

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

PHILLIPS 66 COMPANY

AI #2538

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

* **Settlement Tracking No.**
* **SA-WE-25-0041**
*
* **Enforcement Tracking No.**
* **WE-CN-22-00329**
*
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SETTLEMENT AGREEMENT

The following Settlement Agreement is hereby agreed to between Phillips 66 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 petroleum refinery located in Westlake, Calcasieu Parish, Louisiana (“the Facility”).

II

On February 23, 2024, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement Tracking No. WE-CN-22-00329 (Exhibit 1).

III

In response to the Consolidated Compliance Order & Notice of Potential Penalty, Respondent made a timely request for a hearing.

IV

Respondent denies it committed any violations or that it is liable for any fines, forfeitures

and/or penalties.

V

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 SEVEN HUNDRED FIFTY AND NO/100 DOLLARS (\$10,750.00), of which One Thousand Three Hundred Thirty-Three and 87/100 Dollars (\$1,333.87) represents the Department's enforcement costs, in settlement of the claims set forth in this Settlement 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).

VI

Respondent further agrees that the Department may consider the inspection report(s), permit record(s), the Consolidated Compliance Order & Notice of Potential Penalty and this Settlement Agreement 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.

VII

This Settlement 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 Settlement Agreement in any action by the

Department to enforce this Settlement Agreement.

VIII

This Settlement Agreement 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 Agreement, the Department considered the factors for issuing civil penalties set forth in La. R.S. 30:2025(E) of the Act.

IX

As required by law, the Department has submitted this Settlement Agreement to the Louisiana Attorney General for approval or rejection. The Attorney General's concurrence is appended to this Settlement Agreement.

X

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Calcasieu Parish, Louisiana. The advertisement, in form and wording approved by the Department, announced the availability of this Settlement Agreement 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 Agreement is executed on behalf of the Department, more than forty-five (45) days have elapsed since publication of the notice.

XI

Payment is to be made within thirty (30) days from notice of the Secretary's signature. If payment is not received within that time, this Settlement Agreement is voidable at the option of the Department. The Respondent shall provide its tax identification number when submitting payment. 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 or by Electronic Funds Transfer (EFT) to the Department of Environmental Quality, in accordance with instructions provided to Respondent by the Financial Services Division. Each payment shall be accompanied by a completed Settlement Payment Form attached hereto.

XII

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

XIII

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.

PHILLIPS 66 COMPANY

BY:

Scott Taylor

(Signature)

Scott Taylor

(Printed)

TITLE: General Mgr Lake Charles Refinery Phillips 66

THUS DONE AND SIGNED in duplicate original before me this 15th day of
September, 20 25, at Lake Charles, LA.

Mona Lisa Taylor
NOTARY PUBLIC (ID # 49235)

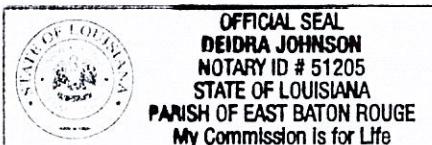
Mona Lisa Taylor
(stamped or printed)

LOUISIANA DEPARTMENT OF
ENVIRONMENTAL QUALITY
Courtney J. Burdette, Secretary

BY:

Jerrie "Jerry" Lang, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 7th day of
January, 20 26, at Baton Rouge, Louisiana.



Deidra Johnson
NOTARY PUBLIC (ID # 51205)

(stamped or printed)

Approved: Jerrie "Jerry" Lang, Assistant Secretary

JEFF LANDRY
GOVERNOR



AURELIA S. GIACOMETTO
SECRETARY

STATE OF LOUISIANA
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

FEB 23 2024

CERTIFIED MAIL (7017 2680 0000 7350 1896)
RETURN RECEIPT REQUESTED



PHILLIPS 66 COMPANY
c/o Corporation Service Company
Agent for Service of Process
450 Laurel Street, 8th Floor
Baton Rouge, LA 70801

RE: **CONSOLIDATED COMPLIANCE ORDER
& NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. WE-CN-22-00329
AGENCY INTEREST NO. 2538**

Dear Sir:

Pursuant to the Louisiana Environmental Quality Act (La. R.S. 30:2001, et seq.), the attached **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is hereby served on **PHILLIPS 66 COMPANY (RESPONDENT)** for the violations described therein.

