

**STATE OF LOUISIANA**

**DEPARTMENT OF ENVIRONMENTAL QUALITY**

**IN THE MATTER OF:**

**JOHN W. STONE OIL DISTRIBUTOR,  
L.L.C.**

**AI # 4005**

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

\* **Settlement Tracking No.**  
\* **SA-AE-25-0071**  
\*  
\*  
\* **Enforcement Tracking No.**  
\* **AE-PP-23-00196**  
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**SETTLEMENT AGREEMENT**

The following Settlement Agreement is hereby agreed to between John W. Stone Oil Distributor, L.L.C. ("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 limited liability company that owns and/or operates a petroleum storage and transfer facility located in Gretna, Jefferson Parish, Louisiana ("the Facility").

**II**

On May 17, 2024, the Department issued to Respondent a Notice of Potential Penalty, Enforcement Tracking No. AE-PP-23-00196 (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 TWELVE THOUSAND AND NO/100 DOLLARS (\$12,000.00), of which One Thousand Six Hundred Forty-One and 31/100 Dollars (\$1,641.31) 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 Jefferson 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 check, payable to the Department of Environmental Quality, and mailed or delivered to the attention of Accounts Receivable, Financial Services Division, Department of Environmental Quality, Post Office Box 4303, Baton Rouge, Louisiana, 70821-4303 or by Electronic Funds Transfer (EFT) to the Department of Environmental Quality, in accordance with instructions

provided to Respondent by the Financial Services Division. Each payment shall be accompanied by a completed Settlement Payment Form attached hereto.

#### 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.

**JOHN W. STONE OIL DISTRIBUTOR,  
L.L.C.**

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**  
Courtney J. Burdette, 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

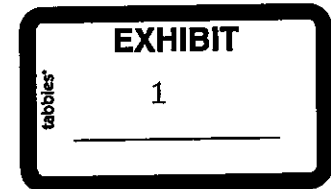
JEFF LANDRY  
GOVERNOR



AURELIA S. GIACOMETTO  
SECRETARY

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

MAY 17 2024



CERTIFIED MAIL (9589 0710 5270 0478 1461 60)  
RETURN RECEIPT REQUESTED

**JOHN W. STONE OIL DISTRIBUTOR, L.L.C.**

c/o Claudelle Vallette  
Agent for Service of Process  
1601 Belle Chasse Highway, Suite 300  
Terrytown, Louisiana 70056

**RE: NOTICE OF POTENTIAL PENALTY**  
**ENFORCEMENT TRACKING NO. AE-PP-23-00196**  
**AGENCY INTEREST NO. 4005**

Dear Sir/Madam:

On or about March 18, 2022, the Louisiana Department of Environmental Quality (the Department) conducted an inspection of **JOHN W. STONE OIL DISTRIBUTOR L.L.C. GRETN TERMINAL (FACILITY)**, a petroleum storage and transfer facility, owned and/or operated by **JOHN W. STONE OIL DISTRIBUTOR, L.L.C. (RESPONDENT)**, to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Air Quality Regulations. The facility is located at 87 1<sup>st</sup> Street in Gretna, Jefferson Parish, Louisiana. The Respondent operates or has operated under the authority of the following Minor Source Air Permits:

1340-00114-09	October 19, 2016
1340-00114-10	September 6, 2023

While the investigation by the Department is not yet complete, the following violations were noted during the course of the inspection:

- A. The Respondent failed to operate the facility in accordance with all terms and conditions of the Minor Source Air Permit No. 1340-00114-V9. Specifically, the facility failed to install proposed control measures and/or equipment as specified in the permit. According to Minor Source Air Permit No. 1340-00114-V9, the facility's eight (8) tanks (EQT 0031-0034, EQT 0061, and EQT 0038-0040) are required to be controlled by an oxidation unit (EQT 0076).

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At the time of the Department's inspection, the oxidation unit had not been commissioned. The failure to operate the facility in accordance with all terms and conditions of the permit is a violation of LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2). Minor Source Air Permit No. 1340-00114-10 was issued to the Respondent on September 6, 2023, which removed the oxidation unit (EQT 0076). An activated carbon scrubber, which is used for odor control and is not an emission source, was installed instead.

