

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

<p>IN THE MATTER OF:</p> <p>MOTIVA ENTERPRISES LLC AI # 1406, 2719</p> <p>PROCEEDINGS UNDER THE LOUISIANA ENVIRONMENTAL QUALITY ACT, LA. R.S. 30:2001, <i>ET SEQ.</i></p>	<p>* * * * * * * * * *</p>	<p>Settlement Tracking No. SA-AWE-07-0030</p> <p>Enforcement Tracking Nos. AE-PP-00-0165 AE-AO-00-0175 AE-AO-00-0175A AE-PP-00-0402 WE-PP-99-0205 WE-C-99-0204 AE-NP-99-0163 AE-NP-99-0196</p>
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FIRST AMENDMENT TO SETTLEMENT AGREEMENT

WHEREAS, Motiva Enterprises LLC ("Motiva") and the Louisiana Department of Environmental Quality ("LDEQ") entered into a Settlement Agreement in the matter captioned, "In the Matter of Motiva Enterprises LLC, Proceedings Under the Louisiana Environmental Quality Act, La. R.S. 30:2001, *et seq.*," Enforcement Tracking Numbers AE-PP-00-0165, AE-AO-00-0175, AE-AO-0175A, AE-PP-00-0402, WE-PP-99-0205, WE-C-99-0204, AE-NP-99-0163, and AE-NP-99-0196, and signed by the LDEQ on July 2, 2001. (Exhibit 1.)

WHEREAS, Section V.A of the Settlement Agreement provides that Motiva will pay, *inter alia*, \$280,000 to the LDEQ to fund Lower Mississippi River Interagency Cancer Study ("LMRICS") studies, with specific elements of the studies to be approved by the LDEQ as a Beneficial Environmental Project ("BEP") to be paid in lieu of a penalty.

WHEREAS, the Settlement Agreement states that LMRICS "is a partnership of state agencies, universities, and the lay community that was developed in response to the need for

scientific information about the relationship if any between industrial chemical exposures and cancer rates in the eleven lower Mississippi River parishes.”

WHEREAS, Motiva made timely payment of the said \$280,000 to the LDEQ for the LMRICS BEP.

WHEREAS, the LMRICS studies ended prior to the time the project could be funded by the BEP, and therefore, such funding and such studies are now not possible.

WHEREAS, the LDEQ continues to hold the \$280,000 in escrow.

WHEREAS, Motiva has caused a public notice advertisement to be placed in the official journal of the parish governing authority in both St. Charles Parish and St. James Parish, Louisiana. The advertisement, in form, wording, and size approved by LDEQ, announced the availability of this First Amendment to the Settlement Agreement for public view and comment and the opportunity for a public hearing. Motiva has submitted a proof-of-publication affidavit to LDEQ and, as of the date of this First Amendment to the Settlement Agreement is executed on behalf of the LDEQ, more than forty-five (45) days have elapsed since publication of the notice.

NOW THEREFORE, the parties agree that the sum of \$280,000 should be reallocated to alternative BEPs. The parties have agreed to divide the \$280,000 among the following BEPs; and that Section V.A of the Settlement Agreement shall be replaced in its entirety and amended to read as follows upon the effective date of this amendment.

A. 2007 Replacement Projects.

In place of the previously agreed project to support the Lower Mississippi River Interagency Cancer Study (LMRICS), which has become infeasible as a project as of the 2007 amendment of this Settlement Agreement, the following Beneficial Environmental Projects shall be funded:

1. \$40,000 for the Department's mobile Trace Atmospheric Gas Analyzer (TAGA) system;
2. \$140,000 for a nature walk in the LaBranche Wetlands;
3. \$10,000 to a community grant for sewerage work in the Ella community; and
4. Any remaining balance will be paid to the LDEQ as a civil penalty, as authorized under La. R.S. § 30:2025(E).

FURTHER, the parties agree that the projects described above are appropriate as BEPs in that they will provide substantial environmental benefits to Louisiana and the projects are not otherwise required by law.

FURTHER, the parties agree that neither party will challenge the amendment to the Settlement Agreement to include the projects and the amendment to Section V.A as described herein.

MOTIVA ENTERPRISES LLC

BY: [Signature]
(Signature)

ANNE-MARIE AINSWORTH
(Print)

TITLE: General Manager

THUS DONE AND SIGNED in duplicate original before me this 5th day of September, 2007, at Worcester.

[Signature]
NOTARY PUBLIC (ID # _____)

GREGORY A. MILLER,
Notary Public
LSBA #09063

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Mike D. McDaniel, Ph.D., Secretary

BY: [Signature]
Harold Leggett, Ph.D., Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 12th day of December, 2007, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 20590)
La. Bar Roll

Dhana C. King
(Print)

Approved: [Signature]
Harold Leggett, Ph.D., Assistant Secretary

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

MOTIVA ENTERPRISES LLC

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

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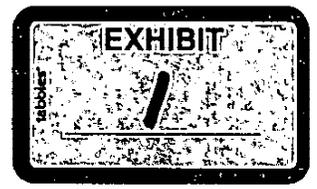
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SETTLEMENT

The following Settlement is hereby agreed to between Motiva Enterprises LLC ("Motiva"), Respondent, and the Department of Environmental Quality, ("Department"), under authority granted by the Louisiana Environmental Quality Act, La. R.S. 30:2001, et seq., (the "Act").

I.

Respondent owns and/or operates the Motiva Enterprises LLC, Norco Refinery Complex, formerly known as Shell Norco Refining Co., a petroleum refinery facility which operates at or near 15536 River Road in Norco, St. Charles Parish, Louisiana. Respondent also owns and /or operates the Motiva Enterprises LLC, Convent facility, located at or near the intersection of Louisiana Highway 44 & Louisiana Highway 70, Convent, St. James Parish, Louisiana.



II.