Compliance is expected within the maximum time period established by each part of the **COMPLIANCE ORDER**. The violations cited in the **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** could result in the issuance of a civil penalty or other appropriate legal actions.

Any questions concerning this action should be directed to Richard Ober, Jr. at (225) 219-3135 or richard.ober@la.gov.

Sincerely,

Angela Marse
Administrator
Enforcement Division

AM/RO/to
Alt ID No. LA0003026
Attachment

c: Mr. Scot Tyler
Refinery Manager
Phillips 66 Company
Lake Charles Refinery
P. O. Box 37
Westlake, LA 70669

STATE OF LOUISIANA
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

IN THE MATTER OF

PHILLIPS 66 COMPANY
CALCASIEU PARISH
ALT ID NO. LA0003026

* * * * *
ENFORCEMENT TRACKING NO.
WE-CN-22-00329

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

* * * * *
AGENCY INTEREST NO.
2538

CONSOLIDATED
COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY

The following **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is issued to **PHILLIPS 66 COMPANY (RESPONDENT)** by the Louisiana Department of Environmental Quality (the Department), under the authority granted by the Louisiana Environmental Quality Act (the Act), La. R.S. 30:2001, et seq., and particularly by La. R.S. 30:2025(C), 30:2050.2 and 30:2050.3(B).

FINDINGS OF FACT

I.

The Respondent owns and/or operates an existing petroleum refinery located at or near 2200 Old Spanish Trail in Westlake, Calcasieu Parish, Louisiana. The Respondent was reissued Louisiana Pollutant Discharge Elimination System (LPDES) Permit LA0003026 on September 17, 2012, with an effective date of November 1, 2012, and an expiration date of October 31, 2017. The Respondent submitted a renewal application on or about April 28, 2017, and LPDES Permit LA0003026 was administratively continued until it was reissued on June 13, 2019, with an effective date of June 13, 2019. LPDES Permit LA0003026 will expire on June 12, 2024. Under the terms and conditions of LPDES Permit LA0003026, the Respondent is permitted to discharge treated process wastewater, ballast water/crude tank drains, utility wastewater, cooling tower blowdown, boiler blowdown, condensates, clarifier blowdown, filter backwash water, maintenance washwater, sanitary wastewater, process and non-process area stormwater

runoff, hydrostatic test water, purge water associated with development of monitoring wells, firefighting and test water, remediation wastewater, laboratory wastewater, and miscellaneous wastewater from offsite facilities (Outfall 001) and wastewater from contaminated groundwater remediation, cooling tower blowdown, and non-process area stormwater runoff (Outfalls 005 and 060) to the Calcasieu River; non-process area stormwater runoff, steam condensate, firefighting and test waters, and hydrostatic test water (Outfalls 003 and 006) to local drainage thence to the Calcasieu River; non-process area stormwater runoff, post first-flush process area stormwater runoff, and de minimis flows of process-related and utility wastewaters (Outfall 002) and non-process area stormwater runoff, post first-flush process area stormwater runoff, steam condensate, firefighting and test waters, and hydrostatic test water (Outfall 004) to Bayou Verdine; and non-process area stormwater runoff, post first-flush process area stormwater runoff, steam condensate, firefighting and test waters, and hydrostatic test water (Outfall 009) and post first-flush process area stormwater runoff, steam condensate, firefighting and test waters, and hydrostatic test water (Outfall 010) to local drainage thence to Bayou Verdine, all waters of the state.

II.

