STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	**Settlement Tracking No.**
	*	**SA-AE-13-0058**
PLAINS MARKETING, L.P.	*	
	*	**Enforcement Tracking No.**
AI # 31811	*	**AE-CN-08-0156**
	*	
PROCEEDINGS UNDER THE LOUISIANA	*	
ENVIRONMENTAL QUALITY ACT	*	**Docket No. 2012-19232-EQ**
LA. R.S. 30:2001, ET SEQ.	*	

SETTLEMENT

The following Settlement is hereby agreed to between Plains Marketing, L.P. ("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 crude oil gathering and transportation facility located in Cameron Parish, Louisiana ("the Facility").

II

On September 12, 2011, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-08-0156, which was based upon the following findings of fact:

"The Respondent owns and/or operates the Grand Lake Tank Farm, a crude oil gathering and transportation facility, located three (3) miles south of Lowry in Cameron Parish, Louisiana. The Respondent became the owner and/or operator of the facility on May 1, 2006. The facility previously operated under Title V Permit No. 0560-00097-V0 issued on August 30, 2004, Title V Permit No. 0560-00097-V1 issued on July 25, 2006, and Administrative Amendment to Title V Permit

No. 0560-00097-V1 issued on August 23, 2006. The facility currently operates under Air Permit No. 0560-00097-01, issued on April 17, 2007.

On or about March 27, 2008, and March 28, 2008, inspections of the Respondent's facility were conducted 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 were noted during the course of the inspection and subsequent file review conducted on April 25, 2011:

A. The Respondent's 2006 First Semiannual Monitoring Report was postmarked on October 4, 2006. The Respondent's failure to submit the report by the September 30, 2006, due date is a violation of Title V Permit No. 0560-00097-V1, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

B. The Respondent failed to submit the 2006 Second Semiannual Monitoring Report to the Department by the March 31, 2007, due date. This is a violation of Title V Permit No. 0560-00097-V1, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

C. During the course of the March 27, 2008, inspection, the inspector noted the facility exceeded the 2006 volatile organic compounds (VOC) permit limit. In correspondence dated July 3, 2008, and April 20, 2011, the Respondent reported the following excess emissions during the time period of May 1, 2006, through December 31, 2006:

Pollutant	**Permitted Limits (TPY)**	**Emissions in Excess of Permit Limit (TPY)**
VOCs	175.13	963.87
2,2,4, Trimethylpentane	0.17	14.10
Benzene	2.11	15.34
Ethylbenzene	0.24	0.26
n-Hexane	2.11	14.04
Toluene	1.38	4.00
Xylene	0.52	0.63

Each exceedance of a permitted emission limit is a violation of Title V Permit No. 0560-00097-V1, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2). Several emission points were involved in exceeding the above-mentioned permit limits.

D. During the course of the March 27, 2008, inspection, the inspector noted the facility exceeded the 2007 VOC permit limit. On April 17, 2007, Air Permit No. 0560-00097-01, was issued to the Respondent which included revised permit limits as listed in the following table. In correspondence dated July 3, 2008, and April 20, 2011, the Respondent reported the following excess emissions for the 2007 calendar year:

Pollutant	Permitted Limits (TPY)	Emissions in Excess of Permit Limit (TPY)
VOCs	94.18	1,172.63
2,2,4, Trimethylpentane	0.03	17.03
Benzene	1.31	18.31
Ethylbenzene	0.16	0.33
n-Hexane	1.23	32.79
Toluene	0.79	5.01
Xylene	0.26	1.07

Each exceedance of a permitted emission limit is a violation Title V Permit No. 0560-00097-01, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2). Several emission points were involved in exceeding the above-mentioned permit limits.

