

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

TEXAS PETROLEUM INVESTMENT  
COMPANY

AI # 32629, 17439, 32572, 32570, 93835  
AND 17458

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

\* Settlement Tracking No.  
\* SA-WE-18-0003  
\*  
\* Enforcement Tracking No.  
\* WE-CN-14-0078  
\* WE-CN-12-01234  
\* WE-CN-13-00362  
\* WE-CN-13-00217  
\* WE-CN-13-00610  
\* WE-PP-17-00307  
\*

SETTLEMENT

The following Settlement is hereby agreed to between Texas Petroleum Investment Company (“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 oil and gas production facilities located in Vermilion, Jefferson Davis and Plaquemines Parishes, Louisiana (“the Facilities”).

II

On November 10, 2014, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. WE-CN-14-00078, attached as Exhibit A.

On November 10, 2014, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. WE-CN-12-01234, attached as Exhibit B.

On March 3, 2015, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. WE-CN-13-00362, attached as Exhibit C.

On April 9, 2015, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. WE-CN-13-00217, attached as Exhibit D.

On July 28, 2015, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. WE-CN-13-00610, attached as Exhibit E.

On June 16, 2017, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. WE-PP-17-00307, attached as Exhibit F.

### 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 THIRTY SEVEN THOUSAND SEVEN HUNDRED FIFTY AND NO/100 DOLLARS (\$37,750.00), of which Four Thousand Five Hundred Eighty-Four and 38/100 Dollars (\$4,584.38) 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), the Notice of Potential Penalty and the Consolidated Compliance Orders & Notices 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 Vermilion, Jefferson Davis and Plaquemines Parishes, 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 G).

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.

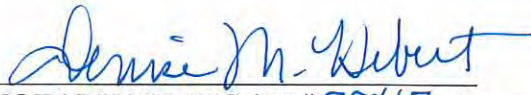
**Texas Petroleum Investment Company**

BY:   
(Signature)

Chris Santilippo  
(Printed)

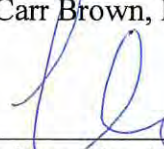
TITLE: Environmental Manager

THUS DONE AND SIGNED in duplicate original before me this 17<sup>th</sup> day of May, 2019, at Lafayette, Louisiana.

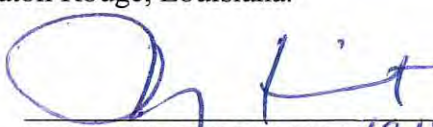
  
NOTARY PUBLIC (ID # 7747 )  
Denise M. Hebert

\_\_\_\_\_  
(stamped or printed)

**LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY**  
Chuck Carr Brown, Ph.D., Secretary

BY:   
Lourdes Iturralde, Assistant Secretary  
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 2<sup>nd</sup> day of Aug, 2019, at Baton Rouge, Louisiana.

  
NOTARY PUBLIC (ID # 19181 )

Perry Theriot  
(stamped or printed)

Approved:   
Lourdes Iturralde, Assistant Secretary



BOBBY JINDAL  
GOVERNOR

PEGGY M. HATCH  
SECRETARY

State of Louisiana  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
OFFICE OF ENVIRONMENTAL COMPLIANCE

November 10, 2014

CERTIFIED MAIL (7004 2510 0006 3853 1397)  
RETURN RECEIPT REQUESTED

TEXAS PETROLEUM INVESTMENT COMPANY  
c/o Patrick S. Ottinger  
Agent of Service  
1313 W. Pinhook Rd.  
Lafayette, LA 70503

RE: **CONSOLIDATED COMPLIANCE ORDER  
& NOTICE OF POTENTIAL PENALTY**  
ENFORCEMENT TRACKING NO. WE-CN-14-00078  
AGENCY INTEREST NO. 32629

Dear Sir:

Pursuant to the Louisiana Environmental Quality Act (La. R.S. 30:2001, et seq.), the attached **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is hereby served on **TEXAS PETROLEUM INVESTMENT COMPANY (RESPONDENT)** for the violations described therein.

Compliance is expected within the maximum time period established by each part of the **COMPLIANCE ORDER**. The violations cited in the **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** could result in the issuance of a civil penalty or other appropriate legal actions.

Any questions concerning this action should be directed to Suzanne Gardner at (225) 219-3078.

Sincerely,

Celena J. Cage  
Administrator  
Enforcement Division

CJC/SDG/sdg  
Alt ID No. LAG33A343  
Attachment



STATE OF LOUISIANA  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
OFFICE OF ENVIRONMENTAL COMPLIANCE

IN THE MATTER OF	*	
	*	
TEXAS PETROLEUM INVESTMENT COMPANY	*	ENFORCEMENT TRACKING NO.
PLAQUEMINES PARISH	*	
ALT ID NO. LAG33A343	*	WE-CN-14-00078
	*	
PROCEEDINGS UNDER THE LOUISIANA ENVIRONMENTAL QUALITY ACT, La. R.S. 30:2001, ET SEQ.	*	AGENCY INTEREST NO.
	*	32629
	*	

CONSOLIDATED  
COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY

The following **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is issued to **TEXAS PETROLEUM INVESTMENT COMPANY (RESPONDENT)** by the Louisiana Department of Environmental Quality (the Department), under the authority granted by the Louisiana Environmental Quality Act (the Act), La. R.S. 30:2001, et seq., and particularly by La. R.S. 30:2025(C), 30:2050.2 and 30:2050.3(B).

**FINDINGS OF FACT**

I.

The Respondent owns and/or operates an oil and gas production facility known as the Delta Duck Club CF #5 Tank Battery #3 Facility, located within the boundaries of the Delta National Wildlife Refuge, approximately nine (9) miles southeast of Venice in Delta Duck Club Field, Plaquemines Parish, Louisiana. The Department transferred Louisiana Pollutant Discharge Elimination System (LPDES) General Permit LAG33A343 to the Respondent on March 31, 2009, which expired on November 30, 2010, and was administratively continued. LPDES permit LAG33A343 was reissued to the Respondent on or about May 13, 2011, which will expire on January 31, 2016. The Department modified LPDES General Permit Series LAG330000 on September 15, 2011, with an effective date of

October 1, 2011, and an expiration date of January 31, 2016. The modification incorporated minor corrections in the LPDES Permit LAG33A0000. LPDES permit LAG33A343 authorizes the Respondent to discharge wastewater from oil and gas production activities from its facility into Octave Pass, thence into the Mississippi River, all waters of the state.

## II.

An inspection conducted by the Department on or about August 19, 2013, revealed that the Respondent failed to prepare an adequate Spill Prevention and Control (SPC) Plan. Specifically, the Respondent's SPC Plan failed to establish any provisions or written procedures to specifically address the annual pressure testing and visual inspection of above-ground flow lines. The Respondent's failure to prepare an adequate SPC plan is a violation of LPDES permit LAG33A343 (Part I, Section B, Narrative Requirements, Page 20 of 20; and Part III, Section A.2) and beginning May 13, 2011, LPDES permit LAG33A343 (Narrative Requirements, Page 1 of 19, Condition No. T-2; and Part III, Sections A.2), La. R.S. 30:2076(A)(3), and LAC 33:IX. 33:IX.708.C.1.b.

## III.

An inspection conducted by the Department on or about August 19, 2013, revealed that the Respondent failed to implement an adequate Spill Prevention and Control (SPC) Plan. Specifically, the Respondent failed to implement the following:

- A) The Respondent failed to conduct annual testing of submerged flowlines. At the time of the inspection the most recent test had occurred on May 2, 2012, which is over one (1) year.
- B) The results of the test could not be validated. The inspector could not verify the results of the pressure test conducted on May 2, 2012, because the chart reading differs from the operator's notes. The operator noted on the pressure chart that the pressure test was conducted at 1,500 lbs of pressure; however, the recorder line on the pressure chart is shown at 330 lbs of pressure and the recorder chart does not allow for a value of 1,500 lbs of pressure. Also, the Respondent failed to include a signature from the inspector or supervisor and the test results of the flow line pressure test taken on May 2, 2012. The Respondent's SPC Plan states that all equipment is tested and the results are documented on a monthly basis and signed by the supervisor or inspector.

The Respondent's failure to implement an adequate SPC Plan is a violation of LPDES permit LAG33A343 (Part I, Section B, Narrative Requirements, Page 20 of 20; and Part III, Section A.2) and beginning May 13, 2011, LPDES permit LAG33A343 (Narrative Requirements, Page 1 of 19, Condition



No. T-2; and Part III, Section A.2), La. R.S. 30:2076(A)(3), and LAC 33:IX.708.C.1.b., and LAC 33:IX.907.J.

IV.

