

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

THE MERIDIAN RESOURCE &  
EXPLORATION LLC

AI # 128026

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

\* Settlement Tracking No.  
\* SA-AE-10-0037  
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\* Enforcement Tracking No.  
\* AE-PP-09-0688  
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SETTLEMENT

The following Settlement is hereby agreed to between Alta Mesa Services, LP, as successor by merger to The Meridian Resource & Exploration LLC, (collectively, "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

In May 2010 Alta Mesa Services, LP merged with The Meridian Resources & Exploration LLC, with the merged entity operating under the name Alta Mesa Services, LP.

II

Respondent, a limited partnership, is a successor by merger to a limited liability company that owned and/or operated an oil and gas production facility referred to as the Delacroix Production Facility, located 16.9 miles southeast of Belle Chasse in Plaquemines Parish, Louisiana ("the Facility").

III

On or about October 1, 2010, Respondent sold the Facility to another operator; consequently,

Respondent no longer has any operating or ownership interest in the Facility.

IV

On March 8, 2010, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. AE-PP-09-0688, which was based upon the following findings of fact:

On or about December 8, 2009, a file review of the Facility, owned and/or operated by The Meridian Resource & Exploration LLC at the time, 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 16.9 miles southeast of Belle Chase in Plaquemines Parish, Louisiana. Respondent operated the Facility under Air Permit No. 2240-00397-00, issued on November 2, 2009.

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

- A. The Respondent sent an email on December 8, 2009, stating that the additional equipment was operational at the facility in April 2007. The Respondent's failure to submit a timely and complete permit application to the Department prior to construction, reconstruction, or modification of the facility is a violation of LAC 33:III.501.C.1 and La. R.S. 30:2057(A)(2).
- B. The Respondent sent an email on December 8, 2009, stating that the additional equipment was operational at the facility in April 2007. The Respondent failed to submit a permit application and receive approval from the permitting authority prior to operation of the facility. Operating the facility between April 2007 and November 2, 2009, without an air permit is a violation of LAC 33:III.501.C.2 and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

V

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

VI

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

SIX THOUSAND TWO HUNDRED SEVENTY AND NO/100 DOLLARS (\$6,270.00), of which Two Hundred Seven and 46/100 Dollars (\$207.46) 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).

## VII

Respondent further agrees that the Department may consider the file review 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.

## VIII

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.

## IX

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 LSA- R. S. 30:2025(E) of the Act.

X

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 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.

XI

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).

XII

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

XIII

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.

ALTA MESA SERVICES, LP,  
AS SUCCESSOR BY MERGER TO  
THE MERIDIAN RESOURCE &  
EXPLORATION LLC

BY: \_\_\_\_\_

*[Handwritten Signature]*

(Signature)

Dale BreauX

(Print)

TITLE: Vice President - Operations

THUS DONE AND SIGNED in duplicate original before me this 31st day of August, 20 11, at Houston TX.

*[Handwritten Signature]*

NOTARY PUBLIC (ID #001348)15-1



(stamped or printed)

LOUISIANA DEPARTMENT OF  
ENVIRONMENTAL QUALITY

Peggy M. Hatch, Secretary

BY: \_\_\_\_\_

*[Handwritten Signature]*

Cheryl Sonnier Nolan, Assistant Secretary  
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 9th day of December, 20 11, at Baton Rouge, Louisiana.

*[Handwritten Signature]*

NOTARY PUBLIC (ID # 20590)

Bar Roll #

The Commission

Melina King

(stamped or printed)

Preliminary Approval: \_\_\_\_\_

*[Handwritten Signature]*

Cheryl Sonnier Nolan, Assistant Secretary