Inspections conducted by the Department on or about June 17, 2021, and February 23, 2023, and a subsequent file review conducted on or about January 25, 2024, revealed the following failures to comply with permit effluent limitations as reported by the Respondent on Discharge Monitoring Reports (DMRs):

Monitoring Period End	Outfall	Parameter	Permit Limit	Sample Value
05/31/2019	SUM-A*	Total Suspended Solids (Daily Maximum)	7,245 lb/d	14,185 lb/d
06/30/2020	SUM-A**	Total Suspended Solids (Daily Maximum)	7,399 lb/d	8,532 lb/d
09/30/2020	001-A	pH range excursions, > 60 minutes (Monthly Total)	0 occur/month	4 occur/month
11/30/2020	002-A	pH (Instantaneous Maximum)	9 Standard Units	10.8 Standard Units
05/31/2021	002-A	pH (Instantaneous Maximum)	9 Standard Units	9.7 Standard Units
06/30/2021	002-A	pH (Instantaneous Maximum)	9 Standard Units	9.6 Standard Units
06/30/2021	002-A	pH (Instantaneous Maximum)	9 Standard Units	9.4 Standard Units
06/30/2021	003-Q	Oil and grease (Daily Maximum)	15 mg/L	16 mg/L***
08/31/2021	002-A	pH (Instantaneous Maximum)	9 Standard Units	10 Standard Units
11/30/2021	SUM-A**	Total Suspended Solids (Daily Maximum)	7,399 lb/d	8,558 lb/d
01/31/2022	002-A	pH (Instantaneous Maximum)	9 Standard Units	9.9 Standard Units
07/31/2022	002-A	pH (Instantaneous Maximum)	9 Standard Units	9.1 Standard Units

Monitoring Period End	Outfall	Parameter	Permit Limit	Sample Value
11/30/2022	SUM-A****	Total Suspended Solids (Daily Maximum)	7,399 lb/d	12,988 lb/d
12/31/2022	SUM-A****	Total Suspended Solids (Daily Maximum)	7,399 lb/d	8,085 lb/d
04/30/2023	SUM-A****	Total Suspended Solids (Daily Maximum)	7,399 lb/d	12,385 lb/d
08/31/2023	SUM-A****	Total Suspended Solids (Monthly Average)	4,735 lb/d	7,999 lb/d
08/31/2023	SUM-A****	Total Suspended Solids (Daily Maximum)	7,399 lb/d	64,939 lb/d
12/31/2023	002-A	pH (Instantaneous Minimum)	6 Standard Units	2.4 Standard Units

* Defined in LPDES Permit LA0003026 issued on September 17, 2012, in footnotes 4 (Outfall 001) and 5 (Outfall 002), pages 4 and 6 of 17, respectively, as the arithmetic sum of the daily pollutant mass discharges for TSS at Outfalls 001 and 002 during the same 24-hour sampling event.

**Defined in LPDES Permit LA0003026 issued on June 13, 2019, in footnotes 7 (Outfall 001) and 4 (Outfall 002), pages 4 and 9 of 17, as the arithmetic sum of the daily pollutant mass loadings for TSS at Outfalls 001 (Interim) and 002 during the same 24-hour composite or grab sampling event.

***Emergency Declaration for Severe Weather

**** Defined in LPDES Permit LA0003026 issued on June 13, 2019, in footnotes 7 (Outfall 001) and 4 (Outfall 002), pages 7 and 9 of 17, respectively, as the arithmetic sum of the daily pollutant mass loadings for TSS at Outfalls 001 (Final) and 002 during the same 24-hour composite or grab sampling event.

The failure to comply with permit effluent limitations prior to June 13, 2019, is a violation of LPDES Permit LA0003026 (Part I, Effluent Limitations and Monitoring Requirements, pages 2 and 5 of 17 and Part III, Standard Conditions for LPDES Permits, Section A.2), La. R.S. 30:2076(A)(3), LAC 33:IX.501.A, and LAC 33:IX.501.D. Each failure to comply with permit effluent limitations on and after June 13, 2019, is a violation of LPDES Permit LA0003026 (Part I, Effluent Limitations and Monitoring Requirements, pages 2, 8, and 10 of 17; Part II, Other Requirements, Section M; and Part III, Standard Conditions for LPDES Permits, Section A.2), La. R.S. 30:2076(A)(3), LAC 33:IX.501.A, and LAC 33:IX.501.D.

III.