E. In correspondence dated June 27, 2008, November 20, 2008, June 3, 2009, and April 20, 2011, the Respondent reported the following excess emissions for the 2008 calendar year:

Pollutant	Permitted Limits (TPY)	Emissions in Excess of Permit Limit (TPY)
VOCs	94.18	826.24
2,2,4, Trimethylpentane	0.03	3.43
Benzene	1.31	7.53
Ethylbenzene	0.16	0.15
n-Hexane	1.23	9.10
Toluene	0.79	1.87
Xylene	0.26	0.51

Each exceedance of a permitted emission limit is a violation of Title V Permit No. 0560-00097-01, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2). Several emission points were involved in exceeding the above-mentioned permit limits.

F. In correspondence dated April 20, 2011, the Respondent reported the following excess emissions for the 2009 calendar year:

Pollutant	Permitted Limits (TPY)	Emissions in Excess of Permit Limit (TPY)
VOCs	94.18	64.51
Benzene	1.31	0.19
n-Hexane	1.23	0.76

Each exceedance of a permitted emission limit is a violation of Title V Permit No. 0560-00097-01, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2). Several emission points were involved in exceeding the above-mentioned permit limits.

G. The Respondent operated the facility as a major source as defined by LAC 33:III.502 during the 2007, 2008, and 2009 calendar years while operating under minor source Air Permit Number 0560-00097-01. The Respondent's failure to obtain a Part 70 permit prior to operating the facility as a major source is a violation of LAC 33:III.507.A.1 and La. R.S. 30:2057(A)(2). The Respondent's correspondence dated April 20, 2011, states, "Tanks 1 and 2 were both removed from service and demolished. They no longer exist at the site. It has been determined that a new 50,000-bbl tank is not needed at this time, so no application for the installation of a new tank has been prepared or submitted. The VRU is collecting vapors from the existing smaller tanks 902, 903, and 904."

H. The Respondent failed to submit the facility's 2008 Crude Oil throughput report for barge loading, Emission Point No. (EPN) EQT023, by the March 31, 2009, due date. The report was postmarked on August 11, 2009. This is a violation of Specific Requirement No. 72 of Air Permit No. 0560-00097-01, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

I. The Respondent failed to submit the facility's 2008 report stating the operating time and the emission calculations on a monthly basis for EPN GRP003 by the March 31, 2009, due date. The report was postmarked on August 11, 2009. This is a violation of Specific Requirement No. 110 of Air Permit No. 0560-00097-01, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

J. The Respondent failed to submit the facility's 2008 emission calculations and crude oil loading report on a monthly basis for EPN GRP004 by the March 31, 2009, due date. The report was postmarked on August 11, 2009. This is a violation of Specific Requirement No. 113 of Air Permit No. 0560-00097-01, LAC

33:III.501.C.4, and La. R.S. 30:2057(A)(2).

K. The Respondent failed to submit the facility's 2009 Crude Oil throughput report for barge loading, EPN EQT023, by the March 31, 2009, due date. The report was submitted on April 20, 2011. This is a violation of Specific Requirement No. 72 of Air Permit No. 0560-00097-01, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

L. The Respondent failed to submit the facility's 2009 report stating the operating time and the emission calculations on a monthly basis for EPN GRP003 by the March 31, 2009, due date. The report was submitted on April 20, 2011. This is a violation of Specific Requirement No. 110 of Air Permit No. 0560-00097-01, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

M. The Respondent failed to submit the facility's 2009 emission calculations and crude oil loading report on a monthly basis for EPN GRP004 by the March 31, 2009, due date. The report was submitted on April 20, 2011. This is a violation of Specific Requirement No. 113 of Air Permit No. 0560-00097-01, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2)."

III

In response to the Consolidated Compliance Order & Notice of Potential Penalty, Respondent made a timely request for a hearing.

IV

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

V

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 FIFTEEN THOUSAND AND NO/100 DOLLARS ($15,000.00), of which Two Thousand Seventy-One and 77/100 Dollars ($2,071.77) 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).

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 La. R. S. 30:2025(E) of the Act.

IX

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

PLAINS MARKETING, L.P.

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: _____
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 # _____)

_____
(stamped or printed)

Approved: _____
Cheryl Sonnier Nolan, Assistant Secretary