UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 6
1445 ROSS AVENUE, SUITE 1200
DALLAS, TX 75202-2733

JUN 18 2012

CERTIFIED MAIL - RETURN RECEIPT REQUESTED: 7007 1490 0004 0562 9965

Mr. J. Derek Reese
Air Permitting and Compliance Section Supervisor
Chalmette Refining, L.L.C.
P.O. Box 1007
Chalmette, LA 70044

Re: Consent Decree-US and LDEQ vs. Chalmette Refining, L.L.C.-Chalmette Refinery Flaring Reports

Dear Mr. Reese:

The United States Environmental Protection Agency (EPA) received reports regarding Acid Gas (AG) Flaring Incidents that occurred on May 13, 2011, September 9, 2011, and October 10, 2011, at the Chalmette Refining, L.L.C. (CRLLC) refinery located in Chalmette, Louisiana. Enclosed is a consolidated response outlining EPA's determination on each of the flaring incidents, as well as a table summarizing the incidents reported and any stipulated penalties that have been assessed.

If you have any questions regarding this matter, please contact Amanda Ferguson at (214) 665-8420.

Sincerely,

For David Garcia
Associate Director
Air/Toxics and Inspection
Coordination Branch

Enclosure

cc (electronically): csullivan@matrixneworld.com
Pam Elder-Schweers, US EPA, Region 6 (elder-schweers.pam@epa.gov)
Michelle Angle, US EPA, Cincinnati (white.kim@epa.gov)
Sharon Braby, US EPA (braby.sharon@epa.gov)

cc: Refinery Attorney
Chalmette Refining, L.L.C.

Refinery Manager
Chalmette Refining, L.L.C.

SHE Manager
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Bruce Gelber, Chief
Environmental Enforcement Section
Environment and Natural Resources Division
U.S. Department of Justice

Phillip Brooks, Director
Air Enforcement Division
Office of Civil Enforcement
U.S. Environmental Protection Agency

Claire Sullivan
Matrix New World Engineering, Inc.

Celena Cage, Administrator
Enforcement Division
Office of Environmental Compliance
Louisiana Department of Environmental Quality

Consolidated Response

The table below provides a summary of the incidents reported and any stipulated penalties that have been assessed.

Incident Date	Report Date	Incident Type	Applicable CD Paragraph	Tons Released	Penalty Amount Assessed
05/13/2011	06/24/2011	AG	68.a(2)	58.7	$0
09/11/2011	10/24/2011	AG	68.a(2)	18.37	$0
10/10/2011	11/15/2011	AG	68.a(2)	82.45	$0

- **May 13, 2011** - On June 24, 2011, Chalmette Refining, L.L.C. (CRLLC) reported a May 13, 2011, Acid Gas Flaring Incident (AGFI), which resulted from a loss of oxygen to the Sulfur Recovery Unit (SRU) Train 2. According to CRLLC's report, the incident lasted 3.57 hours and resulted in the release of 58.7 tons of SO_2. EPA notes that this was the second AGI in a rolling 12-month period.

  CRLLC has determined the AGFI's primary root cause to be the loss of oxygen from Air Products to the SRU Train 2 which was in oxygen mode. The low oxygen flow caused the acid gas from the amine strippers to be directed to the flare gas management (FGM) system and the subsequent shutdown of the FGM system. To minimize emissions, CRLLC directed acid gas to the SRU Train 1 on oxygen mode and re-started Train 2 on air mode, while cutting back on feed to acid producing units.

  CRLLC stated that Air Products performed a diagnostic check on their oxygen delivery system including the AC and DC power supply and inspected the wiring and relays. They installed a temporary strap over the relay to further ensure the relay was secure and ordered and installed a new control relay that fits more tightly.

  EPA has determined that the incident was a first time occurrence of the root cause and assesses no penalty for this event.

- **September 11, 2011** - On October 24, 2011, CRLLC reported a September 11, 2011, AGFI which resulted from tripped breaker. According to CRLLC's report, the incident lasted 58 minutes and resulted in the release of 18.37 tons of SO_2. EPA notes that this is CRLLC's third AGFI in a rolling 12-month period.

  CRLLC has determined the AGFI's root cause to be a malfunction of the tool used to clean the fire eye. At the time of the incident SRU Train 1 was in air mode and SRU Train 2 was in oxygen mode. Operators were in the process of cleaning the sight tube for the fire eye for the first stage reaction furnace on SRU Train 2. The tool failed to create an adequate seal and allowed combustion gases to escape. An emergency shutdown device was activated to protect the field workers and caused the acid gas going to SRU 2 to be routed to the flare. CRLLC diverted some of the gas to SRU 1 in air mode and began transitioning to oxygen mode.

To reduce the likelihood of recurrence of the root cause, CRLLC re-engineered a fire eye cleaning tool.

EPA has determined that the incident was a first time occurrence of the root cause and assesses no penalty for this event.

- **October 10, 2011** - On November 15, 2011, CRLLC reported a October 10, 2011, AGFI, which resulted from a loss of oxygen pressure. According to CRLLC's report, the incident lasted 167 minutes and resulted in the release of 82.45 tons of SO_2. EPA notes that the AGFI is the third acid gas event in a 12-month rolling period.

  CRLLC has determined that the root cause of the incident was a loss of oxygen pressure. The incident took place as Air Products (CRLLC's oxygen supplier) was performing maintenance on the Air Separation Unit, typically CRLLC's source for oxygen while in oxygen mode. At the time, SRU Train 1 was processing all acid gas on oxygen mode using the air vaporizer, the Air Products' secondary oxygen supply. SRU Train 2 was down for a turnaround. CRLLC stated that the loss of oxygen pressure was a result of a failure in the steam supply control system for the liquid oxygen vaporizer.

  To reduce the likelihood of recurrence for the identified root cause, CRLLC has implemented an improved communication protocol with Air Products. Additionally, Air Products has repaired and rebuilt the controllers and implemented a quarterly preventive maintenance program on the steam controllers. CRLLC states that Air Products has also committed to evaluating alarm changes for additional response time and to evaluating additional equipment upgrades.

  EPA has determined that the incident was a first time occurrence of the root cause and assesses no penalty for this event.