Inspections conducted by the Department on or about November 18, 2010, February 9, 2011, August 19, 2013, and June 2, 2014, and a subsequent file review conducted by the Department on or about May 30, 2014, revealed that the Respondent reported the following unauthorized discharges into waters of the state:

Date	Substance	Amount Discharged	Location of Discharge	Cause
02/15/2009	Crude Oil	<1 Gallon	Access Canal	Three (3) separate leaks in a drain line
03/20/2009	Crude Oil	20 Gallons	Main Pass Waterway	Heater treater drain line
06/30/2009	Crude Oil	15 Barrels	Adjacent Waterway	Equipment failure - Sump overflowed due to a malfunction of a saltwater disposal pump
07/28/2009	Crude Oil	2 Barrels	Adjacent Waterway	Equipment failure - Corrosion hole on Well# 6-3
09/21/2009	Crude Oil	2 Barrels	Cane Field - then moved out with the tide	Leak in the flow line for the Well #U1-48
01/11/2010	Crude Oil	30 Gallons	Adjacent Waterway	Sump discharged from an opening in the bottom
05/26/2010	Crude Oil	15 Gallons	Roseau Cane Marsh	Faulty Header System
07/18/2010	Gas Condensate	Unknown Quantity	Waters of the state	Well flow line leaked when hit by barge leaving an oil sheen
09/21/2010	Crude Oil	10 Gallons	Roseau Cane Marsh	Corrosion Hole on a three (3)-inch flowline from the U1#33 Well
11/10/2010	Crude Oil	20 - 30 Barrels	Roseau Cane Marsh	Storage Tank #39 overflowed
11/18/2010	Crude Oil	2 Barrels	Roseau Cane Marsh	The U1#55 Well collar developed a leak and the nipple blew out from the production casing valve
12/05/2010	Crude Oil	20 Gallons	Marsh area below the leak site and on the mud flats at low tide	A four (4)-inch flow line developed two (2) leaks from the test separator to the saltwater storage tanks
12/22/2010	Crude Oil	5 Gallons	Marsh area below the leak site	A two (2)-inch flowline associated with the compressor barge developed a leak due to corrosion
02/08/2011	Crude Oil	20 Gallons	Roseau Cane Marsh	Leak located on an out-of-service eight (8)-inch flare line
02/09/2011	Crude Oil	1 Barrel	Roseau Cane Marsh	Discharged again from a leak located on an out-of-service eight (8)-inch flare line
08/09/2011	Crude Oil	2 Barrels	Un-named Canal	Drilling rig struck a flowline

Date	Substance	Amount Discharged	Location of Discharge	Cause
05/20/2012	Crude Oil	2 Barrels	Marsh area below the facility	Leak in a three (3)-inch recirculating flow line to the heater treater
07/01/2012	Crude Oil	1-2 Barrels	Adjacent marsh	Leak in the flow line
10/30/2012	Crude Oil	20 Gallons	Adjacent waterway	Leak in a three (3)-inch oil line from the oil storage barge to the LACT unit
11/29/2012	Crude Oil	15 Gallons	Water below the platform	The piping from the heater treater to the saltwater storage tank developed a leak on the two (2) - inch nipple
12/12/2012	Crude Oil	1 Barrel	Un-named oilfield access canal	High level monitor failed and then storage tank over-filled
08/15/2013	Crude Oil	25 Gallons	Un-named oilfield access canal	Leak in the flowline near the Delta Duck Facility
11/21/2013	Crude Oil	20 Gallons	Un-named canal near the Delta Duck facility	Inadvertently released crude oil from a three (3) - inch recirculating line.
05/13/2014	Glycol and Condensate Mixture	6 Gallons	Un-named oilfield access canal	Leak from the glycol unit
05/15/2014	Crude Oil	25 Gallons	Un-named oilfield access canal	Release during routine maintenance
05/28/2014	Crude Oil	50 Barrels	Un-named oilfield access canal	Crack was found in the Octave Header flowline
06/10/2014	Crude Oil and Produced Water	3 - 5 Gallons	TPIC Delta Duck Field (29.24554 W, 89.19925 N)	Corrosion in the threads of a 90 degree elbow fitting on the UH-8 flowline

Each unauthorized discharge is a violation of LPDES permit LAG33A343 (Part I, Section B, Limitation Requirements, T-9, Page 1 of 19; Part II, Section B; and Part III, Section A.2). La. R.S. 30:2076(A)(3), LAC 33:IX.1701.B, and LAC 33:IX.501.A.

#### V.

An inspection conducted by the Department on or about November 18, 2010, and a subsequent file review conducted by the Department on or about May 30, 2014, revealed the following violations for effluent exceedances as reported by the Respondent on Discharge Monitoring Reports (DMRs):

DATE	OUTFALL	PARAMETER	PERMIT LIMIT	RECORDED VALUE
03/2009	002A	Misc. Discharges, Free Oil	No. of Days <= 0	1
06/2009	002A	Misc. Discharges, Free Oil	No. of Days <= 0	1
07/2009	002A	Misc. Discharges, Free Oil	No. of Days <= 0	1
09/2009	002A	Misc. Discharges, Free Oil	No. of Days <= 0	1
01/2010	002A	Misc. Discharges, Free Oil	No. of Days <= 0	1
05/2010	002A	Misc. Discharges, Free Oil	No. of Days <= 0	1
07/2010	002A	Misc. Discharges, Free Oil	No. of Days <= 0	1
09/2010	002A	Misc. Discharges, Free Oil	No. of Days <= 0	1
11/2010	002A	Misc. Discharges, Free Oil	No. of Days <= 0	3
12/2010	002A	Misc. Discharges, Free Oil	No. of Days <= 0	1

Each exceedence of a permitted discharge limitation is a violation of LPDES permit LAG33A343 (Part I, Section B, Limitation Requirements, Page 4 of 20; Narrative Requirements, Page 20 of 20; and Part III, Section A.2), La. R.S. 30:2076(A)(3), and LAC 33:IX.501.A.

### COMPLIANCE ORDER

Based on the foregoing, the Respondent is hereby ordered:

#### I.

To immediately cease, upon receipt of this **COMPLIANCE ORDER**, all unauthorized discharges from the Respondent's facility to waters of the state and to take any and all steps necessary to meet and maintain compliance with the Act and the Water Quality Regulations including, but not limited to, providing records, establishing provisions for annual flow line integrity for above ground flow lines, properly operating and maintaining the facility and all systems of treatment and control and complying with limits and conditions in the LPDES permit LAG33A343.

#### II.

To prepare and implement an updated Spill Prevention and Control Plan (SPC) Plan for Texas Petroleum Investments Co., Delta Duck Club CF #5 Tank Battery #3, to address the violations in Paragraphs II and III of the Findings of Fact portion of this Order within thirty (30) days after receipt of this **COMPLIANCE ORDER**, and to submit an updated copy of SPC Plan to the Enforcement Division within forty-five (45) days.

#### III.

To submit a completed NetDMR Subscriber Agreement to the Department for approval to submit DMRs electronically using NetDMR, within thirty (30) days after receipt of this **COMPLIANCE ORDER**. The Subscriber Agreement shall be signed and dated with an original

signature and submitted to:

Office of Environmental Compliance  
Post Office Box 4312  
Baton Rouge, Louisiana 70821-4312  
Attn: NetDMR  
Re: Enforcement Tracking No. WE-CN-14-00078  
Agency Interest No. 32629

NetDMR is accessed through: [www.epa.gov/netdmr](http://www.epa.gov/netdmr). For assistance establishing and maintaining a NetDMR account or for NetDMR training, see attached instructions or contact the Permit Compliance Unit at [deqnetdmr@la.gov](mailto:deqnetdmr@la.gov).

IV.

To submit DMRs and associated reports electronically using NetDMR beginning with the first monitoring period after approval of the NetDMR Subscriber Agreement unless otherwise notified in writing by the Department.

V.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a written report that includes a detailed description of the circumstances surrounding the cited violations and actions taken or to be taken to achieve compliance with the Order. Portion of this **COMPLIANCE ORDER**. This report and all other reports or information required to be submitted to the Enforcement Division by this **COMPLIANCE ORDER** shall be submitted to:

Office of Environmental Compliance  
Post Office Box 4312  
Baton Rouge, Louisiana 70821-4312  
Attn: Suzanne Gardner  
Re: Enforcement Tracking No. WE-CN-14-00078  
Agency Interest No. 32629

**THE RESPONDENT SHALL FURTHER BE ON NOTICE THAT:**

I.

The Respondent has a right to an adjudicatory hearing on a disputed issue of material fact or of law arising from this **COMPLIANCE ORDER**. This right may be exercised by filing a written request with the Secretary no later than thirty (30) days after receipt of this **COMPLIANCE ORDER**.

