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GOVERNOR



PEGGY M. HATCH
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

September 6, 2012

VIA HAND DELIVERY

STOLTHAVEN NEW ORLEANS, L.L.C.

c/o S. Ault Hootsell, III
Agent for Service Of Process
365 Canal Street, Suite 2000
New Orleans, LA 70130

**RE: NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. MM-PP-12-00985
AGENCY INTEREST NO. 87738**

Dear Sir:

On or about September 4, 2012, a file review of the Stolthaven New Orleans LLC - SHVNN Facility, owned and/or operated by **STOLTHAVEN NEW ORLEANS, L.L.C. (RESPONDENT)**, was performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Water Quality Regulations. The facility is a bulk liquid storage and transfer facility and a centralized waste treatment facility which is located at 2444 English Turn Rd in Braithwaite, Plaquemines Parish, Louisiana.

The Respondent was issued Louisiana Pollutant Discharge Elimination System (LPDES) permit LA0114405 with an effective date of July 1, 2007, and an expiration date of June 30, 2012. The Respondent submitted a timely permit renewal application on or about December 11, 2011, and LPDES permit LA0114405 has been administratively continued. Under the terms and condition of LPDES permit LA0114405, the Respondent is authorized to discharge treated wastewater from Outfalls 001, 002, 003, and 005 directly to the Mississippi River and from Outfalls 005-012 to the Braithwaite Canal via local drainage, all waters of the state.

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 file review:

The Respondent failed to timely notify the Department within one (1) hour of the unauthorized discharge of 1-Octene and Methyl acrylate that caused an emergency condition. Specifically, the Respondent became aware of the unauthorized discharge and/or emergency condition on or about August 30, 2012, but did not notify the Department until September 1, 2012. Each failure to immediately notify the Department of an unauthorized release that caused an emergency condition is a violation of La R.S. 30:2076(A)(3) and LAC 33:I.3915.A.1.

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 Tyler Ginn at (225) 219-3931 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.

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.

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,



Cheryl Sonnier Nolan
Assistant Secretary

CSN/HTG/jsk
Alt ID No. LA0114405

c: Stolthaven New Orleans, L.L.C.
2444 English Turn Road
Braithwaite, LA 70040