STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	**Settlement Tracking No.**
	*	**SA-AE-07-0003**
VENTURES LEASE COMPANY, LLC	*	
	*	
AI # 85652	*	**Enforcement Tracking No.**
	*	**AE-CN-05-0118**
PROCEEDINGS UNDER THE LOUISIANA ENVIRONMENTAL QUALITY ACT LA. R.S. 30:2001, ET SEQ.	*	

SETTLEMENT

The following Settlement is hereby agreed to between Ventures Lease Company, 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 corporation who formally owned and/or operated a cogeneration plant facility located at 21225 Louisiana Highway 1 in Plaquemine, Iberville Parish, Louisiana ("the Facility").

II

On February 17, 2006, the Department issued to Respondent a Consolidated Compliance Order and Notice of Potential Penalty, Enforcement No. AE-CN-05-0118, which was based upon the following findings of fact:

At this time, the Respondent owned and/or operated the Plaquemine Cogeneration Plant, located at 21225 Louisiana Highway 1 in Plaquemine, Iberville Parish, Louisiana. The plant cogenerates steam and electricity under conditions specified in Air Permit Number 1280-00096-VO.

On December 21, 2004, and March 31, 2005, inspections of the Respondent's cogeneration plant were made to determine the degree of compliance with the Act and the Air Quality Regulations.

The following violations were noted during the course of the inspections:

A. The Respondent exceeded permitted emission limits of nitrogen oxides during the periods of 2003 and 2004. The Respondent indicated in the 2003 Title V Annual Compliance Certification report a total duration of excess emissions for the Units 500, 600, 700, and 800 of 101 hours. The Respondent indicated in the 40 CFR Part 60 Excess Emissions Report for the 1st quarter of 2004 a total duration of 95 hours for the Units 500, 600, 700, and 800. The Respondent indicated in the 40 CFR Part 60 Excess Emissions Report for the 2nd quarter of 2004 a total duration of 26 hours for the Units 500, 600, 700, and 800. The Respondent indicated in the 40 CFR Part 60 Excess Emissions Report or the 3rd quarter of 2004 a total duration of 17 hours for the Units 500, 600, 700, and 800. The Respondent indicated in the 40 CFR Part 60 Excess Emissions Report for the 4th quarter of 2004 a total duration of 11 hours for the Units 500, 600, 700, and 800. Each exceedance is a violation of State Only General Condition III of Title V Permit Number 1280-00096-VO, LAC 33:III.501.C.4 and Section 2057(A)(2) of the Act.

B. The Respondent failed to establish written procedures to maintain the ongoing integrity of pressure vessels, storage tanks and piping, including vaporizer skid, ammonia tank and ammonia piping. This is a violation of 40 CFR 68.73(b) as incorporated by reference in LAC 33:III.5901.A, and Section 2057(A)(2) of the Act. The violation was addressed on September 15, 2005.

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 TWELVE THOUSAND AND NO/100 DOLLARS ($12,000.00) of which Four Hundred Twenty-Eight and 16/100 Dollars ($428.16) represents DEQ'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 DEQ 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 and Notice of Potential Penalty, any responses made by Respondent, 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 Iberville 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 a proof-of-publication affidavit 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.

VENTURES LEASE COMPANY, LLC

BY: B.X. Tierney
(Signature)

B.X. Tierney
(Print)

TITLE: President

THUS DONE AND SIGNED in duplicate original before me this 17th day of September, 20 07, at 8:30 am.

NOTARIAL SEAL STATE OF OHIO

DONNA J. STEPHENS
Notary Public, State of Ohio
My Commission Expires 01-04-09

Donna J. Stephens
NOTARY PUBLIC (ID # —)

Donna J. Stephens
(Print)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Mike D. McDaniel, Ph.D., Secretary

BY: Harold Leggett
Harold Leggett, Ph.D., Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 20th day of September, 20 07, at Baton Rouge, Louisiana.

NOTARY PUBLIC (ID # 20456)

Ted R. Breyler, II
(Print)

Approved: Harold Leggett
Harold Leggett, Ph.D., Assistant Secretary