An inspection conducted by the Department on or about June 17, 2021, and a subsequent file review conducted on or about January 25, 2024, revealed that the Respondent caused and/or allowed discharges to waters of the state that were not authorized by the permit. Specifically, the Respondent reported the following unauthorized discharges:

Date of Discharge	Substance	Approximate Amount Discharged	Cause	Corrective Action
May 10, 2019	Oil	Sheen	Heavy rainfall of 5.3 inches in the previous period exceeded the system ability to contain stormwater. A plan was in place to manage excess stormwater with vacuum trucks and then shuttle to frac tanks. However, Outfall 002 began flowing and a sheen was discovered on Bayou Verdine at 7:25 a.m. The May 17, 2019 cover letter from the Respondent indicated that the sheen flowed into Bayou Verdine via stormwater Outfalls 002 and 004.	Additional absorbent booms and vacuum trucks were deployed.
March 23, 2021	Oil	Sheen	Heavy rainfall exceeded the system ability to contain stormwater causing Outfalls 002 and 004 to flow. A sheen was observed on Bayou Verdine.	Skimmed oil on the refinery side of the outfalls and replaced absorbent boom.
January 25, 2023	Oil	Sheen	Heavy rainfall during a storm on January 24, 2023, caused an oily water sewer overflow in the #10 Reformer area, which led to a sheen	Operations, Maintenance and the facility's onsite Oil Response Organizations, ES&H and Miller Environmental, responded

Date of Discharge	Substance	Approximate Amount Discharged	Cause	Corrective Action
			flowing into Bayou Verdine from Stormwater Outfalls 002 and 004 in Area B. The Respondent reported in its January 31, 2023 report that the sump in the #10 Reformer was plugged due to sediment washing into it during the heavy rainfall. The Respondent stated that operations performs rounds on the sump routinely, and did not note elevated levels in the sump before the storm.	immediately to the report of the sheen with vacuum trucks and adsorbent booms. The sediment that led to the overflow of the oily water sewer in the #10 Reformer was cleaned out, and the sheen was removed from Outfalls 002 and 004 using vacuum trucks and sorbent boom.
May 30, 2023	Vacuum Gas Oil	<1 pint, sheen	A discharge of vacuum gas oil to the Calcasieu River occurred from a blind flange on marine loading arm 26 (MLA-26) at Dock 2. Specifically, a drip was identified on MLA 26 flat cap at Dock 2W. Upon discovery of the sheen, operators drained the outboard arm, and tightened the flange, which secured the leak.	The outboard arm was drained and the flange was tightened. ES&H, the Respondent's onsite oil spill response organization, cleaned up the equipment and the sheen on the water.

The discharges resulted in releases to waters of the state, which were not authorized by the permit, in violation of La. R.S. 30:2076(A)(1)(a) and LAC 33:IX.501.D. Additionally, LPDES Permit LA0003026 requires that there shall be no visible sheen or stains attributable to the discharge. The sheen occurring on Bayou Verdine from the discharge on May 10, 2019, is a violation of LPDES Permit LA0003026 (Part I, Effluent Limitations and Monitoring Requirements (Outfalls 002 and 004), pages 6 and 8 of 17 and Part III, Standard Conditions for LPDES Permits, Section A.2 prior to June 13, 2019), La. R.S. 30:2076(A)(3), and LAC 33:IX.501.A. The sheens occurring on Bayou Verdine from the discharges on March 23, 2021, and January 25, 2023, are violations of LPDES Permit LA0003026 (Part I, Effluent Limitations and Monitoring Requirements (Outfalls 002 and 004), pages 9 and 11 of 17 and Part III, Standard Conditions for LPDES Permits, Section A.2 on and after June 13, 2019), La. R.S. 30:2076(A)(3), and LAC 33:IX.501.A.

IV.

