STATE OF LOUISIANA
DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

EXXONMOBIL CORPORATION
AI # 2638; 332

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

* Settlement Tracking No. SA-AE-11-0004
* Enforcement Tracking No. AE-CN-05-0045, AE-CN-07-0077
* AE-CN-08-0175, AE-CN-08-0175A
* AE-PP-08-0142, AE-CN-08-0150
* Docket No. 2007-4982-EQ
* AE-CN-05-0045 (Only)

SETTLEMENT

The following Settlement is hereby agreed to between ExxonMobil Corporation ("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 petroleum refining and supply facility located in Baton Rouge, East Baton Rouge Parish, Louisiana ("the Facility").

II

On April 4, 2006, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-05-0045, which was based upon the following findings of fact:

The Respondent owns and/or operates the Baton Rouge Refinery, a petroleum refining and supply facility located at or near 4045 Scenic Highway in Baton Rouge, East Baton Rouge Parish, Louisiana. The facility operates under multiple Title V and State Air Quality Permits.
On or about September 16, 2005, and January 23, 2006, file reviews of the Respondent’s Baton Rouge Refinery were performed to determine the degree of compliance with the Act and Air Quality Regulations. On or about December 13, 2005, the Department requested additional information from the Respondent regarding the root causes of several incidents. On or about January 20, 2006, the Respondent submitted this information.

The following violations were noted during the course of the file reviews:

A. The Department received an unauthorized discharge notification report from the Respondent dated April 29, 2004, regarding a release that occurred on April 22, 2004. According to the Respondent, this incident was preventable and resulted in approximately 6,235 lbs of flammable vapor, 2,094 lbs of VOC, 1,228 lbs of ethylbenzene, 1,066 lbs of toluene, 555 lbs of cumene, 200 lbs of hexane, and 362 lbs of benzene being emitted to the atmosphere. According to the Respondent’s report, a leak occurred at the feed/effluent exchangers (Emission Point Nos. E-1C and E-2C) at the Powerformer Unit (PHLA-2). A small fire occurred as the leaking vapors from the exchangers began to combust. Steam lances and fire extinguishers were used, and the fire was extinguished within five (5) minutes. Vapors continued to leak from the exchangers for a total of nine (9) hours and 45 minutes. During that time, operational steps were taken to cut feed to the unit, torque the bolts on the leaking flanges, cool the leaking bank of exchangers, and fully isolate the leak in a safe and controlled manner. Loose bolts on the flanges which resulted in the April 22, 2004 release is a violation of 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 is also a violation of Sections 2057(A)(1) and 2057(A)(2) of the Act.

B. The Department received an unauthorized discharge notification report from the Respondent dated May 5, 2004, regarding a release that occurred on April 29, 2004. According to the Respondent, this incident was preventable and occurred when NOx and CO stack testing were being conducted on the F-1 furnace at the Lube Oil Extraction Unit (LELA-E). When preparing for a stack test,
adjustments were made to the oxygen concentration in the furnace. The air was not properly adjusted which resulted in a high CO concentrations. Although corrective action steps were immediately taken to reduce the amount of CO being emitted from the stack, the permit limit for maximum hourly CO emissions from the F-1 furnace was exceeded for two (2) consecutive hours (8:00 to 10:00 a.m.). Later that afternoon, the F-1 stack damper failed in the closed position and caused high CO emissions from the stack. The furnace was shut down to stop the emission of CO; however, the maximum hourly CO emission limit was exceeded again for two (2) consecutive hours (2:00 p.m. to 4:00 p.m.). The CO emissions during the incidents were as follows:

<table>
<thead>
<tr>
<th>Compound</th>
<th>Permitted Emissions (lbs/hr)</th>
<th>Actual Emissions (lbs/hr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO</td>
<td>6.8</td>
<td>67 (8AM TO 9AM)</td>
</tr>
<tr>
<td></td>
<td>6.8</td>
<td>74 (9AM TO 10AM)</td>
</tr>
<tr>
<td></td>
<td>6.8</td>
<td>235 (2PM TO 3PM)</td>
</tr>
<tr>
<td></td>
<td>6.8</td>
<td>257 (3PM TO 4PM)</td>
</tr>
</tbody>
</table>

During the first incident (8:00 to 10:00 a.m.), the air registers on the burners were adjusted to allow more air into the furnace and to reduce the CO emissions. During the second incident (2:00 to 4:00 p.m.), a faulty electronic component was replaced in order to keep the stack damper from failing in the closed position. Each exceedance of a permitted emission limit is a violation of Air Permit No. 2341 (M-2), LAC 33:III.501.C.4, and Sections 2057(A)(1) and 2057(A)(2) of the Act.

