

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

EL PASO PRODUCTION COMPANY

AI # 105617

PROCEEDINGS UNDER THE LOUISIANA  
ENVIRONMENTAL QUALITY ACT  
LA. R.S. 30:2001, ET SEQ.

\* Settlement Tracking No.  
\* SA-AE-05-0042  
\*  
\* Enforcement Tracking No.  
\* AE-CN-03-0001  
\*  
\* Docket No. 2005-0950-EQ  
\*

SETTLEMENT

The following Settlement is hereby agreed to between El Paso Production Company ("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 multiple oil and gas facilities located in numerous parishes throughout the state of Louisiana (the Facility and/or the Facilities).

II

On March 21, 2003, the Department issued a Consolidated Compliance Order and Notice of Potential Penalty, Enforcement No. AE-CN-03-0001, to Respondent, which was based upon the following findings of fact:

The Respondent, also formerly known as Sonat Exploration Company, at all times relevant herein, owned and/or operated multiple oil and gas facilities located throughout the state

of Louisiana as listed in Table 1. These facilities are required to operate under an Air Permit in accordance with LAC 33:III.Chapter 5.

On or about December 11, 2002, a file review of El Paso Production Company 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 review:

The Respondent failed to obtain approval from the permitting authority prior to the construction, modification, or operation of each facility listed in **Table 1** which ultimately resulted in an initiation or increase in emissions of air contaminants. Each 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.

**Table 1**

<b>Facility</b>	<b>Parish</b>
Bain 1-D Production Facility	Webster
Bear Creek Compressor Station	Bienville
Bennett A No. 1 Alt Production Facility	Webster
Bonnie Burson No. 2 Alt Production	Webster
Bonnie Burson No. 3 Alt Production Facility	Webster
Burns No. 1 Common Point Production Facility	Webster
Butler No. 2 Production Facility	Webster

Byrd A-2	Bienville
C.H. Key No. 1 Production Facility	Webster
Cole 24-1 Alt Production Facility	Webster
Colvin No. 1 Production Facility	Bienville
Crichton A-1 Production Facility	Webster
Crosby 10 No. 1 Production Facility	Vernon
Dawson 12 No. 1 Production Facility	Webster
Duggan No. 11-1 Production Facility	Webster
Edwards 1 No. 1 Production Facility	Webster
Ethel D. Talton No. 1 & 1-D Production Facility	Bienville
Exxon Minerals 13 No. 2 Common Point Facility	Vernon
Exxon Minerals 29-1/18-1 Production Facility	Vernon
Gamble A No. 1 Production Facility	De Soto
Glass Estate A No. 3 Alt Production Facility	Webster
Goode 7 No. 1 Production Facility	Webster
Harrison A No. 1 Alt Production Facility	Bienville
Harrison No. 5	Bienville
Harvey 12 No. 1 Alt	Webster
Hasty-Kennon Production Facility	Webster
Havens No. 11-1 Alt Production Facility	Webster
Haynes 1 No. 1 Alt Production Facility	Webster

Haynes 2 No. 2 Alt Production Facility	Webster
Honeycutt 3 No. 1 Production Facility	Vernon
Hosston Dehydration Production Facility	De Soto
International Paper Company No. 1 Production Facility	Webster
International Paper Company No. 4 Production Facility	Webster
International Paper No. 3 Production Facility	Webster
Joiner No. 1 Alt Production Facility	Bienville
KMI Continental Royalty No. 1 Production Facility	Bienville
Langton 20 No. 1 Production Facility	Vernon
Legler No. 1 Production Facility	Bienville
Loe B-1 & Loe B-2 Production Facility	Bienville
Loe C-1 Alt Production Facility	Bienville
Loe D-1 Alt Production Facility	Bienville
Louisiana Minerals A No. 1 Production Facility	Bienville
Lowery Heirs 6 No. 2 Alt	Bienville
Maricle 14 No. 1 Production Facility	Vernon
Mason A-1 Production Facility	Bienville
Merritt E-1 Alt Production Facility	Bienville
Merritt E-2 Alt Production Facility	Bienville
Merritt No. 1 Production Facility	Bienville
Merritt No. 2 Production Facility	Bienville