Inspections conducted by the Department on or about June 17, 2021, and February 23, 2023, and a subsequent file review conducted on or about January 25, 2024, revealed that the Respondent failed to comply with LPDES Permit LA0003026. Specifically, the Respondent reported the following occurrences in which sampling was not conducted as required:

- A. The Respondent reported on the DMR for Outfall 002-Q for the third quarter of 2019, that there was no discharge from Outfall 002 during the month of September 2019 of the third quarter, and sampling for copper, mercury, and residual chlorine was inadvertently missed during this monitoring period.
- B. The Respondent reported on the DMR for Outfall 004-Q for the first quarter of 2020, that sampling for total copper and total mercury was inadvertently missed during the monitoring period.
- C. The Respondent reported on the DMR for Outfall 002-Q for the fourth quarter of 2020 that there was a failure to conduct sampling/required analysis. According to the Respondent, the total mercury sample taken on October 9, 2020, was not collected according to low level protocol as required. It was also stated that total residual chlorine sampling was missed during this monitoring period. The Respondent reported on the DMR for Outfall 003-Q for the fourth quarter of 2020 that sampling for pH, oil and grease, total organic carbon, and flow was inadvertently missed during the monitoring period. The Respondent reported on the fourth quarter 2020 DMR for Outfall 004-Q that sampling was missed for total copper and total mercury for the monitoring period. The Respondent reported on the fourth quarter 2020 DMR for Outfall 006-Q that sampling

was inadvertently missed for pH, oil and grease, total organic carbon, and flow for the monitoring period.

- D. The Respondent reported on the DMR for Outfall 002-Q for the first quarter of 2022 that sampling for total mercury was missed during this monitoring period.
- E. The Respondent reported on the DMR for Outfall 001-S for the first half of 2022 that sampling for total phosphorus was missed during this monitoring period.
- F. The Respondent reported on the DMR for Outfall SUM-Q (defined in LPDES Permit LA0003026 issued on June 13, 2019, as the arithmetic sum of the daily pollutant mass loadings for Total Chromium and Hexavalent Chromium at Outfalls 001 (Interim and Final) and 002 during the same 24-hour composite sampling event) for the second quarter of 2022 that sampling was missed for total chromium and hexavalent chromium during this monitoring period.
- G. The Respondent reported on the DMR for Outfall 002-A for the month of November 2022 that on November 26, 2022, total suspended solids and phenolic compound samples were inadvertently missed.
- H. The Respondent reported on the DMR for Outfall SUM-A for the month of December 2022 that concurrent samples were missed for chemical oxygen demand, ammonia nitrogen, sulfide, biochemical oxygen demand, oil and grease, total suspended solids, and total recoverable phenolics at both Outfalls 001 and 002 on December 15, 2022.
- I. The Respondent reported on the DMR for Outfall 002-Q for the first quarter of 2023 that it did not sample and perform the required analysis for total mercury. The Respondent reported that the mercury sample was missing due to upset conditions causing a sheen to flow out of Outfall 002 on January 25, 2023. According to the Respondent, Outfall 002 did not flow again during the quarter for the sample to be taken.
- J. The Respondent reported on the DMR for Outfall 002-Q for the third quarter of 2023 that it did not sample and perform the required analysis for total mercury. The Respondent reported that there was no discharge at Outfall 002 during the months of August and September of the third quarter of 2023. The quarterly mercury sample was missing for Outfall 002 due to dry weather conditions.

Each failure to conduct sampling on and after June 13, 2019, is a violation of LPDES Permit LA0003026 (Part I, Effluent Limitations and Monitoring Requirements, pages 2, 5, 8, 10, and 11 of 17 and Part III,

Standard Conditions for LPDES Permits, Section A.2), La. R.S. 30:2076(A)(3), LAC 33:IX.501.A, and LAC 33:IX.2701.A.

V.

A file review conducted by the Department on or about January 25, 2024, revealed that the Respondent failed to comply with LPDES Permit LA0003026. Specifically, as reported on the June 2019 biomonitoring DMR for Outfall 001-MY, the seven (7) day whole effluent toxicity testing for *Mysidopsis bahia* performed on June 25, 2019, was inadvertently conducted using dilution factors required under the previous LPDES permit due to a laboratory error. The failure to perform the whole effluent toxicity testing for *Mysidopsis bahia* using the required dilution factors is a violation of LPDES Permit LA0003026 (Part II, Other Requirements, Section S.1 and Part III, Standard Conditions for LPDES Permits, Section A.2), La. R.S. 30:2076(A)(3), and LAC 33:IX.501.A.

VI.

