

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

GOODRICH PETROLEUM
COMPANY, L.L.C.

AI #167208, et al.

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

* Settlement Tracking No.
* SA-AE-12-0038
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* Enforcement Tracking No.
* AE-PP-09-0677
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SETTLEMENT

The following Settlement is hereby agreed to between Goodrich Petroleum Company, L.L.C. (“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 that owns and/or operates petroleum tank battery facilities located in Caddo Parish, Bienville Parish, DeSoto Parish, and St. Martin Parish, Louisiana (“the Facility”). See Exhibit A for the list of Agency Interest Numbers and corresponding parishes.

II

On June 1, 2010, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. AE-PP-09-0677, which was based upon the following findings of fact:

On or about December 1, 2009, a file review of the Trospen 2H No. 1 Tank Battery, owned and/or operated by Goodrich Petroleum Company, L.L.C. (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 approximately four (4) miles north of Greenwood in

Caddo Parish, Louisiana. The Respondent was issued Standard Oil & Gas Air (SOGA) Permit 0500-00397-00 to operate the facility on November 3, 2009.

The following violations were noted during the course of the file review:

- A. In the Respondent's application for a SOGA permit submitted to the Department on or about October 6, 2009, the Respondent indicated that the facility was previously unpermitted. The Respondent began production at the facility on or about September 17, 2009. The failure to submit a timely and complete permit application to the Department prior to any construction, reconstruction, or modification of a facility which ultimately may result in an initiation or increase in emission of air contaminants is a violation of LAC 33:III.501.C.1, and La. R.S. 30:2057(A)(2).
- B. The Respondent operated the facility without a permit from September 17, 2009, until issued SOGA Permit 0500-00397-00 on November 3, 2009. The Respondent's failure to obtain approval from the permitting authority prior to the construction, modification, and/or operation of a facility, which ultimately may have resulted in an initiation or increase in emission of air contaminants, 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

The following deviations, although not included in the foregoing enforcement action and which were self-reported by the Respondent, are included within the scope of the settlement herein.

- A. According to the Respondent's correspondence dated August 24, 2010, multiple facilities were transferred to the Respondent on June 1, 2008, but the Name/Ownership/Operator Change Form (NOC-1 Form) was not submitted until May 28, 2009. The Respondent failed to submit a complete NOC-1 form to the Department within 45 days after the Respondent became the owner and/or operator. This is a violation of LAC 33:I.1907.B, LAC 33:III.517.G, and La. R.S. 30:2057(A)(2). This is associated with AI Nos. 133592, 133593, 133590, and 133596.
- B. According to the Respondent's correspondence dated August 24, 2010, the Respondent became the owner and/or operator of multiple facilities on June 1, 2008, but the NOC-1 form was not submitted until May 28, 2009. The unauthorized operation of each facility between the date the Respondent became the owner and/or operator and the date the permit was transferred is a violation of LAC 33:III.501.C.2, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2). This is associated with AI Nos. 133592, 133593, 133590, and 133596.

- C. The Respondent failed to submit a timely and complete permit application to the Department prior to any construction, reconstruction, or modification of multiple facilities in violation of LAC 33:III.501.C.1 and La. R.S. 30:2057(A)(2). This is associated with AI Nos. 153943, 166130, 138348, 149952, 166052, 166445, 167754, 168305, 158889, 159500, 166446, 166131, 167378, 150602, 151006, 160266, 150303, 150306, 158556, 167386, 158898, 166053, 167546, 149507, 151007, 158699, 158882, 150304, 169626, 167320, 158881, 150907, 169625, 158624, 162417, 126325, 126326, 126323, 128834, 132985, and 134290.
- D. The Respondent's failure to obtain approval from the permitting authority prior to the construction, modification and/or operation of a facility, which ultimately may result in an initiation or increase in emission or air contaminants is a violation of LAC 33:III.501.C.2 and La. R.S. 30:2057(A)(1) and 30:2057(A)(2). This is associated with AI Nos. 150301, 149133, 167546, 169624, 167547, 153943, 138348, 149952, 166445, 158886, 158889, 159500, 166131, 150602, 158698, 151006, 150303, 150306, 158556, 158898, 166053, 149507, 151007, 158900, 158699, 158882, 150304, 169626, 158881, 150907, 169625, 158624, 162417, 166130, 166052, 167754, 168305, 166446, 167378, 160266, 167386, 167320, 169911, 170231, 170516, 170611, 169960, 170612, 126325, 126326, 123598, 119108, 104251, 128834, 126323, 132985, and 134290.
- E. The Respondent failed to submit initial notifications in the required timeframe for engines subject to 40 CFR 60 Subpart JJJJ. The following facilities are associated with this: AI Nos. 167320, 168305, and 167378. Each incident of the Respondent's failure to submit the initial notification within the required timeframe is a violation of 40 CFR 60.7(a), which language has been adopted as a Louisiana regulation in LAC 33:III.3003, and La. R.S. 30:2057(A)(2).
- F. Engines at the following facilities are subject to 40 CFR 60 Subpart JJJJ. Performance testing was not completed on engines at the following facilities within the required timeframe: Agency Interest Nos. 167320, 168305, and 167378. Each incident of the Respondent's failure to conduct testing in the required timeframe is a violation of 40 CFR 60.4243(f) and/or 40 CFR 60.4243(b)(2), which language has been adopted as a Louisiana regulation in LAC 33:III.3003, and La. R.S. 30:2057(A)(2).

