

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

F. W. RABALAIS, INC.

AI # 117810

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

\* Settlement Tracking No.  
\* SA-AE-13-0055  
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\* Enforcement Tracking No.  
\* AE-CN-08-0169  
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SETTLEMENT

The following Settlement is hereby agreed to between F. W. Rabalais, 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 a oil and gas production facility located in Point Coupee Parish, Louisiana (“the Facility”).

II

On March 5, 2009, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-08-0169, which was based upon the following findings of fact:

The Respondent owns and/or operates the Raccourci Island Production Facility, an oil and gas production site. The facility is located on Louisiana Highway 418 North near Innis, Point Coupee Parish, Louisiana. The facility has been in production since 1980. The facility has an amine unit, glycol dehydrator unit, and other common oil and gas production equipment such as tanks, heater treater, line heaters, etc. This facility currently does not operate under an air permit.

On or about July 21, 2008, an inspection of the Respondent's facility was performed to determine the degree of compliance with the Act and the Air Quality Regulations. On or about November 6, 2008, a file review of this facility was conducted to determine the degree of compliance with the Act and the Air Quality Regulations.

While the Department's investigation is not yet complete, the following violations were noted during the course of the inspection and file review:

- A. The facility has been in production since 1980. The Respondent failed to submit a permit application prior to construction, reconstruction or modification of the facility. This is a violation of LAC 33:III.501.C.1 and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- B. The facility has been in production since 1980. The Respondent failed to submit a permit application and receive approval from the permitting authority prior to construction, modification, or operation of a facility which ultimately may result in an initiation or increase in air contaminants. This is a violation of LAC 33:III.501.C.2 and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- C. During the course of the inspection, the inspector noted a closed oil tank hatch having visible emissions from it possibly caused by a deteriorated gasket. This is a violation of LAC 33:III.2113.A and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- D. During the course of the inspection, the inspector noted a glycol fluid leak coming from a pipe near the contact tower. This is a violation of LAC 33:III.2113.A and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- E. During the course of the inspection, the inspector noted the facility's glycol dehydration unit is subject to 40 CFR 63 Subpart HH - National Emission Standards for Hazardous Air Pollutants from Oil and Natural Gas Production Facilities. The Respondent's failure to keep records specified in 40 CFR 63.774(d)(1)(i) or 40 CFR 63.774(d)(1)(ii) is violation of 40 CFR 63.774(d)(1) and La. R.S. 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 TWENTY FOUR THOUSAND EIGHT HUNDRED FIFTY-THREE AND 72/100 DOLLARS (\$24,853.72), of which Two Hundred Eighty-Nine and 83/100 Dollars (\$289.83) 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 Point Coupee 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.

F. W. RABALAIS, INC.

BY: [Signature]  
(Signature)

F. W. Rabalais  
(Printed)

TITLE: President

THUS DONE AND SIGNED in duplicate original before me this 22 day of October, 20 13, at Fort Worth, Texas.



(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 20th day of Dec, 20 13, at Baton Rouge, Louisiana.

[Signature]  
NOTARY PUBLIC (ID # 19181)

Perry Theriot  
(stamped or printed)

Approved: [Signature]  
Cheryl Sonnier Nolan, Assistant Secretary