RESPONDENT)** on October 21, 2010, in the above-captioned matter as follows:

I.

The Department hereby adds paragraph IV of the Finding of Facts to read as follows:

“IV.

On or about May 13, 2011, the Respondent contacted the Department by telephone to inform the Department of the need to use the No. 1 Coker Coke Barn for the temporary coke storage. Due to the potential for the cessation of barge traffic from the high level of Mississippi River, the Respondent will need to utilize No. 1 Coker Coke Barn for additional storage capacity until barge traffic can safely resume. Although the No. 1 Coker Coke Barn currently has missing panels, the Respondent intends to use the No. 1 Coker Coke Barn with temporary repairs until the river levels allow barge loading to return to normal operations. On May 13, 2011, the Respondent submitted by email and hand delivered, a compliance plan to ensure that particulate matter and potential excess emissions would be controlled.”

II.

The Department hereby adds Paragraph III, IV, V, VI, VII, and VIII to the Compliance Order section to read as follows:

“III.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a written report that includes a detailed description of the circumstances surrounding the cited violation and actions taken or to be taken to achieve compliance with the Order Portion of this **COMPLIANCE ORDER**. The report shall contain, but not limited to, what measures the Respondent shall take to minimize any impacts from particulate matter for any events which the coke barn fails to meet control requirement, including procedures to expeditiously find and address any problems with the coke barn.

IV.

To take, immediately upon receipt of this **COMPLIANCE ORDER**, all reasonable precautions to prevent particulate matter from becoming airborne from No. 1 Coker Coke Barn. These precautions include, but are not be limited to, the following:

- A. The Respondent may utilize the No. 1 Coker Coke Barn only for the period when normal barge loading is unavailable due to the Mississippi River being closed to commercial traffic.
- B. The Respondent shall employ the use dust suppression measures at each shift, or more often as necessary, to minimize particulate emissions from coke piles.
- C. The Respondent shall provide for temporary repairs to the roof such that there are no holes or gaps in the roof. The Respondent shall inspect the temporary repairs daily and repair any defects as soon as practical.

V.

To submit notification, both verbally and in writing, to the Enforcement Division prior to utilizing the No. 1 Coker Coke Barn for the temporary storage of coke.

VI.

To remove all coke piles from the No. 1 Coker Coke Barn within thirty (30) days of returning to normal barge loading operations.

VII.

To develop and submit to the Enforcement Division, within ninety (90) days after receipt of this **COMPLIANCE ORDER**, a Coke Barn Repair Plan to address permanent repairs to the No. 1 Coke Barn.

VIII.

To implement and complete repairs, within six (6) months after receipt of this **COMPLIANCE ORDER**, to the No. 1 Coke Barn.”


III.

The Department incorporates all of the remainder of the original **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY, ENFORCEMENT TRACKING NO. AE-CN-10-01431** and **AGENCY INTEREST NO. 1376** as if reiterated herein.

IV.

This **AMENDED CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is effective upon receipt.

Baton Rouge, Louisiana, this 13 day of May, 2011.



Cheryl Sonnier Nolan
Assistant Secretary
Office of Environmental Compliance

Copies of a request for a hearing and/or related correspondence should be sent to:

Louisiana Department of Environmental Quality
Office of Environmental Compliance
Enforcement Division
Post Office Box 4312
Baton Rouge, LA 70821-4312
Attention: Mary Caldwell