A file review conducted by the Department on or about January 25, 2024, revealed that the Respondent failed to comply with LPDES Permit LA0003026. As reported on the June 2019 DMR for Outfall 001-Q, the Respondent failed to take samples in the manner required by LPDES Permit LA0003026. Specifically, the Respondent reported that with the issuance of the new permit with new parameters and updated permit limits, additional zinc and benzo(a)anthracene and benzo(a)pyrene samples were taken; however, the samples were not taken concurrently with Outfall 005 as required due to laboratory error. The failure to sample in accordance with the requirements of the permit is a violation of LPDES Permit LA0003026 (Part I, Effluent Limitations and Monitoring Requirements, pages 2 and 4 of 17 and Part III, Standard Conditions for LPDES Permits, Section A.2), La. R.S. 30:2076(A)(3), and LAC 33:IX.501.A.

VII.

An inspection conducted by the Department on or about February 23, 2023, and a file review conducted by the Department on or about January 25, 2024, revealed that the Respondent failed to utilize appropriate quality assurance procedures. Specifically, the Respondent reported on the DMR for Outfall 001-A for July 2022, that the total suspended solids were tested outside of its normal holding time. Additionally, the Respondent reported on the DMR for Outfall SUM-A for August 2022, that on August 24, 2022, the BOD sample was tested outside of its holding time due to a delay in transit to the third party laboratory. Lastly, the Respondent reported on the DMR for Outfall 002-A for November 2022, that on November 25, 2022, the biochemical oxygen demand sample was delivered to the commercial laboratory

outside of the 48-hour holding time. By exceeding the holding time, the Respondent failed to utilize appropriate quality assurance procedures for sampling in violation of LPDES Permit LA0003026 (Part III, Sections A.2 and B.3.a), La. R.S. 30:2076(A)(3), LAC 33:IX.2701.E, and LAC 33:IX.2701.A.

COMPLIANCE ORDER

Based on the foregoing, the Respondent is hereby ordered:

I.

To take, immediately upon receipt of this **COMPLIANCE ORDER**, any and all steps necessary to meet and maintain compliance with LPDES Permit LA0003026 and the Water Quality Regulations, including but not limited to meeting and maintaining permit effluent limitations, conducting all required sampling, ceasing unauthorized discharges, conducting whole effluent toxicity testing using the required dilution factors, sampling properly in accordance with the permit, and utilizing appropriate quality assurance procedures.

II.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a written report that includes a detailed description of the circumstances surrounding the cited violations and actions taken or to be taken to achieve compliance with the Order Portion of this **COMPLIANCE ORDER**. This report and all other reports or information required to be submitted to the Enforcement Division by this **COMPLIANCE ORDER** shall be submitted to:

Office of Environmental Compliance
Post Office Box 4312
Baton Rouge, Louisiana 70821-4312
Attn: Richard Ober, Jr.
Re: Enforcement Tracking No. WE-CN-22-00329
Agency Interest No. 2538

THE RESPONDENT SHALL FURTHER BE ON NOTICE THAT:

I.

The Respondent has a right to an adjudicatory hearing on a disputed issue of material fact or of law arising from this **COMPLIANCE ORDER**. This right may be exercised by filing a written request with the Secretary no later than thirty (30) days after receipt of this **COMPLIANCE ORDER**.

II.

The request for an adjudicatory hearing shall specify the provisions of the **COMPLIANCE ORDER** on which the hearing is requested and shall briefly describe the basis for the request. This request should reference the Enforcement Tracking Number and Agency Interest Number, which are located in the upper right-hand corner of the first page of this document and should be directed to the following:

Department of Environmental Quality
Office of the Secretary
Post Office Box 4302
Baton Rouge, Louisiana 70821-4302
Attn: Hearings Clerk, Legal Division
Re: Enforcement Tracking No. WE-CN-22-00329
Agency Interest No. 2538

III.

