

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

MARLIN MIDSTREAM, LLC

AI # 163786

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

\* Settlement Tracking No.  
\* SA-AE-12-0009  
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\* Enforcement Tracking No.  
\* AE-CN-10-01013  
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SETTLEMENT

The following Settlement is hereby agreed to between Marlin Midstream, 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 natural gas treatment facility located southeast of Bethany in Caddo Parish, Louisiana (“the Facility”).

II

On June 7, 2011, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. AE-CN-10-01013, which was based upon the following findings of fact:

The Respondent owns and/or operates Stateline Treater Station (the facility), a natural gas treatment facility located 1.8 miles southeast of Bethany in Caddo Parish, Louisiana. At the time the violations occurred, the facility operated without an air permit. The facility currently operates under Air Permit No. 0500-00322-00, issued on or about November 22, 2010.

On or about May 1, 2011, a file review of the facility was performed to determine the degree of compliance with the Act and the Air Quality Regulations.

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

- A. In correspondence dated March 13, 2009, the Respondent submitted an initial minor air source application. In correspondence dated December 9, 2009, the Department requested additional information to complete the application. In the correspondence dated December 9, 2009, the Department requested a response no later than January 15, 2010. In correspondence dated August 16, 2010, the Respondent replied to the Department's December 9, 2009 request, a period of seven months after the requested reply date. The failure to respond to the Department within the requested time is a violation of LAC 33:III.519.B.2 and La. R.S. 30:2057(A)(2).
- B. In correspondence dated March 13, 2009, the Respondent submitted an initial minor air source application. In correspondence dated August 2, 2010, the Respondent verified that the facility began operation on or about May 17, 2009. The failure to obtain an air permit prior to putting any facility into operation which will, or ultimately may, result in emission of air contaminants, is a violation of LAC 33:III.501.C.1 and La. R.S. 30:2057(A)(2).
- C. In correspondence dated August 2, 2010, the Respondent verified that the facility was put in service on or about May 17, 2009. Therefore, the facility operated without a valid air permit from on or about May 17, 2009 until Air Permit No. 00500-00322-00 was issued on or about November 22, 2010. Operation of any facility, without an air 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 TWO THOUSAND AND NO/100 DOLLARS (\$2,000.00), of which Four Hundred

Eighty-Nine and 93/100 Dollars (\$489.93) 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 Caddo 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.

MARLIN MIDSTREAM, LLC

BY: [Signature]  
(Signature)

Charles Rozorey  
(Printed)

TITLE: Senior Vice President and CFO

THUS DONE AND SIGNED in duplicate original before me this 23<sup>rd</sup> day of October, 20 12, at 10:40am.



[Signature]  
NOTARY PUBLIC (ID # 12803939)

Theresa L Olsen  
(stamped or printed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY  
Peggy M. Hatch Secretary

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

THUS DONE AND SIGNED in duplicate original before me this 13<sup>th</sup> day of Feb, 20 13, at Baton Rouge, Louisiana.

[Signature]  
NOTARY PUBLIC (ID # 19181)

Perry Theriot  
(stamped or printed)

Approved: [Signature]  
Cheryl Sonnier Nolan, Assistant Secretary