II.

The request for an adjudicatory hearing shall specify the provisions of the **COMPLIANCE ORDER** on which the hearing is requested and shall briefly describe the basis for the request. This

request should reference the Enforcement Tracking Number and Agency Interest Number, which are located in the upper right-hand corner of the first page of this document and should be directed to the following:

Department of Environmental Quality  
Office of the Secretary  
Post Office Box 4302  
Baton Rouge, Louisiana 70821-4302  
Attn: Hearings Clerk, Legal Division  
Re: Enforcement Tracking No. WE-CN-14-00078  
Agency Interest No. 32629

III.

Upon the Respondent's timely filing a request for a hearing, a hearing on the disputed issue of material fact or of law regarding this **COMPLIANCE ORDER** may be scheduled by the Secretary of the Department. The hearing shall be governed by the Act, the Administrative Procedure Act (L.A. R.S. 49:950, et seq.), and the Department's Rules of Procedure. The Department may amend or supplement this **COMPLIANCE ORDER** prior to the hearing, after providing sufficient notice and an opportunity for the preparation of a defense for the hearing.

IV.

This **COMPLIANCE ORDER** shall become a final enforcement action unless the request for hearing is timely filed. Failure to timely request a hearing constitutes a waiver of the Respondent's right to a hearing on a disputed issue of material fact or of law under Section 2050.4 of the Act for the violation(s) described herein.

V.

The Respondent's failure to request a hearing or to file an appeal or the Respondent's withdrawal of a request for hearing on this **COMPLIANCE ORDER** shall not preclude the Respondent from contesting the findings of facts in any subsequent penalty action addressing the same violation(s), although the Respondent is estopped from objecting to this **COMPLIANCE ORDER** becoming a permanent part of its compliance history.

VI.

Civil penalties of not more than twenty-seven thousand five hundred dollars (\$27,500) for each day of violation for the violation(s) described herein may be assessed. For violations which occurred on August 15, 2004, or after, civil penalties of not more than thirty-two thousand five hundred dollars (\$32,500) may be assessed for each day of violation. The Respondent's failure or refusal to comply with

this **COMPLIANCE ORDER** and the provisions herein will subject the Respondent to possible enforcement procedures under La. R.S. 30:2025, which could result in the assessment of a civil penalty in an amount of not more than fifty thousand dollars (\$50,000) for each day of continued violation or noncompliance.

VII.

For each violation described herein, the Department reserves the right to seek civil penalties in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such penalties.

**NOTICE OF POTENTIAL PENALTY**

I.

Pursuant to La. R.S. 30:2050.3(B), you are hereby notified that the issuance of a penalty assessment is being considered for the violation(s) described herein. Written comments may be filed regarding the violation(s) and the contemplated penalty. If you elect to submit comments, it is requested that they be submitted within ten (10) days of receipt of this notice.

II.

Prior to the issuance of additional appropriate enforcement action(s), you may request a meeting with the Department to present any mitigating circumstances concerning the violation(s). If you would like to have such a meeting, please contact Suzanne Gardner at (225) 219-3078 within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.


III.

The Department is required by La. R.S. 30:2025(E)(3)(a) to consider the gross revenues of the Respondent and the monetary benefits of noncompliance to determine whether a penalty will be assessed and the amount of such penalty. Please forward the Respondent's most current annual gross revenue statement along with a statement of the monetary benefits of noncompliance for the cited violation(s) to the above named contact person within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**. Include with your statement of monetary benefits the method(s) you utilized to arrive at the sum. If you assert that no monetary benefits have been gained, you are to fully justify that statement.

IV.

This CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY is effective upon receipt.

Baton Rouge, Louisiana, this 10 day of March, 2014.



Cheryl Sommer Nolan  
Assistant Secretary  
Office of Environmental Compliance

Copies of a request for a hearing and/or related correspondence should be sent to:

Louisiana Department of Environmental Quality  
Office of Environmental Compliance  
Enforcement Division  
P.O. Box 4312  
Baton Rouge, LA 70821-4312  
Attention: Suzanne Gardner



*The attached enforcement action requires the use of NetDMR*

## WHAT IS NETDMR?

NetDMR is a Web-based tool that allows facilities to electronically sign and submit LPDES discharge monitoring reports (DMRs) to the LDEQ.

## HOW DO I USE NETDMR?

1. Register in NetDMR
2. Submit Subscriber Agreement to LDEQ
3. Receive approval by LDEQ
4. Sign and Submit On-line

Training is offered by both LDEQ and EPA. Please check the LDEQ NetDMR Training website at <http://www.deq.louisiana.gov/netdmr> for training materials and current information offered by LDEQ. Information about EPA's training can be found at [www.epa.gov/netdmr](http://www.epa.gov/netdmr)

## HOW DO I REGISTER AND SUBMIT A SUBSCRIBER AGREEMENT?

(The first person to register must be an authorized signatory.)

1. Go to NetDMR website at <https://netdmr.epa.gov/netdmr>
2. Choose "Louisiana DEQ" as the Regulatory Authority from the drop-down list
3. Click the "Create a NetDMR Account" link in the login box
4. Complete the account information as required
  - a. Type of user must be "Permittee User"
  - b. Security answers must be unique and are case sensitive
5. Click "Submit" and confirm account information
6. Click the link within the verification email that has been sent to your email address
7. Create password by following instructions on the page
8. Login to NetDMR
9. Click "Request Access" link in the top left corner
10. Enter Permit Number and click "Update"
11. Select "Signatory" role and click "Add Request"
12. Click "Submit" and confirm
13. Provide Signatory Information, click "Submit" and confirm
14. Click button to print Subscriber Agreement
15. Mail in signed, original Subscriber Agreement to LDEQ for approval


If you have additional questions, please email [deqnetdmr@la.gov](mailto:deqnetdmr@la.gov).





LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY  
 OFFICE OF ENVIRONMENTAL COMPLIANCE  
 ENFORCEMENT DIVISION  
 POST OFFICE BOX 4312  
 BATON ROUGE, LOUISIANA 70821-4312

**CONSOLIDATED COMPLIANCE ORDER &  
 NOTICE OF POTENTIAL PENALTY**



Enforcement Tracking No.	WE-CN-12-01234	Certified Mail No.	7004 2510 0006 3853 8310
Agency Interest (AI) No.	17439	Contact Name	Richard Ober, Jr.
Alternate ID No.	LAU007315	Contact Phone No.	(225) 219-3135
Respondent:	Texas Petroleum Investment Company	Facility Name:	Jennings Townsite Production Facility
	c/o Patrick S. Ottinger Agent for Service of Process	Physical Location:	1614 E. Racca Road
	1313 W. Pinhook Road	City, State, Zip:	Jennings, LA 70546
	Lafayette, LA 70503	Parish:	Jefferson Davis

This CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY is issued by the Louisiana Department of Environmental Quality (the Department), under the authority granted by the Louisiana Environmental Quality Act (the Act), La. R.S. 30:2001, et seq., and particularly by La. R.S. 30:2025(C), 30:2050.2 and 30:2050.3(B).

**FINDINGS OF FACT**

An authorized representative of the Department inspected the abovementioned facility or conducted a file review of the facility to determine the degree of compliance with regulations promulgated in the Louisiana Administrative Code, Title 33. The State regulatory citations for the violation(s) identified during the inspection and/or file review are indicated below.

I.	The Respondent owns and/or operates an oil and gas production facility located at 1614 E. Racca Road, Jennings, Jefferson Davis Parish, Louisiana. The Respondent discharges sanitary wastewater into local drainage, thence to Bayou Nezpique, all waters of the state. The Respondent currently does not have coverage under an LPDES permit.	
	<b>Date of Violation</b>	<b>Description of Violation</b>
II.	Inspection(s) 7/17/2012 File Review 8/11/2014	The Respondent failed to submit a complete application to discharge to waters of the state. Specifically, the Department has not received a Notice of Intent (NOI) to discharge sanitary wastewater from the mechanical wastewater treatment unit operating at the facility. (La. R.S. 30:2076(A)(3), LAC 33:IX.501.A, and LAC 33:IX.2501.A)
III.	Inspection(s) 7/17/2012	The Respondent discharged oily fluids to, or allowed oily fluids to flow on the ground or be carried from the original lease in open ditches, or discharged or allowed to flow into any stream, lake or other body of water. Specifically, oil stained soil and gravel was noted in numerous areas of the site, including but not limited to inside the tank battery containment; the drainage area downstream of the containment drain valve; the compressor deck area; and the load out skid area where the valve was opened. (La. R.S. 30:2076(A)(3) and La. R.S. 33:IX.1701.B)
IV.	Inspection(s) 7/17/2012	The Respondent caused and/or allowed the discharge of wastewater without a permit and/or other authority from the Department. Specifically, the Respondent is discharging sanitary wastewater from a mechanical wastewater treatment unit without a permit. (La. R.S. 30:2075)