C. The Department received an unauthorized discharge notification report from the Respondent dated June 4, 2004, regarding a release that occurred on May 30, 2004. According to the Respondent, this incident was preventable and resulted in approximately 5,180 lbs of flammable vapor, 190 lbs of toluene, 90 lbs of benzene, and 60 lbs of xylene being emitted to the atmosphere. According to the Respondent’s report, emissions were discovered to be leaking from the 100-Tank in the East Area Tank field during an odor investigation conducted by the Department. The glass rupture disc in one of the two foam chambers on the tank was found to be dislodged and small
leaks from the tank’s PV vent and from the inspection hatches of the foam chambers were also found and repaired. This is a violation of 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 is also a violation of Sections 2057(A)(1) and 2057(A)(2) of the Act.

D. The Department received an unauthorized discharge notification report from the Respondent dated August 3, 2004, regarding a release that began on July 27, 2004. According to the Respondent, this incident was preventable and resulted in approximately 163 lbs of propylene and 53 lbs of butanes being emitted to the atmosphere. According to the Respondent’s report, on July 27, 2004, a leak occurred in an overhead exchanger on the Lead Debutanizer Tower at the No. 4 Light Ends Unit. The leaking exchanger released hydrocarbon into the cooling tower water, where it then evaporated to the air. The Respondent took remedial action by isolating the leaking bank of exchangers in order to stop the leak. The tube bundle from the leaking exchanger was replaced with a new bundle of upgraded metallurgy in order to prevent a similar leak from occurring in the future. The Respondent’s failure to maintain the exchanger is a violation of 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 is also a violation of Sections 2057(A)(1) and 2057(A)(2) of the Act.

E. The Department received an unauthorized discharge notification report from the Respondent dated January 3, 2005, regarding a release that began on December 27, 2004. According to the Respondent, this incident was preventable and resulted in approximately 1,943 lbs of flammable vapor and 195 lbs of highly reactive VOC being emitted to the atmosphere. According to the Respondent’s report, on December 27, 2004, the No. 10 Pipestill had a weld leak on a flashed crude line. The weld leak resulted from contractors lifting the line while in the process of blinding an exchanger. This is a violation of 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 is also a violation of Sections 2057(A)(1) and 2057(A)(2) of the Act. The release of flashed crude was stopped by shutting down the upstream pump and closing isolation block valves around the leak. The Respondent replaced the section of line containing the weld that failed and safety procedures for lifting lines that are in service are being reviewed with contractors.

F. The Department received an unauthorized discharge notification report from the Respondent dated March 30, 2005, regarding a release that began on March 24, 2005. According to the Respondent, this incident was preventable and resulted in approximately 70,890 lbs of flammable vapor, 44,957 lbs of VOC, 10,170 lbs of xylene, 10,000 lbs of toluene, 2,810 lbs of ethylbenzene, 2,260 lbs of benzene, and 693 lbs of butanes being emitted to the atmosphere. According to the Respondent's report, on March 24, 2005, the No. 4 Light Ends West Unit was being started up after a turnaround. As the Rerun Tower is started up, feed is introduced to the tower and then heated by a reboiler furnace with product leaving through the bottom and the overhead of the tower. During startup of the Rerun Tower, the overhead of the tower contained non-condensables that limited overhead flow rates and the bottom flow rate was restricted because of an improper valve alignment. Product was not able to consistently exit the tower from the overhead or the bottom, causing pressure to build in the tower. The control valve to the Refinery Gas Compression Unit/Flare System was opened to try to prevent the atmospheric safety valves from lifting, but the tower pressure did not respond quickly enough and the atmospheric safety valves relieved for nine (9) minutes. Unit personnel noticed that the control valves around the overhead pumps were varying too rapidly and causing the pump to agitate and shutdown. It was later discovered that the control valve after the overhead pump was programmed incorrectly and causing the pump to agitate. This is a violation of 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 is also a violation of Sections 2057(A)(1) and 2057(A)(2) of the Act.

