

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

BP PIPELINES (NORTH AMERICA) INC.

AI # 3991

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

* Settlement Tracking No.
* SA-AE-12-0017
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* Enforcement Tracking No.
* AE-PP-09-0113
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SETTLEMENT

The following Settlement is hereby agreed to between BP Pipelines (North America) Inc. (“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 owned and/or operated a truck loading facility located on LA Highway 3113 in Zachary, East Baton Rouge Parish, Louisiana (“the Facility”).

II

On June 16, 2009, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. AE-PP-09-0113, which was based upon the following findings of fact:

On or about January 18, 2007, a meeting was held with representatives from Port Hudson Truck Loading Facility owned and/or operated by Respondent to discuss issues associated with Air Permit No. 0840-00109-02 and the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Air Quality Regulations. Air Permit No. 0840-00109-02 was transferred from the Respondent to the new owner, Genesis Crude Oil, L.P., on or about July 26, 2007. The facility is

located approximately 1 mile west of U.S. Highway 61 on LA Highway 3113, in Zachary, East Baton Rouge Parish, Louisiana.

The following violations were noted during the course of the meeting and Department file review that followed:

- A. According to Specific Condition No. 2 of Air Permit No. 0840-00109-02, the facility is required to submit to the Department truck loading throughput reports by February 15 for the preceding calendar year. In a meeting held between the Department and the Respondent on January 18, 2007, and a file review conducted by the Department that followed, it was revealed that the facility failed to submit to the Department the truck loading throughput reports for all monitoring periods from 2003 through 2006. The aforementioned reports were received by the Department on March 1, 2007. Each failure to submit the annual truck loading throughput summary reports in a timely manner is a violation of Specific Condition No. 2 of Air Permit No. 0840-00109-02, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

- B. According to State Only General Condition XV, the facility is required to submit to the Department annual emissions reports by March 31 of each year for the preceding year. In a meeting held between the Department and the Respondent on January 18, 2007, and a file review conducted by the Department that followed, it was revealed that the Annual Emissions Inventory Reports for 1996 through 2005 had not been submitted to the Department. The Respondent submitted the aforementioned reports, which were received by the Department on or about March 1, 2007. Each failure to submit in a timely manner the annual reports required by Air Permit No. 0840-00109-02 is a violation of the Permit, LAC 33:III.501.C.4, and La. R.S. 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 TEN THOUSAND AND NO/100 DOLLARS (\$10,000.00), of which Five Hundred Thirty-Seven

and 46/100 Dollars (\$537.46) 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 East Baton Rouge 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 twenty (20) 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.

BP PIPELINES (NORTH AMERICA) INC.

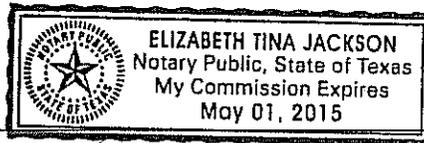
BY: Sandra Delgado
(Signature)

Sandra Delgado
(Printed)

TITLE: Attorney in Fact

THUS DONE AND SIGNED in duplicate original before me this 9th day of October, 20 12, at Houston, Texas.

Elizabeth Tina Jackson
(NOTARY PUBLIC (ID # _____))



(stamped or printed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY

Peggy M. Hatch Secretary

BY: Cheryl

Cheryl Sonnier Nolan, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 14th day of Jan, 20 13, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 19181)

Perry Theriot
(stamped or printed)

Approved: Cheryl
Cheryl Sonnier Nolan, Assistant Secretary