

**STATE OF LOUISIANA  
DEPARTMENT OF ENVIRONMENTAL QUALITY**

<b>IN THE MATTER OF:</b>	*	<b>Settlement Tracking No.</b>
	*	<b>SA-MM-14-0026</b>
<b>ARKLA Disposal L.L.C., ARKLA Disposal Services, Inc., CCS Midstream Services, L.L.C. (f/k/a/ CCS Energy Services L.L.C.), CCS Energy Services (USA), Inc., and CCS (USA), Inc.</b>	*	<b>Enforcement Tracking No.</b>
	*	<b>SE-CN-05-0093</b>
	*	<b>WE-CN-06-0403</b>
	*	<b>MM-CN-07-0119</b>
<b>AI # 29835</b>	*	<b>RE-CN-07-0032</b>
	*	<b>WE-CN-08-0523</b>
	*	<b>OC-0363</b>
<b>PROCEEDINGS UNDER THE LOUISIANA ENVIRONMENTAL QUALITY ACT LA. R.S. 30:2001, et seq.</b>	*	<b>WE-PP-06-0283</b>
	*	<b>Docket No. 2007-0447-EQ</b>

**SETTLEMENT**

The Settlement is entered between ARKLA Disposal L.L.C., ARKLA Disposal Services, Inc., CCS Midstream Services, L.L.C. (f/k/a/ CCS Energy Services L.L.C.), CCS Energy Services (USA), Inc., and CCS (USA), Inc., (collectively "Respondent") and the Department of Environmental Quality ("LDEQ" or "Department"), under authority granted by the Louisiana Environmental Quality Act, La. R.S. 30:2001, *et seq.* ("Act").

**I.**

Respondent is a corporate entity that owned and/or operated a Centralized Waste Water Treatment ("CWT") facility which was located at 10865 La. Highway 1 South in Shreveport, Caddo Parish, Louisiana ("Facility"). The Facility no longer operates as a CWT; it is now fully permitted as a deep-well injection facility through the Louisiana Department of Natural Resources.

**II.**

CCS (USA), Inc. acquired ARKLA Disposal Services, Inc. and ARKLA Disposal LLC on September 7, 2006, through a stock purchase agreement. At that time, the record owner of

the Facility was ARKLA Disposal, LLC. On or about December 31, 2006, ARKLA Disposal, LLC merged with CCS Energy Services, LLC, with CCS Energy Services, LLC, being the surviving entity and the owner of the Facility. In June 2008, CCS Energy Services, LLC changed its name to CCS Midstream Services, LLC.

### III.

The Department issued the following orders:

On October 3, 2005, the Department issued its Compliance Order and Notice of Potential Penalty ("CONOPP"), No. SE-CN-05-0093, to ARKLA Disposal Services, Inc., which was based upon the findings of fact set out in that order (Exhibit A).

On September 18, 2006, the Department issued its Notice of Potential Penalty, No. WE-PP-06-0283, to ARKLA Disposal Services, Inc., which was based upon the findings of fact set out in that order (Exhibit B).

On December 07, 2006, the Department issued its CONOPP No. WE-CN-06-0403, to ARKLA Disposal Services, Inc. (rescinded on June 28, 2007, by CONOPP No. WE-CN-06-0403R), which was based upon the findings of fact set out in that order (Exhibit C).

On September 25, 2007, the Department issued its CONOPP, No. MM-CN-07-0119, to ARKLA Disposal Services, Inc., which was based upon the findings of fact set out in that order (Exhibit D).

On October 1, 2007, the Department issued its CONOPP, No. RE-CN-07-0032, to ARKLA Disposal Services, Inc., which was based upon the findings of fact set out in that order (Exhibit E).

On August 27, 2008, the Department issued its Consolidated Compliance Order and Notice of Potential Penalty, No. WE-CN-08-0523, to CCS Midstream Services, LLC, which was based upon the findings of fact set out in that order (Exhibit F).

On May 1, 2009, the Department issued its Order to Close, No. OC-0363, to CCS Midstream Services, LLC, which was based upon the findings of fact set out in that order (Exhibit G).