The allegations which form the basis of the enforcement action(s) are:

A. Notice of Potential Penalty

As set forth in the Notice of Potential Penalty (NOPP) issued to Motiva Enterprises LLC, Norco Refinery, Enforcement Tracking No. AE-PP-00-0165, and dated June 2, 2000, on or about June 15, 16, 17, 23, 24, 29 and 30, 1999, July 1, 2, 1999, in conjunction with an EPA Region 6 Multimedia Inspection Team, on or about July 19-22, 1999, on or about February 16, 17, and 21, 2000, an on-site investigation, and on or about May 17 and 31, 2000, an inspection of documents related to the Respondent was performed to determine the degree of compliance with the Louisiana Environmental Quality Act and Air Quality Regulations. The following violations were noted during the course of the inspection:

1. On or about June 15, 1999, and again on or about July 19, 1999, there were open-ended valves or lines located on the docks. They were identified with the following tag number: RM60987, RM60762, RM60760, RM60758, RM60756, RM60755, RM60752, RM60985, RM60871, RM60834, RM60814, RM61024, RM61025, RM60015, RM6025, RM61008, RM61003, RM60551, RM60552, RM60548, RM60775, RM60666, RM60782, RM60789, RM40952, RM60679, RM60296, RM61649, RM61440, RM61600, RM60407, RM61179, RM61168, RM61163, RM61158, RM61143, RM61137, RM61120, RM58773, RM61931, RM46870, RM60917, RM61934, RM61947, RM61957, RM61958, RM61960, RM61950, RM61955, RM61954, RM61969, RM65000, RM56807, RM61935, RM60813, RM61807, RM61832, RM61812, RM61983, RM61988, RM64656, RM61769, RM58616. These are violations of New Source Performance Standard 40 CFR 60.482-6(a)(1), as required by 40 CFR 60.592(a) Subpart GGG, which language has been adopted as a Louisiana regulation in LAC 33:III.3003, Part 70 Specific Condition No.1 of Permit No. 2510-V0, State Only Specific Condition No.1 of Permit 2510-V0 [Louisiana MACT Determination for Refinery Equipment Leaks (LMDREL) H.1.a, LAC 33:III.501.C.4 and Section 2057(A)(2) of the Act. The open-ended components were brought to the attention of Respondent at the time that the violations were found. These lines, equipped with single valves, were open-ended thirty-four (34) days after being identified (June 15, 1999 and July 19, 1999).

2. On or about June 15, 1999, and again on or about July 19, 1999, there were open-ended valves or lines located on a pressure valve manifold on Dock No. 1 which were not equipped with a second closure. They were identified with the following tag numbers: RM62397, RM62400, RM61910, RM61901, RM61913, RM62391, RM62390, RM62167, RM62387 and RM62388 and were brought to the attention of Respondent on or about June 15, 1999, at the time that the violations were first found. For each of these components, this is a violation of New Source Performance Standard 40 CFR 60.482-6(a)(1), as required by 40 CFR 60.592(a) Subpart GGG, which language has been adopted as a Louisiana regulation in LAC 33:III.3003, Part 70 Specific Condition No. 1

of Permit No. 2510-V0, State Only Specific Condition No. 1 of Permit 2510-V0 (LMDREL H.1.a), LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act. The open-ended components were open-ended thirty-four (34) days after being identified (June 15, 1999 and July 19, 1999).

3. On or about June 15, 1999, and again on July 19, 1999, there was a sump on Dock No. 1 identified by Respondent with signs as being in benzene service that received contaminated rain water, oily water and process drains. This sump was then used to separate the oil from the water. It had two visible openings (was not well sealed) on its top. The openings in the sump were brought to the attention of Respondent at the time the violations were found. The existence of each of these openings is a violation of New Source Performance Standard 40CFR 60.692-3(a)(3) which language has been adopted as a Louisiana regulation in LAC 33:111.3003, Part 70 Specific Condition No. 2 of Permit No. 2510-V0, LAC 33:III.2109.A, LAC 33:111.501.C.4 and Section 2057(A)(2) of the Act.
4. There was an area under Dock No.1 where there were a variety of open paint and other waste containers observed on June 15, 1999. This is a violation of LAC 33:III.2113.A.2 and Section 2057(A)(2) of the Act.
5. On or about June 23, 1999, there were three lines which carried steam via FV 1501 to the RCCU which are considered by Respondent to be in hydrocarbon service to the first valve from the vessel on the line. These three valves in hydrocarbon service were neither identified nor monitored for hydrocarbons. On each of these purge lines there was an untagged valve to the RCCU with no plug. These are violations of State Only Specific Condition No.1 of Permit No. 2602-V0 (LMDREL C.3) LAC 33:III.501.C.4 and Section 2057(A)(2) of the Act.

The following violations (Nos. 6-14) list a number of valves in process areas and the product assurance area that are equipped with a second closure or with a provision to be plugged when not in use, where the plug was missing, or the second valve was not closed. These components are located near or carry the following tag numbers and are associated with the named Units.

6. At Dock No. 1, on or about June 15, 1999, RM61659 had a cap missing. RM60979 is a single block to a drain. A pump close to tag RM61572 was partially disassembled with an open-ended pipe attached. These are violations of National Emission Standards for Hazardous Air Pollutants Subpart V 40CFR 61.242-6(a)(2) which language has been adopted as a Louisiana regulation in LAC 33:III.5116.A, Part 70 Specific Condition Number 12 of Permit 2510-V0, State Only Specific Condition No. 1 of Permit No.2510-V0 (LMDREL H.1.b), LAC 33:III.501.C.4 and Section 2057(A)(2) of the Act.
7. At Dock No. 2, on or about June 15, 1999, valves RM61295 and RM61296, in benzene service, were each open-ended. These are violations of National Emission Standards for Hazardous Air Pollutants Subpart V 40 CFR 61.242-6(a)(1) as required by 40 CFR

61.112(a) Subpart J which language has been adopted as a Louisiana regulation in LAC 33:III.5116.A, Part 70 Specific Condition No. 12 of Permit No. 2510-V0, State Only Specific Condition No. 1 of Permit No. 2510-V0 (LMDREL H.1.b), LAC 33:III.501.C.4. and Section 2057(A)(2) of the Act.