G. The Department has received the Respondent’s 2004 Annual Title V Certification on April 1, 2005, regarding Title V permit deviations that occurred at the Baton Rouge Refinery. According to the report, on February 5, 2004, a permit deviation occurred when a furnace at the No. 9 Pipestill Unit smoked for a period of ten minutes due to cleaning of the burners and the presence of liquid in the fuel gas. The No. 9 Pipestill Unit furnace smoked for a period of ten (10) minutes, which is greater than one six minute period in any 60 consecutive minutes. This is a violation of LAC 33:III.1101.B, Title V Permit No. 2755-V0, and Sections 2057(A)(1) and 2057(A)(2) of the Act.

H. The Department received an unauthorized discharge notification report from the Respondent dated March 16, 2005, regarding a release that began on March 9, 2005. According to the Respondent, this incident was preventable and resulted in approximately 30,244 lbs of sulfur dioxide (SO₂), 2,671 lbs of hydrogen sulfide (H₂S), 921 lbs of VOC, 292 lbs of nitrogen oxides (NOₓ), 111 lbs of propylene, 102 lbs of butanes, and 50 lbs of nitrogen dioxide (NO₂), being emitted to the atmosphere. According to the Respondent’s reports, on March 9, 2005, while removing transformers from service to do planned mechanical work, an electrician attempted to install the third grounding cable on a 230 KV transmission line that was still energized. This caused an electrical fault resulting in all the electrical loads powered from the substation being lost and resulted in numerous Refinery Unit shut downs and emissions to the atmosphere. This is a violation of 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 is also a violation of Sections 2057(A)(1) and 2057(A)(2) of the Act.

I. The Department received an unauthorized discharge notification report from the Respondent dated December 15, 2005, regarding a release that began on December 8, 2005. According to the Respondent, this incident resulted in approximately 27,695 lbs of sulfur dioxide (SO₂), 301 lbs of hydrogen sulfide (H₂S), and 36 lbs of
nitrogen oxide (NOx) being emitted to the atmosphere. According to
the Respondent’s reports, the No. 2 Light Ends Unit was taking an
absorber tower out of service to repair an exchanger. One of the
hydrocarbon feed streams was sent through the overhead system into
the MEA (monethanolamine) Scrubbers, which remove H₂S from the
hydrocarbon stream and sends the MEA and H₂S to the MEA
Regenerators. A portion of the hydrocarbon stream condensed in the
MEA Scrubber and while the MEA was being processed at the MEA
Regenerators. The hydrocarbons separated from the MEA and went
to the Sulfur Plant with the H₂S. The hydrocarbon carryover to the
Sulfur Plant caused the conversion of H₂S to be reduced, which
resulted in elevated levels of SO₂ from the Incinerators at the Sulfur
Plant. This is a violation of 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 is also a violation of
Sections 2057(A)(1) and 2057(A)(2) of the Act. According to the
Respondent, the procedures for removing the absorber tower from
service will be updated to reflect the potential to have hydrocarbon
condense in the MEA system. During the incident, the Respondent
also noted that personnel performed air tests outside the Refinery and
did not find detectable levels of H₂S or SO₂. On or about December
8, 2005, beginning at 4:00 a.m., and ending on December 9, 2005, at
3:00 p.m., the F-201 Train’s rolling 12-hour SO₂ average
concentration exceeded 250 ppm. Each exceedance of the 250 ppm
12-hour emission limit is a violation of 40 CFR 60.105(c)(4) which
language has been adopted as a Louisiana regulation in LAC
33:III.3003, Air Permit No. 2300 (M-1), and Section 2057(A)(2) of
the Act.

On May 31, 2007, the Department issued to Respondent a Consolidated Compliance Order &
Notice of Potential Penalty, Enforcement No. AE-CN-07-0077, which was based upon the following
findings of fact:

On or about May 24, 2007, representatives of the Respondent met with representatives of the
Department to discuss a lubricity additive storage tank (Emission Point TK0136) at the facility. As
discussed in a letter from the Respondent dated May 24, 2007, the Respondent determined that “...
an error was made during the applicability determination for this tank. The tank was considered to be an insignificant activity, not subject to permitting, based on a capacity of 600 gallons and a vapor pressure under 0.5 psia . . . However, the tank is actually 600 barrels and should be permitted as point source.”

The May 24, 2007 letter also noted that operation of Emission Point TK0136 will allow the production of non-road diesel that meets the low-sulfur content required by phase 1 of the U. S. EPA’s Non-road Diesel specifications, the regulatory compliance date for which is June 1, 2007. The letter explained that “No other tanks are readily available to provide storage for this additive without significant re-allocation of tank usage.” Due to these circumstances, the letter requested that the Department allow the Respondent to continue to operate the tank until the permit modification to address this tank’s unpermitted status is issued.

