

**STATE OF LOUISIANA**

**DEPARTMENT OF ENVIRONMENTAL QUALITY**

**IN THE MATTER OF:**

**EXXON MOBIL CORPORATION**

**AI # 2638**

**PROCEEDINGS UNDER THE LOUISIANA**

**ENVIRONMENTAL QUALITY ACT**

**LA. R.S. 30:2001, ET SEQ.**

\* **Settlement Tracking No.**

\* **SA-AE-24-0022**

\*

\* **Enforcement Tracking No.**

\* **AE-PP-20-00550**

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**SETTLEMENT AGREEMENT**

The following Settlement Agreement is hereby agreed to between Exxon Mobil 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 October 14, 2020, the Department issued to Respondent a Notice of Potential Penalty, Enforcement Tracking No. AE-PP-20-00550 (Exhibit 1).

**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 EIGHT THOUSAND AND NO/100 DOLLARS (\$8,000.00), of which Eight Hundred Fifty-Five and 29/100 Dollars (\$855.29) represents the Department's enforcement costs, in settlement of the claims set forth in this Settlement 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), the Notice of Potential Penalty and this Settlement Agreement 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 Settlement 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 Settlement Agreement in any action by the Department to enforce this Settlement Agreement.

## VII

This Settlement Agreement 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 Agreement, 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 East Baton Rouge Parish, Louisiana. The advertisement, in form and wording approved by the Department, announced the availability of this Settlement Agreement 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 Agreement 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 thirty (30) days from notice of the Secretary's signature. If payment is not received within that time, this Settlement Agreement is voidable at the option of the Department. The Respondent shall provide its tax identification number when submitting payment. Payments are to be made by Electronic Funds Transfer (EFT) to the Department of Environmental Quality, in accordance with instructions provided to Respondent by the Financial Services Division, Department of Environmental Quality. The payment instructions will include an Agency Interest Number, Settlement Agreement Number, and Enforcement Tracking Number, which Respondents shall use to identify each payment. The Financial Services Division will provide payment instructions to: Teagan Blades Treadway, ExxonMobil, 4045 Scenic Highway,

Baton Rouge, LA 70805. Email Address: [tegan.b.treadaway@exxonmobil.com](mailto:tegan.b.treadaway@exxonmobil.com).

XI

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

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.

**EXXON MOBIL CORPORATION**

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**  
Aurelia S. Giacometto, Secretary

BY: \_\_\_\_\_  
Jerrie "Jerry" Lang, 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:   
\_\_\_\_\_  
Jerrie "Jerry" Lang, Assistant Secretary



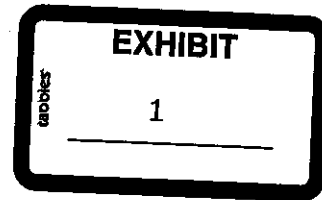
JOHN BEL EDWARDS  
GOVERNOR

CHUCK CARR BROWN, Ph.D.  
SECRETARY

**State of Louisiana**  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
OFFICE OF ENVIRONMENTAL COMPLIANCE

October 14, 2020

CERTIFIED MAIL (7014 0510 0001 7431 7755)  
RETURN RECEIPT REQUESTED



**EXXON MOBIL CORPORATION**  
c/o Corporation Service Company  
Agent for Service of Process  
501 Louisiana Avenue  
Baton Rouge, Louisiana 70802

**RE: NOTICE OF POTENTIAL PENALTY  
ENFORCEMENT TRACKING NO. AE-PP-20-00550  
AGENCY INTEREST NO. 2638**

Dear Sir or Madam:

On or about February 12, 2020, an inspection of the **BATON ROUGE REFINERY (FACILITY)**, a petroleum refining and supply facility, owned and/or operated by **EXXON MOBIL CORPORATION (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 4045 Scenic Highway in Baton Rouge, East Baton Rouge Parish, Louisiana.

On February 12, 2020, the Department conducted an incident inspection due to a fire within a pipe rack at the Pipestills Unit of the Facility. According to the incident inspection report, the fire started at approximately 11:16 p.m. on February 11, 2020, and was extinguished at approximately 5:45 a.m. on February 12, 2020. According to the Respondent's written report dated April 8, 2020, air was inadvertently introduced into a line that ran from the Pipestills Unit to a storage tank, which carried vacuum gas oil. The air and gas oil ignited causing the pipe to rupture. The fire subsequently spread to several other lines in the pipe rack. The incident resulted in an unauthorized release from a non-permitted source. The reportable quantities were exceeded for 1,3-Butadiene, flammable vapor, sulfur dioxide, sulfuric acid (liquid), and oil (liquid). The Respondent determined the incident was preventable, and stated both valves which can contribute to air ingress on the line will be sealed and blinded to prevent ingress.

