

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

NUSTAR LOGISTICS, L.P.

AI # 36538

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

* Settlement Tracking No.
* SA-AE-19-0041
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* Enforcement Tracking No.
* AE-CN-15-00881
* AE-L-19-00343
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SETTLEMENT

The following Settlement is hereby agreed to between NuStar Logistics, 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 petroleum products storage facility located in St. James, St. James Parish, Louisiana (“the Facility”).

II

Claims being settled by this agreement include violations alleged by DEQ in the following correspondence:

On June 30, 2017, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-15-00881 (Exhibit 1).

On April 24, 2019, the Department issued to Respondent a Warning Letter, Enforcement No. AE-L-19-00343 (Exhibit 2) that referenced alleged violations found during a site inspection,

specifically (1) that the facility failed to submit agency notification 30-days in advance of seal gap measurements for Tank 21 (EQT0063) and Tank 33 (EQT0065), as required by Permit Specific Requirement 35, a violation of 40 CFR 60.113(b)(5) and LAC 33:III.501.C.4; and (2) that the facility failed to use a hatch cover on Tank 3 (EQT0016), a violation of LAC 33:III.905.A.

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 THREE THOUSAND THREE HUNDRED THIRTY-SEVEN AND 17/100 DOLLARS (\$3,337.17), of which Eight Hundred Thirty-Seven and 17/100 Dollars (\$837.17) 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 inspection report(s), permit record(s), the Consolidated Compliance Order & Notice of Potential Penalty, Warning Letter 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

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.

IX

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

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.

NUSTAR LOGISTICS, L.P.

By: Nustar GP, Inc., Its General Partner

BY: [Signature]
(Signature)

NAME: Jean M. Zeringue

TITLE: Vice President of NuStar GP, Inc.

THUS DONE AND SIGNED in duplicate original before me this 11 day of June, 20 21, at Geismar, Louisiana.

[Signature]
NOTARY PUBLIC (ID # _____)

HANNAH RAE GAUTREAU
Louisiana Notary ID # 150872
My Commission Is For Life

(stamped or printed)


LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY

Chuck Carr Brown, Ph.D., Secretary

BY: [Signature]
Lourdes Iturralde, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 17th day of September, 20 21, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 92503)

 **AMBER G. LITCHFIELD**
Notary Public
State of Louisiana
Notary ID # 92503
East Baton Rouge Parish

(stamped or printed)

Approved: [Signature]
Lourdes Iturralde, Assistant Secretary



JOHN BEL EDWARDS
GOVERNOR

CHUCK CARR BROWN, PH.D.
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

June 30, 2017

CERTIFIED MAIL (7005 1820 0002 2095 9956)
RETURN RECEIPT REQUESTED

NUSTAR LOGISTICS, L.P.
c/o C T Corporation System
Agent for Service of Process
3867 Plaza Tower Dr.
Baton Rouge, LA 70816

**RE: CONSOLIDATED COMPLIANCE ORDER
& NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-CN-15-00881
AGENCY INTEREST NO. 36538**

Dear Sir(s):

Pursuant to the Louisiana Environmental Quality Act (La. R.S. 30:2001, et seq.), the attached **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is hereby served on **NUSTAR LOGISTICS, L.P. (RESPONDENT)** for the violation described therein.

Compliance is expected within the maximum time period established by each part of the **COMPLIANCE ORDER**. The violation cited in the **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** could result in the issuance of a civil penalty or other appropriate legal actions.

Any questions concerning this action should be directed to Richard LeBlanc at (225) 219-3165.

Sincerely,

Celena J. Cage
Administrator
Enforcement Division

CJC/RDL/rdl
Alt ID No. 2560-00013
Attachment



c: NuStar Logistics
St. James Terminal
P.O. Box 157
St. James, LA 70086

**STATE OF LOUISIANA
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE**

IN THE MATTER OF

**NUSTAR LOGISTICS, L.P.
ST. JAMES PARISH
ALT ID NO. 2560-00013**

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

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ENFORCEMENT TRACKING NO.

