OHIO E.P.A.

JUL 16 2007

ENTERED DIRECTOR'S JOURNAL

BEFORE THE OHIO

ENVIRONMENTAL PROTECTION AGENCY

In the Matter of:

Buckeye Terminals, LLC
1500 West Buckeye Road
Lima, Ohio 45804

Director's Final Findings and Orders

I certify this to be a true and accurate copy of the official documents as filed in the records of the Ohio Environmental Protection Agency.

By: _____ Date: 7/16/07

PREAMBLE

It is agreed by the parties hereto as follows:

I. JURISDICTION

These Director's Final Findings and Orders ("Orders") are issued to Buckeye Terminals, LLC ("Respondent") pursuant to the authority vested in the Director of the Ohio Environmental Protection Agency ("Ohio EPA") under Ohio Revised Code ("ORC") §§3753.01 and 3753.08.

II. PARTIES BOUND

These Orders shall apply to and be binding upon Respondent and successors in interest liable under Ohio law. No change in ownership of the Respondent or of the facility identified below shall in any way alter Respondent's obligations under these Orders.

III. DEFINITIONS

Unless otherwise stated, all terms used in these Orders shall have the same meaning as defined in ORC Chapter 3753 and the rules promulgated thereunder.

IV. FINDINGS

The Director of Ohio EPA has determined the following findings:

1. Respondent operates a bulk gasoline storage and pipeline facility, and a separate butane blending operation located at 1500 West Buckeye Road in Lima, Ohio. Respondent is identified by Ohio EPA by facility ID 100000181046. Butane is a Risk Management Plan ("RMP") regulated flammable substance listed in Ohio Administrative Code ("OAC") Rule 3745-104-04, and has a threshold limit of 10,000 pounds. Butane is pumped into two (2) storage vessels at this facility, and stored until it is pumped into the main pipeline for petroleum blending. The butane inventory for this facility has a potential maximum quantity of 799,343 pounds and is stored in two (2) 87,659-gallon butane bullet tanks.

2. Pursuant to OAC Rule 3745-104-02, an owner or operator of a stationary source that has more than a threshold quantity of a

regulated substance in a process, as determined by OAC Chapter 3745-104 shall comply with the requirements of this rule by submitting a RMP to Ohio EPA no later than June 21, 1999.

3. On February 19, 2004, Ohio EPA, Division of Air Pollution Control ("DAPC") inspectors conducted the first RMP audit at the Respondent's facility (then owned by Shell Pipeline Company (SPC)) and discovered five deficiencies pertaining to the rules. The deficiencies were as follows:

   (a) SPC was subject to the applicability rule in 2002, due to butane being stored at the facility beginning in September 2002. An RMP was not submitted until January of 2003; therefore, the facility's RMP was submitted four (4) months late, in violation of OAC Rule 3745-104-05(A).

   (b) SPC did not have a management system available, in violation of OAC Rule 3745-104-07.

   (c) SPC failed to present the population source and documentation using the most recent census data or updated information to estimate the population potentially affected, in violation of OAC Rule 3745-104-12(C).

   (d) SPC failed to address the stationary source human factors and failed to include the butane injection process in the process hazard analysis, in violation of OAC Rule 3745-104-25.

   (e) SPC failed to address the butane injection process in the standard operating procedures, in violation of OAC Rule 3745-104-26.

4. On February 23, 2004, a deficiency letter was sent to SPC's facility requesting the completed and corrected documentation pertaining to the deficiencies within thirty (30) days of receipt of the letter. There was no response within the thirty (30) days.

5. On April 14, 2004, the Ohio EPA sent a warning letter requiring SPC to submit the documentation within ten (10) days of receipt of the letter. There was no response.

6. On June 23, 2004, Proposed Findings and Orders were issued and sent to SPC's facility.

7. In July of 2004, SPC was sold to Respondent.

8. On January 3, 2005, the Final Findings and Orders were issued and SPC agreed to settlement of the total penalty of twenty-seven thousand five hundred and sixty dollars ($27,560) and agreed to correct the deficiencies.

9. On June 14, 2006, Ohio EPA, DAPC inspectors conducted an RMP audit at Respondent's facility. During the audit, Ohio EPA inspectors discovered six deficiencies pertaining to the rules. The deficiencies are as follows:

(a) Respondent failed to present the population source and documentation using the most recent census data or updated information to estimate the population potentially affected, in violation of OAC Rule 3745-104-12(C).

(b) Respondent failed to provide process safety information pertaining to the butane process, in violation of OAC Rule 3745-104-24.

(c) Respondent failed to develop and implement a process hazard analysis according to the Rule, in violation of OAC Rule 3745-104-25.

(d) Respondent failed to create an emergency shutdown procedure for the butane injection process, in violation of OAC Rule 3745-104-26.

(e) Respondent failed to perform inspections and tests on process equipment consistent with the applicable manufacturers' recommendations, good engineering practices and prior operating experience. Respondent also failed to develop and implement written procedures to maintain the ongoing integrity of process equipment and train for process maintenance activities, in violation of OAC Rule 3745-104-28.

(f) Respondent failed to conduct a compliance audit according to the rule, in violation of OAC Rule 3745-104-31.

10. On June 28, 2006, the Ohio EPA auditor sent a deficiency letter to the Respondent's facility and required Respondent to correct the deficiencies within sixty days.

11. On August 26, 2006, the Ohio EPA auditor received the documentation in response to the deficiency letter; however, deficiencies (a), (c), (d), (e) and (f) of Finding 9 were not resolved.

12. On March 30, 2007, the Ohio EPA auditor received documentation correcting deficiencies (b), (c), and (d) of Finding 9.

