



**BOBBY JINDAL**  
GOVERNOR

**PEGGY M. HATCH**  
SECRETARY

**State of Louisiana**  
**DEPARTMENT OF ENVIRONMENTAL QUALITY**  
**OFFICE OF ENVIRONMENTAL COMPLIANCE**

December 8, 2011

CERTIFIED MAIL (7004 2510 0005 5763 8009)  
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: AMENDED CONSOLIDATED COMPLIANCE ORDER &  
NOTICE OF POTENTIAL PENALTY  
ENFORCEMENT TRACKING NO. AE-CN-10-01431B  
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 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. Ingercich  
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

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ENFORCEMENT TRACKING NO.

AE-CN-10-01431B

AGENCY INTEREST NO.

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

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-10-01431A** issued to **CHALMETTE REFINING, L.L.C. (RESPONDENT)** on May 13, 2011, in the above-captioned matter as follows:

I.

The Department hereby adds paragraph V to the Findings of Fact portion of **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY, ENFORCEMENT TRACKING NO. AE-CN-10-01431A** which shall read as follows:

“V.

The Respondent submitted to the Enforcement Division, the Coke Barn Repair Plan dated August 11, 2011, to address permanent repairs to the No. 1 Coke Barn as required by paragraph VII of the Order portion of **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY, ENFORCEMENT TRACKING NO. AE-CN-10-01431A.**”

II.

The Department hereby replaces paragraph VIII of the Order portion of **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY, ENFORCEMENT TRACKING NO. AE-CN-10-01431A** which shall read as follows:

"VIII.

To complete by March 31, 2012, the following activities in regard to the No. 1 Coke Barn:

- A. Remove all of the sheeting (roof panels), purlins, roof struts, bracing and roof rafters.
- B. Wash the concrete pad/floor of the building to remove any remaining coke particulates."

III.

The Department hereby adds paragraph IX to the Order portion of **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY, ENFORCEMENT TRACKING NO. AE-CN-10-01431A** which shall read as follows:

"IX.

To submit to the Enforcement Division, within thirty (30) days after completion/conclusion of the items described in this **COMPLIANCE ORDER**, a complete written report that shall include a detailed description of the actions taken to achieve compliance with the terms and conditions set forth in this **COMPLIANCE ORDER**."

IV.

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

V.

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

Baton Rouge, Louisiana, this 18 day of December, 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: Richard Ober, Jr.



**BOBBY JINDAL**  
GOVERNOR

**PEGGY M. HATCH**  
SECRETARY

**State of Louisiana**  
**DEPARTMENT OF ENVIRONMENTAL QUALITY**  
**OFFICE OF ENVIRONMENTAL COMPLIANCE**

*March 29, 2012*

CERTIFIED MAIL (7004 2510 0005 5763 7576)  
RETURN RECEIPT REQUESTED

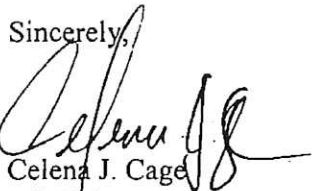
**CHALMETTE REFINING, L.L.C.**  
c/o Corporation Service Company  
Agent for Service of Process  
320 Somerulos Street  
Baton Rouge, Louisiana 70802-6129

**RE: AMENDED CONSOLIDATED COMPLIANCE ORDER &  
NOTICE OF POTENTIAL PENALTY  
ENFORCEMENT TRACKING NO. AE-CN-10-01431C  
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 Richard Ober, Jr. at (225) 219-3704.

Sincerely,  
  
Celena J. Cage  
Administrator  
Enforcement Division

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

c: Mr. J. Derek Reese  
Air Permitting and Compliance Section Supervisor  
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**

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**ENFORCEMENT TRACKING NO.**

**AE-CN-10-01431C**

**AGENCY INTEREST NO.**

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

**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-10-01431B** issued to **CHALMETTE REFINING, L.L.C. (RESPONDENT)** on December 8, 2011, in the above-captioned matter as follows:

**I.**

The Department hereby amends paragraph VIII of the Order portion of **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY, ENFORCEMENT TRACKING NO. AE-CN-10-01431B** to provide an extension of time to now remove the entire coke barn structure, which shall read as follows:

**“VIII.**

To complete by May 31, 2012, the following activities in regard to the No. 1 Coke Barn:

- A. Removal of the entire coke barn structure, including but not limited to the sheeting, purlins, struts, bracing and rafters.
- B. Wash the concrete pad/floor of the building to remove any remaining coke particulates.”



