

**STATE OF LOUISIANA**

**DEPARTMENT OF ENVIRONMENTAL QUALITY**

**IN THE MATTER OF:**

\* **Settlement Tracking No.**  
\* **SA-AE-10-0008**

**WICHITA RIVER OIL CORPORATION**

\*  
\* **Enforcement Tracking Nos.**

**AI # 155144**

\* **AE-PP-08-0074**

**AI # 155148**

\* **AE-PP-08-0082**

**AI #s 155141, 155147, 155149**

\* **AE-PP-08-0099**  
\*  
\*

**PROCEEDINGS UNDER THE LOUISIANA  
ENVIRONMENTAL QUALITY ACT**

\*  
\*  
\*

**LA. R.S. 30:2001, ET SEQ.**

**SETTLEMENT**

The following Settlement is hereby agreed to between Wichita River Oil Corporation (“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 several natural gas collection, storage and transfer facilities located in Iberville Parish, Louisiana (“the Facilities”).

**II.**

On July 16, 2008, the Department issued to Respondent a Notice of Potential Penalty (NOPP) Enforcement Tracking No. AE-PP-08-0082, which was based upon the following findings of fact:

On or about May 20, 2008, a file review of Gueymard No. 2 Tank Battery; St. Gabriel Field, Agency Interest No. (AI #)155148, owned and/or operated by Wichita River Oil Corporation, 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 at or near Louisiana Highway 74 East 2.9 miles to Shell Oil Field in St. Gabriel, Iberville Parish, Louisiana.

The following violation was noted during the course of the file review:

On or about December 7, 2007, the Respondent submitted an application for a Standard Oil and Gas Air Permit. In the application the Respondent stated that they took over the facility on January 1, 1992. The Department issued Standard Oil and Gas Air Permit No. 1280-00134-00 to the Respondent on April 22, 2008. No construction, modification, or operation of a facility which ultimately may result in an initiation or increase in emission of air contaminants shall commence until approval has been issued by the permitting authority. The Respondent's failure to obtain approval from the permitting authority prior to construction and/or operation of the facility is a violation of LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

On November 5, 2008, the Department issued to Respondent a Notice of Potential Penalty (NOPP), Enforcement Tracking No. AE-PP-08-0074, which was based upon the following findings of fact:

On or about July 14, 2008, a file review of HH Gueymard & Natalbany Commingling Tank Battery, (AI# 155144), owned and/or operated by Wichita River Oil Corporation 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 on Shell Oil Field Road, approximately four miles northeast of St. Gabriel in Iberville Parish, Louisiana.

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

- A. The Respondent owns and/or operates HH Gueymard & Natalbany Commingling Tank Battery, a natural gas collection, storage and transfer facility (the facility). The Respondent purchased and began operation of the facility on or about June 1, 1998. The Respondent submitted an application on or about December 6, 2007, for a Standard Oil and Gas Air (SOGA) permit. The failure to apply for a permit prior to beginning operation of the facility is a violation of LAC 33:III.501.C.1, and La. R.S. 30:2057(A)(2).

- B. SOGA Permit No. 1280-00132-00 was issued on or about March 18, 2008. Therefore, the facility operated approximately from June 1, 1998 until March 18, 2008, a period of nine (9) years and nine (9) months, without a permit. Operating, without a permit, any facility which ultimately may result in an initiation or increase in emission of air contaminants is a violation of LAC 33:III.501.C.2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

On May 22, 2009, the Department issued to Respondent a Notice of Potential Penalty (NOPP) Enforcement Tracking No. AE-PP-08-0099, which was based upon the following findings of fact:

On or about February 11, 2009, a file review of St. Gabriel Compressor Dehydration Refrigeration Facility (AI# 155141), owned and/or operated by Wichita River Oil Corporation, 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 on Shell Oil Field Road, approximately three and one-half miles northeast of St. Gabriel in Iberville Parish, Louisiana. The facility currently operates under Air Permit No. 1280-00131-00, issued on or about August 8, 2008.

