

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

WESTPORT OIL AND GAS COMPANY, L. P.
AI # 125186

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Enforcement Tracking No.
WE-CN-04-1183

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

SETTLEMENT

The following Settlement is hereby agreed to between Westport Oil and Gas Company, L. P. ("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 partnership which owns and/or operates WRC Brown #1 Well which is an oil and gas exploration, development, and production facility known as the Phoenix Lake Project, located approximately six (6) miles southwest of Toomey, Calcasieu Parish, Louisiana ("the Facility").

II

On November 24, 2004, the Department issued a Consolidated Compliance Order and Notice of Potential Penalty, Enforcement Tracking No. WE-CN-04-1183, to Respondent, which was based upon the following findings of fact:

An LPDES permit application was received by the Department on or about October 4, 2004. The Respondent submitted a letter to the Enforcement Division on or about October 15, 2004, and a revised letter on or about November 8, 2004, requesting injunctive relief until a final LPDES permit is issued by the Department. The Respondent does not have a LPDES permit or other authority to discharge wastes and/or other substances to waters of the state.

The Respondent submitted documentation to the Department on or about October 15, 2004, stating that discharges of sanitary wastewaters occurred into the Sabine River, waters of the state. The unauthorized discharges of sanitary wastewaters occurred from October 6, 2004 until October 15, 2004. The unauthorized discharges of sanitary wastewaters into the Sabine River is in violation of La. R.S. 30:2075, La. R.S. 30:2076(A)(1)(a), La. R.S. 30:2076(A)(3), LAC 33:IX.501.A, LAC 33:IX.501.C, and LAC 33:IX.2311.A.1.

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 SIX THOUSAND AND NO/100 DOLLARS (\$6,000.00) of which Two Hundred and No/100 Dollars (\$200.00) represents DEQ's enforcement costs, in settlement of the claims set forth in this agreement.

V

Respondent further agrees that the Department may consider the inspection report(s), the Consolidated Compliance Order and 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 Calcasieu 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 Darryl Serio, Office of Management and Finance, 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/her respective party, and to legally bind such party to its terms and conditions.

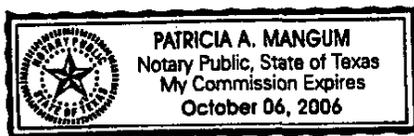
WESTPORT GAS AND OIL COMPANY, L.P.

BY: Tom Freest
(Signature)

TOM FREEST
(Printed or Typed)

TITLE: ATTORNEY-IN-FACT

THUS DONE AND SIGNED in duplicate original before me this 18 day of March, 2005, at Houston, TX.



Patricia A. Mangum
NOTARY PUBLIC (ID #

Patricia A. Mangum
(Printed or Typed)

STATE OF LOUISIANA
Mike D. McDaniel, Ph.D., Secretary
Department of Environmental Quality

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

THUS DONE AND SIGNED in duplicate original before me this 15th day of June, 2005, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 21623)

C. Allen Kirkpatrick
(Printed or Typed)

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

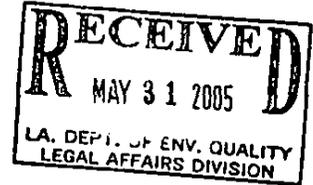


CHARLES C. FOTI, JR.
ATTORNEY GENERAL

State of Louisiana
DEPARTMENT OF JUSTICE
P.O. BOX 94005
BATON ROUGE
70804-9005

May 23, 2005

Mr. Herman Robinson, Executive Counsel
La. Department of Environmental Quality
Legal Affairs Division
P.O. Box 4302
Baton Rouge, LA 70821-4302



Re: AG Review of DEQ Settlement;
Westport Oil and Gas Company, L.P.
WE-CN-04-1183

Dear Mr. Robinson:

Pursuant to the authority granted to me by Art. IV, Sec. 8 of the state constitution and R.S. 30:2050.7(E)(2)(a), I approve the above referenced settlement.

Sincerely,

By: 
CHARLES C. FOTI, JR.
Attorney General

CCF/mlc