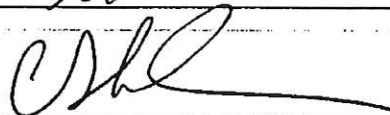
II.

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

III.

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

Baton Rouge, Louisiana, this 29 day of March, 2012.



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: 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 (7004 2510 0005 5763 8078)  
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-11-00261  
AGENCY INTEREST NO. 1376**

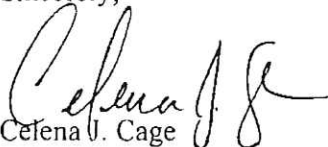
Dear Sir:

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 violations described therein.

Compliance is expected within the maximum time period established by each part of the **COMPLIANCE ORDER**. The violations 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,

  
Celena J. Cage  
Administrator  
Enforcement Division

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

c: Mr. J. Derek Reese  
Air Permitting and Compliance Section Supervisor  
Chalmette Refining, L.L.C.  
Post Office Box 1007  
Chalmette, Louisiana 70044

**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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| * | <b>ENFORCEMENT TRACKING NO.</b> |
| * |                                 |
| * | <b>AE-CN-11-00261</b>           |
| * |                                 |
| * | <b>AGENCY INTEREST NO.</b>      |
| * |                                 |
| * | <b>1376</b>                     |
| * |                                 |

**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 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 but not limited to Title V Permit No. 3011-V1 issued on August 8, 2008 and administratively amended on September 15, 2009, for the Cat Feed Hydrotreater Unit, Pretreater No. 1 and Reformer No. 1, and Gasoline Hydrotreater; Title V Permit No. 3023-V4 issued on August 10, 2010, for the Sulfur Recovery Unit, Hydrodesulfurization Unit, Amine Treating Unit, Sour Water Stripper, Waste Gas System, Benzene Recovery Unit, and Liquefied Petroleum Gas Recovery; Title V Permit No. 3016-V1 issued on September 25, 2008, for the No. 1 and No. 2 Flares; Title V Permit No. 3022-V4 issued on December 15, 2009, for the Fluidized Catalytic

Cracking Unit and Alkylation Unit; and Title V Permit No. 2933-V3 for the No. 2 Crude/Coker Units issued on March 1, 2010.

## II.

On or about September 6, 2010, an inspection of the Respondent's facility was performed to determine the degree of compliance with the Act and the Air Quality Regulations. The inspection was performed in response to an unauthorized discharge that occurred on September 6, 2010, which was reported by the Respondent on that same date. Subsequent review of information pertaining to the unauthorized discharge was completed on or about January 13, 2011.

While the investigation by the Department is not yet complete, the following violations were noted during the course of the inspection and review:

- A. The Respondent submitted a written notification report to the Department dated September 13, 2010, for the unauthorized discharge that occurred on September 6, 2010. The notification provided information in regard to the unauthorized discharge. According to the report, the root cause of the discharge was still under investigation. The Respondent submitted a final report dated January 7, 2011, for the September 6, 2010 unauthorized discharge. According to the January 7, 2011 report, the event began on September 6, 2010, at approximately 1:40 a.m. According to the Respondent flaring occurred for approximately 251 minutes at Flare No. 1 and 480 minutes at Flare No. 2. During this time, catalyst was released for approximately 30 minutes. Approximately 777 pounds of sulfur dioxide (SO<sub>2</sub>) were released from the Thox Stack (Emission Point No. 46); 105,869 pounds of SO<sub>2</sub> were released from Flare No. 1 (Emission Point No. 28) and Flare No. 2 (Emission Point No. 29); 283 pounds of hydrogen sulfide (H<sub>2</sub>S) were released from Flare No. 1 (Emission Point No. 28) and 19 tons of catalyst was released from the FCC Regenerator Flue Gas Scrubber Vent (Emission Point No. 47). According to the Respondent, the release was caused when there was a loss of power due to a bus bar short to ground on the Cat Feed Hydrotreater (CFHT). The short created a voltage dip which resulted in a power loss to multiple units throughout the refinery. As a result of the power loss, multiple units had to route material to the flare. In addition, the unit loss conditions resulted in a temporary pressure imbalance in the FCC regenerator flue gas scrubber vent. The root cause was determined by the Respondent to have occurred as a result of the power outage. The power outage was caused by a single phase short to ground due to the presence of unsealed gaps between the bus bar and glastic support at the power station (PS 7711). To reduce the likelihood of recurrence, sealant was installed between the bus bars and supports at PS 7711. The failure to have the area between the bus bar and glastic support sealed at PS 7711 on the CFHT led to a short to ground causing a short voltage drop and power loss to multiple units which ultimately led to the resulting release. This is a violation of the