While the investigation by the Louisiana Department of Environmental Quality (the Department) is not yet complete, the following violation was noted during the course of the inspection:

**Exxon Mobil Corporation**  
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The Respondent reported the following unauthorized release:

February 18, 2020 & April 8, 2020	7-195519	February 11, 2020 – February 12, 2020 (6 hours & 29 minutes)	I,3-Butadiene	2,780	10	The release occurred due to air being inadvertently introduced into a line containing hydrocarbon material and igniting inside the pipe, which resulted in pipe rupture. The Respondent determined the release to be preventable.
			Flammable Vapor*	12,325	1,000	
			Sulfur Dioxide	12,699	500	

\*Flammable vapor consisted of methane, ethane, ethylene, propene, hexane, toluene, hydrogen, naphthalene, methanethiol, phenol, and ammonia.

The introduction of air into the line is a violation of LAC 33:III.905.A, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2).

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.

Prior to the issuance of any additional appropriate enforcement action, 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 Alissa Cockerham at (225) 219-3785 within ten (10) days of receipt of this NOTICE OF POTENTIAL PENALTY.

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 in order 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 violations 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 this statement. If the Respondent chooses not to submit the requested most current annual gross revenues statement within ten (10) days, it will be viewed by the Department as an admission that the Respondent has the ability to pay the statutory maximum penalty as outlined in La. R.S. 30:2025.

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

The Department assesses civil penalties based on LAC 33:I.Subpart1.Chapter 7. To expedite closure of this NOTICE OF POTENTIAL PENALTY, the Respondent may offer a settlement amount to resolve any claim for civil penalties for the violation(s) described herein. The Respondent may offer a settlement amount, but the Department is under no obligation to enter into settlement negotiations. The decision to proceed with a settlement is at the discretion of the Department. The settlement offer amount may be entered on the attached "NOTICE OF POTENTIAL PENALTY REQUEST TO SETTLE" form. The Respondent must include a justification of the offer. **DO NOT** submit payment of the offer

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amount with the form. The Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.

To reduce document handling, please refer to the Enforcement Tracking Number and Agency Interest Number on the front of this document on all correspondence in response to this action.

Sincerely



**Lourdes Iturralde**  
**Assistant Secretary**  
**Office of Environmental Compliance**

**LI/ARC/arc**  
**Alt ID No. 0840-00015**

**c: Exxon Mobil Corporation**  
**c/o Joey Rinaudo, Environmental Air Supervisor**  
**4045 Scenic Highway**  
**Baton Rouge, Louisiana 70805**



**LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY  
OFFICE OF ENVIRONMENTAL COMPLIANCE  
ENFORCEMENT DIVISION  
POST OFFICE BOX 4312  
BATON ROUGE, LOUISIANA 70821-4312**



**NOTICE OF POTENTIAL PENALTY  
REQUEST TO SETTLE (OPTIONAL)**

Enforcement Tracking No.	AE-PP-20-00550	Contact Name	Allissa Cockerham
Agency Interest (AI) No.	2638	Contact Phone No.	(225) 219-3785
Alternate ID No.	0840-00015		
Respondent:	Exxon Mobil Corporation	Facility Name:	Exxon Baton Rouge Refinery
	c/o Corporation Service Company	Physical Location:	4045 Scenic Highway
	Agent for Service of Process		
	501 Louisiana Avenue	City, State, Zip:	Baton Rouge, LA 70805
	Baton Rouge, LA 70802	Parish:	East Baton Rouge

**SETTLEMENT OFFER (OPTIONAL)**

*(check the applicable option)*

The Respondent is not interested in entering into settlement negotiations with the Department with the understanding that the Department has the right to assess civil penalties based on LAC 33:1.Subpart1.Chapter7.

In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY (AE-PP-20-00550), the Respondent is interested in entering into settlement negotiations with the Department and would like to set up a meeting to discuss settlement procedures.

In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY (AE-PP-20-00550), the Respondent is interested in entering into settlement negotiations with the Department and offers to pay \$ \_\_\_\_\_ which shall include LDEQ enforcement costs and any monetary benefit of non-compliance.

- Monetary component = \$ \_\_\_\_\_
- Beneficial Environmental Project (BEP) component (optional) = \$ \_\_\_\_\_
- **DO NOT SUBMIT PAYMENT OF THE OFFER WITH THIS FORM-** the Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.

The Respondent has reviewed the violations noted in NOTICE OF POTENTIAL PENALTY (AE-PP-20-00550) and has attached a justification of its offer and a description of any BEPs if included in settlement offer.

**CERTIFICATION STATEMENT**

*I certify, under provisions in Louisiana and United States law that provide criminal penalties for false statements, that based on information and belief formed after reasonable inquiry, the statements and information attached and the compliance statement above, are true, accurate, and complete. I also certify that I do not owe outstanding fees or penalties to the Department for this facility or any other facility I own or operate. I further certify that I am either the Respondent or an authorized representative of the Respondent.*

Respondent's Signature	Respondent's Printed Name	Respondent's Title
Respondent's Physical Address	Respondent's Phone #	Date

**MAIL COMPLETED DOCUMENT TO THE ADDRESS BELOW:**

Louisiana Department of Environmental Quality  
Office of Environmental Compliance  
Enforcement Division  
P.O. Box 4312  
Baton Rouge, LA 70821  
Attn: Allissa Cockerham