**ORDER**

Based on the foregoing, the Respondent is hereby ordered to comply with the requirements that are indicated below:

I.	To take, immediately upon receipt of this COMPLIANCE ORDER, any and all steps necessary to meet and maintain compliance with the Water Quality Regulations. This shall include, but not be limited to; correcting <u>all</u> of the violations described in the "Findings of Fact" portion.
II.	To immediately cease, upon receipt of this COMPLIANCE ORDER, any unauthorized discharges from the Respondent's facility to waters of the state.
III.	To submit to the Enforcement Division, within thirty (30) days after receipt of this COMPLIANCE ORDER, a written report that includes a detailed description of the circumstances surrounding the cited violation(s) and actions taken or to be taken to achieve compliance with the "Order" portion of this COMPLIANCE ORDER. This report and all other reports or information required to be submitted to the Enforcement Division by this COMPLIANCE ORDER shall be submitted to the Department at the address specified in this document.
IV.	A. If the Respondent demonstrates a need to continue the discharge, the Respondent shall submit to the Water Permits Division, within thirty (30) days after receipt of this COMPLIANCE ORDER, all the necessary documents for a request for the Department's consideration of proper coverage and permitting of any discharge of pollutants from the facility to waters of the state; and operate and maintain the facility to meet the "INTERIM EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS" contained in Attachment A of this COMPLIANCE ORDER; or
	B. If the Respondent does not choose to discharge to waters of the state, the Respondent shall, within thirty (30) days after receipt of this COMPLIANCE ORDER, provide written documentation to the Department that no activities exist at the Respondent's facility resulting in any unauthorized discharges to waters of the state.

**RIGHT TO APPEAL**

I.	The Respondent has a right to an adjudicatory hearing on a disputed issue of material fact or of law arising from this COMPLIANCE ORDER. This right may be exercised by filing a written request with the Secretary no later than thirty (30) days after receipt of this COMPLIANCE ORDER.
II.	The request for an adjudicatory hearing shall specify the provisions of the COMPLIANCE ORDER on which the hearing is requested and shall briefly describe the basis for the request. This request should reference the Enforcement Tracking Number and Agency Interest Number, which are located in the upper right-hand corner of the first page of this document and should be directed to the address specified in this document.
III.	Upon the Respondent's timely filing a request for a hearing, a hearing on the disputed issue of material fact or of law regarding this COMPLIANCE ORDER may be scheduled by the Secretary of the Department. The hearing shall be governed by the Act, the Administrative Procedure Act (La. R.S. 49:950, et seq.). The Department may amend or supplement this COMPLIANCE ORDER



IV.	This <b>COMPLIANCE ORDER</b> shall become a final enforcement action unless the request for hearing is timely filed. Failure to timely request a hearing constitutes a waiver of the Respondent's right to a hearing on a disputed issue of material fact or of law under Section 2050.4 of the Act for the violation(s) described herein.
V.	The Respondent's failure to request a hearing or to file an appeal or the Respondent's withdrawal of a request for hearing on this <b>COMPLIANCE ORDER</b> shall not preclude the Respondent from contesting the findings of facts in any subsequent penalty action addressing the same violation(s), although the Respondent is estopped from objecting to this <b>COMPLIANCE ORDER</b> becoming a permanent part of its compliance history.
VI.	Civil penalties of not more than thirty-two thousand five hundred dollars (\$32,500) may be assessed for each day of violation. The Respondent's failure or refusal to comply with this <b>COMPLIANCE ORDER</b> and the provisions herein will subject the Respondent to possible enforcement procedures under La. R.S. 30:2025, which could result in the assessment of a civil penalty in an amount of not more than fifty thousand dollars (\$50,000) for each day of continued violation or noncompliance.
VII.	For each violation described herein, the Department reserves the right to seek civil penalties in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such penalties.

**NOTICE OF POTENTIAL PENALTY**

I.	Pursuant to La. R.S. 30:2050.3(B), you are hereby notified that the issuance of a penalty assessment is being considered for the violation(s) described herein. Written comments may be filed regarding the violation(s) and the contemplated penalty. If you elect to submit comments, it is requested that they be submitted within ten (10) days of receipt of this notice.
II.	Prior to the issuance of additional appropriate enforcement action(s), you may request a meeting with the Department to present any mitigating circumstances concerning the violation(s). If you would like to have such a meeting, please contact Richard Ober, Jr. at (225) 219-3135 within ten (10) days of receipt of this <b>NOTICE OF POTENTIAL PENALTY</b> .
III.	The Department is required by La. R.S. 30:2025(E)(3)(a) to consider the gross revenues of the Respondent and the monetary benefits of noncompliance to determine whether a penalty will be assessed and the amount of such penalty. Please forward the Respondent's most current annual gross revenue statement along with a statement of the monetary benefits of noncompliance for the cited violation(s) to the above named contact person within ten (10) days of receipt of this <b>NOTICE OF POTENTIAL PENALTY</b> . Include with your statement of monetary benefits the method(s) you utilized to arrive at the sum. If you assert that no monetary benefits have been gained, you are to fully justify that statement.
IV.	This <b>CONSOLIDATED COMPLIANCE ORDER &amp; NOTICE OF POTENTIAL PENALTY</b> is effective upon receipt.

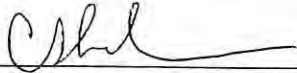
**CONTACTS AND SUBMITTAL OF INFORMATION**

<b>Enforcement Division:</b>		<b>Hearing Requests:</b>	
Louisiana Department of Environmental Quality Office of Environmental Compliance Water Enforcement Division P.O. Box 4312 Baton Rouge, LA 70821 Attn: Richard Ober, Jr.		Department of Environmental Quality Office of the Secretary Post Office Box 4302 Baton Rouge, Louisiana 70821-4302 Attn: Hearings Clerk, Legal Division Re: Enforcement Tracking No. WE-CN-12-01234 Agency Interest No. 17439	
<b>Permit Division (if necessary):</b>		<b>Physical Address (if hand delivered):</b>	
Department of Environmental Quality Office of Environmental Services Post Office Box 4313 Baton Rouge, LA 70821-4313 Attn: Water Permits Division		Department of Environmental Quality 602 N Fifth Street Baton Rouge, LA 70802	

**HOW TO REQUEST CLOSURE OF THIS CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY**

- To appeal the **CONSOLIDATED COMPLIANCE ORDER AND NOTICE OF POTENTIAL PENALTY**, the Respondent must follow the guidelines set forth in the "Right to Appeal" portion of this **CONSOLIDATED COMPLIANCE ORDER AND NOTICE OF POTENTIAL PENALTY**.
- To request closure of the **COMPLIANCE ORDER** portion, the Respondent must demonstrate compliance with the "Order" portion of this **COMPLIANCE ORDER** by completing the attached "**CONSOLIDATED COMPLIANCE ORDER AND NOTICE OF POTENTIAL PENALTY REQUEST TO CLOSE**" form and returning it to the address specified.
  - The **COMPLIANCE ORDER** will not be closed if the Respondent owes outstanding fees or penalties to the Department. Please contact the Financial Services Division at 225-219-3865 or email them at [\\_DEQ-WWWFinancialServices@la.gov](mailto:_DEQ-WWWFinancialServices@la.gov) to determine if you owe outstanding fees.
- To expedite closure of the **NOTICE OF POTENTIAL PENALTY** portion, the Respondent may offer a settlement amount to resolve any claim for civil penalties for the violation(s) described herein.
  - The Department assesses civil penalties based on LAC 33:I.Subpart1.Chapter7.
  - The Respondent may offer a settlement amount but the Department is under no obligation to enter into settlement negotiations. It is decided upon on a discretionary basis.
  - The settlement offer amount may be entered on the attached "**CONSOLIDATED COMPLIANCE ORDER AND NOTICE OF POTENTIAL PENALTY REQUEST TO CLOSE**" form. The Respondent must include a justification of the offer.
  - **DO NOT** submit payment of the offer amount with the form. The Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.
  - The **NOTICE OF POTENTIAL PENALTY** will not be closed if the Respondent owes outstanding fees to the Department. Please contact the Financial Services Division at 225-219-3865 or email them at [\\_DEQ-WWWFinancialServices@la.gov](mailto:_DEQ-WWWFinancialServices@la.gov) to determine if you owe outstanding fees.

If you have questions or need more information, you may contact Richard Ober, Jr. at (225) 219-3135 or richard.ober@la.gov.