Louisiana Air Quality Regulations, in particular 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 also constitutes a violation of La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

- B. As a result of the unauthorized discharge that occurred on September 6, 2010, the Respondent exceeded its maximum hourly emissions limit of 0.02 pounds per hour of SO<sub>2</sub> and its annual emissions limit of 0.03 tons of SO<sub>2</sub> for Flare No. 1. The Respondent also exceeded its maximum hourly emissions limit of 1.27 pounds per hour of NO<sub>x</sub> for Flare No. 1. Each exceedance of the SO<sub>2</sub> and NO<sub>x</sub> permitted emission limits for Flare No. 1 established in Title V Permit No. 3016-V1 is a violation of Louisiana Air Permit General Condition III in LAC 33:III.537.A, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2). Additionally, the unauthorized discharge resulted in the release of emissions of pollutants that are not authorized and established in the applicable Title V permits. The Respondent emitted 283 pounds of H<sub>2</sub>S from Flare No. 1, and 19 tons of catalyst from the FCC Regenerator Flue Gas Scrubber Vent. The discharges of H<sub>2</sub>S and catalyst are in contravention to the terms and conditions of Title V Permit No. 3016-V1 and 3022-V4, respectively, which only authorize certain types of pollutants and amounts of the pollutants which can be emitted. Emissions of each of the pollutants discharged that are not authorized in the respective permits is in violation of Louisiana Air Permit General Condition III in LAC 33:III.537.A, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

### III.

On or about February 24, 2011, further review of the September 6, 2010, unauthorized discharge was performed by the Department 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 violations were noted during the course of the review:

- A. The Respondent submitted a written notification report to the Department dated September 13, 2010, for the unauthorized discharge that occurred on September 6, 2010, in accordance with LAC 33:I.3925. According to the report, information pertaining to the root cause of the discharge was still under investigation. The root cause information is required to be provided in the report by LAC 33:I.3925.B.4. In accordance with LAC 33:I.3925.A.3, for information that is required to be provided in the unauthorized discharge reports required by LAC 33:I.3925 that is not

available at the time of submittal of the written notification report due to an ongoing investigation, updates of the status of the ongoing investigation of the unauthorized discharge shall be submitted every 60 days until the investigation has been completed and the results of the investigation have been submitted. The Respondent submitted the next report (final report) dated January 7, 2011, for the September 6, 2010 unauthorized discharge which provided the required root cause information. The Respondent failed to submit the update of the status of the ongoing investigation every 60 days until the investigation was completed. This is a violation of LAC 33:I.3925.A.3 and La. R.S. 30:2057(A)(2).

- B. The Respondent indicated emissions of nitrogen oxides (NO<sub>x</sub>) were released in its written notification report to the Department dated September 13, 2010, for the unauthorized discharge that occurred on September 6, 2010. However, in that report and in its final report dated January 7, 2011, the Respondent failed to include the estimate of the NO<sub>x</sub> emissions released. The failure to include the best estimate of amounts of any or all released pollutants is a violation of LAC 33:I.3925.B.5 and La. R.S. 30:2057(A)(2).

#### IV.

As discussed in meetings with the Department on or about September 28, 2010, November 18, 2010, and December 17, 2010, and in the unauthorized discharge report dated January 7, 2011, the corrective measures taken to prevent recurrence of this incident included installing sealant between the bus bar and surrounding glastic of the failed switchgear to address the air gap and acoustical on-line monitoring of the adjacent switchgear until its bus bar/glastic design can be inspected during the next planned unit shutdown.

#### **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 the applicable Title V Permits and the Air Quality Regulations, including but not limited to, LAC 33:III.905, LAC 33:III.501.C.4, LAC 33:I.3925.A.3 and LAC 33:I.3925.B.5.

II.