Upon the Respondent's timely filing a request for a hearing, a hearing on the disputed issue of material fact or of law regarding this **COMPLIANCE ORDER** may be scheduled by the Secretary of the Department. The hearing shall be governed by the Act, the Administrative Procedure Act (La. R.S. 49:950, et seq.), and the Division of Administrative Law (DAL) Procedural Rules. The Department may amend or supplement this **COMPLIANCE ORDER** prior to the hearing, after providing sufficient notice and an opportunity for the preparation of a defense for the hearing.

IV.

This **COMPLIANCE ORDER** shall become a final enforcement action unless the request for hearing is timely filed. Failure to timely request a hearing constitutes a waiver of the Respondent's right to a hearing on a disputed issue of material fact or of law under Section 2050.4 of the Act for the violation(s) described herein.

V.

The Respondent's failure to request a hearing or to file an appeal or the Respondent's withdrawal of a request for hearing on this **COMPLIANCE ORDER** shall not preclude the Respondent from contesting the findings of facts in any subsequent penalty action addressing the same violation(s), although the Respondent is estopped from objecting to this **COMPLIANCE ORDER** becoming a permanent part of its compliance history.

VI.

Civil penalties of not more than twenty-seven thousand five hundred dollars (\$27,500) for each day of violation for the violation(s) described herein may be assessed. For violations which occurred on

August 15, 2004, or after, civil penalties of not more than thirty-two thousand five hundred dollars (\$32,500) may be assessed for each day of violation. The Respondent's failure or refusal to comply with this **COMPLIANCE ORDER** and the provisions herein will subject the Respondent to possible enforcement procedures under La. R.S. 30:2025, which could result in the assessment of a civil penalty in an amount of not more than fifty thousand dollars (\$50,000) for each day of continued violation or noncompliance.

VII.

For each violation described herein, the Department reserves the right to seek civil penalties in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such penalties.

NOTICE OF POTENTIAL PENALTY

I.

Pursuant to La. R.S. 30:2050.3(B), you are hereby notified that the issuance of a penalty assessment is being considered for the violation(s) described herein. Written comments may be filed regarding the violation(s) and the contemplated penalty. If you elect to submit comments, it is requested that they be submitted within ten (10) days of receipt of this notice.

II.

Prior to the issuance of additional appropriate enforcement action(s), you may request a meeting with the Department to present any mitigating circumstances concerning the violation(s). If you would like to have such a meeting, please contact Richard Ober, Jr. at (225) 219-3135 within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.

III.

The Department is required by La. R.S. 30:2025(E)(3)(a) to consider the gross revenues of the Respondent and the monetary benefits of noncompliance to determine whether a penalty will be assessed and the amount of such penalty. Please forward the Respondent's most current annual gross revenue statement along with a statement of the monetary benefits of noncompliance for the cited violation(s) to the above named contact person within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**. Include with your statement of monetary benefits the method(s) you utilized to arrive at the sum. If you assert that no monetary benefits have been gained, you are to fully justify that statement. If the Respondent chooses not to submit the requested most current annual gross revenues statement within

ten (10) days, it will be viewed by the Department as an admission that the Respondent has the ability to pay the statutory maximum penalty as outlined in La. R.S. 30:2025.

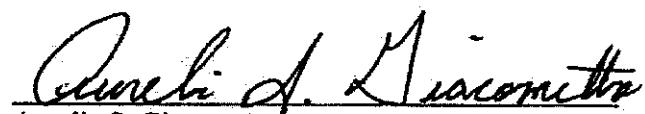
IV.

The Department assesses civil penalties based on LAC 33:1.Subpart1.Chapter7. To expedite closure of this **NOTICE OF POTENTIAL PENALTY** portion, the Respondent may offer a settlement amount to resolve any claim for civil penalties for the violation(s) described herein. The Respondent may offer a settlement amount, but the Department is under no obligation to enter into settlement negotiations. The decision to proceed with a settlement is at the discretion of the Department. The settlement offer amount may be entered on the attached "**CONSOLIDATED COMPLIANCE ORDER AND NOTICE OF POTENTIAL PENALTY REQUEST TO CLOSE**" form. The Respondent may submit the settlement offer within one hundred and eighty (180) days of receipt of this **NOTICE OF POTENTIAL PENALTY** portion but no later than ninety (90) days of achieving compliance with the **COMPLIANCE ORDER** portion. The Respondent must include a justification of the offer. **DO NOT** submit payment of the offer amount with the form. The Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.