On or about May 30, 2007, the Department performed a review of the information provided to the Department regarding Emission Point TK0136 to determine the degree of compliance with the Act and the Air Quality Regulations.

The following violation was noted during the course of the review:

According to a letter from the Respondent dated May 24, 2007, the Respondent allowed construction of an unpermitted 600 barrel storage tank (Emission Point TK0136) to begin in October 2006 and operation of the tank to begin on or about May 22, 2007. The failure to submit a permit application and receive approval from the permitting authority prior to the construction, modification, and/or operation of a facility, which ultimately may have resulted in an initiation or increase in emission of air contaminants, is a violation of LAC 33:III.501.C.1, LAC 33:III.501.C.2, and Sections 2057(A)(1) and 2057(A)(2) of the Act.

On November 21, 2008, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-08-0175, which was based upon the following findings of fact:
The Department received the Baton Rouge Refinery’s Part 70 Operating Permit Deviation Report dated January 31, 2008, for Title V Permit No. 2385-V3 for the Catalytic Cracking Complex. According to this report “...source stack testing results received 1/25/08 for tests conducted in December 2007 indicate that Permit 2385-V3’s allowable annual emission rate for particulate matter was exceeded. The allowable annual emissions are 602 tons/yr [tons per year]. The stack test results averaged an annual average of 622 tons/yr. The specific point source involved is BRRF [Baton Rouge Refinery] EIQ [Emission Inventory Questionnaire] point source 73, CAT/WGS [Catalytic Complex Wet Gas Scrubber].”

In an e-mail dated February 19, 2008, a representative of the Respondent stated that they “updated the calculations and the exceedance is much lower - 605 vs 622.” for the 2007 annual source stack test. In an e-mail dated February 20, 2008, the representative sent additional information explaining how the Respondent calculated the annual emission rate for particulate matter (PM$_{10}$) for the 2007 calendar year. The representative reported “...the actual exceedance for 2007 is 3.4 TPY [tons per year] (602 TPY permit limit - 605.4 TPY actual emission.)”

On or about March 31, 2008, representatives of the Respondent met with the Department to discuss the higher than expected PM$_{10}$ emissions from the Wet Gas Scrubber at the Baton Rouge Refinery that led to the 2007 annual permit limit exceedance for PM$_{10}$. The representatives reported that the “Historical trend of stack tests shows consistent performance until late 2005/early 2006 when particulate emissions begin to increase.” The Respondent believes that the “root cause of increased particulate emissions is ammonium sulfate salts formed from NH$_4$ [ammonia] and SO$_2$ [sulfur dioxide] in the WGS [Wet Gas Scrubber] process. Recent stack test data support this conclusion.” The Respondent stated that it anticipates PM$_{10}$ emissions to continue to increase in 2008. Based on stack test results, the projected 2008 annual PM$_{10}$ emissions are 827 TPY. In response to the
increasing historical trend of PM$_{10}$ emissions from the WGS, the Respondent submitted the Baton Rouge Refinery Wet Gas Scrubber Permitting and Emission Reduction Plan (the Plan) on or about August 15, 2008, to the Department. According to the Plan, the Respondent plans to implement an emission control improvement project for the WGS equipment and sources during the planned 2009 turnaround to return emissions back to historical performance and permitted emission limits.

On or about July 28, 2008, representatives of the Respondent met with the Department to discuss the results of the stack tests which were conducted on May 30, 2008, for the Catalytic Cracking Complex’s WGS, emission source CAT/WGS. On or about July 30, 2008, the Department received the Respondent’s semi-annual stack test results for the WGS in accordance with Title V Permit No. 2385-V4. The stack test results for PM$_{10}$ are shown in the following table:

<table>
<thead>
<tr>
<th>Units</th>
<th>Test 1</th>
<th>Test 2</th>
<th>Test 3</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>lb/hr</td>
<td>184.86</td>
<td>176.78</td>
<td>171.50</td>
<td>177.71</td>
</tr>
<tr>
<td>ton/yr</td>
<td>809.67</td>
<td>774.30</td>
<td>751.16</td>
<td>778.38</td>
</tr>
</tbody>
</table>

Note: ton/yr based on operating 8760 hours per year.

