STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	**Settlement Tracking No.**
	*	**SA-AE-15-0075**
AMERICAN MIDSTREAM (LOUISIANA INTRASTATE), LLC	*	
	*	
	*	**Enforcement Tracking No.**
AI # 2387, 17662	*	**AE-PP-11-00283**
	*	
PROCEEDINGS UNDER THE LOUISIANA ENVIRONMENTAL QUALITY ACT LA. R.S. 30:2001, ET SEQ.	*	

SETTLEMENT

The following Settlement is hereby agreed to between American Midstream (Louisiana Intrastate), LLC ("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 limited liability company that owned and/or operated facilities located in Ouachita Parish and Plaquemines Parish, Louisiana ("the Facilities").

II

On October 18, 2012, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. AE-PP-11-00283, which was based upon the following findings of fact:

"On or about February 16, 2011 and September 7, 2012, file reviews of the **DESIARD COMPRESSOR STATION (FACILITY) AI# 2387,** owned and/or operated by **AMERICAN MIDSTREAM (LOUISIANA INTRASTATE), LLC (RESPONDENT)**, were performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the

Air Quality Regulations. The facility is located at 289 LA Hwy 136 in Fairbanks, Ouachita Parish, Louisiana. The facility currently operates under State Air Permit No. 2160-00052-04, which was issued on or about May 17, 2005.

While the investigation by the Louisiana Department of Environmental Quality (the Department) is not yet complete, the following violation was noted during the course of the file review:

A. The purchase of the DeSiard Compressor Station by American Midstream (Louisiana Intrastate), LLC from Enbridge Pipelines-Milda, LLC became effective on or about November 1, 2009. On or about October 4, 2010, the Respondent submitted to the Department a Notification of Change of Ownership/Operator form. The Respondent's failure to submit a Notification of Change of Ownership/Operator form to the Department within ninety (90) days of the transfer of ownership is a violation of Louisiana General Condition XVI of State Air Permit 2160-00052-04, LAC 33:III.517.G, LAC 33:III.501.C.4, and LAC 33:III.537.

B. On or about November 1, 2009, the Respondent purchased the DeSiard Compressor Station. On or about October 4, 2010, the Respondent submitted to the Department a Notification of Change of Ownership/Operation form. This request was approved on or about December 17, 2010. The operation of the facility during the period of November 1, 2009, through December 17, 2010, without a valid State Air Permit is a violation of LAC 33:III.501.C.2, La R.S. 30:2057(A)(1), and La R.S. 30:2057(A)(2).

On or about February 16, 2011 and September 7, 2012, file reviews of the **GLORIA COMPRESSOR STATION (FACILITY) AI# 17662**, owned and/or operated by **AMERICAN MIDSTREAM (LOUISIANA INTRASTATE), LLC (RESPONDENT)**, were performed to determine the degree of compliance with the Act and the Air Quality Regulations. The facility is located at 13679 LA Hwy 23 in Belle Chasse, Plaquemines Parish, Louisiana. The facility currently operates under State Air Permit No. 2240-00119-06, which was issued on or about December 2, 2011.

While the investigation by the Department is not yet complete, the following violation was

noted during the course of the file review:

A. The purchase of the Gloria Compressor Station by American Midstream (Louisiana Intrastate), LLC from Enbridge Pipelines-Milda, LLC became effective on or about November 1, 2009. On or about October 4, 2010, the Respondent submitted to the Department a Notification of Change of Ownership/Operator form. The Respondent's failure to submit a Notification of Change of Ownership/Operator form to the Department within ninety (90) days of the transfer of ownership is a violation of Louisiana General Condition XVI of State Air Permit 2240-00119-05, LAC 33:III.517.G, LAC 33:III.501.C.4, and LAC 33:III.537.

B. On or about November 1, 2009, the Respondent purchased the Gloria Compressor Station. On or about October 4, 2010, the Respondent submitted to the Department a Notification of Change of Ownership/Operation form. This request was approved on or about December 17, 2010. The operation of the facility during the period of November 1, 2009, through December 17, 2010, without a valid State Air Permit is a violation of LAC 33:III.501.C.2, La R.S. 30:2057(A)(1), and La R.S. 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 THREE THOUSAND SIX HUNDRED THIRTY-TWO AND NO/100 DOLLARS ($3,632.00), of which Six Hundred Twenty-Four and 23/100 Dollars ($624.23) 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 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

As required by law, the Department has submitted this Settlement Agreement to the Louisiana Attorney General for approval or rejection. The Attorney General's concurrence is appended to this Settlement Agreement.

IX

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Ouachita Parish and Plaquemines Parish, Louisiana. The

advertisement, in form and wording 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.

X

Payment is to be made within thirty (30) 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).

XI

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

XII

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.

AMERICAN MIDSTREAM (LOUISIANA INTRASTATE), LLC

BY: _____
(Signature)

_____
(Printed)

TITLE: _____

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

_____
NOTARY PUBLIC (ID #_____)

_____
(stamped or printed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Chuck Carr Brown, Ph.D., Secretary

BY: _____
Lourdes Iturralde, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this _____ day of _____, 20_____, at Baton Rouge, Louisiana.

_____
NOTARY PUBLIC (ID # _____)

_____
(stamped or printed)

Approved: _____
Lourdes Iturralde, Assistant Secretary