STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	**Settlement Tracking No.**
	*	**SA-AE-05-0053**
AMINEX USA, INC.	*	
	*	**Enforcement Tracking No.**
AI # 31742, 91926	*	**AE-CN-04-0008**
	*	**AE-CN-04-0008A**
	*	
PROCEEDINGS UNDER THE LOUISIANA ENVIRONMENTAL QUALITY ACT LA. R.S. 30:2001, ET SEQ.	* * *	

SETTLEMENT

The following Settlement is hereby agreed to between Aminex USA, Inc. ("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 corporation who operates an oil and gas facility located at 2446 Ged Road in Vinton, Calcasieu Parish, Louisiana, and a tank battery located approximately four miles south of Fields in Beauregard Parish, Louisiana ("the Facilities").

II

On April 23, 2004, the Department issued to Respondent, a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-04-0008, which was based upon the following findings of fact:

The Respondent owns and/or operates M Gray GM Tank Battery, an oil and gas facility located at 2446 Ged Road in Vinton, Calcasieu Parish, Louisiana. The facility operates under Air Permit Number 0520-00104-02 issued on October 16, 2002.

On or about October 23, 2003, an inspection of the Respondent's facility was performed to determine the degree of compliance with the Act and Air Quality Regulations.

The following violations were noted during the course of the inspection:

A. Two 300 HP compressor engines were in operation at the site. According to the Respondent's application for a permit modification dated June 19, 2001, a 500 HP engine was to be replaced with two 300 HP compressor engines, one of which was to be equipped with a catalytic converter. The operating permit specifies Id No. TRT 1 as the catalytic converter on Id No. EQT 6 (E-2 Compressor Engine). The E-2 Compressor Engine was not equipped with a catalytic converter at the time of the inspection. The failure to install, properly operate and/or maintain all proposed control measures and/or equipment as specified in the application is a violation of Air Permit Number 0520-00104-02, LAC 33:III.501.C.4, and Sections 2057(A)(1) and 2057(A)(2) of the Act.

B. The Respondent failed to submit the Annual Emissions Statement (AES) for the 1998, 1999, 2000, 2001, and 2002 calendar years in a timely manner as indicated in the table below:

Calendar Year	AES Due Date	Date Received
1998	March 31, 1999	February 26, 2004
1999	March 31, 2000	February 26, 2004
2000	March 31, 2001	February 26, 2004
2001	March 31, 2002	February 26, 2004
2002	March 31, 2003	February 26, 2004

Each failure to submit the AES to the Department by the required date is a violation of General Condition XV of Air Permit Number 0520-00104-02, LAC 33:III.501.C.4, LAC 33:III.919.E, and Section 2057(A)(2) of the Act.

On January 12, 2005, the Department issued to Respondent, Amended Consolidated Compliance Order & Notice of Potential Penalty, Enforcement Tracking No. AE-CN-04-0008A, which was based upon the following findings of fact:

"The Department hereby amends paragraph II.A of the Findings of Fact to read as follows:

'II.

A. According to the Respondent's application for a permit modification dated June 19, 2001, a 500 HP engine was to be replaced with two 300 HP compressor engines, one of which was to be equipped with a catalytic converter. Air Permit Number 0520-00104-02, issued on October 16, 2002, specifies ID No. TRT 1 as the catalytic converter on ID No. EQT 6 (E-2 Compressor Engine). The E-2 Compressor Engine was not equipped with a catalytic converter at the time of the inspection, resulting in exceedances of the permitted NOx and CO limits of 5.789 and 8.683 tons per year (tpy), respectively. According to the Respondent's revised 2003 Annual Emissions Statement received by the Department on or about July 24, 2003, NOx and CO emissions from the E-2 Compressor Engine were reported to be 12 and 20 tpy, respectively. The failure to install, properly operate and/or maintain all proposed control measures and/or equipment as specified in the application is a violation of General Condition I of Air Permit Number 0520-00104-02, LAC 33:III.501.C.4, and Sections 2057(A)(1) and 2057(A)(2) of the Act. Air Permit Number 0520-00104-03 was issued to the Respondent on March 11, 2004, and does not require EQT 6 to be equipped with a catalytic converter.'"