The emission rate for PM$_{10}$ according to the Emission Inventory Questionnaire (EIQ) for emission source CAT/WGS in Title V Permit Nos. 2385-V3 (issued April 11, 2006) and 2385-V4 (issued May 13, 2008) is shown in the following table:

<table>
<thead>
<tr>
<th>Pollutant</th>
<th>Average (lb/hr)</th>
<th>Maximum (lb/hr)</th>
<th>Annual (ton/yr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PM$_{10}$</td>
<td>137.44</td>
<td>205.20</td>
<td>602.00</td>
</tr>
</tbody>
</table>

On or about September 10 through 15, 2008, a file review of the Respondent’s facility was performed to determine the degree of compliance with the Act and the Air Quality Regulations.

The following violation was noted during the course of the review:

According to the Respondent’s Permit Deviation Report dated January 31, 2008, for Title V Permit No. 2385-V3, the Respondent exceeded the annual emission rate for PM$_{10}$. In an e-mail dated February 19, 2008, the
Respondent reported that it updated the calculations for the 2007 annual emission rate for PM$_{10}$. According to the updated calculation, the total annual emissions for PM$_{10}$ were 605.4 TPY of PM$_{10}$. According to Title V Permit No. 2385-V3, the allowable annual emission rate for PM$_{10}$ for emission source CAT/WGS is 602 TPY. Each exceedance of the allowable emission rate for PM$_{10}$ is a violation of Title V Permit No. 2385-V3, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

On February 10, 2009, the Department issued to Respondent an Amended Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-08-0175A, which added paragraphs VII, VIII, IX, and X to the Findings of Fact portion of Consolidated Compliance Order & Notice of Potential Penalty, Enforcement Tracking No. AE-CN-08-0175, as follows:

"VII.

The Respondent submitted a letter dated November 14, 2008, to report "The PCLA-3 [Fluid Catalytic Cracking Unit] COF [Carbon Monoxide Furnace] (F-301) [Emission Source PCLA3/F301] firebox has developed a number of "hotspots" on the exterior walls allowing combustion byproducts (SO$_2$) [sulfur dioxide] . . . BRRF [Baton Rouge Refinery] has determined that the SO$_2$ emissions exceed the Reportable Quantity (500 lbs/day) [pounds per day] allowable . . . BRRF has developed a temporary repair strategy to mitigate some of the leaks, but due to the extreme ambient temperatures encountered on the walls facing the PCLA-2 COF (F-201) [Emission Source PCLA2/F201], the personnel exposure safety risks must be addressed. . . . Currently, the existing leaks to the atmosphere result in SO$_2$ emissions of approximately 750-800 lbs/day."

VIII.

In an e-mail dated January 8, 2009, a representative of the Respondent reported that "Several pin-hole leaks were discovered and quantified on the F-201 header box on December 23rd. These eroded areas are leaking SO2 at a combined rate of 10 lbs/day. . . . The total area of the leaks combined is approximately 1.8 in2 [inches squared]." The Respondent reported that the root
cause of the holes in the F-201 was determined to be that the “internal steam tubes on the furnace developed a leak. The steam and SO2 combined to create sulfuric acid. The acid condensed on the metal pressure boundary. The resulting corrosive rate eventually led to the leaks on . . . F-201 . . . . Although the furnace was designed to protect the metal from thermal exposure with Ceramic Fiber, the original design did not account for the acid corrosion.”

IX.

In an e-mail dated January 8, 2009, a representative of the Respondent reported that “The hotspots were first discovered July 28th, 2008” on the F-301. “The initial leak rate was calculated to be less than the 500 lb/day SO2 reportable quantity . . . Subsequent inspections revealed new leaks and increased emissions . . . On November 5th, additional holes were identified which represented an increased emission rate of 726 lbs/day of SO2. Initial repairs were made on November 21st which reduced the combined area of leakage and reduced the emission rate to 566 lbs/day of SO2. Further repairs were completed on December 5th and December 9th which resulted in additional emissions reduction to a daily rate of 421 lbs/day. . . . The large majority of the holes are quite small (<0.25 in), but there are a few larger leaks in the furnace. The combined area of the holes in F-301 is currently 82 in^2 [inches squared].” As of January 8, 2009, the Respondent reported that “The current magnitude of the SO2 being released is 421 lbs/day and anticipated to continue until the unit shutdown planned for January 31, 2009.” The Respondent reported that the root cause of the holes in the F-301 is due to the “internal steam tubes on the furnace developed a leak. The steam and SO2 combined to create sulfuric acid. The acid condensed on the metal pressure boundary. The resulting corrosive rate eventually led to the leaks on . . . F-301. Although the furnace was designed to protect the metal from thermal exposure with Ceramic Fiber, the original design did not account for the acid corrosion.”
On or about December 18, 2008, and January 9, 2009, file reviews of the Respondent’s facility were performed to determine the degree of compliance with the Act and the Air Quality Regulations.