8. In the Tank Farm, on or about June 23, 1999, at Tank No. F464 (point 1007-95) valve RM22098 was followed by open valve RM22061, at Tank No. F464 (point 1007-95) valve RM22097 was followed by open valve RM31773, at Tank No. F464 (point 1007-95) valve RM22057 was followed by open valve RM31775. On June 23, 1999 and again on July 21, 1999, at Tank No. F469 (point 1255-95) valve RM33559 was followed by open valve RM33598, (two daily violations), at Tank No. F502, valve 40-20488 was followed by open valve 41-20457, at Tank No. F502, valve 40-20490 was followed by open valve 40-20482. These are violations of New Source Performance Standard 40 CFR 60.482-6(a)(2), as required by 40 CFR 60.592(a) Subpart GGG, which language has been adopted as a Louisiana regulation in LAC 33:111-3003, Part 70 Specific Condition No.1 of Permit No. 2510-V0, State Only Specific Condition No. 1 of Permit No. 2510-V0 (LMDREL H.1.b), LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act. The open-ended components were brought to the attention of Respondent at the time the violations were first found on June 23, 1999.
9. In the Alkylation (Alky) Unit, on or about June 24, 1999, valve 13-1595, a drain from PV364 had no plug, valve 13-1571, a drain from PT1224, had no plug, valve RM28581, a drain from FV212, had no plug, valve RM28580 and a second valve from FV212, had no plug. These are violations of New Source Performance Standard 40CFR 60.482-6(a)(1), as required by 40CFR 60.592(a) Subpart GGG, which language has been adopted as a Louisiana regulation in LAC 33:111.3003, State Only Specific Condition No.1 of Permit No. 2600-V0 (LMDREL H.1.a), LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act. The open-ended components were brought to the attention of Respondent at the time the violations were first found on June 24, 1999.
10. In the Dimersol Unit (which was down but filled with hydrocarbon), on or about June 24, 1999, three fugitive component violations were found. At the flare knock-out drum (PV1249), the valve (13-15400) at the bottom of the sight glass was not plugged. At the Depropanizer (PV13-1238), the valve (13-14977) on the low point drain was not plugged. The drain was not in use. At the sample point for the Debutanizer Bottoms, one valve was open (13-4315) and the second valve was closed. These are violations of LAC 33.III.2121.B.2 and Section 2057(A)(2) of the Act
11. On or about June 24, 1999, at a unit identified as the Dimersol Unit, a drain valve 13-15400 from a sight glass on PV1249 had no plug and valve 13-14977, from PV13-1238 Depropanizer, had no plug. These are violations of LAC 33:III.2121.B.2 and Section 2057(A)(2) of the Act.
12. At the Coker Unit, on or about June 29, 1999, valve RM57438, an upstream sample valve, was open This is a violation of New Source Performance Standard 40CFR 60.482-

6(a)(2), as required by 40 CFR 60.592(a) Subpart GGG, which language has been adopted as a Louisiana regulation in LAC 33:III:3003, Part 70 Specific Condition No.1 of Permit No. 2501-V0, State Only Specific Condition No.1 of Permit No. 2501-V0 (LMDREL H.1.b), LAC 33:111.501.C.4, and Section 2057(A)(2) of the Act:

13. At the Hydrocracker Unit, on or about July 20, 1999, valves RM35286 and RM35523 were not backed by second closures. These are violations of LAC 33:111.2121.B.2 and Section 2057(A)(2) of the Act.
14. At the Sour Water Stripper, on or about July 21, 1999, valve RM44062 was followed by an open hose connector instead of a cap. Sample valve RM47119 was preceded by an open valve. Sample valve RM45877 was open and an unmarked valve on the other side of this low temperature, low pressure separator sample loop was also open. These are violations of New Source Performance Standard 40 CFR 60.482-6(a)(2), as required by 40 CFR 60.592(a) Subpart GGG, which language has been adopted as a Louisiana regulation in LAC 33:III.3003, Part 70 Specific Condition No.1 of Permit No. 2501-V0, State Only Specific Condition No. 1 of Permit No. 2501-V0 (LMDREL H.1.b), LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.
15. Pump RM53706 at Tank No. F469, in benzene service, was not tagged or further monitored when it was found to be leaking (dripping) on June 23, 1999. This was reported to Respondent on June 23, 1999. On July 20, 1999, the pump was reinspected by the Department and found to be leaking (dripping). The weekly inspections for the period June 23, 1999 to July 20, 1999, stated that the pump had been inspected and found to be leak free each time. There was no documentation to indicate that the pump had been serviced (first attempt to repair within 5 days) after it was found to be leaking on June 23, 1999. This is a violation of 40CFR 61.242-2(c)(2) Subpart V National Emission Standard for Equipment Leaks, as required by 40CFR 61.112(a) Subpart J National Emission Standard for Equipment Leaks for Benzene, which language has been adopted as a Louisiana regulation in LAC 33:III.5116, Part 70 Specific Condition No.12 of Permit No.2510-V0, State Only Specific Condition No. 1 of Permit No. 2510-V0 (LMDREL D.3.b), LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act. The pump had not been monitored within 5 days and was not labeled with a leak tag. This is a violation of State Only Specific Condition No.1 of Permit No.2510 (LMDREL D.1.b), LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.
16. Pump RM53706 at Tank No. F469 was not repaired within 15 days when it was found to be leaking (dripping) on June 23, 1999. This was reported to Respondent on June 23, 1999. On July 20, 1999, the pump was still leaking (dripping) and not labeled with a leak tag. There was no documentation to indicate that the pump had been serviced after it was found to be leaking on June 23, 1999. The pump had not been repaired within 15 days. The pump is in benzene service. This is a violation of National Emission Standards for Hazardous Air Pollutants Subpart V 40CFR 61.242-2(c)(1) which language has been adopted as a Louisiana regulation in LAC 33:111.5116, Part 70 Specific Condition No.

12 of Permit No. 2510-V0, State Only Specific Condition No.1 of Permit No. 2510-V0 (LMDREL D.3.a), LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.