AE-CN-15-00881

AGENCY INTEREST NO.

36538

**CONSOLIDATED
COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY**

The following **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is issued to **NUSTAR LOGISTICS, L.P. (RESPONDENT)** by the Louisiana Department of Environmental Quality (the Department), under the authority granted by the Louisiana Environmental Quality Act (the Act), La. R.S. 30:2001, et seq., and particularly by La. R.S. 30:2025(C), 30:2050.2 and 30:2050.3(B).

FINDINGS OF FACT

I.

The Respondent owns and/or operates the St. James Terminal (facility), a petroleum products storage facility, located at 7167 Koch Road in St. James, St. James Parish, Louisiana. The facility operated under Title V Air Permit No. 2560-00013-V6 issued on May 9, 2012, which was administratively amended on March 6, 2013. The facility currently operates under Title V Air Permit No. 2560-00013-V7 issued on September 8, 2015.

II.

On or about March 31, 2015, April 1, 2015, and May 11, 2015, the Department conducted inspections for the facility to determine compliance with the Air Quality Regulations. Additionally, the Department conducted a file review for the facility on or about September 28, 2016.

While the Department's investigation is not yet complete, the following violations were discovered during the course of the inspections and file review:

- A. The Respondent self-reported in the facility's 2014 Annual Compliance Certification submitted on or about March 31, 2015, deviations regarding a smoking event that occurred on or about April 10, 2014. Specifically, visible emissions were observed being emitted from VCU-1 (EQT0038) from 6:00am to 6:10am. The Respondent failed to operate the flare so that emissions, except for periods not to exceed a total of five (5) minutes during any two (2) consecutive hours, are not visible which is a violation of Title V Air Permit No. 2560-00014-V6AA Specific Requirement 258, which incorporates by reference 40 CFR 60.18(c)(1), LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- B. The Respondent self-reported in the facility's 2014 Annual Compliance Certification submitted on or about March 31, 2015, deviations regarding a smoking event that occurred on or about April 10, 2014. Specifically, the Respondent failed to operate EQT0038 with opacity less than or equal to 20 percent except not more than one (1) six-minute period in any 60 consecutive minutes which is a violation of Title V Air Permit No. 2560-00014-V6AA Specific Requirement 286, LAC 33:III.1101.B, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- C. The Respondent self-reported in the facility's 2014 Annual Compliance Certification submitted on or about March 31, 2015, deviations regarding a smoking event that occurred on or about April 10, 2014. Specifically, the Respondent failed to ensure a reduction by weight of greater than or equal to 90 percent of total volatile organic compounds (VOCs) from EQT0038 in violation of Title V Air Permit No. 2560-00014-V6AA Specific Requirement 290, LAC 33:III.2108.C.2, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- D. The Respondent self-reported in the facility's 2014 Annual Compliance Certification submitted on or about March 31, 2015, deviations regarding a smoking event that occurred on or about April 10, 2014. Specifically, the Respondent failed to ensure emissions from EQT0038 to the atmosphere by loading of crude oil by barges are not greater than or equal to 30 milligrams per liter (mg/L) of VOCs loaded which is a violation of Title V Air Permit No. 2560-00014-V6AA Specific Requirement 291, LAC 33:III.2108.C.3.b, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- E. The Respondent self-reported in the facility's 2014 2nd Semiannual Monitoring Report submitted on or about March 30, 2015, deviations regarding an opacity event

that occurred on or about December 18, 2014. Specifically, visible emissions were observed coming from EQT0038 from 8:45am to 8:55am. The Respondent failed to operate the flare so that emissions, except for periods not to exceed a total of five (5) minutes during any two (2) consecutive hours, are not visible which is a violation of Title V Air Permit No. 2560-00014-V6AA Specific Requirement 258, which incorporates by reference 40 CFR 60.18(c)(1), LAC 33:III.2108.E.2, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