13. Failure to comply with any OAC rule is a violation of ORC § 3753.04.

14. The Director has given consideration to, and based on his determination on, evidence relating to the technical feasibility and economic reasonableness of complying with the following Orders and benefits to the people of the State to be derived from such compliance.

V. ORDERS

The Director hereby issues the following Orders:

1. Within 30 days after the effective date of these Orders, Respondent shall submit adequate documentation to correct all the deficiencies referenced in **Finding 9 (a) and (e)**. Thereafter, Respondent shall remain in compliance with the requirements of the OAC Chapter 3745-104.

2. Pursuant to ORC § 3753.09, Respondent is assessed a civil penalty in the amount of fifteen thousand four hundred forty-two dollars ($15,442) in settlement of Ohio EPA's claim for civil penalties. Within fourteen (14) days after the effective date of these Orders, Respondent shall pay to Ohio EPA the amount of twelve thousand three hundred fifty-four dollars ($12,354) in settlement of Ohio EPA's claims for civil penalties, which will be deposited into the Risk Management Plan fund established pursuant to ORC § 3753.05.

3. Payment shall be made by an official check made payable to "Treasurer, State of Ohio" for $12,354. The official check shall be submitted to Ohio EPA, Office of Fiscal Administration, attention Brenda Case, P.O. Box 1049, Columbus, Ohio 43216-1049, together with a letter identifying the Respondent and the facility.

4. In lieu of paying the remaining three thousand eighty-eight dollars ($3,088) of the civil penalty, Respondent shall fund a Supplemental Environmental Project ("SEP") by making a contribution in the amount of $3,088 to the Ohio EPA's fund for the Clean Diesel School Bus Program (Fund 5CD). Respondent shall make payment within thirty (30) days after the effective date of these Orders by tendering an official check made payable to "Treasurer, State of Ohio" for $3,088. The official check shall be submitted to Brenda Case, together with a letter identifying the Respondent, the facility, and Fund 5CD, to the above-stated address.

5. A copy of each of the above checks shall be sent to James A. Orlemann, Assistant Chief, SIP Development and Enforcement, or his successor at the following:

Ohio EPA
Division of Air Pollution Control
P. O. Box 1049
Columbus, Ohio 43216-1049

VI. TERMINATION

Respondent's obligations under these Orders shall terminate when Respondent certifies in writing and demonstrates to the satisfaction of Ohio EPA that Respondent has performed all obligations under these Orders and the Chief of Ohio EPA's Division of Air Pollution Control acknowledges, in writing, the termination of these Orders. If Ohio EPA does not agree that all obligations have been performed, then Ohio EPA will notify Respondent of the obligations that have not been performed, in which case Respondent shall have an opportunity to address any such deficiencies and seek termination as described above.

This certification shall contain the following attestation: "I certify that the information contained in or accompanying this certification is true, accurate and complete."

This certification shall be submitted by Respondent to Ohio EPA and shall be signed by a responsible official of Respondent. For purposes of these Orders, a responsible official is a "facility official" who is in charge of a principal business function of Respondent.

VII. OTHER CLAIMS

Nothing in these Orders shall constitute or be construed as a release from any claim, cause of action or demand in law or equity against any person, firm, partnership or corporation, not a party to these Orders, for any liability arising from, or related to the operation of Respondent's facility.

VIII. OTHER APPLICABLE LAWS

All actions required to be taken pursuant to these Orders shall be undertaken in accordance with the requirements of all applicable local, state and federal laws and regulations. These Orders do not waive or compromise the applicability and enforcement of any other statutes or regulations applicable to Respondent.

IX. MODIFICATIONS

These Orders may be modified by agreement of the parties hereto. Modifications shall be in writing and shall be effective on the date entered in the journal of the Director of Ohio EPA.

X. NOTICE

All documents required to be submitted by Respondent pursuant to these Orders shall be addressed to:

Kimberly Joseph, DAPC
Ohio Environmental Protection Agency
P.O. Box 1049
Columbus, Ohio 43216-0149

or to such persons and addresses as may hereafter be otherwise specified in writing by Ohio EPA.

XI. RESERVATION OF RIGHTS

Ohio EPA and Respondent each reserve all rights, privileges and causes of action, except as specifically waived in Section XII of these Orders.

XII. WAIVER

In order to resolve disputed claims, without admission of fact, violation or liability, and in lieu of further enforcement action by Ohio EPA for only the violations specifically cited in these Orders, Respondent consents to the issuance of these Orders and agrees to comply with these Orders. Compliance with these Orders shall be a full accord and satisfaction for Respondent's liability for the violations specifically cited herein.

Respondent hereby waives the right to appeal the issuance, terms and conditions, and service of these Orders, and Respondent hereby waives any and all rights Respondent may have to seek administrative or judicial review of these Orders either in law or equity.

Notwithstanding the preceding, Ohio EPA and Respondent agree that if these Orders are appealed by any other party to the Environmental Review Appeals Commission, or any

court, Respondent retains the right to intervene and participate in such an appeal. Respondent shall continue to comply with these Orders notwithstanding such appeal and intervention unless these Orders are stayed, vacated or modified.

XIII. EFFECTIVE DATE

The effective date of these Orders is the date these Orders are entered into the Ohio EPA Director's journal.

XIV. SIGNATORY AUTHORITY

Each undersigned representative of a party to these Orders certifies that he or she is fully authorized to enter into these Orders and to legally bind such party to these Orders.

IT IS SO ORDERED AND AGREED:

Ohio Environmental Protection Agency

_____ 7/3/07

Chris Korleski Date
Director

IT IS SO AGREED:

Buckeye Terminals, LLC

_____ 6/19/07

Signature Date

Robert T. Ingalls
Printed or Typed Name

V.P., Terminal Commercial Operations
Title