17. In the Title V Permits issued to Respondent (Nos. 2501-V0, 2502-V0, 2510-V0, 2600-V0, 2601-V0 and 2602-V0), the LMDREL condition found in O.8, requiring connectors to be monitored during the next monitoring period when they are returned to service after being opened, was negotiated in State Only Specific Condition No. 1.F, of each of the six permits, to be complied with by pressure testing. Respondent stated on or about July 1, 1999, that neither the pressure testing nor the monitoring had been done or documented. Respondent did not meet the exception allowed in State Only Specific Condition 1.F and did not monitor the connectors during the next monitoring period. This is a violation of State Only Specific Condition No.1.F of each of the six permits, Nos. 2501-V0, 2502-V0, 2510-V0, 2600-V0, 2601-V0 and 2602-V0), LAC 33:III.501.C.4 and Section 2057(A)(2) of the Act.
18. A difficult to monitor valve list was not furnished when requested. There are a number of valves in Respondent's facility that are not monitored because they are designated by the company to be either difficult to monitor or dangerous to monitor. A list of these valves was required to be available on or before August 18, 1998. Respondent did not furnish a list of these valves when requested on or about July 1, 1999, stating that the list was not available. The list was furnished on October 1, 1999. This is a violation of New Source Performance Standard 40CFR 60.486(f)(2), as required by 40 CFR 60.592(a) Subpart GGG, which language has been adopted as a Louisiana regulation in LAC 33:III.3003, Part 70 Specific Condition No.1 of Permits 2501-V0, 2502-V0, 2510-V0, 2600-V0, 2601-V0 and 2602-V0, LAC 33:III.5122.A and Section 2057(A)(2) of the Act. This is also a violation of 40CFR 63.181(b)(7) Subpart H, which language has been adopted as a Louisiana regulation in LAC 33:III.5122.A, for components in NESHAP service.
19. There are a number of valves in Respondent's facility that are not monitored because they are designated by the company to be either difficult to monitor or dangerous to monitor (DTM). Respondent did not furnish a list of these valves when requested, on or about July 1, 1999 stating that the list was not available. These valves are required to be monitored at specific times. The list was furnished on October 1, 1999 but the monitoring plan was not included in the list. This is a violation of New Source Performance Standard 40 CFR 60.486(f)(2), as required by 40 CFR 60.592(a) Subpart GGG, which language has been adopted as a Louisiana regulation in LAC 33:III.3003, Part 70 Specific Condition No. 1 of Permit Nos. 2501-V0, 2502-V0, 2510-V0, 2600-V0, 2601-V0 and 2602-V0, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act. This is also a violation of 40CFR 63.181(b)(7) Subpart H, which language has been adopted as a Louisiana regulation in LAC 33:III.5122.A, for components in NESHAP service.
20. Respondent was not selecting connectors to be monitored as required by State Only Specific Condition 1.C of Permits Nos. 2501-V0, 2502-V0, 2510-V0, 2600-V0, 2601-V0 and 2602-V0. State Only Specific Condition No. 1.C requires that the facility randomly select connectors by monitoring every Nth connector. Respondent monitored the

required number of connectors but selected specific connectors rather than monitoring every Nth connector. This is a violation of State Only Specific Condition No.1 C of Permits 2501-V0, 2502-V0, 2510-V0, 2600-V0, 2601-V0 and 2602-V0, LAC 33.III.5122 .C.4, and Section 2057(A)(2) of the Act.

21. A review of monitoring records at the plant indicated that some of the required monitoring could not have been done as described in the records presented to the Department by Respondent. For Permit No. 2501-V0 for DU-5 the failure to monitor is found in DU-5 Tour Number 3, printed, 10/07/98; Vacuum Flasher Tour Number 3, printed 10/07/98" & "Download Report, Process Unit, DIST, Tour Name, DU-5 Tour Number 2, printed 10/07/98". For Permit No. 2600-V0 the failure to monitor is found in a printout "Upload Report by Inspector Raphael M. Early, Process Unit ALKY, printed 12/17/98. For Permit No. 2602-V0 the failure to monitor is found in "1997 component fugitive monitoring list for CCU process unit" and "1998 component fugitive monitoring list for CCU process unit". This is a violation of New Source Performance Standard 40CFR 60.487-7(a) Subpart VV, as required by 40CFR 60.592(a) Subpart GG, which language has been adopted as a Louisiana regulation in LAC 33:III.3003, Part 70 Specific Condition No. 1 of Permit Nos. 2602-V0, 2501-V0 & 2600-V0, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.
22. The Marine Loading Plan for barges in benzene service was checked. Vapor tight certificates for barges in benzene service were not retained and the alarms on the marine vapor recovery system were set at +0.1 PSI and -0.4 PSI, which allows a positive pressure to be attained during loading. This is a violation of NESHAP Subpart BB 40CFR 61.302(e)(1) which language has been adopted as a Louisiana regulation in LAC 33:111.5116.A, Part 70 Specific Condition No.7 of Permit No. 2510-V0, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.
23. The Barge DIXIE 2906 was being prepared to be loaded with light hydrocarbon on or about July 19, 1999. Prior to loading, the barge was vented to the atmosphere, bypassing the Marine Vapor Recovery System. This is a violation of LAC 33:111.905 and Section 2057(A)(2) of the Act.
24. Monitoring records obtained and reviewed by the Department indicate that during a single shift on January 25, 1997, approximately eight hundred forty-five (845) components were monitored by an employee identified as Operator ID JB/593668 and approximately seven hundred eighty-one (781) components were monitored by an employee identified as Operator ID AK/381173. This information was gathered from a printout entitled "RCCU Annual Check". Further investigation conducted by the Department revealed that this number of components could not have been monitored during the time intervals indicated. Failure to monitor each component is a violation of Specific Condition No.2 of Permit No. 2119 (M-1), LAC 33:III.501.C.4, 40 CFR 60.482-7(a) as specified by in 40 CFR 60.592(a) which language has been adopted as a Louisiana regulation in LAC 33:III.3003, and Section 2057(A)(2) of the Act.

25. Respondent submitted an incorrect EIS and Certification Statement to the Department on or about May 1, 1999, and then submitted corrected versions on or about May 7, 1999. Respondent asked for and received an extension until May 1, 1999, on the requirement found in LAC 33:111.918, to submit the criteria pollutant emission inventory data by March 31st of each year. This is a violation of LAC 33:III.918 and Section 2057(A)(2) of the Act.
26. Respondent submitted a Fugitive Component Emissions and Monitoring Review to the Department in a report dated May 26, 2000. The review identified the failure by the Respondent to identify and monitor numerous fugitive emissions components in violation of the Louisiana Air Quality Regulations (LAC 33:III) and the Louisiana Environmental Quality Act (La. R.S. 30).

B. Administrative Order

The allegations resolved in this Settlement also include any and all allegations of violations of environmental law, regulation, or permit which are within the scope of the information requests contained in the Administrative Order issued to Motiva Enterprises LLC, Norco Refinery, Enforcement Tracking No. AE-AO-00-0175, dated June 6, 2000, provided such violations precede the date of the execution by the parties of this Settlement.

The Administrative Order required Motiva to provide the following information to the Department:

1. A time line of the events which resulted in volatile organic compound (VOC) emission changes from the baseline used for the rebuild of the Catalytic Cracker through 1995.
2. For the period from 1981 through 1995, documentation concerning the Catalytic Cracker/FCCU's actual emissions, including the VOC fugitive emission component count involved in each year's calculation.
3. The actual baseline VOC emissions for the NMC, as a whole, prior to the establishment of the actual baseline VOC Emissions for the Catalytic Cracker.
4. A time line by year documenting the actual baseline VOC emissions identified in item 3, up to and including the year 1995.
5. The actual baseline for the Catalytic Cracker and how it fits into the actual baseline VOC emissions identified in item 3.
6. Concerning PSD, the VOC credit attributed to the catastrophic event with the Catalytic Cracker. Also, how was that credit calculated?
7. Concerning PSD, how was the VOC increase calculated for the rebuilding of the Catalytic Cracker?
8. Submit the results of the comparisons of items 6 and 7.