### IV.

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

## V.

Nonetheless, Respondent, without making any admission of liability under state or federal statute or regulation, agrees to pay, and the Department agrees to accept, in resolution of the orders identified in Section III., a deposit into an escrow account the amount of Twenty-Five Thousand and 00/100 Dollars (\$25,000.00). Pursuant to La. R.S. 30:2031, this account, which is administered by the LDEQ, is dedicated to the remediation, removal, treatment, and/or disposal of solid and/or hazardous wastes that have been abandoned at the Camp Minden facility (formerly known as the Louisiana Army Ammunition Plant). Any funds that remain in this escrow account after January 1, 2016, or that have not been committed to the continuing remediation, removal, treatment, and/or disposal activities at the Camp Minden facility, will be transferred by LDEQ to the Louisiana Hazardous Waste Clean-Up Fund. The total amount of money expended by Respondent on cash payments to the Department as described in this Section V, shall be considered a civil penalty for tax purposes, as required by La. R.S. 30:2050.7(E)(1).

## VI.

In addition, Respondent, without making any admission of liability under state or federal statute or regulation, agrees to pay, and the Department agrees to accept, in additional resolution of the orders identified in Section III., a payment in the amount of Six Thousand Six Hundred Six and 53/100 Dollars (\$6,606.53), which represents the benefit of noncompliance as well as the Department's enforcement costs, in settlement of the claims set forth in this Settlement.

## VII.

Respondent further agrees that the Department may consider the inspection report(s), Consolidated Compliance Orders and Notices of Potential Penalties 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.

#### **VIII.**

This Settlement shall be considered a final order of the Secretary for all purposes, including, but not limited to, resolution of all orders identified in Section III, 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 Settlement, except such review as may be required for interpretation of this Settlement in any action by the Department to enforce this Settlement.

#### **IX.**

This Settlement is being made in the interest of settling the state's claims in all orders identified in Section III and enforcement under La. R.S. 30:2025(G)(2) 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.

#### **X.**

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Caddo Parish, Louisiana. The public notice 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.

**XI.**

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 Settlement 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 attached as Exhibit "A".

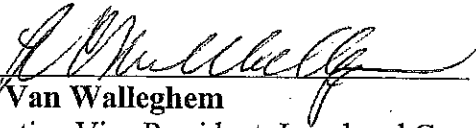
**XII.**

In consideration of the above, any claims for penalties of the orders identified in Section III are hereby compromised and settled in accordance with the terms of this Settlement.

**XIII.**

Each undersigned representative of the parties certifies that he or she is fully authorized to execute this Settlement on behalf of his or her respective party, and to legally bind such party to its terms and conditions.

ARKLA DISPOSAL, L.L.C., ARKLA  
DISPOSAL SERVICES, INC., CCS  
MIDSTREAM SERVICES, L.L.C. (f/k/a CCS  
ENERGY SERVICES L.L.C.), CCS ENERGY  
SERVICES (USA), INC., and CCS (USA), Inc.

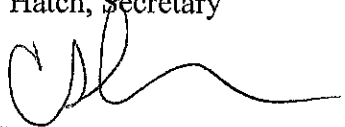
  
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**Rob Van Wallegem**  
Executive Vice President, Legal and Corporate  
Secretary  
10613 W Sam Houston Pkwy N Suite 300  
Houston, TX 77064

THUS DONE AND SIGNED in duplicate original before me this 17<sup>th</sup> day of  
July, 2014.

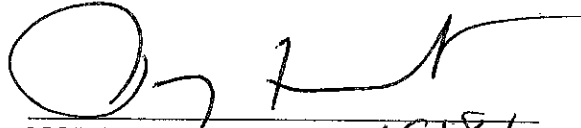
  
\_\_\_\_\_  
NOTARY PUBLIC (ID # \_\_\_\_\_)

**MORELLA M. DE CASTRO**  
**Barrister and Solicitor**  
\_\_\_\_\_  
(stamped or printed)


LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY  
Peggy M. Hatch, Secretary

BY:   
Cheryl Sonnier Nolan, Assistant Secretary  
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 21<sup>st</sup> day of Oct., 2014, at Baton Rouge, Louisiana.

  
NOTARY PUBLIC (ID # 19181)

Perry Theriot  
(stamped or printed)

Approved:   
Cheryl Sonnier Nolan, Assistant Secretary