

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	Settlement Tracking No.
	*	SA-AE-15-0053
UNIVERSITY FIELD MANAGEMENT LLC	*	
	*	Enforcement Tracking No.
AI # 119007 and 119008	*	AE-PP-14-01187
	*	
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 University Field Management 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 an oil and gas production facility located in East Baton Rouge Parish, Louisiana (“the Facility”).

II

On May 20, 2015, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. AE-PP-14-01187, which was based upon the following findings of fact:

“On or about December 16, 2014, and May 11, 2015, file reviews of the following facilities, owned and/or operated by University Field Management LLC (Respondent), were performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Air Quality Regulations.

AGENCY INTEREST NUMBER	FACILITY	LOCATION	PERMIT NUMBER	ISSUE DATE
119007	Duplantier Tank Battery- University Field	Nicholson & Burbanks Drs Baton Rouge, East Baton Rouge, Louisiana 70000	0840-00200-01	7/8/2013
119008	Nelson Tank Battery- University Field	Ben Hur Burbanks & Lee Rd Baton Rouge, East Baton Rouge, Louisiana 70000	0840-00201-01	6/21/2013

While the investigation by the Louisiana Department of Environmental Quality (the Department) is not yet complete, the following violations were noted during the course of the file reviews:

- A. The Respondent became the owner/operator of the aforementioned facilities and submitted Notification of Change Forms (NOC-1) to the Department as listed below:

AGENCY INTEREST NUMBER	CHANGE OF OWNERSHIP DATE	NOC-1 SUBMITTAL DATE
119007	5/22/2014	9/24/2014
119008	5/22/2014	9/24/2014

Each failure to submit the NOC-1 and associated documentation to the Department within forty-five (45) days after a change in ownership of a permitted facility is a violation of LAC 33:I.1907.B; LAC 33:III.517.G; and La. R.S. 30:2057(A) (2).

- B. The Respondent operated the facilities as indicated in the table below:

AGENCY INTEREST NUMBER	CHANGE OF OWNERSHIP DATE	PERMIT TRANSFER DATE	DURATION OF UNAUTHORIZED OPERATION (days)
119007	5/22/2014	10/10/2014	141
119008	5/22/2014	10/10/2014	141

The unauthorized operation of each facility from the date the facility was acquired until a permit was transferred, 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 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 THREE HUNDRED FIFTEEN AND 42/100 DOLLARS (\$2,315.42) of which Six Hundred Fifty-Nine and 93/100 Dollars (\$659.93) 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)/permit record(s), 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

As required by law, the Department has submitted this Settlement Agreement to the Louisiana Attorney General for approval or rejection. The Attorney General's concurrence is appended to this Settlement Agreement.

IX

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in East Baton Rouge Parish, Louisiana. The advertisement, in form and wording 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.

X

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).

XI

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

XII

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.

UNIVERSITY FIELD MANAGEMENT LLC

BY: [Signature]
(Signature)

Robert A. Shuck
(Printed)

TITLE: Managing Member

THIS DONE AND SIGNED in duplicate original before me this 24th day of February, 20 16, at Covington, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 03084)

ERIC R. Bisset
(stamped or printed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY

Chuck Carr Brown, Ph.D., Secretary

BY: [Signature]
Louise Stomald Assistant Secretary
Office of Environmental Compliance

THIS DONE AND SIGNED in duplicate original before me this 17th day of March, 20 16, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 19181)

Perry Theriot
(stamped or printed)

Approved: [Signature]
D. Chance McNeely, Assistant Secretary