V.

This **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is effective upon receipt.

Baton Rouge, Louisiana, this 23rd day of February, 2024.


Aurelia S. Giacometto
Secretary
Louisiana Department of Environmental Quality

Copies of a request for a hearing and/or related correspondence should be sent to:

Louisiana Department of Environmental Quality
Office of Environmental Compliance
Enforcement Division
P.O. Box 4312
Baton Rouge, LA 70821-4312
Attention: Richard Ober, Jr.

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

ENFORCEMENT DIVISION

POST OFFICE BOX 4312

BATON ROUGE, LOUISIANA 70821-4312

CONSOLIDATED COMPLIANCE ORDER &
NOTICE OF POTENTIAL PENALTY
REQUEST TO CLOSE

Enforcement Tracking No.	WE-CN-22-00329	Contact Name	Richard Ober, Jr.
Agency Interest (AI) No.	2538	Contact Phone No.	(225) 219-3135
Alternate ID No.	LAD003026		
Respondent:	Phillips 66 Company c/o Corporation Service Company Agent for Service of Process 450 Laurel Street, 8 th Floor Baton Rouge, LA 70801	Facility Name: Physical Location: City, State, Zip: Parish:	Lake Charles Refinery 2200 Old Spanish Trail Westlake, LA 70669 Calcasieu

STATEMENT OF COMPLIANCE

STATEMENT OF COMPLIANCE	Date Completed	Copy Attached?
A written report was submitted in accordance with Paragraph II of the "Order" portion of the COMPLIANCE ORDER.		
All items in the "Findings of Fact" portion of the COMPLIANCE ORDER were addressed and the facility is being operated to meet and maintain the requirements of the "Order" portion of the COMPLIANCE ORDER. Final compliance was achieved as of:		

SETTLEMENT OFFER (OPTIONAL)

(check the applicable option)

<input type="checkbox"/> The Respondent is not interested in entering into settlement negotiations with the Department with the understanding that the Department has the right to assess civil penalties based on LAC 33:1.Subpart1.Chapter7.
<input type="checkbox"/> In order to resolve any claim for civil penalties for the violations in CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY (WE-CN-22-00329), the Respondent is interested in entering into settlement negotiations with the Department and would like to set up a meeting to discuss settlement procedures.
<input type="checkbox"/> In order to resolve any claim for civil penalties for the violations in CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY (WE-CN-22-00329), the Respondent is interested in entering into settlement negotiations with the Department and offers to pay \$_____ which shall include LDEQ enforcement costs and any monetary benefit of non-compliance. The Respondent may submit the settlement offer within one hundred and eighty (180) days of receipt of this NOTICE OF POTENTIAL PENALTY portion but no later than ninety (90) days of achieving compliance with the COMPLIANCE ORDER portion. <ul style="list-style-type: none"> • Monetary component = \$_____ • Beneficial Environmental Project (BEP) component (optional) = \$_____ • <i>DO NOT SUBMIT PAYMENT OF THE OFFER WITH THIS FORM- the Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.</i>
The Respondent has reviewed the violations noted in CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY (WE-CN-22-00329) and has attached a justification of its offer and a description of any BEPs if included in settlement offer.

CERTIFICATION STATEMENT

I certify, under provisions in Louisiana and United States law that provide criminal penalties for false statements, that based on information and belief formed after reasonable inquiry, the statements and information attached and the compliance statement above, are true, accurate, and complete. I also certify that I do not owe outstanding fees or penalties to the Department for this facility or any other facility I own or operate. I further certify that I am either the Respondent or an authorized representative of the Respondent.

Respondent's Signature	Respondent's Printed Name	Respondent's Title
Respondent's Physical Address	Respondent's Phone #	Date
MAIL COMPLETED DOCUMENT TO THE ADDRESS BELOW:		
Louisiana Department of Environmental Quality Office of Environmental Compliance Enforcement Division P.O. Box 4312 Baton Rouge, LA 70821 Attn: Richard Ober, Jr.		