STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	**Settlement Tracking No.**
	*	**SA-WE-15-0077**
EXXONMOBIL PIPELINE COMPANY	*	
	*	**Enforcement Tracking No.**
AI # 181803	*	**WE-P-14-00666**
	*	
PROCEEDINGS UNDER THE LOUISIANA	*	
ENVIRONMENTAL QUALITY ACT	*	
LA. R.S. 30:2001, ET SEQ.	*	

SETTLEMENT

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

I

Respondent is a corporation that owns and/or operates a 22-inch pipeline known as the North Line Crude Pipeline. This pipeline originates in St. James Parish, Louisiana and transports crude oil to the northern part of the state. This pipeline passes near U.S. Highway 190 near Torbert, Pointe Coupee Parish, Louisiana ("the Facility").

II

On November 20, 2014, the Department issued to Respondent a Penalty Assessment, Enforcement No. **WE-P-14-00666**, which was based upon the following findings of fact:

The Respondent owns and/or operates a 22-inch pipeline known as the North Line Crude Pipeline. This pipeline originates in St. James Parish, Louisiana and transports crude oil to the northern part of the state. This pipeline passes near U.S. Highway 190 near Torbert, Pointe

Coupee Parish, Louisiana.

An inspection conducted by the Department on or about April 29, 2012, in response to a self-reported spill notification, revealed that the Respondent caused and/or allowed the unauthorized discharge of approximately 1,900 barrels of crude oil on April 28, 2012, onto the ground and into Bayou Cholpe, waters of the state. Specifically, a pressure drop in the North Line Crude Pipeline was detected by the Respondent during the overnight hours of April 28-29, 2012. A subsequent investigation by the Respondent discovered a rupture in the pipeline at 1:50 PM on April 29, 2012. The release was reported to the proper authorities within 24 hours, and the Respondent initiated containment and clean-up activities the same day. Inspection of the rupture site by the Department revealed that crude oil had impacted the soil and had flowed into a small ditch that flows into Bayou Cholpe. Also noted at the time of the inspection was that several skimmers were in operation along the waterbody to collect the oil. The spill had been contained in Bayou Cholpe and had not affected downstream watercourses. The unauthorized discharge of oil onto the ground and into waters of the state is in violation of La. R.S. 30:2075 and LAC 33:IX.1701.B.

Also noted during the inspection on April 29, 2012, was that the Respondent caused an adverse impact to aquatic biota as a result of the unauthorized discharge of crude oil into Bayou Cholpe. Several small dead and/or dying fish were noted in Bayou Cholpe at the time of the inspection. The destruction of aquatic biota is in violation of La. R.S. 30:2076 (A)(3), LAC 33:IX.501.A, LAC 33:IX.1113.B.1.d, and LAC 33:IX.1113.B.5.

A file review conducted by the Department on or about March 25, 2013, revealed that the Respondent failed to update the initial written report that was submitted to the Department on May 7, 2012. Specifically, the investigation on the cause of the incident was still on-going at the

time of the written submittal. The Respondent is required to submit a status of the on-going investigation every 60 days until the investigation has been completed. The failure to submit the required status reports is in violation of La. R.S. 30:2076 (A)(3) and LAC 33:I.3925.A.3.

On April 5, 2013, the Department issued a Consolidated Compliance Order and Notice of Potential Penalty, Enforcement Tracking No. WE-CN-12-01327 to the Respondent. The Respondent submitted a written response to the Department regarding this action on or about April 26, 2013. The Respondent did not request an adjudicatory hearing; therefore, Consolidated Compliance Order and Notice of Potential Penalty, Enforcement Tracking No. WE-CN-12-01327 is a final action and not subject to further review.

The final written report submitted by the Respondent regarding the incident of April 28-29, 2012, reported the total spilled amount as 2,880 barrels (120,960 gallons). The report also notes that Bayou Cholpe flows east of the spill location and was not immediately impacted; however, the spill did impact local drainage and approximately 1.5 miles of an unnamed bayou that flows southeasterly towards Bayou Cholpe and the associated waterways that flow to Bayou Choctaw and the Intracoastal Waterway.

