STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	**Settlement Tracking No.**
	*	**SA-AE-13-0035**
PRUET PRODUCTION CO.	*	
	*	**Enforcement Tracking No.**
AI # 163536, 173762, 173767, 173768,	*	**AE-PP-12-00563**
173769, 173771, 173772, 173775, 173776	*	
173777	*	
	*	
PROCEEDINGS UNDER THE LOUISIANA	*	
ENVIRONMENTAL QUALITY ACT	*	
LA. R.S. 30:2001, ET SEQ.	*	

SETTLEMENT

The following Settlement is hereby agreed to between Pruet Production Co. ("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 several facilities located in Lincoln and Union Parishes, Louisiana ("the Facilities") as further described in this Settlement.

II

On January 23, 2013, the Department issued to Respondent a Notice of Potential Penalty (NOPP), Enforcement No. AE-PP-12-00563, which was based upon the following findings of fact:

On or about June 7, 2012, a file review of the facilities listed in Table 1, owned and/or operated by **PRUET PRODUCTION CO. (RESPONDENT)**, was performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Air Quality Regulations.

Table 1.

AI No.	Facility Name	Physical Location	Current Operating Permit and Issuance Date
163536	Campbell 8-15 #1	Off Highway 823, East of Dubach in Lincoln Parish, Louisiana	1720-00345-00 issued on July 14, 2010
173762	Revels 23-6 #1	On Miller Hill Road in Farmerville, Union Parish, Louisiana	2920-00044-00 issued on February 7, 2011
173767	Gresham #1	On Gaskin Road in Dubach, Lincoln Parish, Louisiana	1720-00355-00 issued on February 14, 2011
173768	Woodall Common Point	In Farmerville, Union Parish, Louisiana	2920-00046-00 issued on January 19, 2011
173769	Campbell #1	On Annie Lee Street in Dubach, Lincoln Parish, Louisiana	1720-00356-00 issued on January 27, 2011
173771	Foster 22-13 No. 1	In Farmerville, Union Parish, Louisiana	2920-00048-00 issued on March 14, 2011
173772	Roberts #1-Alt	In Farmerville, Union Parish, Louisiana	2920-00049-00 issued on February 14, 2011
173775	Carey 34-7 No. 1	In D'Arbonne, Union Parish, Louisiana	2920-00050-00 issued on March 31, 2011
173776	Hartwick #1	In Farmerville, Union Parish, Louisiana	2920-00051-00 issued on February 7, 2011
173777	Dillard #1-Alt	In Farmerville, Union Parish, Louisiana	2920-00052-00 issued on January 19, 2011

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

A. The Respondent assumed ownership of the facilities listed in Table 2 on September 23, 2011, and failed to submit a complete Name/Ownership/Operator Change Form (NOC-1 Form) to the Department within 45 days after the change of ownership. Each NOC-1 Form should have been submitted by November 7, 2011.

Table 2.

AI No.	Facility Name	Postmarked Date on NOC-1
163536	Campbell 8-15	March 23, 2012
173762	Revels 23-6 #1	March 23, 2012, and a corrected copy on April 18, 2012
173767	Gresham #1	March 23, 2012
173768	Woodall Common Point	March 23, 2012
173769	Campbell #1	March 23, 2012
173771	Foster 22-13 No. 1	March 23, 2012
173772	Roberts #1-Alt	March 23, 2012
173775	Carey 34-7 No. 1	March 23, 2012
173776	Hartwick #1	March 23, 2012
173777	Dillard #1- Alt	March 23, 2012

Each NOC-1 Form should have been submitted by November 7, 2011. Each failure to submit the NOC-1 Form within the required timeframe is a violation of LAC 33:I.1907.B, LAC 33:III.517.G, and La. R.S. 30:2057(A)(2).

B. The Respondent operated each facility listed in Table 2 prior to receiving authorization from the Department. Specifically, the Respondent assumed ownership of the facilities listed in Table 2 on September 23, 2011, and each facility's air permit was transferred on April 20, 2012. The unauthorized operation of each facility 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 TEN THOUSAND AND NO/DOLLARS ($10,000.00), of which Two Hundred Seventy-One and

64/100 ($271.64) 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 Lincoln and Union Parishes, 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 of each affected parish 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.

PRUET PRODUCTION CO.

BY: _____
(Signature)

_____
(Printed)

TITLE: _____

THUS DONE AND SIGNED in duplicate original before me this _____ day of _____, 20 _____, at _____.

_____
NOTARY PUBLIC (ID #_____)

_____
(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 _____ day of _____, 20_____, at Baton Rouge, Louisiana.

_____
NOTARY PUBLIC (ID # _____)

_____
(stamped or printed)

Approved: _____
Cheryl Sonnier Nolan, Assistant Secretary