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 FORTY-FIVE THOUSAND AND NO/100 DOLLARS (\$45,000.00), of which Eight Hundred Ninety-Four and 47/100 Dollars (\$894.47) 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).

VI

Respondent further agrees that the Department may consider the permit records, 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.

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 La. 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 following parishes – Bienville, Caddo, Desoto, and St. Martin - 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 an original proof-of-publication affidavit and an original public notice from the newspaper of each affected parish 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 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 B).

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.

GOODRICH PETROLEUM
COMPANY, L.L.C.

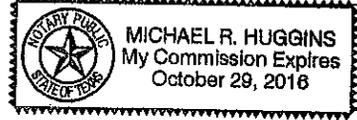
BY: Darrell H Knight
(Signature)

Darrell H Knight
(Printed)

TITLE: VP Production Operations

THUS DONE AND SIGNED in duplicate original before me this 24th day of
May, 20 13, at Harris County, TX.

Michael R. Huggins
NOTARY PUBLIC (ID # _____)



(stamped or printed)

LOUISIANA DEPARTMENT OF
ENVIRONMENTAL QUALITY
Peggy M. Hatch Secretary

BY: CSNL
Cheryl Sonnier Nolan, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 16th day of
August, 20 13, at Baton Rouge, Louisiana.

J.P. [Signature]
NOTARY PUBLIC (ID # 40539)

Ted L. Boyles, II
(stamped or printed)

Approved: CSNL
Cheryl Sonnier Nolan, Assistant Secretary

**GOODRICH PETROLEUM CO.
AGENCY INTEREST NO. AND PARISH**

	A	B	C
1	Goodrich Petroleum Company AE-PP-09-0677		
2	AI NO.	PARISH	
3	153943	Bienville	
4	126323	Caddo	
5	133590	Caddo	
6	133592	Caddo	
7	133593	Caddo	
8	133596	Caddo	
9	134290	Caddo	
10	149133	Caddo	
11	149507	Caddo	
12	149952	Caddo	
13	150303	Caddo	
14	150304	Caddo	
15	150306	Caddo	
16	150602	Caddo	
17	158556	Caddo	
18	158624	Caddo	
19	158698	Caddo	
20	158699	Caddo	
21	158886	Caddo	
22	158889	Caddo	
23	158898	Caddo	
24	158900	Caddo	
25	159500	Caddo	
26	166052	Caddo	
27	166053	Caddo	
28	166130	Caddo	
29	166131	Caddo	
30	166445	Caddo	
31	166446	Caddo	
32	167208	Caddo	
33	167378	Caddo	
34	167386	Caddo	
35	167754	Caddo	
36	168305	Caddo	
37	169624	Caddo	
38	169625	Caddo	
39	169911	Caddo	
40	169960	Caddo	
41	170231	Caddo	

**GOODRICH PETROLEUM CO.
AGENCY INTEREST NO. AND PARISH**

	A	B	C
1	Goodrich Petroleum Company AE-PP-09-0677		
2	AI NO.	PARISH	
42	170516	Caddo	
43	170611	Caddo	
44	170612	Caddo	
45	126325	DeSoto	
46	126326	DeSoto	
47	128834	DeSoto	
48	132985	DeSoto	
49	138348	DeSoto	
50	150301	DeSoto	
51	150907	DeSoto	
52	151006	DeSoto	
53	151007	DeSoto	
54	158881	DeSoto	
55	158882	DeSoto	
56	160266	DeSoto	
57	162417	DeSoto	
58	167320	DeSoto	
59	167546	DeSoto	
60	167547	DeSoto	
61	169626	DeSoto	
62	104251	St. Martin	
63	119108	St. Martin	
64	123598	St. Martin	
65			