

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

HARVEST OIL & GAS, LLC

AI # 155243

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

* **Settlement Tracking No.**
* **SA-AE-12-0008**
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* **Enforcement Tracking No.**
* **AE-PP-08-0279**
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SETTLEMENT

The following Settlement is hereby agreed to between Harvest Oil & Gas, 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 corporation that owns and/or operates a compressor station and tank battery facility located six (6) miles northeast of Venice in Plaquemines Parish, Louisiana (“the Facility”).

II

On September 22, 2010, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. AE-PP-08-0279, which was based upon the following findings of fact:

On or about March 10, 2010, a file review of Grand Bay Tank Battery #12 Facility (Facility) owned and/or operated by Harvest Oil & Gas, 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 six (6) miles northeast of Venice in

Plaquemines Parish, Louisiana. At the time the violations occurred, the facility operated as a component of Grand Bay Compressor Station and Tank Battery #12 Facility (AI# 91751), and operated under Title V Permit No. 2240-00236-V2, issued on or about July 14, 2005. Grand Bay Compressor Station and Tank Battery #12 Facility, (AI# 91751) is owned and operated by the Respondent. The facility currently operates under Standard Oil and Gas Air (SOGA) Permit No. 2240-00380-00, issued on or about August 19, 2008.

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

- A. In correspondence dated November 10, 2006, the Respondent submitted a Title V permit modification application to remove Grand Bay Tank Battery #12 Facility from Title V Permit No. 2240-00236-V2. The facility is outside of the 0.25 mile radius circle from the Grand Bay Compressor Station and Tank Battery #12 Facility location that would allow it to be included in that permit as a contiguous source. Therefore, it must be permitted separately. Title V Permit No. 2240-00236-V3 was issued on or about December 20, 2006, removing the facility from the original permit. At that time, Tank Battery #12 became an unpermitted facility. The failure to obtain a valid permit prior to the operation of any emission source which will, or ultimately may, result in emission of air contaminants is a violation of LAC 33:III.501.C.1, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
- B. The facility became unpermitted on or about December 20, 2006, and operated as an unpermitted facility until SOGA Permit No. 2240-00380-00 was issued on or about August 19, 2008. Operation of any emission source, without a valid permit, which will, or ultimately may, result in emission of 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).

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 FOUR THOUSAND ONE HUNDRED FIFTEEN AND 52/100 DOLLARS (\$4,115.52), of which Five Hundred Three and 32/100 Dollars (\$503.32) 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 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 Plaquemines 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 from the newspaper 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

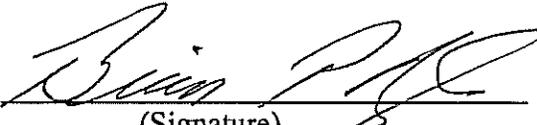
In consideration of the above, any claims for penalties are hereby compromised and settled in accordance with the terms of this Settlement.

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.

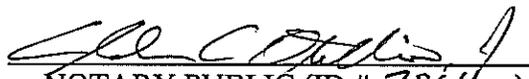
HARVEST OIL & GAS, LLC

BY: 
(Signature)

BRIAN P DAIGLE
(Printed)

TITLE: VP OPERATIONS

THUS DONE AND SIGNED in duplicate original before me this 18th day of October, 20 12, at Covington, LA.


NOTARY PUBLIC (ID # 78611)

E. C. OTILLIO, JR.
139 N. Theard St.
Covington, Louisiana 70433
(stamped or printed)

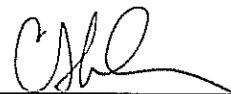
LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Peggy M. Hatch Secretary

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

THUS DONE AND SIGNED in duplicate original before me this 5th day of April, 20 13, at Baton Rouge, Louisiana.


NOTARY PUBLIC (ID # 19181)

Perry Theriot
(stamped or printed)

Approved: 
Cheryl Sonnier Nolan, Assistant Secretary