

BOBBY JINDAL
GOVERNOR



PEGGY M. HATCH
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

July 19, 2012

CERTIFIED MAIL (7004 2510 0006 3853 0192)
RETURN RECEIPT REQUESTED

EXXON MOBIL CORPORATION
c/o Corporation Service Company
Agent of Service
320 Somerulos Street
Baton Rouge, Louisiana 70802-6129

**RE: CONSOLIDATED COMPLIANCE ORDER
& NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-CN-12-00835
AGENCY INTEREST NOs. 286 & 2638**

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 **EXXONMOBIL CORPORATION (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 Michelle McCarthy at (225) 219-4468.

Sincerely,

A handwritten signature in black ink, appearing to read "Celena J. Cage".

Celena J. Cage
Administrator
Enforcement Division

CJC/MMM/mmm
Alt ID Nos. 0840-00014 & 0840-00015
Attachment

c: Exxonmobil Corporation
c/o Derek Reese, Environmental Supervisor
Post Office Box 241
Baton Rouge, Louisiana 70821-0241

**STATE OF LOUISIANA
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE**

IN THE MATTER OF

**EXXONMOBIL CORPORATION
EAST BATON ROUGE PARISH
ALT ID NOs. 0840-00014 & 0840-00015**

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

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* **ENFORCEMENT TRACKING NO.**
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* **AE-CN-12-00835**
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* **AGENCY INTEREST NOs.**
*
* **286 & 2638**
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**CONSOLIDATED
COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY**

The following **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is issued to **EXXONMOBIL CORPORATION (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 the Baton Rouge Chemical Plant (BRCP; the facility), with assigned Agency Interest No. 286, a synthetic organic chemical manufacturing facility, located at 4999 Scenic Highway in Baton Rouge, East Baton Rouge Parish, Louisiana. The Respondent's facility currently operates under approximately twenty-two (22) individual Title V permits. The Respondent also owns and operates the Aromatics Production Unit, which operates as part of the Baton Rouge Chemical Plant and is permitted under Title V Permit No. 2299-V5, which was issued by the Department on or about July 18, 2008.

II.

On or about June 14, 2012, at approximately 4:35 a.m., the Respondent discovered a leaking bleeder plug at Tank 801, which is located in the BCRP's Aromatics Production Unit. At approximately 5:04 a.m. on June 14, 2012, the Respondent provided notification to the Louisiana State Police (LSP) of a leaking bleeder plug, which allowed an unauthorized release and/or discharge to occur (the Release). The Department was subsequently notified by Single Point of Contact (SPOC) of the release at 5:25 a.m. According to information provided by the Respondent during the initial notification, the unauthorized release was not considered an emergency incident. According to an update submitted by the Respondent at 7:44 a.m., the release and/or events surrounding the unauthorized release had escalated and the Department initiated measures to respond to the release.

III.

At approximately 9:00 a.m. on June 14, 2012, a Department Emergency Responder arrived at the Respondent's facility to conduct fence line monitoring in regards to the Naphtha release which originated at 1:54 a.m. According to information provided to the Department's Emergency Responder by a LSP representative during the investigation, the Respondent reported that the Naphtha had reached the sewer system and all of the spilled material was being contained within the Respondent's Baton Rouge Refinery, (AI# 2638), wastewater treatment facility. Additionally, the Department's Emergency Responder was informed that the release was secured at 5:06 a.m., and the concentration of substances contained in the release, particularly Benzene, was greater than the Reportable Quantity (RQ) of ten (10) pounds. The Respondent provided subsequent notification that the RQ for Toluene of 1000 lbs was exceeded.

IV.

During a conversation on or about June 15, 2012, between representatives of the Department and the Respondent, the Department was informed that the Respondent had determined the amount of benzene emitted from the initiation of the discharge until it was secured to be 1364 pounds (lbs).

V.

On or about June 18, 2012, a meeting occurred with representatives of the Department and the Respondent. According to information presented to the Department during the meeting, the Respondent informed the Department that on June 14, 2012 at 8:42 a.m., the release was deemed to be "Level 2 incident classification", which warranted a significant response by the Respondent. The Respondent failed to make additional notification to the Department on June 14, 2012, when it became aware that

the amount of material released and the quantity of emissions associated with the release was substantially different than what was previously reported to the Department. The Respondent informed the Department on June 21, 2012, that approximately Four Hundred Eleven (411) barrels of Naphtha was released through the bleeder to the sewer system during the incident.

VI.

On or about June 20, 2012, the Respondent submitted to the Department a written notification describing the circumstances surrounding the event. According to information contained in the written notification report, the specific pollutants emitted and the amount(s) released during the June 14, 2012, unauthorized release are as follows: 28,688 lbs of Benzene; 10,882 lbs of Toluene; 1,100 lbs of Cyclohexane; 1,564 lbs of Hexane and 12,605 lbs of additional Volatile Organic Compounds (VOC).