On or about August 26, 2014, the Respondent entered a Consent Decree with the United States Environmental Protection Agency (USEPA) and United States Department of Justice (USDOJ) (Civil Case No. 14-532-JWD-SCR; USDOJ Case No. 90-5-1-1-10941) to resolve the federal claims and/or interests regarding the incident of April 28-29, 2012. As part of this Consent Decree, the Respondent agreed to pay the USEPA/USDOJ one million four hundred and thirty seven thousand, one hundred and twenty ($1,437,120.00) dollars.

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 THIRTY FIVE THOUSAND AND NO/100 DOLLARS ($35,000.00) of which Five Thousand Eight Hundred Thirty-Four and No/100 Dollars ($5,834.00) represents the Department's enforcement costs, in settlement of the claims set forth in this agreement.

V

Respondent, in addition to payment of the penalty amount specified in Paragraph IV above and as part of this Settlement, agrees to expend the amount of Fifty Thousand and No/100 ($50,000.00) to implement and/or perform the following beneficial environmental project:

A. Within forty-five (45) days after the effective date of this settlement, Respondent shall donate $50,000.00 directly to the Pointe Coupee Office of Homeland Security and Emergency Preparedness (OHSEP) in full payment of the Beneficial Environmental Project. The act of donation or other instrument shall require the OHSEP to submit verification to Respondent that the donated funds were expended for the purchase of emergency response equipment including, but not limited to, radio control stations, radio chargers and spare batteries, HAZMAT suits, a HAZMAT suit tester, a command center air conditioner and other command trailer improvements. Upon receiving such verification, Respondent will submit a copy of the verification to the Department. Respondent will make good faith efforts to obtain the verification noted

above from the OHSEP; however, Respondent is not responsible for OHSEP's failure or refusal to provide said verification. After submitting the proof of payment and verification (or records documenting Respondent's good faith attempts to obtain the verification) to the Department, Respondent's duties and obligations regarding the Beneficial Environmental Project are fulfilled.

B Respondent shall submit monthly reports regarding its progress on the project. The first shall be due on the 5th of the month following the date the Department signs this Settlement. Monthly reports shall be submitted on the 5th of every month thereafter until the project is completed. Each such monthly report shall include a description of the project, tasks completed, tasks remaining, the percentage completed, and money expended on the project through the date of the report. Upon completion of the project required under this Settlement, Respondent shall submit a final report to include a summary of all the information previously submitted and a total amount spent on the project listed above. It shall also contain a certification that the project was completed as described.

C. If Respondent does not spend the amount of Fifty Thousand and No/100 Dollars ($50,000.00), then it shall, in its final report, propose additional projects for the Department's approval or pay to the Department an amount equal to the difference between the amount of money agreed to be spent and the amount of money actually spent.

D. The total amount of money expended by Respondent on cash payments to the Department and on beneficial environmental projects, as described above, shall be considered a civil penalty for tax purposes, as required by La. R.S. 30: 2050.7(E)(1).

VI

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

VII

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

VIII

This settlement is being made in the interest of settling the state's claims and avoiding for both parties the expense and effort involved in litigation or an adjudicatory hearing. In agreeing to the compromise and settlement, the Department considered the factors for issuing civil penalties set forth in La. R. S. 30:2025(E) of the Act and the rules relating to beneficial environmental projects set forth in LAC 33:I.Chapter 25.

IX

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

X

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Pointe Coupee 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.

XI

Payment is to be made within ten (10) days from notice of the Secretary's signature. If payment is not received within that time, this Agreement is voidable at the option of the Department. Payments are to be made by either electronic funds transfer (EFT) or by check, payable to the Department of Environmental Quality, and mailed or delivered to the attention of Accountant Administrator, Financial Services Division, Department of Environmental Quality, Post Office Box 4303, Baton Rouge, Louisiana, 70821-4303. Each payment shall be accompanied by a completed Settlement Payment Form (Exhibit A).

XII

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

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.

EXXONMOBIL PIPELINE COMPANY

BY: _____
(Signature)

_____
(Printed)

TITLE: _____

THUS DONE AND SIGNED in duplicate original before me this _____ day of

_____, 20 _____, at _____.

_____
NOTARY PUBLIC (ID #_____)

_____
(stamped or printed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Peggy M. Hatch Secretary

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

THUS DONE AND SIGNED in duplicate original before me this _____ day of

_____, 20_____, at Baton Rouge, Louisiana.

_____
NOTARY PUBLIC (ID # _____)

_____
(stamped or printed)

Approved: _____
D. Chance McNeely, Assistant Secretary