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

A. According to the Respondent’s letter dated November 14, 2008, and e-mail dated January 8, 2009, the Respondent discovered several holes in the F-201 on December 23, 2008. According to a second e-mail dated January 29, 2009, the Respondent reported that the holes in the F-201 have a combined SO₂ emission rate of 10 lbs/day, NOx (nitrogen oxide) emission rate of 0.51 lbs/day, and CO (carbon monoxide) emission rate of 0.74 lbs/day. The failure to diligently maintain the F-201 resulted in the release of uncontrolled emissions. This is a violation of 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 is defined by LAC 33:III.111 is “any device or contrivance, operating procedure or abatement scheme used to prevent or reduce air pollution.” In addition, emissions of each of the unpermitted pollutants from F-201 are violations of LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

B. According to the Respondent’s letter dated November 14, 2008, and e-mail dated January 8, 2009, the Respondent discovered holes in the F-301 on July 28, 2008. The Respondent reported the initial SO₂ emission rate to be less than 500 lbs/day. On November 5, 2008, the Respondent discovered additional holes, and the SO₂ emission rate to be 726 lbs/day. The Respondent reported that repairs were made on November 21, 2008, which reduced the SO₂ emission rate to 566 lbs/day. The Respondent reported that more repairs were made on December 5 and 9, 2008. According to an e-mail dated January 29, 2009, the Respondent reported that the holes in the F-301 have a combined SO₂ emission rate of 421 lbs/day, NOx emission rate of 21.49 lbs/day, and CO emission rate of 31.26 lbs/day. The failure to diligently maintain the F-301 resulted in the release of uncontrolled emissions. This is a violation of 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 is defined
by LAC 33:III.111 is "any device or contrivance, operating procedure or abatement scheme used to prevent or reduce air pollution." In addition, emissions of each of the unpermitted pollutants from F-301 are violations of LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1) and 30:2057(A)(2)."

This Amended Consolidated Compliance Order & Notice of Potential Penalty was effective upon receipt.

On April 1, 2009, the Department issued to the Respondent a Notice of Potential Penalty, Enforcement No. AE-PP-08-0142, which was based upon the following findings of fact:

On or about January 26, 2009, a file review of the Respondent's utilities facility was performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Air Quality Regulations. The facility currently operates under Title V Permit No. 2363-V2 issued on November 5, 2008.

The following violations were noted during the course of the file review:

The Utilities Facility (formerly the Water Clarification Unit) is a Part 70 source; therefore, the facility was required to submit an initial Part 70 permit application. The initial Title V permit application was submitted by the appropriate deadline; however, the Respondent failed to include the emission points listed in the table below in this initial permit application. Therefore, grandfathered status for these emission points was lost upon issuance of the initial permit, Title V Permit No. 2393-V0, which was issued on November 17, 2004. Furthermore, the emission points listed in the table below were not included in Title V Permit No. 2363-V1, which was issued on January 25, 2007. On or about December 19, 2007, the Department received the Respondent's application for the modification of Title V Permit No. 2363-V1. This application modified Title V Permit No. 2363-V1 to include the emission points listed in the table below. Title V Permit No. 2363-V2 was issued on November 5, 2008.

