

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

ALICE-SIDNEY OIL COMPANY L.P.

AI # 167091

PROCEEDINGS UNDER THE LOUISIANA
ENVIRONMENTAL QUALITY ACT

LA. R.S. 30:2001, ET SEQ.

* Settlement Tracking No.

* SA-AE-13-0017

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* Enforcement Tracking No.

* AE-PP-09-0468

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SETTLEMENT

The following Settlement is hereby agreed to between Alice-Sidney Oil Company L.P. (“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 partnership that owns and/or operates an oil and gas production facility located 3.5 miles southeast of Dubberly in Webster Parish, Louisiana (“the facility”).

II

On July 13, 2010, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. AE-PP-09-0468, which was based upon the following findings of fact:

“On or about June 29, 2009, an inspection of Centerpoint Compressor Station (the facility), owned and/or operated by Alice-Sidney Oil Company L.P. (Respondent), was performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Air Quality Regulations. On or about February 1, 2010, a subsequent file review of the Respondent’s facility was performed. The facility is located 3.5 miles southeast of Dubberly in Webster Parish, Louisiana. The facility currently operates under Air Permit No. 3080-00468-00, issued on January 6, 2010.

While the investigation by the Louisiana Department of Environmental Quality (the Department) is not yet complete, the following violations were noted during the course of the inspection and subsequent file review:

- A. During the course of the inspection, the inspector noted that the facility was operating without an air permit. On or about September 28, 2009, the Department received the Respondent's Air Permit Application dated September 23, 2009. In an email from the Respondent's representative dated July 23, 2009, it was stated that construction of the facility commenced between March and April of 2000. The Respondent's failure to submit a timely and complete permit application to the Department prior to construction, reconstruction, or modification of the facility is a violation of LAC 33:III.501.C.1 and La. R.S. 30:2057(A)(2).

- B. During the course of the inspection, the inspector noted that the facility was operating without an air permit. In an email from the Respondent's representative dated July 23, 2009, it was stated that facility operation commenced between March and April of 2000. The Department issued the facility's Air Permit No. 3080-00468-00, on January 6, 2010. The Respondent's failure to obtain the Department's approval prior to operating the facility from 2000 to January 5, 2010, is a violation of LAC 33:III.501.C.2, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2)."

III

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

IV

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 EIGHTEEN THOUSAND NINE HUNDRED EIGHTY-TWO AND NO/100 DOLLARS (\$18,982.00), of which Two Hundred Thirty-Eight and 46/100-Dollars (\$238.46) represents the Department's enforcement costs, in settlement of the claims set forth in this 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).

V

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

VI

This 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 agreement in any action by the Department to enforce this agreement.

VII

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

VIII

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

IX

Payment is to be made within ten (10) days from notice of the Secretary's signature. If payment is not received within that time, this Agreement is voidable at the option of the Department. 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. Each payment shall be accompanied by a completed Settlement Payment Form (Exhibit A).

XII

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

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.

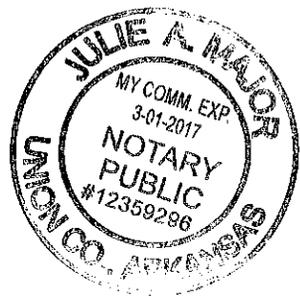
ALICE-SIDNEY OIL COMPANY L.P.

BY: David M. Youn
(Signature)

David M Youn
(Printed)

TITLE: General Partner

THUS DONE AND SIGNED in duplicate original before me this 9 day of February, 20 15, at _____.



Julie A. Major
NOTARY PUBLIC (ID # 12359296)

Julie A. Major
(stamped or printed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
~~Peggy M. Hatch Secretary~~

D. Chance McNeely

BY: [Signature]

THUS DONE AND SIGNED in duplicate original before me this 17th day of April, 20 15, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 19181)

Perry Theriot
(stamped or printed)

Approved: [Signature]
Peggy M. Hatch, Secretary