STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	**Settlement Tracking No.**
	*	**SA-AE-14-0001**
ENTERPRISE GAS PROCESSING, LLC	*	
	*	**Enforcement Tracking No.**
AI # 4762, 51546 and 43501	*	**AE-PP-08-0214**
	*	**AE-PP-10-00699**
PROCEEDINGS UNDER THE LOUISIANA	*	**AE-PP-11-00405**
ENVIRONMENTAL QUALITY ACT	*	
LA. R.S. 30:2001, ET SEQ.	*	

SETTLEMENT

The following Settlement is hereby agreed to between Enterprise Gas Processing, LLC ("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 Corporation that owns and/or operates gas production and processing facilities located in Ascension, St. Charles and St. Mary Parishes ("the Facilities").

II

On June 26, 2009, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. **AE-PP-08-0214**, which was based upon the following findings of fact:

On or about March 19, 2008, an inspection of **Tebone Fractionation Plant**, owned and/or operated by Enterprise Gas Processing, LLC (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 10325 Louisiana Highway 75 in Geismar, Ascension Parish, Louisiana. The facility currently operates under Title V Permit No. 0180-00032-V3, issued on November 27, 2006.

While the Louisiana Department of Environmental Quality's (the Department) investigation is not yet complete, the following violations were noted during the course of the inspection and a subsequent file review conducted by the Department on or about February 6, 2009:

A. During the course of the inspection conducted on or about March 19, 2008, it was noted that the Respondent failed to conduct a semiannual visual inspection of the secondary seal for emission point EQT005 (25,000 Barrel Natural Gasoline Storage Tank) within 6 months after September 10, 2007. According to the records reviewed during the post inspection file review, the Respondent conducted a secondary seal inspection on April 22, 2008. Each failure to conduct a semiannual inspection of EQT005 is a violation of Title V Permit No. 0180-00032-V3, LAC 33:III.2103.D.2.e, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

B. During the course of the inspection conducted on or about March 19, 2008, it was noted that the Respondent failed to conduct a semiannual visual inspection of the secondary seal for emission point EQT006 (25,000 Barrel Natural Gasoline Storage Tank) within six months after June 4, 2007. According to the records reviewed during the post inspection file review, the Respondent conducted a secondary seal inspection on March 26, 2008. Each failure to conduct a semiannual inspection of EQT006 is a violation of Title V Permit No. 0180-00032-V3, LAC 33:III.2103.D.2.e, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

C. On or about January 29, 2007, the Respondent submitted a letter to the Department reporting that on or about January 23, 2007, excess flaring resulted in visible emissions for 17 hours on January 23, 2007, between 7:00 a.m. until 1:00 a.m. on January 24, 2007, due to a compressor pressure packing failure. Specific Requirement 30 of Title V Permit No. 0180-00032-V3 states opacity shall be less than or equal to 20 percent, except for a combined total of six hours in any 10 consecutive day period, for burning in connection with pressure valve releases for control over process upsets. This is a violation of Specific Requirement 30 of Title V Permit No. 0180-00032-V3, LAC 33:III.501.C.4, LAC 33:III.1105, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

The following deviations, although not included in the foregoing enforcement action, are included within the scope of the settlement herein.

A. During the course of the inspection conducted on March 25, 2010, the inspector noted that the last annual gas analysis was performed in 2008. Specific Requirement No. 35 of Title V Permit No. 0180-00032-V3 requires that the heat content of the facility's flare (EQT007) be monitored by gas analysis annually to insure the heat content is above 300 BTU/scf. The Respondent's failure to perform the annual flare gas analysis during the 2009 calendar year is a violation of Specific Requirement No. 35 of Title V Permit No. 0180-00032-V3, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

B. During the course of the inspection conducted on March 25, 2010, the inspector noted that the facility exceeded the tons per year (tpy) permit limit for volatile organic compounds (VOCs) during the 2008 calendar year. The emission limit exceedance is a violation of Title V Permit No. 0180-00032-V3, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

C. In the Respondent's 1st Semiannual Monitoring Report dated September 23, 2009, the Respondent reported that two leaks were not repaired within 15 days. Each incident of the Respondent's failure to make every reasonable effort to repair each leaking component within 15 days is a violation of LAC 33:III.2122.C.3, Title V Permit No. 0180-00032-V3, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).

D. In the Respondent's 1st Semiannual Monitoring Report dated September 23, 2009, the Respondent reported the failure to monitor 11 pumps during the monitoring period. Each incident of the Respondent's failure to monitor each pump is a violation of Specific Requirement No. 68 of Title V Permit No. 0180-00032-V3, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).