<table>
<thead>
<tr>
<th>Source ID Number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIRE/GEN</td>
<td>Fire Station Emergency Generator</td>
</tr>
<tr>
<td>FIRE/PUMP DP-5</td>
<td>Diesel Powered Firewater Pump DP-5</td>
</tr>
<tr>
<td>FIRE/PUMP DP-9</td>
<td>Diesel Powered Firewater Pump DP-9</td>
</tr>
<tr>
<td>SECR/GEN</td>
<td>Security Office Emergency Generator</td>
</tr>
<tr>
<td>UTIL/GAS-CP</td>
<td>Gasoline Vehicle Refueling Service for Chemical Plant</td>
</tr>
<tr>
<td>Source ID Number</td>
<td>Description</td>
</tr>
<tr>
<td>------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>UTIL/GAS-RF</td>
<td>Gasoline Vehicle Refueling Service for the Refinery</td>
</tr>
<tr>
<td>UTIL/GEN SHORE</td>
<td>Shore Emergency Generator</td>
</tr>
<tr>
<td>UTIL/PAC4</td>
<td>Permanently Installed Portable Air Compressor #4</td>
</tr>
<tr>
<td>UTIL/PAC5</td>
<td>Permanently Installed Portable Air Compressor #5</td>
</tr>
<tr>
<td>UTIL/PAC6</td>
<td>Permanently Installed Portable Air Compressor #6</td>
</tr>
<tr>
<td>UTIL/PAC7</td>
<td>Permanently Installed Portable Air Compressor #7</td>
</tr>
<tr>
<td>UTIL/PAC8</td>
<td>Permanently Installed Portable Air Compressor #8</td>
</tr>
<tr>
<td>UTIL/PAC9</td>
<td>Permanently Installed Portable Air Compressor #9</td>
</tr>
<tr>
<td>UTIL/PAC10</td>
<td>Permanently Installed Portable Air Compressor #10</td>
</tr>
<tr>
<td>UTIL/PAC11</td>
<td>Permanently Installed Portable Air Compressor #11</td>
</tr>
<tr>
<td>UTIL/PAC12</td>
<td>Permanently Installed Portable Air Compressor #12</td>
</tr>
<tr>
<td>UTIL/PUMP P-6002</td>
<td>Diesel Powered Firewater P-6002</td>
</tr>
<tr>
<td>UTIL/PUMP SHORE</td>
<td>Diesel Powered Firewater Pump Shore</td>
</tr>
</tbody>
</table>

The operation of the above emission points from the time the grandfathered status was lost until their inclusion in Title V Permit No. 2363-V2 is a violation of LAC 33:III.501.C.1, LAC 33:III.501.C.2, LAC 33:III.501.B.6, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

On December 22, 2008, the Department issued to the Respondent a Consolidated Compliance & Notice of Potential Penalty, Enforcement No. AE-CN-08-0150, which was based upon the following findings of fact:

The Respondent owns and/or operates the Baton Rouge Terminal #5005 (the Terminal), a bulk gasoline and fuel loading facility located at 3329 Scenic Highway in Baton Rouge, East Baton Rouge Parish, Louisiana. The facility currently operates under Title V Permit No. 0840-00127-V3 issued on January 11, 2007.
On or about April 15, 2008, representatives of the Respondent met with the Department to discuss the Respondent’s compliance review for the Terminal. According to the Respondent, the compliance review of the Terminal indicated that previous United States Environmental Protection Agency interpretations would consider the Terminal subject to the National Emission Standard for Benzene Waste Operations, 40 CFR 61 Subpart FF (40 CFR 61 Subpart FF), based on its proximity and operational relationship with Exxon Mobil Corporation’s Baton Rouge Refinery.

On or about July 2, 2008, the Department received the Respondent’s first quarter Part 70 General Condition R Quarterly Deviation Report and State General Condition XI.C Quarterly Excess Emission Report (the Report), dated June 30, 2008. According to the Report, the Respondent reported that the U1 Off-Spec Storage Tank (EQT 010) and the U2 Off-Spec Storage Tank (EQT 011) located at the Terminal are subject to 40 CFR 61 Subpart FF.

On or about May 19, 2008, the Department received the Respondent’s Baton Rouge Sales Terminal Emission Reduction Plan (Emission Reduction Plan) for the Terminal, dated May 15, 2008. According to this plan, the Respondent reported that the Terminal will be considered to be part of the Baton Rouge Refinery for New Source Review, Maximum Available Control Technology (MACT) determinations, and Prevention of Significant Deterioration permitting and major source classification, and the Respondent will incorporate the Terminal as part of Exxon Mobil Corporation’s Baton Rouge Refinery (Agency Interest No. 2638).

According to the Respondent’s Emission Reduction Plan, the Respondent reported that the Terminal would be included in the next regulatory reports for Exxon Mobil Corporation’s Baton Rouge Refinery for each applicable regulation per the current submission schedule.