- F. The Respondent self-reported in the facility's 2014 2nd Semiannual Monitoring Report submitted on or about March 30, 2015, deviations regarding an opacity event that occurred on or about December 18, 2014. Specifically, the Respondent failed to operate EQT0038 with opacity less than or equal to 20 percent except not more than one (1) six-minute period in any 60 consecutive minutes which is a violation of Title V Air Permit No. 2560-00014-V6AA Specific Requirement 286, LAC 33:III.1101.B, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- G. The Respondent self-reported in the facility's 2014 2nd Semiannual Monitoring Report submitted on or about March 30, 2015, unauthorized discharges for less than 24 hours on the following dates: July 13, 2014; July 22, 2014; October 13, 2014; November 29, 2014; and December 17, 2014. The unauthorized emissions were the result of the release of crude/heavy oil to the ground or water. Each instance is a violation of LAC 33:III.501.C.2 and La. R.S. 30:2057(A)(1).
- H. The Respondent failed to submit the facility's 2014 Annual Criteria Pollutant Emissions Inventory in a timely and complete manner. Specifically, the required certification statement was received by the Department on or about April 24, 2015, incomplete without an original signature. The Department received the certification statement with original signature on or about July 16, 2015. This failure is a violation of Title V Air Permit No. 2560-00014-V6AA Specific Requirement 395, LAC 33:III.919.d, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).

COMPLIANCE ORDER

Based on the foregoing, the Respondent is hereby ordered:

I.

To take, immediately upon receipt of this **COMPLIANCE ORDER**, any and all steps necessary to meet and maintain compliance with the Air Quality Regulations and all applicable permits, including, but not limited to, properly operating vapor combustion units.

II.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a written report that includes the causes of the events mentioned above in subparagraphs II.A, II.E and II.G of the Findings of Fact, as well as a speciated list of the amounts of pollutants emitted as a result of the events.

III.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a written report that includes a detailed description of the circumstances surrounding the cited violations and actions taken or to be taken to achieve compliance with the Order Portion of this **COMPLIANCE ORDER**. This report and all other reports or information required to be submitted to the Enforcement Division by this **COMPLIANCE ORDER** shall be submitted to:

Office of Environmental Compliance
Post Office Box 4312
Baton Rouge, Louisiana 70821-4312
Attn: Richard LeBlanc
Re: Enforcement Tracking No. AE-CN-15-00881
Agency Interest No. 36538

THE RESPONDENT SHALL FURTHER BE ON NOTICE THAT:

I.

The Respondent has a right to an adjudicatory hearing on a disputed issue of material fact or of law arising from this **COMPLIANCE ORDER**. This right may be exercised by filing a written request with the Secretary no later than thirty (30) days after receipt of this **COMPLIANCE ORDER**.

II.

The request for an adjudicatory hearing shall specify the provisions of the **COMPLIANCE ORDER** on which the hearing is requested and shall briefly describe the basis for the request. This request should reference the Enforcement Tracking Number and Agency Interest Number, which are located in the upper right-hand corner of the first page of this document and should be directed to the following:

Department of Environmental Quality
Office of the Secretary
Post Office Box 4302
Baton Rouge, Louisiana 70821-4302
Attn: Hearings Clerk, Legal Division
Re: Enforcement Tracking No. AE-CN-15-00881
Agency Interest No. 36538

III.

Upon the Respondent's timely filing a request for a hearing, a hearing on the disputed issue of material fact or of law regarding this **COMPLIANCE ORDER** may be scheduled by the Secretary of the Department. The hearing shall be governed by the Act, the Administrative Procedure Act (La. R.S. 49:950, et seq.), and the Department's Rules of Procedure. The Department may amend or supplement this **COMPLIANCE ORDER** prior to the hearing, after providing sufficient notice and an opportunity for the preparation of a defense for the hearing.

IV.

This **COMPLIANCE ORDER** shall become a final enforcement action unless the request for hearing is timely filed. Failure to timely request a hearing constitutes a waiver of the Respondent's right to a hearing on a disputed issue of material fact or of law under Section 2050.4 of the Act for the violation(s) described herein.

V.