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

- A. The Respondent purchased and began operation of the facility on or about June 1, 1998. The Respondent submitted an application on or about December 3, 2007, for an Air Permit. The failure to apply for a permit prior to beginning operation of the facility is a violation of LAC 33:III.501.C.1, and La. R.S. 30:2057(A)(2).
- B. Air Permit No. 1280-00131-00 was issued on or about August 8, 2008. Therefore, the facility operated approximately from June 1, 1998 until August 8, 2008, a period of ten (10) years and two (2) months without a permit. Operating, without a permit, any facility which ultimately may result in an initiation or increase in emission of air contaminants is a violation of LAC 33:III.501.C.2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

On or about February 11, 2009, a file review of Natalbany LBR, Co. B No. 5 & No. 1 Tank Battery (AI# 155149), owned and/or operated by Wichita River Oil Corporation, 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 on Shell Oil Field Road, approximately three miles northeast of St. Gabriel in Iberville Parish, Louisiana. The facility currently operates under Standard Oil and Gas Air (SOGA) permit No. 1280-00135-00, issued on or about May 12, 2008.

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

- A. The Respondent purchased and began operation of the facility on or about June 1, 1998. The Respondent submitted an application on or about December 3, 2007, for a SOGA Permit. The failure to apply for a permit prior to beginning operation of the facility is a violation of LAC 33:III.501.C.1, and La. R.S. 30:2057(A)(2).
- B. SOGA Permit No. 1280-00135-00 was issued on or about May 12, 2008. Therefore, the facility operated approximately from June 1, 1998 until May 12, 2008, a period of ten (10) years, without a permit. Operating, without a permit, any facility which ultimately may result in an initiation or increase in emission of air contaminants is a violation of LAC 33:III.501.C.2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

The following violations, although not cited in any enforcement action issued to the Respondent, are included herein and made a part of this settlement agreement.

Respondent owns and/or operates Natalbany LBR Co B SWD #13 Facility (AI# 155147), a natural gas collection, storage and transfer facility located on Shell Oil Field Road, approximately three (3) miles northeast of St. Gabriel in Iberville Parish, Louisiana ("the Facility").

On May 22, 2009, a file review of the facility revealed the following findings of fact:

- A. The Respondent purchased and began operation of the facility on or about June 1, 1998. The Respondent submitted an application on or about

December 3, 2007, for an Air Permit. The failure to apply for a permit prior to beginning operation of the facility is a violation of LAC 33:III.501.C.1, and La. R.S. 30:2057(A)(2).

- B. Air Permit No. 1280-00131-00 was issued on or about August 8, 2008. An inspection performed August 29, 2008, revealed that the facility had ceased operation and been shut down in December 2007. Therefore, the facility operated approximately from June 1, 1998 until December 2007, a period of nine (9) years and six (6) months without a permit. Operating, without a permit, any facility which ultimately may result in an initiation or increase in emission of air contaminants is a violation of LAC 33:III.501.C.2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1) and 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 FIVE HUNDRED DOLLARS (\$2,500.00) of which Eight Hundred Forty-Seven and 16/100 Dollars (\$847.16) represents the Department's enforcement costs, in settlement of the claims set forth in this agreement.

### V

Respondent further agrees that the Department may consider the NOPPs 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 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.

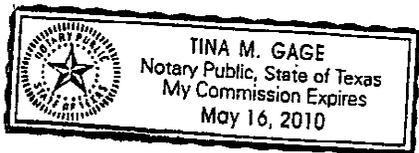
WICHITA RIVER OIL CORPORATION

BY: John N. Davis  
(Signature)

JOHN N. DAVIS  
(Print)

TITLE: VICE PRESIDENT

THUS DONE AND SIGNED in duplicate original before me this 24 day of March, 2010, at Dallas, Texas.



Tina M Gage  
NOTARY PUBLIC (ID #           )

Tina M Gage  
(Print)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY  
Peggy M. Hatch, Secretary

BY: Paul D. Miller  
Paul D. Miller, P.E., Assistant Secretary  
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 28th day of July, 2010, at Baton Rouge, Louisiana.

Christopher A. Rafetiff  
NOTARY PUBLIC (ID # 10149)

Christopher A. Rafetiff  
(Print)

Approved: Paul D. Miller  
Paul D. Miller, P.E., Assistant Secretary