

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

SHELL PIPELINE COMPANY LP

AI # 189225

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

* Settlement Tracking No.
* SA-HE-17-0030
*
* Enforcement Tracking No.
* HE-PP-14-01169
*
*
*
*
*

SETTLEMENT

The following Settlement is hereby agreed to between Shell Pipeline Company LP (“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 partnership that owns and/or operates a pipeline facility located in Jefferson Davis Parish, Louisiana (“the Facility”).

II

On March 31, 2016, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. HE-PP-14-01169, which was based upon the following findings of fact:

“On or about August 28, 2014, an inspection of Shell Pipeline Jefferson Davis Parish, owned and/or operated by Shell Pipeline Company LP (RESPONDENT), was performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Hazardous Waste Regulations. The facility is located Parishwide in Jefferson Davis Parish, Louisiana. The facility encompasses the entire pipeline system located within the borders of Jefferson Davis Parish.

Points of generation of hazardous waste can occur anywhere along the company's pipeline system due to maintenance and repair projects. At the time of inspection, there was no evidence of hazardous waste activity at the Site. However, at that point in time, the facility was registered with the Department as a Large Quantity Generator and assigned EPA Identification Number LAR 000 060 681. On or about December 29, 2014, the Department received a certification of No Hazardous Waste Activity Form from the Respondent. The Respondent is no longer managing or generating hazardous waste at the facility.

While the investigation by the Louisiana Department of Environmental Quality (the Department) is not yet complete, the following violations were noted during the course of the inspection:

- A. The Respondent failed to prepare and maintain a hazardous waste contingency plan as specified in LAC 33:V.1513, in violation of LAC 33:V.1109.E.1.e.
- B. The Respondent failed to develop and implement a hazardous waste minimization plan as specified in LAC 33:V.2245.K, in violation of LAC 33:V.1109.E.1.e.

On or about December 2, 2015, a routine hazardous waste delisting inspection was performed. Based on the inspection and the certification of No Hazardous Waste Activity, the EPA ID number LAR 000 060 681 will be delisted.”

III

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

IV

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 TWO THOUSAND TWO HUNDRED FIFTY AND NO/100 DOLLARS (\$2,250.00) of which One Hundred Eighty-Six and 33/100 Dollars (\$186.33) 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).

V

Respondent further agrees that the Department may consider the inspection report(s)/permit record(s), Notice of Potential Penalty 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.

VI

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.

VII

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.

VIII

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.

IX

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Jefferson Davis Parish, Louisiana. The advertisement, in form and wording 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.

X

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 B).

XI

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

XII

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.

Shell Pipeline Company LP

BY: D. Peyton Ross
(Signature)

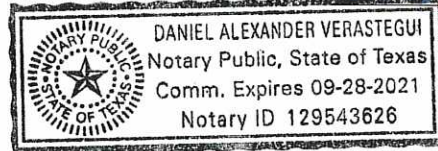
JOSEPH PEYTON ROSS
(Printed)

TITLE: ASSET OPERATIONS MGR-SPLC

THUS DONE AND SIGNED in duplicate original before me this 18 day of April, 20 19, at 8:23 AM.

Daniel Verastegui - Daniel Verastegui

NOTARY PUBLIC (ID # 129543626)



(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 19th day of June, 20 19, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 19181)

Perry Theriot
(stamped or printed)

Approved: [Signature]
Lourdes Iturralde, Assistant Secretary

JOHN BEL EDWARDS
GOVERNOR



CHUCK CARR BROWN, PH.D.
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

March 31, 2016

CERTIFIED MAIL (7012 2210 0001 1915 6097)
RETURN RECEIPT REQUESTED

SHELL PIPELINE COMPANY LP
c/o C T Corporation System
Agent for Service of Process
3867 Plaza Tower Drive
Baton Rouge, LA 70816

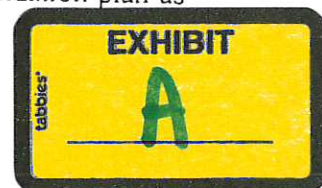
**RE: NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. HE-PP-14-01169
AGENCY INTEREST NO. 189225**

Dear Sir/Madam:

On or about August 28, 2014, an inspection of SHELL PIPELINE JEFFERSON DAVIS PARISH, owned and/or operated by SHELL PIPELINE COMPANY LP (RESPONDENT), was performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Hazardous Waste Regulations. The facility is located Parishwide in Jefferson Davis Parish, Louisiana. The facility encompasses the entire pipeline system located within the borders of Jefferson Davis Parish. Points of generation of hazardous waste can occur anywhere along the company's pipeline system due to maintenance and repair projects. At the time of inspection, there was no evidence of hazardous waste activity at the Site. However, at that point in time, the facility was registered with the Department as a Large Quantity Generator and assigned EPA Identification Number LAR 000 060 681. On or about December 29, 2014, the Department received a certification of No Hazardous Waste Activity Form from the Respondent. The Respondent is no longer managing or generating hazardous waste at the facility.

While the investigation by the Louisiana Department of Environmental Quality (the Department) is not yet complete, the following violations were noted during the course of the inspection:

- A. The Respondent failed to prepare and maintain a hazardous waste contingency plan as specified in LAC 33:V.1513, in violation of LAC 33:V.1109.E.1.e.
- B. The Respondent failed to develop and implement a hazardous waste minimization plan as specified in LAC 33:V.2245.K, in violation of LAC 33:V.1109.E.1.e.



On or about December 2, 2015, a routine hazardous waste delisting inspection was performed. Based on the inspection and the certification of No Hazardous Waste Activity, the EPA ID number LAR 000 060 681 will be delisted.

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.

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 violation(s). If you would like to have such a meeting, please contact Heather Brown 225-219-3792 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,



Lourdes Iturralde
Assistant Secretary
Office of Environmental Compliance

Notice of Potential Penalty
Shell Pipeline Company LP
Page 3

c: Shell Pipeline Company LP
P.O. Box 2648
Houston, TX 77252