

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

REGENCY FIELD SERVICES, L.L.C.

AI # 39832

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

* Settlement Tracking No.
* SA-AE-09-0075
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* Enforcement Tracking No.
* AE-PP-09-0281
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SETTLEMENT

The following Settlement is hereby agreed to between Regency Field Services, L.L.C. (“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 processing facility located three (3) and a half miles south of Lisbon in Claiborne Parish, Louisiana (“the Facility”).

II

On June 26, 2009, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. AE-PP-09-0281, which was based upon the following findings of fact:

On or about May 21, 2009, a file review of New Central Compressor Station, owned and/or operated by Regency Field Services, L.L.C. (Respondent), 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 three (3) and a half miles south of Lisbon in Claiborne Parish, Louisiana. The facility operates under Air Permit No. 0620-00144-00, issued on August 3, 1999.

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

In the Respondent's 2007 and 2008 annual condensate throughput reports dated February 12, 2008, and February 13, 2009, respectively, the Respondent reported the following condensate throughput totals:

Calendar Year	Annual Condensate Throughput (barrels)
2007	20,673.34
2008	18,739.22

According to Specific Condition No. 3 of the facility's air permit, the condensate throughput shall be limited to no more than 18,250 barrels per year. Each exceedance of a permit limit is a violation of Specific Condition No. 3 of Air Permit No. 0620-00144-00, LAC 33:III.501.C.4, 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 TWO THOUSAND AND NO/100 DOLLARS (\$2,000.00), of which One Hundred Seventy-One and 88/100 Dollars (\$171.88) 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 Respondent's annual condensate throughput reports, 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 LSA- 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 Claiborne 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.

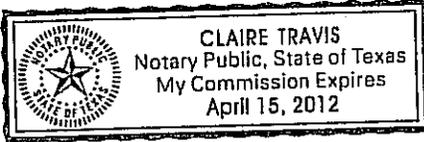
REGENCY FIELD SERVICES, L.L.C.

BY: *Paul M. Folas*
(Signature)

Paul M. Folas
(Print)

TITLE: Vice President

THIS DONE AND SIGNED in duplicate original before me this 7th day of January, 2011, at Dallas, TX.



Claire Travis
NOTARY PUBLIC (ID # N/A)

Claire Travis
(Print)

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

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

THIS DONE AND SIGNED in duplicate original before me this 5th day of May, 2011, at Baton Rouge, Louisiana.

Dulana King
NOTARY PUBLIC (ID # 33199)
Bar No. 20592 Life Commission

Dulana King
(Print)

Approved: *Beau James Brock*
Beau James Brock, Assistant Secretary