

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

INDIAN EXPLORATION, INC.

AI # 31833, 162653, 163960

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

* **Settlement Tracking No.**
* **SA-AE-12-0039**
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* **Enforcement Tracking No.**
* **AE-PP-09-0139**
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SETTLEMENT

The following Settlement is hereby agreed to between Indian Exploration, Inc. (“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 oil and gas facilities located northeast of Little Chenier, Cameron Parish, Louisiana, southwest of Maringouin in Iberville Parish, Louisiana, and northeast of Creole in Cameron Parish, Louisiana (“the Facilities”).

II

On May 3, 2010, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. AE-PP-09-0139, which was based upon the following findings of fact:

On or about January 27, 2009, an inspection of Nunez Tank Battery (Facility), (Agency Interest No. 31833) owned and/or operated by Indian Exploration, Inc. (Respondent) was performed to determine the degree of compliance with the Environmental Quality Act (the Act) and the Air Quality Regulations. On or about January 6, 2010, a file review was performed to determine the

degree of compliance with the Act and the Air Quality Regulations. The facility is located off of Little Chenier Road, 6.8 miles northeast of Little Chenier, Cameron Parish, Louisiana. At the time of the violations cited, the facility operated under Air Permit No. 0560-00135-00, issued on or about February 14, 1997. The facility currently operates under Special Oil and Gas Air (SOGA) Permit No. 0560-00135-01, issued on or about June 9, 2009.

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

- A. On or about February 6, 2009, the Department received a Notification of Change of Ownership/Operator or Name Change Form (NOC-1) for the December 12, 1997 purchase of the facility. The Requirement to submit an NOC-1 became effective when LAC 33:I.1900 was promulgated in October 2005. The failure to submit notification within forty-five (45) days from that date is a violation of General Condition XVI, and La. R.S. 30:2057(A)(2).
- B. The Requirement to submit an NOC-1 became effective when LAC 33:I.1900 was promulgated in October 2005. Without submitting the NOC-1, the permit remained in the name of the previous owner. Therefore, the Respondent operated the facility without a valid permit from October 2005 until SOGA Permit 0560-00135-01 was issued on or about June 9, 2009. Operation of any facility, 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, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

The following violations, although not sited in the foregoing enforcement action, are included within the scope of the settlement herein.

On or about May 26, 2010, a file review of Cashio #2 Tank Battery (Facility), (Agency Interest No. 162653) owned and/or operated by Indian Exploration, Inc. (Respondent) was performed to determine the degree of compliance with the Environmental Quality Act (the Act) and the Air Quality Regulations. The facility is located off of Musson Lane, 2.0 miles southwest of Maringouin in Iberville Parish, Louisiana. The facility currently operates under Standard Oil and Gas Air (SOGA) Permit No. 1280-00142-00, issued on or about November 20, 2009 to a prior owner.

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

- A. In correspondence dated March 24, 2010, the Department received a Notification of Change of Ownership/Operator or Name Change Form (NOC-1) for the October 1, 2009 purchase of the facility. The failure to submit notification within forty-five (45) days from the date of purchase is a violation of General Condition XVI, and La. R.S. 30:2057(A)(2).
- B. In correspondence dated March 24, 2010, the Department received a NOC-1 for the October 1, 2009 purchase of the facility. In correspondence dated May 12, 2010, the Department recognized the transfer. Therefore, the Respondent operated the facility without a valid permit from the purchase date of on or about October 1, 2009, until the transfer was recognized on or about May 12, 2010. Operation of any facility, 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).

On or about May 26, 2010, a file review of Boudoin Tank Battery (Facility), (Agency Interest No. 163960) owned and/or operated by Indian Exploration, Inc. (Respondent) was performed to determine the degree of compliance with the Environmental Quality Act (the Act) and the Air Quality Regulations. The facility is located off of Little Chenier Road, 6.0 miles northeast of Creole in Cameron Parish, Louisiana. The facility currently operates under Standard Oil and Gas Air (SOGA) Permit No. 0560-00276-00, issued on or about July 27, 2009.

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

- A. In correspondence dated May 25, 2010, the Department received a NOC-1 for the October 1, 1999 purchase of the facility. The Requirement to submit an NOC-1 became effective when LAC 33:I.1900 was promulgated in October 2005. The failure to submit notification within forty-five (45) days from the date LAC 33:I.1900 became effective is a violation of General Condition XVI, and La. R.S. 30:2057(A)(2).
- B. The Requirement to submit an NOC-1 became effective when LAC 33:I.1900 was promulgated in October 2005. Without submitting the NOC-1, the permit remained in the name of the previous owner. Therefore, the Respondent operated the facility without a valid permit from the October 1, 1999 purchase date until SOGA Permit No. 0560-00276-00 was issued on or

about July 27, 2009. Operation of any facility, 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 TWELVE THOUSAND THREE HUNDRED AND NO/100 DOLLARS (\$12,300.00), of which Three Hundred Ninety-Six and 82/100 Dollars (\$396.82) 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 permit record, 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 Cameron Parish and Iberville 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.

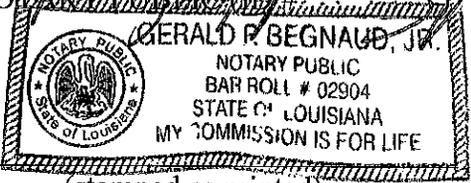
INDIAN EXPLORATION, INC.

BY: B-K-L
(Signature)

BRIAN K. VESEY
(Printed)

TITLE: CEO

THUS DONE AND SIGNED in duplicate original before me this 1ST day of NOVEMBER, 2013, at LAFAYETTE, LA.

Gerald R. Begnaud, Jr.
NOTARY PUBLIC (ID # 19181)

(stamped or printed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Peggy M. Hatch Secretary

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

THUS DONE AND SIGNED in duplicate original before me this 20th day of Feb, 2014, at Baton Rouge, Louisiana.

Perry Theriot
NOTARY PUBLIC (ID # 19181)

Perry Theriot
(stamped or printed)

Approved: Cshl
Cheryl Sonnier Nolan, Assistant Secretary