- B. The Respondent failed to submit a notification to the Department prior to the initiation of any project, which will result in emission reductions. Specifically, the facility installed a Vapor Recovery Unit/Activated Carbon Filter Unit in lieu of the Oxidation Unit (EQT 0076) required by Minor Source Air Permit No. 1340-00114-09. The failure to submit notification to the Department prior to the initiation of a project which results in emission reductions is a violation of LAC 33:III.511, LAC 33:III.501.C.3, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2).
- C. The Respondent failed to submit notification to the Department of the date of construction or reconstruction, anticipated start-up, and actual start-up as specified in 40 CFR 60.7 for Steam Boiler No. 3 (EQT 0045) and Steam Boiler No. 4 (EQT 0085). Notification was not submitted to the Department within thirty (30) days after the date of construction or reconstruction of Steam Boilers Nos. 3 and 4. Notification was not submitted to the Department within fifteen (15) days after the actual start-up date for Steam Boilers Nos. 3 and 4. The failure to submit notification to the Department of the date of construction or reconstruction, anticipated start-up, and actual start-up as specified in 40 CFR 60.7 is a violation of Specific Requirement Nos. 3 and 8 of Minor Source Permit No. 1340-00114-09, 40 CFR 60.48c(a), which language has been adopted as a Louisiana regulation in LAC 33:III.3003, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2). The notification form for Steam Boilers Nos. 3 and 4 was submitted to the Department via email on March 25, 2022. The notification form indicated both boilers were installed on January 1, 2007.
- D. The Respondent failed to develop a written plan for housekeeping and maintenance that places emphasis on the prevention and reduction of Volatile Organic Compounds (VOCs) and keep it at the facility. Specifically, at the time of the Department's inspection, the VOC Housekeeping Plan was requested for review and was not available at the facility. The failure to develop a written plan for housekeeping and maintain it at the facility is a violation of Specific Requirement No. 17 of Minor Source Air Permit No. 1340-00114-09, LAC 33:III.2113.A.4, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2). The Respondent provided a written VOC housekeeping plan to the Department on March 25, 2022 via email.

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- E. The Respondent failed to notify the Department and obtain a permit modification prior to construction, modification, or operation of equipment at the facility, which may ultimately result in an initiation of, or increase in, emissions of air contaminants. Specifically, the Respondent failed to notify the Department of a new 250-gallon gasoline storage tank, which was constructed at the facility in February 2022. The operation of equipment, which may result in an increase of emissions of air contaminants, prior to obtaining a permit modification is a violation of LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2). Tank (EQT 0091) was added in Minor Source Air Permit 1340-00114-10, which was issued to the Respondent on September 6, 2023.
- F. The Respondent failed to comply with the permitted throughput limits of Minor Source Air Permit No. 1340-00114-09. Specifically, the Respondent exceeded the permitted throughput limit of 25,000 gallons per year for Red Dye (Xylene) in 2020 and 2021. The Respondent's annual throughput of Red Dye in 2020 was 26,290 gallons. The Respondent's annual throughput of Red Dye in 2021 was 25,249 gallons. The failure to operate the facility in accordance with all terms and conditions of the permit is a violation of LAC 33:III.501.C.4, 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 or [Alissa.cockerham@la.gov](mailto:Alissa.cockerham@la.gov) 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.



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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 may submit the settlement offer within one hundred and eighty (180) days of receipt of this **NOTICE OF POTENTIAL PENALTY**. The Respondent must include a justification of the offer. **DO NOT** submit payment of the offer 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,

A handwritten signature in black ink, appearing to read 'Jerry Lang', with a long horizontal flourish extending to the right.

Jerry Lang  
Assistant Secretary  
Office of Environmental Compliance

JL/ARC/arc  
Alt ID No. LA0000002205100114

c: John W. Stone Oil Distributor, L.L.C.  
c/o John W. Stone, Jr.  
P. O. Box 2010  
Gretna, Louisiana 70054

## 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-23-00196	Contact Name	Alissa Cockerham
Agency Interest (AI) No.	4005	Contact Phone No.	(225) 219-3785
Alternate ID No.	1340-00114		
Respondent:	John W. Stone Oil Distributor, L.L.C.	Facility Name:	John W. Stone Oil Distributor, L.L.C. - Gretna Terminal
	c/o Claudelle Vallette	Physical Location:	87 1 <sup>st</sup> Street
	Agent for Service of Process		
	1601 Belle Chasse Hwy., Ste. 300	City, State, Zip:	Gretna, LA 70054
	Terrytown, LA 70056	Parish:	Jefferson

## SETTLEMENT OFFER (OPTIONAL)

(check the applicable option)

<input type="checkbox"/>	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.
<input type="checkbox"/>	In order to resolve any claim for civil penalties for the violations in <b>NOTICE OF POTENTIAL PENALTY</b> (AE-PP-23-00196), the Respondent is interested in entering into settlement negotiations with the Department and would like to set up a meeting to discuss settlement procedures.
<input type="checkbox"/>	The Respondent may submit the settlement offer within one hundred and eighty (180) days of receipt of this <b>NOTICE OF POTENTIAL PENALTY</b> (AE-PP-23-00196).
<input type="checkbox"/>	<p>In order to resolve any claim for civil penalties for the violations in <b>NOTICE OF POTENTIAL PENALTY</b> (AE-PP-23-00196), 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.</p> <ul style="list-style-type: none"> <li>Monetary component = \$ _____</li> <li>Beneficial Environmental Project (BEP) component (optional)= \$ _____</li> <li><b><u>DO NOT SUBMIT PAYMENT OF THE OFFER WITH THIS FORM-</u></b> the Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.</li> </ul> <p>The Respondent has reviewed the violations noted in <b>NOTICE OF POTENTIAL PENALTY</b> (AE-PP-23-00196) and has attached a justification of its offer and a description of any BEPs if included in settlement offer.</p>

## 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: Alissa Cockerham