



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 6
1201 ELM STREET, SUITE 500
DALLAS, TEXAS 75270

November 30, 2022

Nicole Leveridge
Kinetica Deepwater Express
Patterson Terminal
224 Aviation Road
Houma, LA 70363

Sent via email: Nicole.Leveridge@kineticallc.com

Re: Notice of Violation and Opportunity to Confer

Dear Ms. Leveridge:

The United States Environmental Protection Agency, Region 6 ("EPA") has identified Kinetica Deepwater Express ("Kinetica") as having violated the Clean Air Act ("CAA"). This Notice of Violation and Opportunity to Confer ("NOVOC") is issued to Kinetica¹ for violations of the CAA, 42 U.S.C. § 7401 *et seq.*, at the Patterson Terminal located at 309 Torch Lane, Patterson, Louisiana, 70392 (the "Facility"). Based on information currently available, EPA finds that Kinetica has committed a violation of the CAA and the Louisiana State Implementation Plan ("SIP"). By this letter, EPA is extending to you an opportunity to advise the Agency, via a conference call or in writing, of any further information EPA should consider with respect to the violations.

This NOVOC is issued pursuant to Section 113(a)(1) of the CAA, 42 U.S.C. § 7413(a)(1). Section 113(a)(1) of the CAA, 42 U.S.C. § 7413(a)(1) requires the Administrator of the EPA to notify any person in violation of a SIP or permit of the violation, and this NOVOC serves as such notice. The authority to issue this NOVOC has been delegated to the Director of the Enforcement and Compliance Assurance Division, EPA Region 6.

EPA contracted helicopter flyovers in Louisiana during August 14 to September 24, 2021, to assess emission sources using Optical Gas Imaging ("OGI") technology. On October 28, 2021, EPA sent a letter informing Kinetica of potentially unauthorized emissions from a facility that EPA believed was owned/operated by Kinetica, along with OGI video captures for the facility. EPA asked Kinetica to verify facility ownership, provide current site-specific permit information, and take any necessary corrective action to address unauthorized hydrocarbon emissions. EPA considered information provided by Kinetica to determine whether violations occurred at the facility.

¹ Please be advised that some companies may qualify as a "small business" under the Small Business Regulatory Enforcement and Fairness Act ("SBREFA"). The U.S. Small Business Administration has established a Table of Small Business Size Standards, which can be found at: http://www.sba.gov/sites/default/files/Size_Standards_Table.pdf. The SBREFA Information Sheet provides information on compliance assistance to entities that may qualify as small businesses as well as to inform them of their right to comment to the SBREFA Ombudsman concerning EPA enforcement activities. The SBREFA Information Sheet can be found at: <https://www.epa.gov/compliance/small-business-resources-information-sheet>.

CAA Violations

We are sending this NOVOC to inform Kinetica of a violation of Louisiana's federally approved SIP at the Facility.

LAC 33: III.2113.A of the Louisiana SIP, approved at 76 Fed. Reg. 38977 (July 5, 2011), applies to all facilities with the potential to emit organic compounds. The entire Facility is subject to LAC 33: III.2113.A, *see* Title V Permit No. 2660-00059-V7, which contains the requirements for the control of emission of organic compounds. Specifically, the entire Facility is required to maintain the best practical housekeeping and maintenance practices at the highest possible standards to reduce the quantity of organic compounds emissions.

Based on its review, EPA finds that Kinetica violated LAC 33: III: 2113.A, by emitting organic compounds directly to the atmosphere and for failing to maintain the best practical housekeeping and maintenance practices at the highest possible standards.

Please review the specific violation and information we have provided in the Enclosure regarding the Facility.

Opportunity to Confer

This NOVOC provides you with the opportunity to confer with EPA. We request Kinetica contact Lindsay Rich Steinmetz, Assistant Regional Counsel, at RichSteinmetz.Lindsay@epa.gov or (214) 665-7425 within ten (10) business days to discuss this pending matter.

Sincerely,

Cheryl T. Seager, Director
Enforcement and
Compliance Assurance Division

Enclosure

cc: Angela Marse, Louisiana Department of Environmental Quality
(angela.marse@la.gov)

Enclosure

Kinetica Deepwater Express – Patterson Terminal

Unit	Flyover Date	Flyover Video ID	Permit	EPA Team Observations of Flyover Video Capture	Violation
Tank 1 (EQT 002)	9/2/21	2209	Title V Permit No. 2660-00059-V7	Leak on tank releasing hydrocarbon emissions directly to atmosphere	LAC 33: III.2113.A