Cheryl Sonnier Nolan  
Assistant Secretary  
Office of Environmental Compliance


Date:

10 November 2014

cc: Chris Sanfilippo  
Environmental Manager  
Texas Petroleum Investment Company  
Post Office Box 218  
Avery Island, Louisiana 70513

Attachment(s)

- Request to Close
- Attachment A - Interim Effluent Limitations And Monitoring Requirements

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY OFFICE OF ENVIRONMENTAL COMPLIANCE ENFORCEMENT DIVISION POST OFFICE BOX 4312 BATON ROUGE, LOUISIANA 70821-4312		CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY REQUEST TO CLOSE			
Enforcement Tracking No.	WE-CN-12-01234	Contact Name	Richard Ober, Jr.		
Agency Interest (AI) No.	17439	Contact Phone No.	(225) 219-3135		
Alternate ID No.	LAU007315				
Respondent:	Texas Petroleum Investment Company	Facility Name:	Jennings Townsite Production Facility		
	c/o Patrick S. Ottinger Agent for Service of Process	Physical Location:	1614 E. Racca Road		
	1313 W. Pinhook Road	City, State, Zip:	Jennings, LA 70546		
	Lafayette, LA 70503	Parish:	Jefferson Davis		
<b>STATEMENT OF COMPLIANCE</b>					
<b>STATEMENT OF COMPLIANCE</b>		<b>Date Completed</b>	<b>Copy Attached?</b>		
A written report was submitted in accordance with Paragraph III of the "Order" portion of the COMPLIANCE ORDER.					
All necessary documents were submitted to the Department within 30 days of receipt of the COMPLIANCE ORDER in accordance with Paragraph IV of the "Order" portion of the COMPLIANCE ORDER.					
All items in the "Findings of Fact" portion of the COMPLIANCE ORDER were addressed and the facility is being operated to meet and maintain the requirements of the "Order" portion of the COMPLIANCE ORDER. Final compliance was achieved as of:					
<b>SETTLEMENT OFFER (OPTIONAL)</b>					
<i>(check the applicable option)</i>					
<input type="checkbox"/>	The Respondent is not interested in entering into settlement negotiations with the Department with the understanding that the Department has the right to assess civil penalties based on LAC 33:1.Subpart1.Chapter7.				
<input type="checkbox"/>	In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY (WE-CN-12-01234), the Respondent is interested in entering into settlement negotiations with the Department and would like to set up a meeting to discuss settlement procedures.				
<input type="checkbox"/>	In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY (WE-CN-12-01234), the Respondent is interested in entering into settlement negotiations with the Department and offers to pay \$ _____ which shall include LDEQ enforcement costs and any monetary benefit of non-compliance. <ul style="list-style-type: none"> <li>• Monetary component = \$ _____</li> <li>• Beneficial Environmental Project (BEP) component (optional)= \$ _____</li> <li>• DO NOT SUBMIT PAYMENT OF THE OFFER WITH THIS FORM- the Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.</li> </ul> The Respondent has reviewed the violations noted in NOTICE OF POTENTIAL PENALTY (WE-CN-12-01234) and has attached a justification of its offer and a description of any BEPs if included in settlement offer.				
<b>CERTIFICATION STATEMENT</b>					
I certify, under provisions in Louisiana and United States law that provide criminal penalties for false statements, that based on information and belief formed after reasonable inquiry, the statements and information attached and the compliance statement above, are true, accurate, and complete. I also certify that I do not owe outstanding fees or penalties to the Department for this facility or any other facility I own or operate. I further certify that I am either the Respondent or an authorized representative of the Respondent.					
Respondent's Signature		Respondent's Printed Name		Respondent's Title	
Respondent's Physical Address			Respondent's Phone #	Date	
<b>MAIL COMPLETED DOCUMENT TO THE ADDRESS BELOW:</b>					
Louisiana Department of Environmental Quality Office of Environmental Compliance Enforcement Division P.O. Box 4312 Baton Rouge, LA 70821 Attn: Richard Ober, Jr.					

If you have questions or need more information, you may contact Richard Ober, Jr. at (225) 219-3135 or richard.ober@la.gov.

## ATTACHMENT A

## INTERIM EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS

As required in Part IV of the ORDER portion of this **COMPLIANCE ORDER**, to protect water quality, if the Respondent chooses to discharge to waters of the state, a completed LPDES notice of intent (NOI) or appropriate LPDES permit application must be submitted to the Office of Environmental Services within thirty (30) days after receipt of this **COMPLIANCE ORDER**. The completed LPDES notice of intent (NOI) or permit application must address all outfalls at the facility and must follow all procedures and guidelines set forth in LAC 33:IX.Chapter 25 (please reference **WE-CN-12-01234**, **AI# 17439**, and **LAU007315**). The three copies (the original and two copies) of the completed application or NOI should be submitted to:

Department of Environmental Quality  
Office of Environmental Services  
Post Office Box 4313  
Baton Rouge, Louisiana 70821-4313  
Attention: Water Permits Division

A copy of the completed application or notice of intent (NOI) must also be sent to the Enforcement Division. For help or questions concerning the application or notice of intent (NOI), you may contact LDEQ Small Business Assistance at 1-800-259-2890.

If a completed LPDES notice of intent (NOI) or permit application is not submitted within thirty (30) days after receipt of this **COMPLIANCE ORDER**, the following interim discharge limitations and monitoring requirements will be terminated and the Department may take additional enforcement action.

If the Respondent chooses to discharge to waters of the state, the following interim limitations and monitoring requirements shall apply:

The point of discharge is hereby designated as Outfall 001. The discharge from this facility's operation shall be monitored at the point of discharge prior to entering waters of the state of Louisiana. The Respondent shall monitor and report all discharges from its facility under the following interim effluent limitations and monitoring requirements until a final LPDES permit is issued by the Department or until the Respondent is otherwise notified in writing by the Department.

## INTERIM EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS

OUTFALL 001  
TREATED SANITARY WASTEWATER

Outfall No.	Effluent Parameter	Concentration Limitations (mg/l unless stated)		Measurement Frequency	Sample Type
		Monthly Avg.	Daily Max		
001	Flow (GPD)	N/A	Report	1/6 months	Estimate
001	BOD <sub>5</sub> (mg/L)	30	45	1/6 months <sup>1</sup>	Grab
001	TSS <sup>2</sup> (mg/L)	30	45	1/6 months <sup>1</sup>	Grab
001	Fecal Coliform <sup>3</sup> (Colonies/100 ml)	200	400	1/6 months <sup>1</sup>	Grab
001	pH (Standard Units)	6 (Min)	9 (Max)	1/6 months <sup>1</sup>	Grab

<sup>1</sup> If the value of this effluent characteristic exceeds the Daily Max limit in any sample, then the Monitoring Frequency shall increase to 1/3 months. This increased frequency shall continue until a sample demonstrates a value less than or equal to the Daily Max. If the pH value is below 6.0 standard units or above 9.0 standard units, then the Measurement Frequency shall increase to 1/3 months. This increased frequency shall continue until a sample demonstrates a value between 6.0 and 9.0 standard units. The results of the increased frequency shall be included in the calculation and reporting of the data submitted in the DMR.

<sup>2</sup> If the treatment unit is an oxidation pond, the monthly average limitation shall be 90 mg/L and the daily max limitation shall be 135 mg/L, unless otherwise directed.

<sup>3</sup> If the discharge is directly to a waterbody which is named in the LAC 33:IX.1123.Table 3, and which has a designated use of oyster propagation, the fecal coliform limitations will be 14 colonies/100ml monthly average and 43 colonies/100ml daily maximum.

\* The interim effluent limitations and monitoring requirements are based on Schedule B of the LAG530000, Sanitary Class I General Permit, which applies to industrial facilities with a flow less than 5,000 gallons per day.

Note: EPA's effluent guidelines (40 CFR 435.32) for onshore oil & gas exploration and production facilities require "no discharge of wastewater pollutants" into navigable waters. According to an opinion from EPA Region 6, treatment of contaminated stormwater runoff will not likely remove all the pollutants. Therefore, contaminated stormwater runoff, even after treatment, may not be permitted to discharge in order to comply with the effluent guidelines.

The Respondent shall comply with the General Criteria for water quality standards listed in LAC 33:IX.1113.B.

Samples taken in compliance with the monitoring requirements specified above shall be taken at the discharge point(s) prior to mixing with other waters.

Laboratory procedures and analyses shall be conducted by a commercial laboratory that has been certified by the Department in accordance with the requirements set forth under LAC 33:I.Subpart 3, Chapters 49-55. A list of laboratories that have received accreditation is available on the Department's website located at:

<http://www.deq.louisiana.gov/portal/DIVISIONS/PublicParticipationandPermitSupport/LouisianaLaboratoryAccreditationProgram/AccreditedLaboratories.aspx>.