The Respondent's failure to request a hearing or to file an appeal or the Respondent's withdrawal of a request for hearing on this **COMPLIANCE ORDER** shall not preclude the Respondent from contesting the findings of facts in any subsequent penalty action addressing the same violation(s), although the Respondent is estopped from objecting to this **COMPLIANCE ORDER** becoming a permanent part of its compliance history.

VI.

Civil penalties of not more than twenty-seven thousand five hundred dollars (\$27,500) for each day of violation for the violation(s) described herein may be assessed. For violations which occurred on August 15, 2004, or after, civil penalties of not more than thirty-two thousand five hundred dollars (\$32,500) may be assessed for each day of violation. The Respondent's failure or refusal to comply with this **COMPLIANCE ORDER** and the provisions herein will subject the Respondent to possible enforcement procedures under La. R.S. 30:2025, which could result in the assessment of a civil penalty

in an amount of not more than fifty thousand dollars (\$50,000) for each day of continued violation or noncompliance.

VII.

For each violation described herein, the Department reserves the right to seek civil penalties in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such penalties.

NOTICE OF POTENTIAL PENALTY

I.

Pursuant to La. R.S. 30:2050.3(B), you are hereby notified that the issuance of a penalty assessment is being considered for the violation(s) described herein. Written comments may be filed regarding the violation(s) and the contemplated penalty. If you elect to submit comments, it is requested that they be submitted within ten (10) days of receipt of this notice.

II.

Prior to the issuance of additional appropriate enforcement action(s), you may request a meeting with the Department to present any mitigating circumstances concerning the violation(s). If you would like to have such a meeting, please contact Richard LeBlanc at (225) 219-3165 within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.


III.

The Department is required by La. R.S. 30:2025(E)(3)(a) to consider the gross revenues of the Respondent and the monetary benefits of noncompliance to determine whether a penalty will be assessed and the amount of such penalty. Please forward the Respondent's most current annual gross revenue statement along with a statement of the monetary benefits of noncompliance for the cited violation(s) to the above named contact person within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**. Include with your statement of monetary benefits the method(s) you utilized to arrive at the sum. If you assert that no monetary benefits have been gained, you are to fully justify that statement.

IV.

This **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is effective upon receipt.

Baton Rouge, Louisiana, this 30th day of June, 2017.



Lourdes Iturralde
Assistant Secretary
Office of Environmental Compliance

Copies of a request for a hearing and/or related correspondence should be sent to:

Louisiana Department of Environmental Quality
Office of Environmental Compliance
Enforcement Division
P.O. Box 4312
Baton Rouge, LA 70821-4312
Attention: Richard LeBlanc

JOHN BEL EDWARDS
GOVERNOR



CHUCK CARR BROWN, Ph.D.
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE
April 24, 2019

NuStar Logistics, LP
c/o Christyle Mitchell
7167 Koch Road
St. James, LA 70086

**RE: St. James Terminal
WARNING LETTER
ENFORCEMENT TRACKING NO. AE-L-19-00343
AI No. 36538**

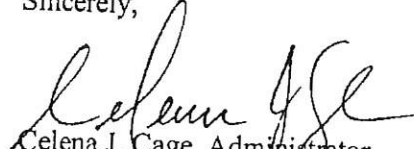
Dear Sir/Madam:

On or about October 22 and 29, 2018, inspections of the above referenced facility were conducted to determine compliance with the Louisiana Environmental Quality Act and supporting regulations. The inspection report, noting areas of concern, has been forwarded to the Enforcement Division. All violations at your facility will be taken into consideration in determining what further actions this office will take.

We strongly encourage you to review the findings of our most recent inspection and immediately take any and all steps to ensure compliance with all environmental regulations at your facility. We request that you review the area(s) of concern noted and submit a written response within **30 days** of receipt of this letter to Madison Kirkland at the address below. In your response, please include any action(s) you have taken to correct the area(s) of concern at your facility.

If you have any questions regarding this potential civil enforcement matter, please contact Madison Kirkland at (225) 219-3165.

Sincerely,


Celena J. Cage, Administrator
Enforcement Division

CJC/MLK/mlk
Alt. ID No. 2560-00013