9. A time line, beginning at the baseline selected for item 3 (prior to the FCCU event) to present, either event by event or monthly, tracing the increases and/or decreases of actual VOC emissions for the NMC, showing that the NMC did not exceed the 40 tons/year limit for VOC which would have required participation in PSD.
10. If PSD was required, explain why it was not performed at the time the NMC became subject to it and give details as to what time period will be required to submit the PSD Application.
11. Submit current modeling results for the years 1997, 1998, and 1999 for 1,3 butadiene emissions from the facility. List the emission inventory questionnaire (EIQ) sources and quantity of the 1,3 butadiene for each of these years, including those emissions attributable to fugitive sources.

C. AMENDED ADMINISTRATIVE ORDER

As set forth in the Amended Administrative Order issued to Motiva Enterprises LLC, Norco Refinery, Enforcement Tracking No. AE-AO-00-0175 and dated July 24, 2000, to submit current modeling results for the years 1997, 1998 and 1999 for 1,3 butadiene emissions from the Norco facility by September 8, 2000.

D. NOTICE OF POTENTIAL PENALTY

As set forth is the Notice of Potential Penalty issued to Motiva Enterprises LLC, Norco refinery, Enforcement Tracking No. AE-PP-00-0402, and dated January 29, 2001, on or about September 18-26, 2000, a compliance inspection was conducted at Motiva Enterprises LLC, Norco Refinery. The following violations were noted during the course of the inspection:

1. Gauging hatches were open while not in use on Storage Tanks A-414 and A-419, Emission Point ID numbers 1216-95 and 1221-95. This is a violation of LAC 33:III.2103.D.3. This also violates the Specific Conditions of State Permit No. 2510-V1 Tables 1 and 2, LAC 33:III.501.C.4 and Sections 2057(A)(1) and 2057(A)(2) of the Act.
2. Gauging hatches were open while not in use on Storage Tanks F-469 and F-456, Emission Point ID numbers 1255-95 and 1228-95. This is a violation of LAC 33:III.2103.D.3 and 40 CFR 63 Subpart CC 63.646(f)(1) which language has been adopted as a Louisiana Regulation in LAC 33:III.5122. This also violates the Specific Conditions of State Permit No. 2510-V1 Tables 1 and 2, LAC 33:III.501.C.4 and Sections 2057(A)(1) and 2057(A)(2) of the Act.
3. Gauging hatches were open while not in use on Storage Tanks F-467 and F-485, Emission Point ID numbers 1205-95 and 1206-95. This is a violation of LAC 33:III.2103.D.3 and 40 CFR 63 Subpart CC 63.646(f)(1) which language has been adopted as a Louisiana Regulation in LAC 33:III.5122. This also violates the

Specific Conditions of State Permit No. 2600-V0 Tables 1 and 2, LAC 33:III.501.C.4 and Sections 2057(A)(1) and 2057(A)(2) of the Act.

4. Seal gap inspections were conducted on the listed tanks without notification to the Administrator.

Permit No.	Tank No.	Emission Point ID	Date
2600-V0	F-467	1205-95	06/05/00
"	F-485	1206-95	04/05/00

This is a violation of 40 CFR 63.120(b)(9) Subpart G, as required by 40 CFR 63.646(a) Subpart CC, which language has been adopted as a Louisiana Regulation in LAC 33:III.5122. This also violates the Specific Conditions of State Permit No. 2600-V0 Tables 1 and 2, LAC 33:III.501.C.4 and Section 2057(A)(2) of the Act.

5. Seal gap inspections were conducted on the listed tanks without notification to the Administrator.

Permit No.	Tank No.	Emission Point ID	Date
2510-V1	A-413	1215-95	06/06/00
"	A-415	1217-95	02/02/00
"	A-417	1219-95	01/27/00
"	A-418	1220-95	05/09/00
"	A-419	1221-95	01/03/00
"	A-420	1222-95	03/27/00
"	F-442	1226-95	03/21/00
"	F-455	1227-95	04/17/00
"	F-456	1228-95	05/09/00
"	F-458	1229-95	05/09/00
"	F-477	1231-95	07/06/00
"	F-478	1232-95	06/21/00
"	F-463	1241-95	01/05/00
"	F-479	1242-95	02/03/00
"	F-493	1247-95	03/21/00
"	F-464	1253-95	07/11/00
"	F-469	1255-95	03/21/00

This is a violation of 40 CFR 63.120(b)(9) Subpart G, as required by 40 CFR 63.646(a) Subpart CC, which language has been adopted as a Louisiana Regulation in LAC 33:III.5122. This also violates the Specific Conditions of

State Permit No. 2510-V1 Tables 1 and 2, LAC 33:III.501.C.4 and Section 2057(A)(2) of the Act.

- 6. Seal gap inspections were conducted on the listed tanks without notification to the Administrator.

Permit No.	Tank No.	Emission Point ID	Date
2602-V0	F-443	1235-95	01/05/00
"	F-480	1238-95	04/05/00

This is a violation of 40 CFR 63.120(b)(9) Subpart G, as required by 40 CFR 63.646(a) Subpart CC, which language has been adopted as a Louisiana Regulation in LAC 33:III.5122. This also violates the Specific Conditions of State Permit No. 2602-V0 Tables 1 and 2, LAC 33:III.501.C.4 and Section 2057(A)(2) of the Act.

- 7. A seal gap inspection was conducted on Storage Tank No. F-468, Emission Point ID 1223-95, on August 7, 2000, without notification to the Administrator. This is a violation of 40 CFR 63.120(b)(9) Subpart G, as required by 40 CFR 63.646(a) Subpart CC, which language has been adopted as a Louisiana Regulation in LAC 33:III.5122 and Section 2057(A)(2) of the Act.