Questions concerning the program may be directed to (225) 219-3247.

Samples and measurements shall be representative of the volume and nature of the discharge and collected and analyzed according to the requirements of LAC 33:IX.2701.J. Monitoring results from all sample analyses shall be reported on Discharge Monitoring Reports (DMRs) (EPA Form 3320-1) and forwarded to:

Office of Environmental Compliance  
Post Office Box 4312  
Baton Rouge, Louisiana 70821-4312  
Attention: Permit Compliance Unit

DMRs shall be submitted no later than the twenty-eighth (28) day of the month following the monitoring period specified in this **COMPLIANCE ORDER**. The monitoring period shall begin on the first day of the month following receipt of **COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY WE-CN-12-01234**. The Respondent shall continue the submission of DMRs by the twenty-eighth (28) day of the month following each monitoring period until the Respondent is authorized under a LPDES permit or until otherwise notified in writing by this Department. **COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY WE-CN-12-01234, AI# 17439, and LAU007315** should be referenced on all DMRs submitted in accordance with this **COMPLIANCE ORDER**. Instructions for the proper completion of DMRs and examples of properly completed DMRs may be found on the Department's website at:

<http://www.deq.louisiana.gov/portal/DIVISIONS/Enforcement/WaterEnforcement.aspx>.  
Blank DMR forms may also be downloaded from this website.

The Respondent shall at all times properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) which are installed or used by the Respondent to achieve compliance with the conditions of these interim limitations and monitoring requirements. Proper operation and maintenance also includes adequate laboratory controls and appropriate quality assurance procedures. This provision requires the operation of back-up auxiliary facilities or similar systems, which are installed by a facility only when the operation is necessary to achieve compliance with the conditions of these interim limitations and monitoring requirements.

These interim limitations and monitoring requirements do not convey any property rights of any sort.

If the Daily Max limitation on any parameter is exceeded, the Respondent shall report said exceedance(s) in writing to the Office of Environmental Compliance, within five (5) working days after becoming aware of the violations. **COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY WE-CN-12-01234, AI# 17439, and LAU007315** should be referenced on all such reports submitted in accordance with this **COMPLIANCE ORDER**. The report should include the date, time, and duration of the noncompliance; the details of the circumstances and events leading to the noncompliance; the corrective actions taken or to be taken to correct the noncompliance and if not corrected, the anticipated time the noncompliance is

expected to continue; the procedures or measures taken or to be taken to prevent recurrence of the noncompliance; and a determination of whether or not the noncompliance was preventable.

For sanitary treatment plants, the plans and specifications must be approved by the Louisiana Department of Health and Hospitals, Office of Public Health, P.O. Box 4489, Baton Rouge, Louisiana 70821, (225) 342-7499. Additionally, any discharge to a highway ditch, cross ditch, or right-of-way requires approval from the Louisiana Department of Transportation and Development, P.O. Box 94245, Baton Rouge, Louisiana 70804-9245, (225)379-1301.



**BOBBY JINDAL**  
GOVERNOR

**PEGGY M. HATCH**  
SECRETARY

**State of Louisiana**  
**DEPARTMENT OF ENVIRONMENTAL QUALITY**  
**OFFICE OF ENVIRONMENTAL COMPLIANCE**

March 3, 2015

CERTIFIED MAIL (7004 2510 0006 3854 3253)  
RETURN RECEIPT REQUESTED

**TEXAS PETROLEUM INVESTMENT COMPANY**  
c/o Patrick S. Ottinger  
Agent of Service  
1313 W. Pinhook Rd.  
Lafayette, LA 70503

**RE: CONSOLIDATED COMPLIANCE ORDER  
& NOTICE OF POTENTIAL PENALTY  
ENFORCEMENT TRACKING NO. WE-CN-13-00362  
AGENCY INTEREST NO. 32572**

Dear Sir:

Pursuant to the Louisiana Environmental Quality Act (La. R.S. 30:2001, et seq.), the attached **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is hereby served on **TEXAS PETROLEUM INVESTMENT COMPANY (RESPONDENT)** for the violations described therein.

Compliance is expected within the maximum time period established by each part of the **COMPLIANCE ORDER**. The violations cited in the **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** could result in the issuance of a civil penalty or other appropriate legal actions.

Any questions concerning this action should be directed to Suzanne Gardner at (225) 219-3078.

Sincerely,  
  
Celena J. Cage  
Administrator  
Enforcement Division

CJC/SDG/sdg  
Alt ID No. LAG33A322  
Attachment





STATE OF LOUISIANA  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
OFFICE OF ENVIRONMENTAL COMPLIANCE

<p>IN THE MATTER OF</p> <p>TEXAS PETROLEUM INVESTMENT COMPANY PLAQUEMINES PARISH ALT ID NO. LAG33A322</p> <p>PROCEEDINGS UNDER THE LOUISIANA ENVIRONMENTAL QUALITY ACT, La. R.S. 30:2001, ET SEQ.</p>	<p>* * * * * * * * * *</p>	<p>ENFORCEMENT TRACKING NO.</p> <p>WE-CN-13-00362</p> <p>AGENCY INTEREST NO.</p> <p>32572</p>
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CONSOLIDATED  
COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY

The following **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is issued to **TEXAS PETROLEUM INVESTMENT COMPANY (RESPONDENT)** by the Louisiana Department of Environmental Quality (the Department), under the authority granted by the Louisiana Environmental Quality Act (the Act), La. R.S. 30:2001, et seq., and particularly by La. R.S. 30:2025(C), 30:2050.2 and 30:2050.3(B).

**FINDINGS OF FACT**

I.

The Respondent owns and/or operates an oil and gas production facility known as Breton Sound 21 Central Facility, located approximately 21.4 miles northeast of Venice, Plaquemines Parish, Louisiana. The Department transferred Louisiana Pollutant Discharge Elimination System (LPDES) General Permit LAG33A322 to the Respondent on August 27, 2009, which expired on December 1, 2010, and was administratively continued. LPDES permit LAG33A322 was reissued to the Respondent on or about May 16, 2011, which will expire on January 31, 2016. The Department modified LPDES General Permit Series LAG330000 on September 15, 2011, with an effective date of October 1, 2011, and an expiration date of January 31, 2016. The modification incorporated minor corrections in the LPDES Permit LAG33A0000. LPDES permit LAG33A322 authorizes the Respondent to discharge

wastewater from oil and gas production activities from its facility into coastal waters within Louisiana, all waters of the state.

## II.

Inspections conducted by the Department on or about December 26, 2012, November 14, 2011, and August 30, 2011, and a subsequent file review conducted by the Department on or about September 13, 2014, revealed that the Respondent self-reported unauthorized discharges into waters of the state.

Date	Location of Discharge	Substance	Amount Discharged	Cause	Receiving Stream
10/23/2010	2326 #13 Well	Crude Oil	2 Barrels	A 1" ball valve was open and missing a plug on 2326#13 Well.	Breton Sound Waterway
01/21/2011	4409 #6 Well	Gas Condensate	< Reportable Quantity	Condensate from a needle valve was left open caused a sheen 0.5 miles long by 20 feet wide.	Breton Sound, 10 miles from land
06/11/2011	1999-37 Well	Crude Oil	57 Gallons	Leak in the flow line caused a sheen 0.75 miles long by 0.5 miles wide	Breton Sound Waterway
08/18/2011	Facility #3	Crude Oil	4 Gallons	Leak in a valve – did not perform a flow line test before using an out of service line – sheen approximately 3 miles in length.	Breton Sound Waterway
08/30/2011	Central Facility	Crude Oil	2 Barrels	Power loss caused the compressor to fail and there was no back-up power or compressor.	Breton Sound Waterway
11/14/2011	4409-36 Well	Crude Oil	15 Barrels	Compressor failed and there was no back-up compressor	Breton Sound Waterway
11/21/2011	4409-36 Well	Crude Oil	34 Gallons	Pinhole leak due to corrosion on a 2-inch flow line.	Breton Sound Block 36 Area
03/19/2012	1997 E-1 Well	Natural Gas Condensate	1 Gallon	A leak developed on a 2-inch gas lift line associated with the 1997 E-1 Well.	Breton Sound Waterway
03/20/2012	Breton Sound Block 21	Crude Oil	6.5 Ounces	A leak developed on a 2-inch flow line riser associated with the 1998-BV10D Well and the Breton Sound Facility #3	Breton Sound Waterway
05/08/2012	Deck Drainage line off the Central Facility	Crude Oil	Immeasurable Amount	A crack in the deck drainage flow line 35 feet off the facility was bubbling crude oil.	Gulf of Mexico
05/17/2012	Breton Sound 21 Facility	Crude Oil and Washwater	3 Gallons	The transfer hose disconnected, and the sheen was over 2 miles long by 50 yards wide.	Breton Sound Waterway
		Crude Oil	18 Gallons	The pump on the safety system did not work causing the release of crude oil to the gas vent on an oil storage tank.	Gulf of Mexico
05/23/2012	Breton Sound 21 Facility Platform	Crude Oil	2 Teaspoons	The Respondent stated that the sump pump developed a leak.	Gulf of Mexico
06/06/2012	Breton Sound 21 Facility	Crude Oil with Water	>1 Gallon	A hole developed in a 2-inch transfer hose.	Breton Sound Waterway

