

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

CHEVRON PIPE LINE COMPANY

AI # 41011

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

* Settlement Tracking No.
* SA-WE-13-0051
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* Enforcement Tracking No.
* WE-CN-11-00969
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SETTLEMENT

The following Settlement is hereby agreed to between Chevron Pipe Line Company (“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 pipe line facility located in Plaquemines Parish, Louisiana (“the Facility”).

II

On September 9, 2012, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. WE-CN-11-00969, which was based upon the following findings of fact:

The Respondent owns and/or operates the Grand Bay Pipeline Station located near Venice, Plaquemines Parish, Louisiana. The Respondent does not have Louisiana Pollutant Discharge Elimination System (LPDES) permit authorization or other authority to discharge wastes and/or other substances to waters of the state.

An incident investigation conducted by the Department on or about January 27, 2011, revealed that the Respondent caused and/or allowed the unauthorized discharge of seventy-nine (79) barrels of crude oil to Breton Sound, waters of the state, which was discovered while conducting a pipeline repair on the Grand Bay Pipeline near the Empire Terminal in Plaquemines Parish, Louisiana. The unauthorized discharge is a violation of La. R.S. 30:2075. The investigation also revealed that the Respondent had shut in the pipeline and contracted an oil spill response organization to remediate the release. According to written notification received by the Department on March 7, 2011, from the Respondent, the active cleanup of the release was completed, and the pipeline was repaired.

A file review conducted by the Department on or about August 9, 2012, revealed that the Respondent failed to submit a timely written report of the aforementioned unauthorized discharge. Specifically, the unauthorized discharge exceeded the reportable quantity of one (1) barrel of oil, which required a written report to be submitted to the Department within seven (7) calendar days after the initial notification. The Department was initially notified on January 26, 2011, and received a written report on March 7, 2011, which is approximately 50 days after the initial notification. The failure to submit the written report in a timely manner is a violation of La. R.S. 30:2076 (A)(3) and LAC 33:I.3925.A.

A file review conducted by the Department on or about August 9, 2012, revealed that the Respondent failed to provide the cause of the aforementioned unauthorized discharge of crude oil, which exceeded a reportable quantity. The Respondent stated in the written report, which was received by the Department on or about March 7, 2011, that the cause of the release was under investigation, but as of August 9, 2012, the cause of the release has not been submitted to

the Department. The failure to provide the cause of an unauthorized discharge that exceeds a reportable quantity is a violation of La. R.S. 30:2076 (A)(3) and LAC 33:I.3925.B.4.

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 Three Hundred Eighty-Five and 54/100 Dollars (\$385.54) 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), the Consolidated Compliance Order & 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 Plaquemines 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 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).

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.

CHEVRON PIPE LINE COMPANY

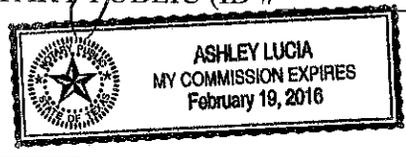
BY: [Signature]
(Signature)

William Lacobie
(Printed)

TITLE: GM Operations CPL

THUS DONE AND SIGNED in duplicate original before me this 8th day of JANUARY, 20 14, at Bellaire, Texas.

[Signature]
NOTARY PUBLIC (ID #)



(stamped or printed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY

Peggy M. Hatch, Secretary

BY: [Signature]
Cheryl Sonnier Nolan, Assistant Secretary
Office of Environmental Compliance

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

[Signature]
NOTARY PUBLIC (ID # 19181)

Perry Theriot
(stamped or printed)

Approved: [Signature]
Cheryl Sonnier Nolan, Assistant Secretary