E. NOTICE OF POTENTIAL PENALTY

A Notice of Potential Penalty was issued to Motiva Enterprises LLC, Norco Refinery, Enforcement Tracking No. WE-PP-00-0205, issued on February 28, 2000. On or about July 19, 1999, an inspection of a petroleum refinery located at 15536 River Road, in Norco, St. Charles Parish, Louisiana, owned and/or operated by MOTIVA ENTERPRISES LLC and a subsequent file review were performed to determine the degree of compliance with the Louisiana Environmental Quality Act and Water Quality Regulations. Respondent is authorized to discharge under the terms and conditions of National Pollutant Discharge Elimination System (NPDES) permit LA0003522 effective November 1, 1989, and which expired October 31, 1994. This permit was administratively continued and on August 27, 1996, it became Louisiana Pollutant Discharge Elimination System (LPDES) permit LA0003522 in accordance with the assumption of the NPDES program by the state. Respondent submitted an updated LPDES permit renewal application on or about March 4, 1999. The following violations were noted during the course of the inspection and file review:

The sanitary wastewater treatment plant was inoperative and in a bypass state at the time of the inspection. The Imhoff tank was holding oil, and the trickling filter was inoperative with noticeable rust holes in the distribution arms. Also, the chlorine contact chamber/clarifier was covered with sludge. Respondent's improper operation and maintenance is in violation of La. R.S. 30:2076 (A) (3), LAC 33:IX.501.A, and LAC 33:IX.2355.E.

F. COMPLIANCE ORDER

A Compliance Order, Enforcement Tracking No. WE-C-99-0204 was issued to Motiva Enterprises LLC, Norco Refinery dated March 2, 2000. Respondent was authorized to discharge under the terms and conditions of National Pollutant Discharge Elimination System (NPDES) permit LA0003522 effective November 1, 1989, and which expired October 31, 1994. This permit was administratively continued and on August 27, 1996, it became Louisiana Pollutant Discharge Elimination System (LPDES) permit LA0003522 in accordance with the assumption of the NPDES program by the state. An inspection conducted at Motiva Enterprises on or about July 19, 1999, noted the following violations:

1. Respondent's sanitary wastewater treatment plant was inoperative and in a bypass state at the time of the inspection. The Imhoff tank was holding oil, and the trickling filter was inoperative with noticeable rust holes in the distribution arms. Also, the chlorine contact chamber/clarifier was covered with sludge. Respondent's improper operation and maintenance is in violation of La. R.S. 30:2076 (A) (3), LAC 33:IX.501.A, and LAC 33:IX.2355.E.
2. Respondent did cause and/or allow the unauthorized bypass of sanitary wastewater. Respondent's records indicate that bypassing began on April 24, 1999, due to mechanical failure. This unauthorized bypass is in violation of LPDES permit LA0003522 (Part I, Pages 1-11, Part III, Page 1, Section A.2, and Part III, Page 1, Section B.3.a), La. R.S. 30:2075, La. R.S. 30:2076 (A) (1), La. R.S. 30:2076 (A) (3), LAC 33:IX.501.A, LAC 33:IX.501.D, LAC 33:IX.2355.A, LAC 33:IX.2355.M.4.
3. Respondent was not running a daily blank for ammonia analyses. Also, for the month of July 1999, Respondent's BOD (Biochemical Oxygen Demand) blanks occasionally exceeded 0.2 mg/L of oxygen depletion. At the time of the inspection, the BOD incubator was operating at 18 degrees Celsius intermittently, with the allowable range being 20 degrees Celsius (plus or minus 1 degree Celsius). Respondent's improper laboratory practices are in violation of LPDES permit LA0003522 (Part II, Page 2, Section E, Part III, Page 1, Section A.2, and Part III, Page 3, Section C, Item 5.c), La. R.S. 30:2076 (A) (3), LAC 33:IX.501.A, LAC 33:IX.2355.A, LAC 33:IX.2355.E, and LAC 33:IX.2355.J.4.
4. Respondent failed to submit notice of its April 24, 1999, bypass within twenty-four (24) hours. Respondent's failure to submit notice is in violation of La. R.S. 30:2075, La. R.S. 30:2076 (A) (1) (a), La. R.S. 30:2076 (A) (3), and LAC 33:IX.2355.M.3.b.

The **COMPLIANCE ORDER** ordered Motiva Enterprises LLC, Norco Refinery, to take the following options:

1. To immediately take, upon receipt of this COMPLIANCE ORDER, any and all steps necessary to meet and maintain compliance with LPDES permit LA0003522. This shall

include, but not be limited to, ceasing any and all unauthorized discharges to the waters of the state, proper operation and maintenance, and proper laboratory practices.

2. To submit to the Office of Environmental Compliance, within thirty (30) days after receipt of this COMPLIANCE ORDER, a complete written report that shall include a detailed description of the circumstances of the cited violations, the actions taken to achieve compliance with this COMPLIANCE ORDER, and corrective or remedial actions taken to mitigate any damages resulting from the violations.

G. NOTICE OF VIOLATION AND POTENTIAL PENALTY

As set forth in the Notice of Potential Penalty (NOPP) issued to Motiva Enterprises LLC, Norco Refinery, Enforcement Tracking No. AE-NP-99-0163, and dated August 19, 1999, the Department is in receipt of an unauthorized release report dated November 12, 1998, and a follow up investigation report dated May 17, 1999, from Motiva Enterprises LLC, Norco Refinery. A review was conducted by the Department to determine the degree of compliance with the Louisiana Environmental Quality Act and Air Quality Regulations. The following violation was noted during the course of the review:

Respondent's facility experienced a release of 60,021 pounds of light olefins feed which included approximately 1200 pounds of benzene, 1200 pounds of toluene, 5400 pounds of hexane, and 900 pounds of xylene to the air on or about November 5, 1999. The incident occurred when storage tank F-433 was being emptied and stripped of product. Tank F-433 is a light olefin feed storage tank. A 4-inch temporary line was installed in order to drain product from the tank. This temporary piping was inadvertently connected to the 28 inch Mississippi River water intake line that feeds river water to the Shell Chemical Utilities Systems water clarification unit. Product Assurance (PA) operations personnel misidentified this 28-inch river water supply line as the 24-inch crude oil line to north property tank F-498. Also, PA operations personnel did not follow procedure F-07-24 "Plant change/process change technical assurance review" and started the F-433 temporary pump without verifying the lineup. As a result, approximately 270 bbls of light olefins feed from Tank F-433 entered the water clarification system. Five clarifiers in the system were contaminated with light olefins feed. The clarifiers are open to the atmosphere, therefore allowing evaporation of hydrocarbons to take place. This is a violation of the Louisiana Air Quality Regulations, in particular 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." Control equipment as defined by LAC 33:III.111 is "any device or contrivance, operating procedure or abatement scheme used to prevent or reduce air pollution." This also constitutes a violation of Sections 2057 (A)(1) and 2057 (A)(2) of the Louisiana Environmental Quality Act.