On or about August 12, 2008, a file review of the Respondent’s facility was performed to determine the degree of compliance with the Act and the Air Quality Regulations.
The following violations were noted during the course of the review:

A. According to the Respondent’s correspondence received during a meeting on April 15, 2008, the Terminal is subject to 40 CFR 61 Subpart FF, which requires the owner or operator to install, operate, and maintain a fixed-roof and closed-vent system that routes all organic vapors vented from the tank to a control device. The Respondent did not install, operate, and maintain control devices on the U1 Off-Spec Storage Tank (EQT 010) and the U2 Off-Spec Storage Tank (EQT 011). Each failure to install, operate, and maintain a fixed-roof and closed-vent system that routes all organic vapors vented from the U1 Off-Spec Storage Tank (EQT 010) and the U2 Off-Spec Storage Tank (EQT 011) to a control device is a violation of 40 CFR 61.343(a)(1), which language has been adopted as a Louisiana Regulation in LAC 33:III.5116, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

B. According to the Respondent’s General Condition R Quarterly Deviation Report dated June 30, 2008, and the Respondent’s September 26, 2008, General Condition K Semiannual Monitoring and Deviation Report, the Respondent failed to monitor the cover and all openings of the U1 Off-Spec Storage Tank (EQT 010) and the U2 Off-Spec Storage Tank (EQT 011). Each failure to monitor as required is a violation of 40 CFR 61.343(a)(1)(i)(A), which states “The cover and all openings . . . shall be designed to operate with no detectable emissions as indicated by an instrument reading of less that 500 ppmv [parts per million volume] above background, as determined initially and thereafter at least once per year by the methods specified in §61.355(h) of this subpart.” This language has been adopted as a Louisiana Regulation in LAC 33:III.5116. This also constitutes a violation of La. R.S. 30:2057(A)(2).

C. According to the Respondent’s General Condition R Quarterly Deviation Report dated June 30, 2008, and the Respondent’s September 26, 2008, General Condition K Semiannual Monitoring and Deviation Report, the Respondent failed to visually inspect the U1 Off-Spec Storage Tank (EQT 010) and the U2 Off-Spec Storage Tank (EQT 011). Each failure to inspect as required is a violation of 40 CFR 61.343(c), which states “Each fixed-roof, seal, access door, and all other openings shall be checked by visual inspection initially and quarterly thereafter to ensure that no cracks or gaps occur and that access doors and other openings are closed and gasketed properly.” This language has been adopted as a Louisiana Regulation in LAC 33:III.5116. This also constitutes a violation of La. R.S. 30:2057(A)(2).

D. According to the Respondent’s General Condition R Quarterly Deviation Report dated June 30, 2008, and the Respondent’s September 26, 2008, General Condition K Semiannual Monitoring and Deviation Report, the Respondent failed to visually inspect each individual drain system leading to
the U1 Off-Spec Storage Tank (EQT 010) and the U2 Off-Spec Storage Tank (EQT 011). Each failure to inspect the equipment as required is a violation of 40 CFR 61.346(b)(4), which language has been adopted as Louisiana Regulation in LAC 33:III.5116, and La. R.S. 30:2057(A)(2).

E. On or about November 14, 2008, the Department received the Respondent’s Notice of Exceedance of Permit Limits for Title V Permit No. 0840-00127-V3 dated November 14, 2008. According to this notification, the Respondent exceeded the permitted emission limits as shown in the following table:

<table>
<thead>
<tr>
<th>Gasoline CAP (GRP003)</th>
<th>Total Emissions (tons/year)</th>
<th>Average (pounds/hour)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>YTD* Emissions</td>
<td>Permitted</td>
</tr>
<tr>
<td>2,2,4-Trimethylpentane</td>
<td>0.05</td>
<td>0.04</td>
</tr>
<tr>
<td>Tank 9 (EQT013)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2,2,4-Trimethylpentane</td>
<td>0.07</td>
<td>N/A</td>
</tr>
<tr>
<td>Toluene</td>
<td>0.02</td>
<td>0.01</td>
</tr>
<tr>
<td>Total VOCs</td>
<td>0.94</td>
<td>0.55</td>
</tr>
</tbody>
</table>

*YEAR TO DATE


III

In response to the Consolidated compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-05-0045, 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.
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 NINETY-NINE THOUSAND SIX HUNDRED AND NO/100 DOLLARS ($99,600.00), of which Three Thousand Six Hundred and No/100 Dollars ($3,600.00) 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 Orders & Notices of Potential Penalty, the Notice of Potential Penalty, the Amended 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 East 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.
EXXONMOBIL CORPORATION

BY:  Steven L. Blume
     (Signature)

Steven L. Blume
     (Printed)

TITLE:    Refinery Manager

THUS DONE AND SIGNED in duplicate original before me this 3rd day of
May, 2011, at Baton Rouge, LA.

Carla N. Papularas
     (stamped or printed)

NOTARY PUBLIC (ID #439674)

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 25th day of

Cheryl Sonnier Nolan, Assistant Secretary

Approved:

Cheryl Sonnier Nolan, Assistant Secretary