STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	**Settlement Tracking No.**
	*	**SA-AE-13-0057**
PLACID REFINING COMPANY LLC	*	
	*	**Enforcement Tracking No.**
AI # 2366	*	**AE-CN-11-00556**
	*	
PROCEEDINGS UNDER THE LOUISIANA ENVIRONMENTAL QUALITY ACT LA. R.S. 30:2001, ET SEQ.	*	

SETTLEMENT

The following Settlement is hereby agreed to between **PLACID REFINING COMPANY LLC** ("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 limited liability company that owns and/or operates a petroleum refinery located in Port Allen, West Baton Rouge Parish, Louisiana ("the Facility").

II

On October 20, 2011, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-11-00556, which was based upon the following findings of fact:

The Respondent owns and/or operates a petroleum refinery known as the Port Allen Refinery located at or near 1940 Louisiana Highway 1 North in Port Allen, West Baton Rouge Parish, Louisiana. The Respondent's facility operates under Title V Permit No. 3120-00012-V7 issued on December 7, 2009.

On or about February 1, 2011, an inspection of the Respondent's facility was performed to determine the degree of compliance with the Act and the Air Quality Regulations. The Department received additional information from the Respondent by emails sent on February 21, 2011. A Warning Letter dated April 19, 2011, was sent to the Respondent in regard to the inspection.

The following violations were noted during the course of the inspection:

A. The electronic startup and emergency operating procedures failed to address the steps required to correct or avoid deviations. This is a violation of LAC 33:III.5901.A which incorporates by reference 40 CFR 68.69(a)(2)(ii), Specific Requirement 943 of Title V Permit No. 3120-00012-V7, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).

B. The electronic startup and emergency operating procedures did not include precautions necessary to prevent exposure, including engineering and administrative controls and personal protective equipment. This is a violation of LAC 33:III.5901.A which incorporates by reference 40 CFR 68.69(a)(3)(ii), Specific Requirement 943 of Title V Permit No. 3120-00012-V7, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).

C. The Respondent failed to perform pump vibration analysis at the frequency established by good engineering practices. This is a violation of LAC 33:III.5901.A which incorporates by reference 40 CFR 68.73(d)(3), Specific Requirement 943 of Title V Permit No. 3120-00012-V7, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).

D. The Respondent failed to document each API visual pipe inspection. This is a violation of LAC 33:III.5901.A which incorporates by reference 40 CFR 68.73(d)(4), Specific Requirement 943 of Title V Permit No. 3120-00012-V7, LAC33:III.501.C.4 and La. R.S. 30:2057(A)(2).

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

SIXTEEN THOUSAND AND NO/100 DOLLARS ($16,000.00), of which Four Hundred Fifty and 61/100 Dollars ($450.61) represents the Department's enforcement costs, in settlement of the claims set forth in this agreement.

V

Respondent, in addition to the penalty amount specified in Paragraph IV above and as part of this Settlement, agrees to expend the amount of TEN THOUSAND DOLLARS AND NO/100 ($10,000.00) to implement and/or perform the following beneficial environmental projects:

The West Baton Rouge Parish Sheriff's Office (WBRPSO) is in need of a mobile, electronic display sign to be used for emergency situations along roadways throughout West Baton Rouge and surrounding parishes. This equipment would be deployed by first responders to inform motorists and citizens about evacuation routes, road closures, detours, medical treatment locations, and emergency supply locations during emergencies. This sign would be deployed by WBRPSO in situations including, but not limited to, the following:

1) Natural Disasters: Highway 190, Interstate 10, and Highway 1 are major transportation arteries running through West Baton Rouge Parish. Hurricane Katrina in 2005, Hurricane Gustav in 2008, and Hurricane Isaac in 2012 are examples of recent natural disasters that have affected West Baton Rouge Parish. The mobile, electronic display sign could be used by WBRPSO to relay critical evacuation instructions and emergency information to citizens and motorist during these types of natural disasters.

2) Chemical Releases/Environmental Emergencies: West Baton Rouge Parish is home to many petrochemical facilities, pipelines, and railways. The mobile, electronic display sign could be used by WBRPSO to announce road closures and detours during chemical spills and releases such as the Air Liquid chemical fire which occurred at Highway 190 near Bueche Road in April 2013. In addition, this equipment could be used to compliment the emergency evacuation plan for Entergy's Riverbend nuclear power plant in St. Francisville for citizens from Pointe Coupee and West Baton Rouge evacuating to Louisiana State University through West Baton Rouge Parish.

The cost of this signage equipment is THIRTEEN THOUSAND NINE HUNDRED FORTY-ONE AND NO/100 DOLLARS ($13,941.00). The Respondent will pay $10,000.00 toward the purchase of this signage. The WBRPSO has agreed to pay all remaining costs to implement the equipment as set forth in its letter to the Department dated November 26, 2013.

Respondent shall provide the Department with proof of its payment toward the purchase of the mobile, electronic display sign, either in the form of a cancelled check or receipt from the WBRPSO or sign provider, within thirty (30) days of purchase.

If the Respondent does not spend the sum of TEN THOUSAND AND NO/100 DOLLARS ($10,000.00) on this beneficial environmental project, then it shall pay to the Department an amount equal to the difference between the amount of money agreed to be spent and the amount actually spent.

The total amount of the money expended by Respondent on cash payments to the Department and the beneficial environmental project, 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), the Consolidated Compliance Order & 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.

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 LSA- 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

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in West Baton Rouge Parish, Louisiana. The advertisement, in form, wording, and size 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 A).

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.

PLACID REFINING COMPANY LLC

BY: _____
(Signature)

_____
(Print)

TITLE: _____

THUS DONE AND SIGNED in duplicate original before me this _____ day of _____, 20 _____, at _____.

_____
NOTARY PUBLIC (ID #_____)

_____
(Print)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Peggy M. Hatch, Secretary

BY: _____
Cheryl Sonnier Nolan, 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 # _____)

_____
(Print)

Approved: _____
Cheryl Sonnier Nolan, Assistant Secretary