To inspect and address any deficiencies, if any deficiencies are discovered, in the bus bar/glastic design of the second switchgear housed in PS 7711 prior to completion of the next planned unit shutdown of the No. 2 Crude Unit, but no later than December 31, 2011.

III.

To submit quarterly reports to the Enforcement Division within thirty (30) days following the end of each calendar quarter commencing with the effective date of this **COMPLIANCE ORDER** until the completion/conclusion of the items described in this **COMPLIANCE ORDER**. The report shall provide the status of the tasks identified in paragraph II of this **COMPLIANCE ORDER**. In particular, the quarterly report shall indicate, but not be limited to, such items as applicable: the anticipated date/time of the planned unit shutdown of the No. 2 Crude Unit; any changes to the anticipated date/time of the planned unit shutdown, if necessary; whether the unit shutdown is ongoing; or any constraints which may lead to a delay in the unit shutdown resulting in the inability to complete the tasks in paragraph II of the Order portion of this **COMPLIANCE ORDER** by the December 31, 2011 deadline.

IV.

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 violations and actions taken or to be taken to achieve compliance with the Order Portion of this **COMPLIANCE ORDER**. 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-11-00261**  
**Agency Interest No. 1376**

V.

To submit to the Enforcement Division, within thirty (30) days after completion/conclusion of the items described in this **COMPLIANCE ORDER**, a complete written report that shall include a detailed description of the actions taken to achieve compliance with the terms and conditions set forth in this **COMPLIANCE ORDER**.



**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-11-00261**  
**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 than 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 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  
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**

December 21, 2011

CERTIFIED MAIL (7004 2510 0005 5763 7880)  
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-11-01560  
AGENCY INTEREST NO. 1376**

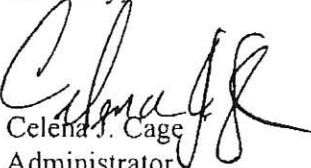
Dear Sir:

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 violations described therein.

Compliance is expected within the maximum time period established by each part of the **COMPLIANCE ORDER**. The violations 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,

  
Celena J. Cage  
Administrator  
Enforcement Division

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

c: Mr. J. Derek Reese  
Air Permitting and Compliance Section Supervisor  
Chalmette Refining, L.L.C.  
Post Office Box 1007  
Chalmette, Louisiana 70044

**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**

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**ENFORCEMENT TRACKING NO.**

**AE-CN-11-01560**

**AGENCY INTEREST NO.**

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

**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 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 but not limited to Title V Permit No. 2822-V1 issued on December 15, 2008, and Title V Permit No. 2500-00005-V4 issued on June 20, 2011.

II.

The Respondent was issued a variance on January 31, 2011, for the temporary shutdown of the Wastewater Treatment Plant (WWTP) Thermal Oxidizer (API Thox) (Emission Point 86) for preventive maintenance, which included cleaning internal equipment and replacing parts as needed. During that time the WWTP API Separator main bay emissions were routed to the atmosphere. The Respondent expected the maintenance activities to last approximately thirty (30) days. These maintenance activities

were not included in the routine startup and shutdown emissions in Title V Permit No. 2822-V1 as the API Thox was scheduled to be taken out of service due to the modification approved under the provisions of NSPS, 40 CFR 60 Subpart QQQ. The variance expired on August 10, 2011.

III.

By electronic mail sent on December 14, 2011, the Respondent noted that subsequent to the expiration of the variance, the Respondent conducted maintenance activities on the API Thox on October 30, 2011, November 5, 2011, and November 10, 2011, without authorization from the Department, in violation of LAC 33:III.501.C.2 and La. R.S. 30:2057(A)(1) and 2057(A)(2).

IV.

In a letter dated December 5, 2011, the Respondent reported that the API Thermal Oxidizer is scheduled to be permanently shutdown by the end of the first quarter 2012 in conjunction with finalizing projects to comply with 40 CFR 60 Subpart QQQ. The Respondent noted in the letter that in order to optimize performance and reduce downtime of the API Thox prior to the permanent shutdown, it is requesting interim limits to perform additional maintenance activities. The Respondent estimated 15 days would be needed for maintenance through March 31, 2012, when the API will be permanently shutdown.

V.