E. In the Respondent's 2009 Annual Compliance Certification dated March 31, 2010, the Respondent reported that the facility exceeded the facility-wide VOC tons per year permit limit during the 2009 calendar year. The emission limit exceedance is a violation of Title V Permit No. 0180-00032-V3, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

F. In the Respondent's 2009 Annual Compliance Certification dated March 31, 2010, the Respondent reported the General Condition XVII tons per year emission limitations for CO was exceeded. Each incident of unauthorized emissions is a violation of LAC 33:III.501.C.2, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

G. In the Respondent's 2009 Annual Compliance Certification dated March 31, 2010, the Respondent reported the General Condition XVII tons per year emission limitations for VOC was exceeded. Each incident of unauthorized emissions is a violation of LAC 33:III.501.C.2, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

H. The Respondent failed to conduct the required emission testing to demonstrate compliance with LAC 33:III.Chapter 22. This is a violation of LAC 33:III.2201 and La. R.S. 30:2057(A)(2).

I. On April 10, 2008, the opacity from the flare exceeded the 6 hour limit in 10 consecutive day period. The causes of this were listed as: C2/C3 compressor shutdown on high discharge temperature; process cutback and on inspection a discharge valve on the refrigerant side had broken along with an adjacent valve; during maintenance the "B" heater went down. The visible emissions exceedance is a violation of LAC 33:III.1105 and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

J. During the course of the inspection conducted on May 22-24, 2012, the inspector noted the Respondent failed to conduct periodic evaluations of contractors to determine compliance with 40 CFR 68.87(c). The facility conducted one (1) contractor evaluation in 2011 and two (2) in 2012 as of the May 22-24, 2012, inspection, but the inspector noted there were numerous occasions during 2011 and 2012 where contractors were on site thus presenting an opportunity to conduct these evaluations. This is a violation of LAC 33:III.5901.A, which incorporates by reference 40 CFR 68.87(b)(5), and La. R.S. 30:2057(A)(2).

K. During the course of the inspection conducted on May 22-24, 2012, the inspector noted the Respondent failed to conduct and/or complete a Pre Start-up Safety Review (PSSR) prior to implementing the change in set point pressure for a stationary source. The inspector noted the facility uses the PSSR process for all different activities when a Management of Change (MOC) is conducted. However, the facility generated a MOC 10-314296 (install a time delay for one shutdown of a pump), but a PSSR was not conducted or completed before this change was put back into service. This is a violation of LAC 33:III.5901.A, which incorporates by reference 40 CFR 68.77(a), and La. R.S. 30:2057(A)(2).

L. The Respondent failed to record corrected deficiencies in equipment that were outside acceptable limits defined by the process safety information before further use or in a safe and timely manner when necessary means were taken to assure safe operations. The inspector noted the facility could not verify repair of C-1108 that was noted to have a severely corroded 1" flange and T1302-C which had weep holes plugged on August 6, 2001. This is a violation of LAC 33:III.5901.A, which incorporates by reference 40 CFR 68.73(e), and La. R.S. 30:2057(A)(2). The following inspection did not note any deficiencies; however, no work order or record of repair was on record.

M. The inspector noted the Respondent failed to conduct inspections on Pressure Safety Valves (PSVs) at a frequency consistent with good engineering practices. The inspector noted the facility has established a frequency of five (5) years for inspections of PSVs in the sulfanol system. The last inspections were conducted in May 2003 and had not been conducted at the time of the May 22-24, 2012, inspection. This is a violation of LAC 33:III.5901.A, which incorporates by reference 40 CFR 68.73(d)(3), and La. R.S. 30:2057(A)(2).

On May 27, 2011, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. **AE-PP-10-00699**, which was based upon the following findings of fact:

On or about May 13, 2011, a file review of **Norco Fractionation Plant**, owned and/or operated by Enterprise Gas Processing, LLC (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 15608 US Highway 61 in Norco, St. Charles Parish, Louisiana.

While the investigation by the Louisiana Department of Environmental Quality (the Department) is not yet complete, the following violations were noted during the course of the file review:

A. In the Respondent's permit renewal application submitted to the Department on or about September 29, 2009, the Respondent indicated that a cooling tower (CT-101) was installed at the facility during the year of 1970 and was operated during periods of high demand. The Respondent failed to submit a permit application prior to the installation and/or operation of Cooling Tower CT-101. Cooling tower CT-101 was included in Title V Permit 2429-V5 issued to the Respondent on March 23, 2010. The Respondent's failure to submit a permit application and receive approval from the permitting authority prior to the construction, modification, and/or operation of a facility, which ultimately may have resulted in an initiation or increase in emission of air contaminants, is a violation of LAC 33:III.501.C.1, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

B. In the Respondent's permit renewal application submitted to the Department on or about September 29, 2009, the Respondent indicated that Cooling Tower CT-101 was operated during periods of high demand since 1970. The operation of

the cooling tower without being permitted is a violation of LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

