STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	**Settlement Tracking No.**
	*	**SA-AE-13-0074**
HLP GULF STATES, LLC	*	
	*	**Enforcement Tracking No.**
AI # 31480	*	**AE-PP-09-0205**
	*	
PROCEEDINGS UNDER THE LOUISIANA	*	
ENVIRONMENTAL QUALITY ACT	*	
LA. R.S. 30:2001, ET SEQ.	*	

SETTLEMENT

The following Settlement is hereby agreed to between HLP Gulf States, LLC, f/k/a RLP Gulf States, L.L.C. and now known as Halcon Gulf States, 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 owns and/or operates a facility located one (1) mile south of Egan, Acadia Parish, Louisiana ("the Facility").

II

On June 26, 2012, the Department issued to Respondent a Notice of Potential Penalty (NOPP) , Enforcement No. AE-PP-09-0205, which was based upon the following findings of fact:

On or about March 31, 2011, and February 17, 2012, file reviews of **EGAN COMPRESSOR STATION** (the facility), a compressor station owned and/or operated by **RLP GULF STATES, L.L.C. (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 one (1) mile south of Egan in Acadia Parish, Louisiana. The facility operates or has operated under the authority of the following Title V and Minor Source Air Permits:

PERMIT	ISSUE DATE	EXPIRATION DATE
Title V Air Permit No. 0040-00092-V2	5/31/05	1/15/07
Minor Source Air Permit No. 0040-00092-00	1/16/07	9/10/09
Minor Source Air Permit No. 0040-00092-01	9/11/09	9/11/19

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

A. The Respondent reported the following unauthorized releases:

REPORT DATE	PERMIT NUMBER	INCIDENT DATE	POLLUTANTS RELEASED	QUANTITY REPORTED	REPORTED CAUSE
3/26/08	0040-00092-00	11/14/07	Volatile Organic Compounds (VOC)	0.07 Tons	High stage charge discharge valve overheated causing compressor shutdown
12/22/08	0040-00092-00	8/11/08	Volatile Organic Compounds (VOC)	0.04 Tons	Ignition System failure causing compressor shutdown
9/28/09	0040-00092-00	3/12/09	Volatile Organic Compounds (VOC)	0.04 Tons	Spark plug burned out causing compressor to shutdown
		3/28/09	Volatile Organic Compounds (VOC)	0.06 Tons	Water dump on the separator malfunctioned causing water to spill into the fuel gas supply line; Contaminated fuel gas caused the compressor to shut down
3/22/10	0040-00092-00	9/14/09	Volatile Organic Compounds (VOC)	0.04 Tons	Fuel valve burned up causing compressor to shut down
9/29/10	0040-00092-01	2/4/10	Volatile Organic Compounds (VOC)	0.03 Tons	Freezing temperatures caused wells to freeze causing insufficient gas flow to the compressor

Each unauthorized release of emissions is a violation of LAC 33:III.905.A, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

B. The Respondent installed the following unpermitted emission points at the facility:

EMISSION POINT	SOURCE DESCRIPTION	INSTALLATION DATE	PERMIT MODIFICATION APPLICATION DATED	PERMIT MODIFICATION APPLICATION SUBMITTED
EQT0011	27-09-BV Blowcase Vessel (Condensed Liquids)	Between June 2007 and December 2007	1/13/09	1/29/09
EQT0014	30-09-GOP Gas Operated Pump	Between June 2007 and December 2007	1/13/09	1/29/09
EQT0015	31-09-GOP Gas Operated Pump	Between June 2008 and November 2008	1/13/09	1/29/09

Each event of the Respondent's failure to submit a timely and complete permit application to the Department prior to construction, reconstruction, or modification is a violation of LAC 33:III.501.C.1 and La. R.S. 30:2057(A)(2).

C. The Respondent operated the following unpermitted emission points:

EMISSION POINT	SOURCE DESCRIPTION	OPERATION COMMENCEMENT DATE	PERMIT MODIFICATION ISSUED	PERMIT MODIFICATION NO.
EQT0011	27-09-BV Blowcase Vessel (Condensed Liquids)	Between June 2007 and December 2007	9/11/09	0040-00092-01
EQT0014	30-09-GOP Gas Operated Pump	Between June 2007 and December 2007	9/11/09	0040-00092-01
EQT0015	31-09-GOP Gas Operated Pump	Between June 2008 and November 2008	9/11/09	0040-00092-01

Each event of the Respondent's failure to obtain approval from the Department prior to operation of each of the listed emission points is a violation of LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1) and 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 TWO THOUSAND FIVE HUNDRED AND NO/100 DOLLARS ($2,500.00), of which Seven Hundred Twelve and 27/100 Dollars ($712.27) 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

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Acadia 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.

XI

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.

HALCON GULF STATES, 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