"The Department hereby incorporates the following into the Findings of Fact:

'III.

On or about November 10, 2004, a file review of the Respondent's facility (AI 31742) was performed to determine the degree of compliance with the Act and Air Quality Regulations.

While the Department's investigation is not yet complete, the following violations were noted during the course of the review:

A. According to the Respondent's revised 1998 and 1999 Annual Emissions Statements received by the Department on or about July 24, 2004, three 1000 BBL Oil Storage Tanks (Emission Sources 13V-91, 14V-91, and 15V-91) exceeded the permitted VOC emission limit of 2.52 tpy for each tank. The Respondent reported 5 tpy VOC for the 1998 and 1999 calendar years for each emission source. The Respondent also reported that CO emissions for the 500 HP Compressor Engine (Emission Source 30V-95) were 33 tpy for the 1998 and 1999 calendar years, in exceedance of the permitted 7.73 tpy.

Each exceedance of the permitted annual emission limit for each emission source is a violation of General Condition III of Air Permit Number 0520-00104-01, LAC 33:III.501.C.4, and Sections 2057(A)(1) and 2057(A)(2) of the Act.

B. According to the Respondent's revised 2000 Annual Emissions Statement received by the Department on or about July 24, 2004, three 1000 BBL Oil Storage Tanks (Emission Sources 13V-91, 14V-91, and 15V-91) exceeded the permitted VOC emission limit of 2.52 tpy for each tank. The Respondent reported 4 tpy VOC during the 2000 calendar year for each emission source. The Respondent also reported that CO emissions for the 500 HP Compressor Engine (Emission Source 30V-95) were 30 tpy for the 2000 calendar year, in exceedance of the permitted 7.73 tpy. Each exceedance of the permitted annual emission limit for each emission source is a violation of General Condition III of Air Permit Number 0520-00104-01, LAC 33:III.501.C.4, and Sections 2057(A)(1) and 2057(A)(2) of the Act.

C. According to the Respondent's revised 2001 Annual Emissions Statement received by the Department on or about July 24, 2004, CO emissions for the 500 HP Compressor Engine (Emission Source 30V-95) were 30 tpy for the 2001 calendar year, in exceedance of the permitted 7.73 tpy. This is a violation of General Condition III of Air Permit Number 0520-00104-01, LAC 33:III.501.C.4, and Sections 2057(A)(1) and 2057(A)(2) of the Act.

D. According to the Respondent's revised 2001 Annual Emissions Statement received by the Department on or about July 24, 2004, a 140HP SWD Pump Engine was operated at the facility during the 2001 calendar year. The Respondent reported 4 tons of CO and 3 tons of NOx for this emission source during the 2001 calendar year. In the Respondent's application for a permit modification submitted to the Department on or about June 19, 2001, the Respondent states that this emission source replaced another SWD Pump Engine, Emission Source 22V-91. The Respondent reported 10 tons of NOx and 9 tons of CO for Emission Source 22V-91during the 2001 calendar year. A permit modification was issued to the Respondent on October 16, 2002. The Respondent's operation of the unpermitted source is a violation of LAC 33:III.501.C.2 and Sections 2057(A)(1) and 2057(A)(2) of the Act.

E. According to the Respondent's 2002 Annual Emissions Statement received by the Department on or about July 24, 2004, CO emissions for the 500 HP Compressor Engine (Emission Source 30V-95) were 32 tpy for the 2002 calendar year, in exceedance of the permitted 9.28 tpy. This is a violation of General Condition III of Air Permit Number 0520-00104-02, LAC 33:III.501.C.4, and Sections 2057(A)(1) and 2057(A)(2) of the Act.

