

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	Settlement Tracking No.
	*	SA-AE-11-0052
RENAISSANCE PETROLEUM CO., LLC	*	
	*	Enforcement Tracking No.
AI # 33017, 165592	*	AE-PP-10-00572
	*	
PROCEEDINGS UNDER THE LOUISIANA	*	
ENVIRONMENTAL QUALITY ACT	*	
LA. R.S. 30:2001, <u>ET SEQ.</u>	*	

SETTLEMENT

The following Settlement is hereby agreed to between Renaissance Petroleum Co., LLC (“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 petroleum production facilities located Southwest of Houma, Terrebonne Parish, Louisiana.

II

On November 19, 2010, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. AE-PP-10-00572, which was based upon the following findings of fact:

On or about May 20, 2010, a file review of Four League Bay Production Facility (Agency Interest No. 33017), owned and/or operated by Renaissance Petroleum Co., LLC (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 31 miles Southwest of Houma, Terrebonne Parish, Louisiana. The facility currently operates under Air Permit No. 2880-00081-03,

issued on or about August 23, 2010. The facility formerly operated under Air Permit No. 2880-00081-02, rescinded by the Department on or about January 15, 2008 at the request of a former owner. The facility was purchased by the Respondent on or about June 1, 2007. The Respondent submitted an application for a Minor Source Permit on or about May 9, 2010.

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

- A. In correspondence dated June 3, 2010, the Respondent stated that the facility was purchased on or about June 1, 2007. In correspondence dated June 9, 2010, the Respondent submitted an initial application for a Minor Source Air Permit. The failure to apply for an air permit prior to construction of a facility which contains any emission source which will, or ultimately may, result in emission of air contaminants is a violation of LAC 33:III.501.C.1, and La. R.S. 30:2057(A)(2).
- B. Air Permit No. 2880-00081-02 was rescinded by the Department on or about January 15, 2008. Air Permit No. 2880-00081-03 was issued on or about August 23, 2010. Therefore, the Respondent operated the facility without a permit from on or about June 1, 2007 until on or about August 23, 2010. Operation, without an air permit, of any facility containing sources which will, or ultimately may, result in emission of air contaminants is a violation of LAC 33:III.501.C.2, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

On or about February 18, 2009, an inspection of Lirette #1 Production Facility (Agency Interest No. 165592) was performed to determine the degree of compliance with the Act and the Air Quality Regulations. At the time of the inspection, the facility was owned and/or operated by Renaissance Petroleum Co., LLC (Respondent). On or about May 20, 2010, a file review of the facility was performed to determine the degree of compliance with the Act and the Air Quality Regulations. The facility is located 12.4 miles Southeast of Houma, Terrebonne Parish, Louisiana. At the time of the inspection, the facility was operating without an air permit. The Respondent operated the facility under Air Permit No. 2880-00410-00, issued on or about August 20, 2009, until it was sold to Mannon L. Walters on or about April 1, 2010.

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

- A. In correspondence dated June 3, 2010, the Respondent stated that the facility began operation on or about September 1, 2004. In correspondence dated June 24, 2009, the Respondent submitted an initial application for a Minor Source Air Permit. Air Permit No. 2880-00410-00 was issued on or about August 20, 2009. The failure to submit an air permit application prior to construction of any emission source which will, or ultimately may, result in emission of air contaminants is a violation of LAC 33:III.501.C.1, and La. R.S. 30:2057(A)(2).

- B. In correspondence dated June 3, 2010, the Respondent stated that the facility began operation on or about September 1, 2004. Air Permit No. 2880-00410-00 was issued on or about August 20, 2009. The facility operated from on or about September 1, 2004 until on or about August 20, 2009 without an air permit. Operation, without an air permit, of any facility containing sources which will, or ultimately may, result in emission of air contaminants 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 is liable for any fines, forfeitures and/or penalties.

IV

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 TWELVE THOUSAND AND NO/100 DOLLARS (\$12,000), of which Three Hundred Forty-Four and 13/100 Dollars (\$344.13) 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 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 Terrebonne 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.

RENAISSANCE PETROLEUM CO., LLC

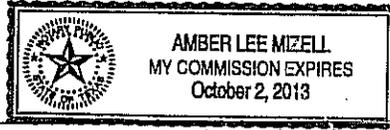
BY: [Signature]
(Signature)

Frank C. Turner II
(Printed)

TITLE: Vice-President

THUS DONE AND SIGNED in duplicate original before me this 31st day of January, 20 12, at Houston, Texas.

[Signature]
NOTARY PUBLIC (ID # _____)



(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 21 day of March, 20 12, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 32590)
Bar Roll #

Life Commission
Dakota King
(stamped or printed)

Approved: [Signature]
Cheryl Sonnier Nolan, Assistant Secretary