Date	Location of Discharge	Substance	Amount Discharged	Cause	Receiving Stream
06/08/2012	Breton Sound 21 Facility	Crude Oil	1.0 to 1.5 Gallons	An open valve caused the discharge of crude oil.	Breton Sound Waterway
06/12/2012	Breton Sound 21 Facility	Crude Oil	.5 Gallons	Saltwater tank overflowed discharging crude oil into the water.	Gulf of Mexico
06/28/2012	Breton Sound 21 Facility	Crude Oil	2 Gallons	A leak developed in the air/water interface of a riser associated with Well #199851.	Gulf of Mexico
07/06/2012	Breton Sound 21 Facility	Crude Oil with Water	> 1 Gallon	A hole developed in a 2-inch transfer hose.	Breton Sound
07/08/2012	Breton Sound 21 Facility	Crude Oil	1.0 to 1.5 Gallon	A valve opened and caused a discharge at the Breton Sound Facility.	Breton Sound
07/30/2012	Breton Sound 21 Facility	Crude Oil	32.5 Gallons	The Respondent failed to close a junction valve on a 6-inch flare.	Offshore 24 miles SW of Facility
09/08/2012	Breton Sound 21 Facility	Crude Oil	1 Barrel	A 2-inch hose came off of a 2-inch tap on a 10-inch oil line.	Gulf of Mexico
09/21/2012	Breton Sound 21 Facility	Gas/water mixture	3 Quarts	Emergency shutdown caused the release through the facility flare.	Gulf of Mexico
09/25/2012	Breton Sound 21 Facility	Crude Oil	Approximately 2.5 cups	During the transfer of fluids into the Bad Oil Tank a carryover occurred and oily water was released from the tank vent.	Breton Sound
12/26/2012	Breton Sound 21 Facility	Crude Oil	1 Barrel	Compressor valves failed to properly close during the startup after an emergency shut down and crude oil discharged through the flare.	Gulf of Mexico
06/29/2013	Breton Sound 21 Facility	Crude Oil	0.6 Gallons	The discharge occurred while replacing a cut valve on the water settling tank.	Breton Sound Waterway
07/01/2013	Breton Sound Facility	Crude Oil	2 ounces	External corrosion caused a pinhole leak on a flow line coming from the sump to the bad oil tank.	Breton Sound
07/08/2013	Breton Sound 21 Facility	Crude Oil	10 Gallons	While transferring crude oil into a tote tank using a 3-inch transfer hose the hose connection became loose and discharged through a crack in the Waskey slab and into the water.	Breton Sound Waterway
09/11/2013	Breton Sound 21	Crude Oil	0.4 Gallons	A valve on a bad oil tank was open and allowed residual oil to mist.	Breton Sound Waters
10/9/2013	Breton Sound 21 Facility	Produced Water	10 -15 Gallons	There was internal corrosion on a valve from the braided line.	Breton Sound
10/11/2013	Breton Sound 21 Facility	Crude Oil	Approximately 7 to 10 barrels	The SWB#2 Well developed a leak in the well casing near the water line.	Breton Sound 21 Field

Date	Location of Discharge	Substance	Amount Discharged	Cause	Receiving Stream
12/19/2013	Breton Sound 21 Facility	Crude Oil	1.4 ounces	A fitting on a 1-inch stainless steel tubing associated with a pump developed a leak and discharged into the waterway through a small crack in the deck of the facility.	Breton Sound Waterway
03/01/2014	Breton Sound Block 20 Field	Crude Oil	3 Cups	A 3-inch flow line associated with the well 2000-68 developed a leak.	Breton Sound Waterway
03/18/2014	Breton Sound Central Facility	Oil/Water mixture	20-25 Gallons	A 2-inch hose broke loose from a sump pump.	Breton Sound Waterway
	Breton Sound Block 21 Field Well#2000-67D	Crude Oil	2 Gallons	A pinhole leak developed in a 3-inch flow line.	Breton Sound Waterway

Each unauthorized discharge into waters of the state is a violation of La. R.S. 30:2076(A)(3), and LAC 33:IX.1701.B.

### III.

Inspections conducted by the Department on or about December 26, 2012, November 14, 2011, and August 30, 2011, and a subsequent file review conducted by the Department on or about September 13, 2014, revealed the following violations for effluent exceedances as reported by the Respondent on DMRs:

DATE	OUTFALL	PARAMETER	PERMIT LIMIT	RECORDED VALUE
10/2010	002A	Misc. Discharges, Free Oil	No. of Days <= 0	1
01/2011	002A	Misc. Discharges, Free Oil	No. of Days <= 0	1
06/2011	002A	Misc. Discharges, Free Oil	No. of Days <= 0	1
08/2011	002A	Misc. Discharges, Free Oil	No. of Days <= 0	2
11/2011	002A	Misc. Discharges, Free Oil	No. of Days <= 0	2
03/2012	002A	Misc. Discharges, Free Oil	No. of Days <= 0	2
05/2012	002A	Misc. Discharges, Free Oil	No. of Days <= 0	5
06/2012	002A	Misc. Discharges, Free Oil	No. of Days <= 0	2
07/2012	002A	Misc. Discharges, Free Oil	No. of Days <= 0	3
09/2012*	002A	Misc. Discharges, Free Oil	No. of Days <= 0	5
10/2012**	002A	Misc. Discharges, Free Oil	No. of Days <= 0	2
12/2012	002A	Misc. Discharges, Free Oil	No. of Days <= 0	1
04-06/2013***	002A	Misc. Discharges, Free Oil	No. of Days <= 0	1
07-09/2013***	002A	Misc. Discharges, Free Oil	No. of Days <= 0	3
10-12/2013***	002A	Misc. Discharges, Free Oil	No. of Days <= 0	3
01-03/2014***	002A	Misc. Discharges, Free Oil	No. of Days <= 0	3

\*Two of the five incidents were attributed to Hurricane Isaac.

\*\*The Respondent failed to mark exceedances on the DMR.

\*\*\*The Respondent submitted quarterly DMRs.

Each exceedance of a permitted discharge limitation prior to May 16, 2011, is a violation of LPDES permit LAG33A322 LPDES permit LAG33A322 (Part I, Pages 4 and 20 of 20, Part II, Section C; and Part III, Section A.2), and beginning May 16, 2011, is a violation of LPDES permit LAG33A322 (Part I,

Effluent Limitations, Page 4 of 14, Narrative Requirements, Condition Nos. T5, and T6, Pages 5, and 6 of 19; and Part III, Section A.2), La. R.S. 30:2076(A)(3), and LAC 33:IX.708.C.1.a.

### COMPLIANCE ORDER

Based on the foregoing, the Respondent is **hereby ordered**:

I.

To immediately cease, upon receipt of this **COMPLIANCE ORDER**, all unauthorized discharges from the Respondent's facility to waters of the state, and to take any and all steps necessary to meet and maintain compliance with the Act and the Water Quality Regulations including, but not limited to, complying with limits and conditions in the LPDES permit LAG33A322.

II.

To submit a completed NetDMR Subscriber Agreement to the Department for approval to submit DMRs electronically using NetDMR, within thirty (30) days after receipt of this **COMPLIANCE ORDER**. The Subscriber Agreement shall be signed and dated with an original signature and submitted to:

Office of Environmental Compliance  
Post Office Box 4312  
Baton Rouge, Louisiana 70821-4312  
**Attn: NetDMR**  
**Re: Enforcement Tracking No. WE-CN-13-00362**  
**Agency Interest No. 32572**

NetDMR is accessed through: [www.epa.gov/netdmr](http://www.epa.gov/netdmr). For assistance establishing and maintaining a NetDMR account or for NetDMR training, see attached instructions or contact the Permit Compliance Unit at [deqnetdmr@la.gov](mailto:deqnetdmr@la.gov).

III.

To submit DMRs and associated reports electronically using NetDMR beginning with the first monitoring period after approval of the NetDMR Subscriber Agreement unless otherwise notified in writing by the Department.