VII.

On or about June 21, 2012, a multi-media compliance evaluation inspection was performed by the Department in order to determine the degree of compliance with the Act, the Air Quality Regulations, the Solid Waste Regulations, the Hazardous Waste Regulations and the Water Quality Regulations. A file review was subsequently performed on or about July 13, 2012. While the investigation by the Department is not yet complete, the following violations were noted during the course of the inspection and subsequent file review:

- A. The Respondent failed to provide notification of a change in the nature and rate of the discharge. Specifically and according to the Respondent representatives, on June 14, 2012, the Respondent was aware that the amount of pollutants discharged was substantially different (i.e., greater) than what was initially reported to the appropriate agencies. However, the Respondent failed to notify the DPS 24-Hour Louisiana Emergency Hazardous Material Hotline when it became aware of the changes. Each failure to notify of the adverse change in the nature and rate of the discharge is a violation of LAC 33:I.3915.A.3, LAC 33:III.927, La R.S. 30:2057(A)(1), and 30:2057(A)(2).
- B. On or about June 20, 2012, the Respondent submitted to the Department a written notification describing the circumstances surrounding the event. According to information contained in the written notification report, the following pollutants and amounts were emitted during the June 14, 2012, unauthorized release: 28,688 lbs of Benzene; 10,882 lbs of Toluene; 1,100 lbs of Cyclohexane; 1,564 lbs of Hexane and 12,605 lbs of additional Volatile Organic Compounds (VOC). Each unauthorized

incident of emitting pollutants not authorized by a permit is a violation of LAC 501.C.2, and La. R.S. 30:2057(A)(1) and La. R.S. 30:2057(A)(2).

- C. According to correspondence dated on or about June 20, 2012, the Respondent stated that during the investigation of the release that occurred on or about June 14, 2012, it was found that a bleeder plug associated with Tank 801 had failed. It was later determined that an associated valve (tag # 381737) was more than 50% open, causing a pressure increase that ultimately caused the failure of the bleeder plug. The failure to maintain an emission control facility is a violation of LAC 33:III.905, La R.S. 30:2057(A)(1), and 30:2057(A)(2).
- D. During the inspection conducted on or about June 21, 2012, the Department was informed that the release that occurred on or about June 14, 2012, began at approximately 1:54 a.m., when a bleeder plug was dislodged from a one (1) inch bleeder valve (tag# 381737) associated with Tank 801. The failure to maintain a seal on a valve located at the end of a line containing VOCs is a violation of 40 CFR 63.137, which language has been adopted as a Louisiana regulation in LAC 33:III.5122, LAC 33:III.2122.C.2, Specific Condition 311 of Title V Permit No. 2299-V5, LAC 501.C.4, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2).

VIII.

The Respondent owns and/or operates the Baton Rouge Refinery (facility) (AI# 2638), an oil and gas refinery, located at 4045 Scenic Highway in Baton Rouge, East Baton Rouge Parish, Louisiana. The Respondent's facility currently operates under multiple individual Title V permits, including Title V Permit Nos. 2795-V6, 2234-V5, 2363-V3, and 2341-V2.

IX.

On or about June 21, 2012, a multi-media compliance evaluation inspection was performed by the Department in order to determine the degree of compliance with the Act, the Air Quality Regulations, the Hazardous Waste Regulations, the Solid Waste Regulations and the Water Quality Regulations. A file review was subsequently performed on or about July 13, 2012. While the investigation by the Department is not yet complete, the following violation was noted during the course of the inspection and subsequent file review:

According to information provided to the Department during the course of the investigation and reported by the Respondent in the June 20, 2012, written report, the Respondent stated that wastewater from the June 14, 2012, release was collected in Tank 778 (EQT 0496), which is owned and

operated by the Baton Rouge Refinery. However, Title V Permit No. 2795-V6, which authorizes the emissions from Tank 778 (EQT 0496) does not authorized the storage and/or emitting of VOC, including benzene from this tank. Each event of unauthorized emissions from Tank 778 (EQT 0496), is a violation of LAC 33:III.501.C.4, La R.S. 30:2057(A)(1), and 30:32057(A)(2).

X.

On or about June 21, 2012, the Department conducted a multi-media compliance evaluation inspection. During the course of the inspection, the Respondent submitted to the Department additional information regarding the unauthorized discharge that occurred on or about June 14, 2012. Included in this data was a chart detailing the dimensions of Tank 801 and the liquid level of the tank, as well as, graph illustrating the T404 feed flow and the T404 feed control valve position.

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 the Air Quality Regulations, including but not limited to, complying with all applicable air quality permits, providing timely and accurate information to the Department that confirms with the Notification Regulations and Procedures for Unauthorized Discharges; meeting and maintaining compliance with permit limitations and properly operating and maintaining equipment and/or systems of control.