Additionally, the Respondent submitted a letter dated December 5, 2011, to the Department in which it reported that additional temporary backup air compressors were necessary to be operated due to reliability problems with the existing compressors which are scheduled to be repaired no later than March 31, 2012. According to the Respondent, compressor ICE-U3 (EQT 0266) is permitted to run 6,888 hours per year and due to reliability issues has been needed to run for additional hours in 2011. The Respondent requested in the letter to run three (3) additional diesel powered compressors through the end of the first quarter 2012. According to the Respondent's letter dated December 5, 2011, the compressors will provide instrument and plant air until such time that the permanent electric compressors can be repaired and brought back into service. Compressor ICE-U3 (EQT 0266) exceeded its permitted operating time and therefore, exceeded its permitted emissions limits in violation of General Condition III of Title V Permit No. 2500-00005-V4 in LAC 33:III.537, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(1) and 30:2057(A)(2). The operation of each additional compressor without authorization from the Department is a violation of LAC 33:III.501.C.2 and La. R.S. 30:2057(A)(1) and 2057(A)(2).

VI.

By electronic mail sent on December 14, 2011, the Respondent revised the letter dated December 5, 2011, to only request to operate two (2) additional compressors.

**COMPLIANCE ORDER**

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

I.

To protect air quality, the Respondent is required to comply with the following:

- A. The Respondent shall comply with the following limitation for volatile organic compounds (VOC), for the activity of performing maintenance on the API Thox (Emission Point 86):

| Emission Source | Emission Point | Pollutant | Tons for the Effective Period |
|-----------------|----------------|-----------|-------------------------------|
| API Thox        | 86             | VOC       | 0.031*                        |

\*The emissions are in addition to the current permitted limit for Emission Point No. 86 for the effective time period of this limitation.

All emission limitations, monitoring requirements, and permit conditions of Title V Permit No. 2822-V1 shall remain in full force and effect and shall remain enforceable. The limitation shall remain in effect until the maintenance has been completed and the unit is permanently shutdown but no later than March 31, 2012, or unless notified by the Department in writing, whichever occurs earlier.

- B. The Respondent shall at all times properly operate and maintain all facilities and systems of control (and related appurtenances) which are installed or used by the Respondent to achieve compliance with the conditions of the limitation.

II.

To protect air quality, the Respondent is required to comply with the following:

- A. The Respondent shall comply with the following limitations for the temporary compressors being used while repairs are being made to the electric compressors:



| Emission Source        | Operating Time (hours) | Pollutant         | Tons for the Effective Period |
|------------------------|------------------------|-------------------|-------------------------------|
| Temporary Compressor 1 | 792                    | NO <sub>x</sub>   | 1.89                          |
|                        |                        | CO                | 0.7                           |
|                        |                        | SO <sub>2</sub>   | 0.27                          |
|                        |                        | PM <sub>10</sub>  | 0.04                          |
|                        |                        | PM <sub>2.5</sub> | 0.04                          |
|                        |                        | VOC               | 0.13                          |
| Temporary Compressor 2 | 96                     | NO <sub>x</sub>   | 0.23                          |
|                        |                        | CO                | 0.08                          |
|                        |                        | SO <sub>2</sub>   | 0.03                          |
|                        |                        | PM <sub>10</sub>  | 0.004                         |
|                        |                        | PM <sub>2.5</sub> | 0.004                         |
|                        |                        | VOC               | 0.02                          |

All emission limitations, monitoring requirements, and permit conditions of Title V Permit No. 2500-00005-V4 shall remain in full force and effect and shall remain enforceable. The limitations shall remain in effect until March 31, 2012, or unless notified by the Department in writing, whichever occurs earlier.

- B. The Respondent shall at all times properly operate and maintain all facilities and systems of control (and related appurtenances) which are installed or used by the Respondent to achieve compliance with the conditions of the limitations.

III.

To take, immediately upon receipt of this **COMPLIANCE ORDER**, any and all steps necessary to meet and maintain compliance with the Air Quality Regulations.

IV.

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 violations and actions taken or to be taken to achieve compliance with the Order Portion of this **COMPLIANCE ORDER**. 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-11-01560**  
**Agency Interest No. 1376**

V.

To submit to the Enforcement Division, within thirty (30) days after completion/conclusion of the items described in this **COMPLIANCE ORDER**, a complete written report that shall include a detailed description of the actions taken to achieve compliance with the terms and conditions set forth in this **COMPLIANCE ORDER**.

**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-11-01560**  
**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 than 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 December, 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  
P.O. Box 4312  
Baton Rouge, LA 70821-4312  
Attention: Richard Ober, Jr.