

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	* Settlement Tracking No.
	* SA-AE-12-0019
CHEVRON PIPE LINE COMPANY	*
	* Enforcement Tracking No.
AI # 808	* AE-PP-11-00373
	*
PROCEEDINGS UNDER THE LOUISIANA	*
ENVIRONMENTAL QUALITY ACT	*
LA. R.S. 30:2001, <u>ET SEQ.</u>	*

SETTLEMENT

The following Settlement is hereby agreed to between Chevron Pipe Line 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 pipeline terminal facility located in Golden Meadow, Lafourche Parish, Louisiana (“the Facility”).

II

On September 9, 2011, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. AE-PP-11-00373, which was based upon the following findings of fact:

On or about February 25, 2011, a file review of Fourchon Pipeline Terminal, owned and/or operated by Chevron Pipe Line Company (Respondent), was performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Air Quality Regulations. The facility is located at 165 Chevron Road in Golden Meadow, Lafourche Parish, Louisiana. At the times the violations occurred, the facility operated under Title V Permit No. 1560-00189-V1,

issued on or about July 27, 2005, and Air Permit No. 1560-00189-00, issued on or about March 6, 2009. The facility currently operates under Air Permit No. 1560-00189-00, administratively amended on or about April 23, 2009.

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

- A. In response to an inquiry from the Department, the Respondent replied in electronic correspondence dated March 10, 2011, providing the history of results of emission testing conducted on Diesel Engine CS-1 (EQT0008) and Diesel Engine CS-2 (EQT0009). The tests that resulted in excess emissions of Oxides of Nitrogen (NO_x), are shown in Table 1:

TABLE 1

Testing Date	CS-1 NO _x Emissions, lb/hr	CS-1 NO _x , permit limit, lb/hr	CS-2 NO _x Emissions, lb/hr	CS-2 NO _x , permit limit, lb/hr
8/24/05	-	-	14.80	14.14
2/26/08	15.10	14.14	-	-
8/31/09	7.10	4.70	6.34	4.70

Each failure of each emission source to demonstrate compliance with the limits of the permit for emission of NO_x is a violation of Title V Permit No. 1560-00189-V1, Air Permit No. 1560-00189-00, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

- B. The Respondent failed to submit permit applications to modify Title V Permit No. 1560-00189-V1, or/or Air Permit No. 1560-00189-00 to reflect the emissions in excess of the permit limits, as reflected in Table 1. Each failure to request a permit modification within forty-five (45) days of receiving test results is a violation of LAC 33:III.523.A, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- C. In correspondence dated as shown in Table 2, the Respondent submitted the facility's Semiannual Monitoring Reports. The reports listed in Table 2 stated that no deviations occurred during that reporting period. The excursions listed in Table 1 were not reported:

TABLE 2

Date of report	Title of report
2/20/06	2005 Second Semiannual
9/25/08	2008 First Semiannual

Each failure to submit an accurate and complete Monitoring Report is a violation of Title V Permit No. 1560-00189-V1, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

- D. Title V Permit No. 1560-00189-V1, issued on or about July 27, 2005, required the facility to conduct semiannual emission testing by portable analyzer of Diesel Engine CS-1 and Diesel Engine CS-2 for Nitrogen Oxides (NOx) and for Carbon Monoxide (CO). The schedule of testing of the engines is shown in Table 3:

TABLE 3

Date of engine testing	Days between tests
8/22/06	-
4/23/07	244
On 3/6/09, testing requirement adjusted to annually	

The failure to timely conduct semiannual testing is a violation of Specific Requirement No. 6 and No. 7 for Diesel Engine CS-1 and of Specific Requirement No. 15 and No. 16 for Diesel Engine CS-2 of Title V Permit No. 1560-00189-V1, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 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 FOUR THOUSAND SIXTEEN AND 23/100 DOLLARS (\$4,016.23), of which Eight Hundred Sixteen and 23/100 Dollars (\$816.23) 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 permit record(s), the 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

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

IX

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).

X

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

XI

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.

CHEVRON PIPE LINE COMPANY

2/16/13
8/29/12
8.7.12

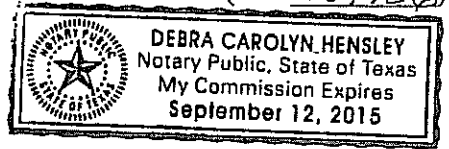
BY: *Edward LaCour*
(Signature)

Edward LaCour
(Printed)

TITLE: VICE PRESIDENT

THUS DONE AND SIGNED in duplicate original before me this 21 day of August, 20 12, at 9:50.

Debra Carolyn Hensley
NOTARY PUBLIC (ID # 184136)



(stamped or printed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Peggy M. Hatch Secretary

BY: *Cheryl Sonnier Nolan*
Cheryl Sonnier Nolan, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 26th day of Feb, 20 13, at Baton Rouge, Louisiana.

Perry Theriot
NOTARY PUBLIC (ID # 19181)

Perry Theriot
(stamped or printed)

Approved: *Cheryl Sonnier Nolan*
Cheryl Sonnier Nolan, Assistant Secretary