

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

PETROLEUM RESOURCE MANAGEMENT
COMPANY OF TEXAS

AI # 117632

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

* Settlement Tracking No.
* SA-AE-13-0018
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* Enforcement Tracking No.
* AE-CN-09-0124
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SETTLEMENT

The following Settlement is hereby agreed to between Petroleum Resource Management Company of Texas (“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 the Marie E. Poole #3 Production Facility, an oil and gas production facility. The facility is located approximately 2.2 miles southeast of Hackberry in Cameron Parish, Louisiana (“the Facility”).

II

On July 23, 2009, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, which was based upon the following findings of fact:

On or about February 19, 2009, an inspection of the Respondent’s facility was performed to determine the degree of compliance with the Act and Air Quality Regulations.

While the Department’s investigation is not yet complete, the following violations were noted during the course of the inspection:

- A. At the time of the inspection, the inspector noted that the facility’s emissions inventory was not consistent with the emissions inventory listed on the

facility's SOGA Permit Application dated September 25, 2003. The inspector noted that Emission Point Nos. (EPNs) EQT-1 (Heater Treater- Poole Well) and EQT-2 (Heater Treater – Taylor Well) were removed from the facility. The inspector also noted that two (2) oil storage tanks were no longer in use. According to the Respondent's representative, a gun barrel tank was installed at the facility in June 2008. The Respondent's failure to submit an updated Emission Point List, Emissions Inventory Questionnaire (EIQ), emissions calculations, and certification statement to the Department within seven (7) calendar days after effecting each of the modifications to the facility is a violation of Section V of SOGA Permit No. 0560-00208-00, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

- B. At the time of the inspection, the inspector noted that the facility's emissions inventory was not consistent with the emissions inventory listed on the facility's SOGA Permit Application dated September 25, 2003. According to the Respondent's representative, a gun barrel tank was installed at the facility in June 2008. The Respondent's failure to obtain approval from the permitting authority prior to operation of the gun barrel tank 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 ONE THOUSAND TWO HUNDRED FIFTY AND NO/DOLLARS (\$1,250.00), of which One Hundred Eighty and 83/Dollars (\$180.83) 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 Consolidated Compliance Order & 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, 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 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.

**PETROLEUM RESOURCE MANAGEMENT
COMPANY OF TEXAS**

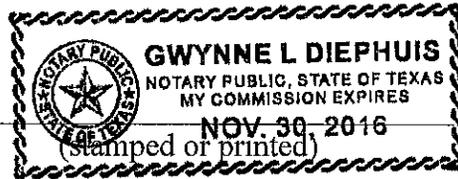
BY: *T. Weckle*
(Signature)

Timothy R. Weckle
(Printed)

TITLE: President

THUS DONE AND SIGNED in duplicate original before me this 29th day of August, 2013, at Houston, TEXAS.

Gwynne L. Diephuis
NOTARY PUBLIC (ID # _____)



**LOUISIANA DEPARTMENT OF
ENVIRONMENTAL QUALITY**
Peggy M. Hatch, Secretary

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

THUS DONE AND SIGNED in duplicate original before me this 28th day of October, 2013, at Baton Rouge, Louisiana.

Jed K. Boyles, II
NOTARY PUBLIC (ID # 40539)

Jed K. Boyles, II
(stamped or printed)

Approved: *CSN*
Cheryl Sonnier Nolan, Assistant Secretary