STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

| | | |
|---|---|---|
| **IN THE MATTER OF:** | * | **Settlement Tracking No.** |
| | * | **SA-AE-12-0063** |
| **CROSSTEX LIG, LLC** | * | |
| | * | **Enforcement Tracking No.** |
| **AI # 159657** | * | **AE-PP-12-00269** |
| | * | |
| **PROCEEDINGS UNDER THE LOUISIANA** | * | |
| **ENVIRONMENTAL QUALITY ACT** | * | |
| **LA. R.S. 30:2001, ET SEQ.** | * | |

## SETTLEMENT

The following Settlement is hereby agreed to between Crosstex LIG, 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 corporation that owns and/or operates a compressor station facility located in Campti, Natchitoches Parish, Louisiana ("the Facility").

II

On April 5, 2012, a Notice of Potential Penalty, Enforcement No. AE-PP-12-00269, was issued to Respondent, which was based upon the following findings of fact:

On or about December 2, 2011, a file review of Red River Compressor Station, owned and/or operated by Crosstex LIG, LLC (Respondent), was performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Air Quality Regulations. The facility is located off Louisiana Highway 486 approximately 3.5 miles southeast of Campti in Natchitoches Parish, Louisiana. The facility operated under Title V Air Permit No. 1980-00051-V1 issued on or about September 17, 2009. The facility currently operates under Title V Air Permit No. 1980-00051 -V2 issued on or about March 16.2011.

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:

> In a Title V General Condition R Report submitted to the Department on or about December 22, 2010, the Respondent indicated that lean burn engine C-01 (EQT0001) exceeded carbon monoxide (CO) permitted short-term limits during annual performance stack tests conducted in accordance with 40 CFR 60 Subpart JJJJ. Specifically, annual performance stack tests reports submitted to the Department on or about January 4, 2011, showed a CO exceedance of 2.076 pounds/hour with a permit limit of 0.570 pounds/hour for EQT0001 during stack tests conducted on November 4, 2010. On or about September 26, 2011, the Respondent submitted the facility's 2011 first Semiannual Monitoring Report to the Department. The report indicated that the short-term limits exceedance continued from January 1, 2011, until being rectified in a permit modification on or about March 16, 2011. The exceedance of the permitted CO emissions limit is a violation of title V Permit No. 1980-00051-V1 Specific Requirement 1, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2). The CO permit limit was increased for EQT0001 in Title V Permit modification No. 1980-00051-V2 issued on or about March 16, 2011.

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 ONE THOUSAND FIVE HUNDRED AND NO/100 DOLLARS ($1,500.00), of which Three Hundred Forty Three and 15/100 Dollars ($343.15) represents the Department's enforcement costs, in settlement of the claims set forth in this agreement.

V

Respondent further agrees that the Department may consider the inspection report(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 Natchitoches 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).

X

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.

**CROSSTEX, LIG, 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**
Peggy M. Hatch Secretary

BY: _____
Cheryl Sonnier Nolan, 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: _____
Cheryl Sonnier Nolan, Assistant Secretary