F. According to the Respondent's 2003 Annual Emissions Statement received by the Department on or about July 24, 2004, the Respondent continued to operate the 500 HP Compressor Engine at the facility during the 2003 calendar year. The Respondent reported 15 tons of CO and 16 tons of NOx for this emission source during the 2003 calendar year. In the Respondent's application for a permit modification submitted to the Department on or about June 19, 2001, the Respondent states that this emission source will be replaced with two 300 HP compressor engines (EQT 5 and EQT 6). The permit modification was issued on October 16, 2002. The Respondent reported 12 tons of NOx and 20 tons of CO for each of each of the two 300 HP compressor engines during the 2003 calendar year. The Respondent's operation of the unpermitted 500 HP compressor engine is a violation of LAC 33:III.501.C.2 and Sections 2057(A)(1) and 2057(A)(2) of the Act.

The Respondent owns and/or operates the Shoates Creek Tank Battery (AI 91926) which is located approximately four miles south of Fields in Beauregard Parish, Louisiana. According to the change of ownership notification submitted by the Respondent on or about September 2, 2004, ownership of the facility was transferred to the Respondent from Shoats Creek Investing Partners on October 1, 1995. The facility currently operates under Air Permit Number 0320-00058-00 issued on March 21, 2003.

On or about June 18, 2004, an inspection of the Respondent's facility (AI 91926) was performed to determine the degree of compliance with the Act and Air Quality Regulations.

While the Department's investigation is not yet complete, the following violations were noted during the course of the inspection:

A. The Respondent submitted an application for approval of emissions of air pollutants dated July 30, 2001. Air Permit Number 0320-00058-00 issued to the Respondent on March 21, 2003. The Respondent failed to obtain approval from the permitting authority prior to the construction, modification, or operation of a facility which ultimately resulted in an initiation or increase in emissions of air contaminants. The Respondent's failure to obtain prior approval from the permitting authority for the construction, modification, and/or operation of the facility is a violation of LAC 33:III.501.C.2 and Sections 2057(A)(1) and 2057(A)(2) of the Act.

B. The Respondent submitted a change of ownership notification dated September 2, 2004. According to the Respondent's information, the date of transfer was October 1, 1995. The Respondent failed to provide notification of the change in ownership within 90 days after the change. This is a violation of LAC 33:III.517.G and Section 2057(A)(2) of the Act.'

The Department incorporates all of the remainder of the original Consolidated Compliance Order & Notice of Potential Penalty, Enforcement Tracking No. AE-CN-04-0008 and Agency Interest No. 31742 as if reiterated herein.

This Amended Compliance Order & Notice of Potential Penalty is effective upon receipt.'"

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 SEVENTEEN THOUSAND FIVE HUNDRED AND NO/100 DOLLARS ($17,500.00) of which Four Hundred and No/100 Dollars ($400.00) represents DEQ'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 DEQ 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), the Consolidated Compliance Order and Notice of Potential Penalty and the Amended Consolidated Compliance Order and 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 LSA- R. S. 30:2025(E) of the Act.

VIII

The Respondent has caused public notice advertisements to be placed in the official journals of the parish governing authorities in Calcasieu and Beauregard Parishes, Louisiana. The advertisements, 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 proof-of-publication affidavits 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 notices.

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 Darryl Serio, Office of Management and Finance, 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).

X

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

XI

Each undersigned representative of the parties certifies that he or she is fully authorized to execute this Settlement Agreement on behalf of his/her respective party, and to legally bind such party to its terms and conditions.

AMINEX USA, INC.

BY: _____
(Signature)

Antonio Prado
(Print)

TITLE: President

THUS DONE AND SIGNED in duplicate original before me this 25 day of August, 20 06, at Somerset, TX.

_____
NOTARY PUBLIC (ID # _____)

CAPRICE MINA RITCHESON
NOTARY PUBLIC STATE OF TEXAS
COMMISSION EXPIRES:
SEPTEMBER 26, 2009

Caprice Mina Ritcheson
(Print)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Mike D. McDaniel, Ph.D., Secretary

BY: _____
Harold Leggett, Ph.D., Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 17th day of November, 20 06, at Baton Rouge, Louisiana.

_____
NOTARY PUBLIC (ID # 22771)

Randall S. Beard
(Print)

Approved: _____
Harold Leggett, Ph.D., Assistant Secretary