C. In the Respondent's permit renewal application submitted to the Department on or about September 29, 2009, the Respondent indicated that Emergency Flare F-801 was acquired from Shell Oil Company but was not included in the permit. Specifically, the Respondent acquired and operated the flare since on or about September 17, 1999, until included in Title V Air Permit No. 2429-V5 issued on or about March 23, 2010. The operation of the flare without authorization is a violation of LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

On July 25, 2011, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. **AE-PP-11-00405**, which was based upon the following findings of fact:

On or about March 14, 2011, a file review of **Neptune Gas Plant** (the facility), owned and/or operated by Enterprise Gas Processing, LLC (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 120 Trunkline Road in Centerville, St. Mary Parish, Louisiana. The facility was issued Title V Air Permit No. 2660-00201-V1 on or about October 24, 2006. The permit was modified and Title V Air Permit No. 2660-00201-V2 was issued to the facility on or about May 16, 2008. The permit was again modified and Title V Air Permit No. 2660-00201-V3 was issued to the facility on or about June 21, 2010. The facility currently operates under Title V Air Permit No. 2660-00201-V4 issued on or about February 7, 2011.

While the investigation by the Louisiana Department of Environmental Quality (the Department) is not yet complete, the following violations were noted during the course of the file review:

A. On or about June 21, 2010, the Respondent experienced a release at the facility. Specifically, the Respondent reported a release to the atmosphere of approximately 5,992 pounds of propane due to faulty tubing on a closed-loop refrigeration compressor. This is a violation of LAC 33:III.905 which states, "When facilities have been installed on a property, they shall be used and

diligently maintained in proper working order whenever any emissions are being made which can be controlled by the facilities, even though the ambient air quality standards in affected areas are not exceeded." This is also a violation of La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

B. In the facility's 2009 Annual Compliance Certification submitted to the Department on or about March 31, 2010, the Respondent indicated that permit limits were exceeded for carbon monoxide (CO). The failure to operate under all terms and conditions of the permit is a violation of Title V Air Permit No. 2660-00210-V2, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

C. On or about February 2, 2010, the Respondent conducted testing on the Waste Heat Recovery Unit (WHRU) Combustion Turbine (EQT0023) to satisfy requirements of the permit and 40 CFR 60 Subpart GG. The results reported to the Department on or about March 19, 2010, indicated a nitrogen oxides (NOx) emissions rate of 7.31 pounds per hour. The permitted maximum NOx emissions rate for EQT0023 is 4.95 pounds per hour. The failure to operate under all terms and conditions of the permit is a violation of Title V Air Permit No. 2660-00210-V2, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2). The permitted maximum NOx emissions rate for EQT0023 was increased to 12.38 pounds per hour in Title V Air Permit No. 2660-00210-V3 issued on or about June 21, 2010.

D. On or about December 21, 2009, the Respondent submitted a deviation report to the Department. The report indicated that the annual emissions test for Reciprocating Compressor Engine 017 (EQT0027) was conducted beyond the twelve (12) month deadline from which the previous annual test was conducted. Specifically, the annual emissions test was conducted on December 17, 2009 and the previous emissions test was conducted on July 8, 2008. The failure to conduct a timely annual emissions test is a violation of Title V Air Permit No. 2660-00210-V2, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).

E. On or about June 16, 2009, the Respondent submitted the facility's 2008 Criteria and Toxic Air Pollutant Emissions Certification Statement electronically. The certification indicated volatile organic compounds (VOCs) emissions of 26.94 tons for 2008 (permit limit 12.89 tons). The exceedance of the permit limits is a violation of Title V Air Permit No. 2660-00210-V2, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

F. On or about May 14, 2008, the Respondent submitted the facility's 2007 Criteria and Toxic Air Pollutant Emissions Certification Statement electronically. The certification indicated volatile organic compounds (VOCs) emissions of 24.77 tons for 2007 (permit limit 12.83 tons). The exceedance of the permit limits is a violation of Title V Air Permit No. 2660-00210-V1, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 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 SEVENTY THOUSAND SIX HUNDRED FIFTY-SEVEN AND 27/100 DOLLARS ($70,657.27), of which One Thousand One Hundred Ninety-Four and 84/100 Dollars ($1,194.84) represents the Department's enforcement costs, in settlement of the claims set forth in this agreement

V

Respondent further agrees that the Department may consider the inspection report(s), the Notices 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 Ascension, St. Charles and St. Mary Parishes, 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 from the newspaper of each affected parish 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.

ENTERPRISE GAS PROCESSING, LLC

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
Peggy M. Hatch, Secretary

BY: _____
Cheryl Sonnier Nolan, 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: _____
Cheryl Sonnier Nolan, Assistant Secretary