II.

To submit to the Department, within thirty (30) days of receipt of this **COMPLIANCE ORDER**, an updated and/or revised timeline of the June 14, 2012, unauthorized release which shall reveal the specific date and time when the **RESPONDENT** became aware of the change in the nature and rate of the discharge. This updated and/or revised timeline shall include the calculations and/or methodologies used to derive at the initial and final amount(s) of pollutants that were emitted and any and all other supporting information/documentation to reveal how the initial and final amounts were derived.

III.

To immediately develop or revise and implement, upon receipt of this **COMPLIANCE ORDER**, procedures to comply with the appropriate notification requirements. A copy of such procedures shall be submitted to the Department within thirty (30) days of receipt of this **COMPLIANCE ORDER**.

IV.

To submit to the Department within thirty (30) days of receipt of this **COMPLIANCE ORDER**, the preventative maintenance schedule for the valves associated with Tank 801 (EQT 0894) for the period of January 1, 2011 through June 30, 2012.

V.

To submit to the Department within thirty (30) days of receipt of this **COMPLIANCE ORDER**, a revised graph showing the liquid height within Tank 801 two (2) days prior to June 13, 2012, as well as a revised graph illustrating the valve position and feed flow for the period of one (1) day prior to incident until the incident conclusion.

VI.

To submit to the Department within thirty (30) days of receipt of this **COMPLIANCE ORDER**, the transfer rates for Tank 801 for the period of June 7, 2012 through June 16, 2012.

VII.

To submit to the Department within thirty (30) days of receipt of this **COMPLIANCE ORDER**, the Leak Detection and Repair (LDAR) data for the valves associated with Tank 801, including but not limited to, any monitoring data obtained after June 14, 2012.

VIII.

To submit to the Department within seven (7) days of receipt of this **COMPLIANCE ORDER**, all calculations of material emitted to atmosphere and captured and controlled in Tanks 22, 26, 778 and the accompanying benzene stripper unit.

IX.

To submit to the Department within thirty (30) days of receipt of this **COMPLIANCE ORDER**, a plan for the comprehensive review of the **RESPONDENT'S** procedures for detection, containment and management of spills and leaks. The plan shall include both short-term and long-term corrective actions to allow for more timely detection, containment, and management of spills and leaks.

X.

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: Michelle McCarthy
Re: Enforcement Tracking No. AE-CN-12-00835
Agency Interest No. 286 & 2638

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. AE-CN-12-00835
Agency Interest No. 286 & 2638

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 Department's Rules of Procedure. 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 Michelle McCarthy at (225) 219-4468 within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.

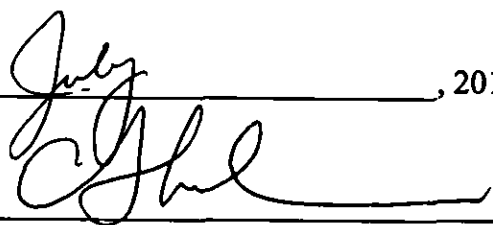
III.

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.

IV.

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

Baton Rouge, Louisiana, this 19 day of July, 2012.



Cheryl Sonnier Nolan
Assistant Secretary
Office of Environmental Compliance

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: Michelle McCarthy

NOTICE OF SERVICE

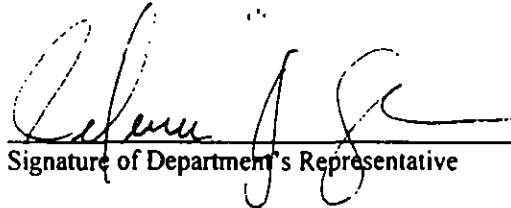
AI #s: 286 & 2638

On this date, July 19, 2012, I, Celena Cage,
Month, Day, Year Print Name

Personally hand delivered AE-CN-12-00835 an official Compliance Order and NOPP
Enforcement. Tracking No. Type of Document


Issued by the STATE OF LOUISIANA, DEPARTMENT OF ENVIRONMENTAL
QUALITY, OFFICE OF ENVIRONMENTAL COMPLIANCE to Exxon Mobil Corporation.
Print Name of Respondent

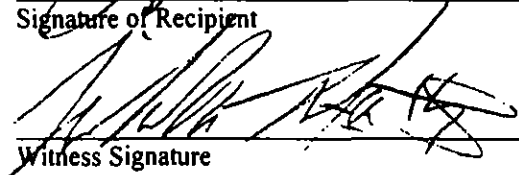
The document is also identified by Certified Mail Number 7004 2510 0006 3853 0192.


Signature of Department's Representative

This document was received by me J Derek Reese on
Printed Name of Recipient

7/19/12
Date


Signature of Recipient


Witness Signature


Witness Signature