H. NOTICE OF PERMIT NON-COMPLIANCE

The Department is in receipt of a letter dated June 30, 2000, from Motiva Enterprises LLC, Norco Refinery, which identifies a permit non-compliance issue consisting of not having equipment in place to allow closed loop purging of sample lines prior to collecting samples at the affected sample stations. Closed loop sampling is required by the following regulations: 40 CFR 60 Subpart GGG, 40 CFR 60 Subpart VV which language has been adopted as a Louisiana Regulation in LAC 33:III.3003; 40 CFR 63 Subpart CC which language has been adopted as a Louisiana Regulation in LAC 33:III.5122; and LAC 33:III.5109.

I. NOTICE OF NON-COMPLIANCE WITH NESHAP PART 63 SUBPART Y

The Department is in receipt of a letter dated December 29, 1999, from Motiva Enterprises LLC, Norco Refinery, which identifies several requirements of the Marine Vessel Loading MACT that were missed which are required by 40 CFR 63 Subpart Y which language has been adopted as a Louisiana Regulation in LAC 33:III.5122. Motiva's Marine Vessel Loading terminal is subject to RACT control and record keeping and reporting requirements of NESHAP Part 63 Subpart Y.

J. NOTICE OF VIOLATION AND POTENTIAL PENALTY

As set forth in Notice of Violation and Potential Penalty (NOPP) issued to MOTIVA Enterprises LLC, Convent facility, Enforcement Tracking No. AE-NP-99-0196, and dated October 15, 1999, the Department is in receipt of an unauthorized release report dated August 18, 1999, from Motiva Enterprises LLC. The report states that an unauthorized release occurred on or about August 16, 1999, at the Respondent's Convent facility. The following violation was noted during the course of the investigation:

Respondent's facility experienced a release of 7,038 pounds of sulfur dioxide, 19 pounds of hydrogen sulfide, and 178 pounds of nitric oxide to the air on or about August 16, 1999. The incident occurred when a maintenance worker accidentally hit an instrumentation control panel and triggered the shutdown of the FCCU wet gas compressor. Gases normally routed through the compressor were routed to Flare No. 2, resulting in the release. Therefore, the incident was caused by operator error. This is a violation of the Louisiana Air Quality Regulations, in particular 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." Control equipment as defined by LAC 33:III.111 is "any device or contrivance, operating procedure or abatement scheme used to prevent or reduce air pollution." This also constitutes a violation of Sections 2057 (A)(1) and 2057 (A)(2) of the Louisiana Environmental Quality Act.

K. NOTICE OF HEATER EMISSION LIMIT EXCEEDENCE

The Department is in receipt of a letter dated November 13, 2000, from Motiva Enterprises LLC, Convent facility, which identifies ten (10) heaters and one (1) compressor turbine which exceeded the PM-10 permitted emission limits for the year 2000. Motiva Enterprises conducted stack testing in May and August 2000 and determined that PM-10 factors for some heaters were higher than predicted by AP-42. The heaters and corresponding emission points are as follows:

<u>Description</u>	<u>Emission Point No.</u>
VPS1 Atmospheric Heater	1F-201
HTU1 HSR Charge Heater	3F-401
HTU1 Kero Charge Heater	3F-402
HTU1 HSR Reboiler	3F-403
HTU Kero Reboiler	3F-404
CRU Charge Heater	4F-501
CRU Inter Heater #1	4F-502
CRU Inter Heater #3	4F-503
CRU Inter Heater #2	4F-504
CRU Recycle Compressor Turbine	4KT501
Gas Oil Heater	7F-1

III.

On or about January 29, 2001, June 2, 2000, February 28, 2000, August 19, 1999, and October 15, 1999, Notices of Potential Penalty were issued to Respondent. Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

IV.

Nonetheless, the Respondent, without making any admission of liability under state or federal statute or regulation, agrees to pay, and the Department agrees to accept, a cash payment in the amount of \$500,000 to resolve the claims set forth in this Settlement.

V.

Additionally, to resolve the claims set forth in this Settlement, Respondent agrees to the expenditure of \$4,030,000 to perform the Beneficial Environmental Projects (BEPs) described below:

A. Lower Mississippi River Interagency Cancer Study (LMRICS) (\$280,000)

The Lower Mississippi River Interagency Cancer Study (LMRICS) is a partnership of state agencies, universities, and the lay community that was developed in response to the need for scientific information about the relationship if any between industrial chemical exposures and cancer rates in the eleven lower Mississippi River parishes. It was formed over seven years ago and has conducted, and continues to conduct, numerous studies relating to cancer.

Motiva will provide \$280,000 to the Department to fund LMRICS studies with specific elements of the studies to be approved by LDEQ. The \$280,000 will be paid within thirty days after notice of the final signature by the Department on the Settlement.

B. Community Ambient Air Monitoring Project - \$750,000 over three years

The LDEQ and Motiva will work with the community and area industry representatives to develop an ambient air monitoring network. Motiva will provide \$750,000 to establish and maintain the ambient air monitoring network for a period of three years. The ambient air monitoring project will include the installation of air monitors at various locations in and around the Norco area. The LDEQ will make the ultimate decisions concerning the monitoring locations and parameters. The results of the monitoring will be reported in a format that can go directly on to the LDEQ internet web site. Although specifics of monitoring plans are to be established in

consultation with members of the community, based on LDEQ recommendations, the monitoring will include the following elements:

1. EPA TO-15 methodology to be followed for analyses.
2. Use of total non-methane hydrocarbon analyzer or other continuous VOC monitoring system, possibly multiple stations.
3. Standard EPA ambient monitoring frequency guidelines (24 hr avg samples with sampling every sixth day)
4. Use of certified labs and proper QA/QC for analysis of samples.
5. Data to be provided in a fashion that enables it to be tied to the statewide DEQ monitoring network.

Motiva will commit to contribute \$750,000 over three years toward funding this monitoring program. The total value of the ambient air monitoring network (including financial support from companies other than Motiva) is expected to be approximately \$1.5 million over a 3 year period.