Modisette No. 2 Alt Production Facility	Webster
Moore A No. 1 Alt Production Facility	Bienville
Moran Common Point	De Soto
Moseley Heirs No. 1-D Production Facility	Bienville
Murphy A-1 Production Facility	Bienville
Noles A-1 Alt C.P. Production Facility	Webster
Otis Poole No. 3 Production Facility	Bienville
Otis Poole No. 5 Production Facility	Bienville
Otto Cummings A No. 2 Common Point Production Facility	Bienville
Ozley A-1 Production Facility	Bienville
Pace 1 No. 1 Production Facility	Webster
Palmer A No. 1 Production Facility	Webster
Placid C No. 1	Bienville
Poland/Miller No. 1 Production Facility	Bienville
Poole A No. 1 & 1-D Production Facility	Bienville
Reed A No. 1 Alt Production Facility	Bienville
Rhodes No. 1 & 1-D Production Facility	Bienville
Rives 13-1 Production Facility	De Soto
Scobee 34 No. 1 Production Facility	Vernon
Simonton 11-1 Production Facility	De Soto
Simonton CS Production Facility	De Soto

Sims No. 1 Production Facility	Bienville
Smith 4 No. 2 Production Facility	Webster
Smith A No. 1 Production Facility	Webster
Smith G-1 Production Facility	Webster
Sonat Holley A No. 1 Alt	Webster
Sonat Minerals 4 No. 1 Production Facility	Vernon
Stevens 31 No. 1 Production Facility	Vernon
T.A. Loe Estate No. 1 Production Facility	Bienville
T.A. Loe Estate No. 2-A Production Facility	Bienville
T.J. Cummings No. 4 and Pullig C.P. Production Facility	Bienville
Temple 27 No. 1 Production Facility	Vernon
Thorne 11 No. 1 Alt Production Facility	Webster
Thurman A-1 Production Facility	Webster
W M Modisette 2 No. 1 Production Facility	Bienville
Walker 6 No. 2 Production Facility	Webster
Walker 6 No. 3 Alt Production Facility	Webster
Weller No. 1 Alt Production Facility	Webster
Whaley 1 No. 1 Alt Production Facility	Webster
Whitley B. No. 2 Production Facility	Bienville
Williamette C No. 3 Alt Production Facility	Bienville
Wise 2 No. 1 & 1D Production Facility	Webster

Woodard Walker L-1 Production Facility	Bienville
Worsham Heirs A No. 1 Alt Production Facility	Webster
Young 18-1 Production Facility	De Soto
Young 7-6 Production Facility	De Soto

III

In response to the Consolidated Compliance Order and Notice of Potential Penalty, Respondent made a timely request for a hearing.

IV

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

V

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 SEVENTY-SEVEN THOUSAND TWO HUNDRED EIGHTY-SIX AND 94/100 DOLLARS (\$77,286.94) of which One Thousand and no/100 Dollars (\$1,000.00) represents DEQ's enforcement costs, in settlement of the claims set forth in this agreement.

VI

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

## VII

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.

## VIII

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.

## IX

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in each of the affected parishes, 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 a proof-of-publication affidavit to the Department for each affected parish 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.

X

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).

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/her respective party, and to legally bind such party to its terms and conditions.

EL PASO PRODUCTION COMPANY

BY: William M Griffin  
(Signature)

WILLIAM M GRIFFIN  
(Print)

SJM

TITLE: SR. VICE PRESIDENT

THUS DONE AND SIGNED in duplicate original before me this 28th day of November, 20 05, at Houston, Texas



Janice Spencer  
NOTARY PUBLIC (ID # \_\_\_\_\_)

Janice Spencer  
(Print)

STATE OF LOUISIANA

Mike D. McDaniel, Ph.D., Secretary  
Department of Environmental Quality

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

THUS DONE AND SIGNED in duplicate original before me this 7th day of March, 20 07, at Baton Rouge, Louisiana.

Randall S. Beard  
NOTARY PUBLIC (ID # 27221)

Randall S. Beard  
(Print)

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