C. Flaring Reduction (\$3 million over three years)

Motiva will install a flare gas compressor at Motiva-Norco on the West Operations Ground Flare, the Coker Flare, or the Hydrocracker Flare to reduce flaring incidents. Motiva shall have the option to install the flare gas compressor on the Coker Flare or the Hydrocracker Flare only if these flares are not subject to the requirements of 40 CFR 60 New Source Performance Standards Subpart J. A significant reduction in frequency and total emissions of sulfur oxides, nitrogen oxides and hydrocarbons from flaring will be achieved as a result of this project. A flare is an essential safety system and is used for safe disposal of hydrocarbon gas from pressure relief valves and for depressurization of process equipment during shutdowns. During normal operation the flare gas recovery compressor will collect any leakage which flows continuously into the header leading to a flare, and direct it back into the refinery fuel gas system

where sulfur contaminants would be removed prior to combustion in the refinery process units. Although the heating value of the gases recovered would not represent a significant economic value to the facility, the environmental benefits of the flare recovery compressor will include elimination of routine flaring from the flare and reduction of gas volumes flared from the flare during upsets. The cost of this project is expected to be \$3,000,000 over a 3-year period. Motiva will submit a design and construction schedule to DEQ within 6 months after notice of the final signature by the Department on the Settlement. Construction and start-up of the flare compressor will occur within three years after notice of the final signature by the Department on the Settlement.

D. Adjustments to Future Monetary Commitments

Motiva commits to spend a total of \$4,030,000 on the above-referenced BEPs. In establishing compliance with the terms of this Settlement, the Department will consider the total amount of Motiva's expenditures on the above-referenced BEPs. In the event Motiva's expenditures on the Ambient Air Monitoring Network or the Flaring Reduction project (the BEPs mentioned in Sections V.B and V.C, above) are less than the amount set forth above, the Department may consider any cost overrun on the other BEP as an offset against the shortfall. In the event of a shortfall in total expenditures, Motiva will propose for the Department's consideration and perform an additional BEP, which must meet Department approval, to satisfy the shortfall and spend the full BEP commitment of \$4,030,000. If the additional proposed BEPS are not approved by the Department, the Department may require the balance due as a cash payment.

E. Reporting

Motiva will provide semi-annual reports sufficient to establish compliance with the timelines and levels of expenditures on the Beneficial Environmental Projects identified in Paragraph V. Each semi-annual report shall be post marked not later than 30 days following the end of each semi-annual period. The semi-annual reporting period shall encompass the period January 1 through June 30, and July 1 through December 31. The first compliance report shall be due within 30 days after the end of the semi-annual period after notice of the final signature by the Department on the Settlement. The final compliance report shall be due three years thereafter, and shall contain an accounting of all expenditures towards the completion of the BEPs required herein.

VI.

Respondent further agrees that the Department may consider the inspection report(s), the Notices of Potential Penalty, the Administrative Order, and this Settlement for the purpose of determining compliance history in connection with any future enforcement or permitting action by the Department and in any such action the 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, except as provided in Paragraph VII. below.

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 and in La. Adm. Code 33:I.Chapter 7.

The Department has also considered the information supplied by Respondent in response to the allegations of the NOPP and the AO, as set forth in Paragraphs II.A, II.B, and II.C, and concluded (1) that the allegations of paragraph II.A, subparagraphs 3, 5, 11, 13, 15, 16, 17, and 19 have been adequately addressed by Respondent and warrant no penalty and (2) that the allegations of paragraph II.A, subparagraphs 21 and 24 warrant notice for recordkeeping inconsistent with good documentation practices, but not for the failure to monitor nor violation of any regulatory standards.

The parties stipulate and agree that the largest number of alleged individual violations and penalties herein involves the allegations of paragraph II.A, subparagraph 26, which also warrants a downward adjustment in the penalty for self-reporting pursuant to La. Adm. Code 33:I.705.D. The parties further stipulate and agree that a downward adjustment in penalty is appropriate based on the cooperation of Motiva in this investigation. The parties stipulate and agree that Motiva's responses to the AO and amended AO, identified in paragraphs II.B and II.C, reveal no basis for the assessment of penalty for past activities at the Norco Refinery.

VIII.

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in St. Charles Parish as well as a newspaper of general circulation in that parish. 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 a proof-of-publication affidavit 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.

After signature by the Department on the Settlement, the Respondent and the Department shall jointly file, in a Louisiana District Court with proper jurisdiction and venue, a Joint Motion for Entry of Consent Decree to make this Settlement a Consent Decree and order of such district court.

X.

Payment of the penalty described in Paragraph IV is to be made within ten (10) days after notice of the final signature by the Department on the Settlement. If payment is not received within that time, this Agreement is void at the option of the Department. Penalties are to be made payable to the Department of Environmental Quality and mailed to the attention of Darryl Serio, Office of Management and Finance, Department of Environmental Quality, Post Office Box 82231, Baton Rouge, Louisiana, 70884-2231.

XI.

In consideration of the above, the claims for penalties are hereby compromised and settled in accordance with the terms of this Settlement.

XII.

The Department is entering into this Settlement and is accepting a lower penalty amount than it normally would have accepted based on the merits of the case because while this case was being developed, the State began participation with EPA and the State of Delaware on a much larger and comprehensive settlement of environmental violations at Motiva sites throughout the country. The Department and Respondent are parties to a national settlement involving the United States, Motiva Enterprises LLC, Equilon Enterprises LLC and the State of Delaware. In the national settlement, the State of Louisiana will receive its share of the overall national penalty

and other Supplemental Environmental Projects. The national settlement was significantly enhanced by encompassing violations which were previously being addressed by the Department. The Department believes that by entering into this Settlement, the overall benefits to the environment and the citizens of Louisiana, as well as the citizens in other states affected by the national case are greatly enhanced. The national settlement also provides injunctive relief against Respondent to correct violations at its facilities in Louisiana. This Settlement shall only become effective and binding on the parties if Motiva Enterprises LLC and Equilon Enterprises LLC sign the Consent Decrees currently being finalized with the United States and the States of Louisiana and Delaware. If for any reason, the national case is not resolved, the Department intends to revisit its enforcement procedures to fully effect all penalties and Beneficial Environmental Projects due to the State of Louisiana.

WITNESSES:

MOTIVA ENTERPRISES LLC

J. T. King, Jr.
Elizabeth O. Deroche

BY: [Signature]
NAME: T Allen Kirkley
TITLE: Refining Manager - Norco

THUS DONE AND SIGNED before me this 14th day of March, 2000, in Norco, LA

[Signature]
NOTARY PUBLIC

WITNESSES:

STATE OF LOUISIANA
J. Dale Givens, Secretary
Dept. of Environmental Quality

[Signature]
[Signature]

BY: [Signature]
Linda Korn Levy, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED before me this 2 day of July, 2000, in Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC

APPROVED:

[Signature]
Assistant Secretary / Office of Environmental Compliance