IV.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a written report that includes a detailed description of the circumstances surrounding the cited violations and actions taken or to be taken to achieve compliance with the Order

Portion of this **COMPLIANCE ORDER**. This report and all other reports or information required to be submitted to the Enforcement Division by this **COMPLIANCE ORDER** shall be submitted to:

Office of Environmental Compliance  
Post Office Box 4312  
Baton Rouge, Louisiana 70821-4312  
**Attn: Suzanne Gardner**  
**Re: Enforcement Tracking No. WE-CN-13-00362**  
**Agency Interest No. 32572**

**THE RESPONDENT SHALL FURTHER BE ON NOTICE THAT:**

I.

The Respondent has a right to an adjudicatory hearing on a disputed issue of material fact or of law arising from this **COMPLIANCE ORDER**. This right may be exercised by filing a written request with the Secretary no later than thirty (30) days after receipt of this **COMPLIANCE ORDER**.

II.

The request for an adjudicatory hearing shall specify the provisions of the **COMPLIANCE ORDER** on which the hearing is requested and shall briefly describe the basis for the request. This request should reference the Enforcement Tracking Number and Agency Interest Number, which are located in the upper right-hand corner of the first page of this document and should be directed to the following:

Department of Environmental Quality  
Office of the Secretary  
Post Office Box 4302  
Baton Rouge, Louisiana 70821-4302  
**Attn: Hearings Clerk, Legal Division**  
**Re: Enforcement Tracking No. WE-CN-13-00362**  
**Agency Interest No. 32572**

III.

Upon the Respondent's timely filing a request for a hearing, a hearing on the disputed issue of material fact or of law regarding this **COMPLIANCE ORDER** may be scheduled by the Secretary of the Department. The hearing shall be governed by the Act, the Administrative Procedure Act (La. R.S. 49:950, et seq.), and the Department's Rules of Procedure. The Department may amend or supplement this **COMPLIANCE ORDER** prior to the hearing, after providing sufficient notice and an opportunity for the preparation of a defense for the hearing.

IV.

This **COMPLIANCE ORDER** shall become a final enforcement action unless the request for hearing is timely filed. Failure to timely request a hearing constitutes a waiver of the Respondent's right to a hearing on a disputed issue of material fact or of law under Section 2050.4 of the Act for the violation(s) described herein.

V.

The Respondent's failure to request a hearing or to file an appeal or the Respondent's withdrawal of a request for hearing on this **COMPLIANCE ORDER** shall not preclude the Respondent from contesting the findings of facts in any subsequent penalty action addressing the same violation(s), although the Respondent is estopped from objecting to this **COMPLIANCE ORDER** becoming a permanent part of its compliance history.

VI.

Civil penalties of not more than twenty-seven thousand five hundred dollars (\$27,500) for each day of violation for the violation(s) described herein may be assessed. For violations which occurred on August 15, 2004, or after, civil penalties of not more than thirty-two thousand five hundred dollars (\$32,500) may be assessed for each day of violation. The Respondent's failure or refusal to comply with this **COMPLIANCE ORDER** and the provisions herein will subject the Respondent to possible enforcement procedures under La. R.S. 30:2025, which could result in the assessment of a civil penalty in an amount of not more than fifty thousand dollars (\$50,000) for each day of continued violation or noncompliance.

VII.

For each violation described herein, the Department reserves the right to seek civil penalties in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such penalties.

**NOTICE OF POTENTIAL PENALTY**

I.

Pursuant to La. R.S. 30:2050.3(B), you are hereby notified that the issuance of a penalty assessment is being considered for the violation(s) described herein. Written comments may be filed regarding the violation(s) and the contemplated penalty. If you elect to submit comments, it is requested that they be submitted within ten (10) days of receipt of this notice.

II.

Prior to the issuance of additional appropriate enforcement action(s), you may request a meeting with the Department to present any mitigating circumstances concerning the violation(s). If you would like to have such a meeting, please contact Suzanne Gardner at (225) 219-3078 within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.

III.

The Department is required by La. R.S. 30:2025(E)(3)(a) to consider the gross revenues of the Respondent and the monetary benefits of noncompliance to determine whether a penalty will be assessed and the amount of such penalty. Please forward the Respondent's most current annual gross revenue statement along with a statement of the monetary benefits of noncompliance for the cited violation(s) to the above named contact person within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**. Include with your statement of monetary benefits the method(s) you utilized to arrive at the sum. If you assert that no monetary benefits have been gained, you are to fully justify that statement.

IV.

This **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is effective upon receipt.

Baton Rouge, Louisiana, this 3 day of March, 2015.



D. Chance McNeely  
Assistant Secretary  
Office of Environmental Compliance

Copies of a request for a hearing and/or related correspondence should be sent to:

Louisiana Department of Environmental Quality  
Office of Environmental Compliance  
Enforcement Division  
P.O. Box 4312  
Baton Rouge, LA 70821-4312  
Attention: Suzanne D. Gardner





*The attached enforcement action requires the use of NetDMR*

### **WHAT IS NETDMR?**

NetDMR is a Web-based tool that allows facilities to electronically sign and submit LPDES discharge monitoring reports (DMRs) to the LDEQ.

### **HOW DO I USE NETDMR?**

1. Register in NetDMR
2. Submit Subscriber Agreement to LDEQ
3. Receive approval by LDEQ
4. Sign and Submit On-line

Training is offered by both LDEQ and EPA. Please check the LDEQ NetDMR Training website at <http://www.deq.louisiana.gov/netdmr> for training materials and current information offered by LDEQ. Information about EPA's training can be found at [www.epa.gov/netdmr](http://www.epa.gov/netdmr)

### **HOW DO I REGISTER AND SUBMIT A SUBSCRIBER AGREEMENT?**

(The first person to register must be an authorized signatory.)

1. Go to NetDMR website at <https://netdmr.epa.gov/netdmr>
2. Choose "Louisiana DEQ" as the Regulatory Authority from the drop-down list
3. Click the "Create a NetDMR Account" link in the login box
4. Complete the account information as required
  - a. Type of user must be "Permittee User"
  - b. Security answers must be unique and are case sensitive
5. Click "Submit" and confirm account information
6. Click the link within the verification email that has been sent to your email address
7. Create password by following instructions on the page
8. Login to NetDMR
9. Click "Request Access" link in the top left corner
10. Enter Permit Number and click "Update"
11. Select "Signatory" role and click "Add Request"
12. Click "Submit" and confirm
13. Provide Signatory Information, click "Submit" and confirm
14. Click button to print Subscriber Agreement
15. Mail in signed, original Subscriber Agreement to LDEQ for approval

If you have additional questions, please email [deqnetdmr@la.gov](mailto:deqnetdmr@la.gov).



BOBBY JINDAL  
GOVERNOR



PEGGY M. HATCH  
SECRETARY

State of Louisiana  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
OFFICE OF ENVIRONMENTAL COMPLIANCE

April 9, 2015

CERTIFIEDMAIL (7004 2510 0005 5763 0379)  
RETURN RECEIPT REQUESTED

TEXAS PETROLEUM INVESTMENT COMPANY  
c/o Patrick S. Ottinger  
Agent of Service  
1313 W. Pinhook Rd.  
Lafayette, LA 70503

RE: **CONSOLIDATED COMPLIANCE ORDER  
& NOTICE OF POTENTIAL PENALTY  
ENFORCEMENT TRACKING NO. WE-CN-13-00217  
AGENCY INTEREST NO. 32570**

Dear Sir:

Pursuant to the Louisiana Environmental Quality Act (La. R.S. 30:2001, et seq.), the attached **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is hereby served on **TEXAS PETROLEUM INVESTMENT COMPANY (RESPONDENT)** for the violations described therein.

Compliance is expected within the maximum time period established by each part of the **COMPLIANCE ORDER**. The violations cited in the **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** could result in the issuance of a civil penalty or other appropriate legal actions.

Any questions concerning this action should be directed to Suzanne Gardner at (225) 219-3078.

Sincerely,

Celena J. Cage  
Administrator  
Enforcement Division

CJC/SDG/sdg  
Alt ID No. LAG33A430  
Attachment



STATE OF LOUISIANA  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
OFFICE OF ENVIRONMENTAL COMPLIANCE

<p>IN THE MATTER OF</p> <p>TEXAS PETROLEUM INVESTMENT COMPANY PLAQUEMINES PARISH ALT ID NO. LAG33A430</p> <p>PROCEEDINGS UNDER THE LOUISIANA ENVIRONMENTAL QUALITY ACT, La. R.S. 30:2001, ET SEQ.</p>	<p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p>	<p>ENFORCEMENT TRACKING NO.</p> <p>WE-CN-13-00217</p> <p>AGENCY INTEREST NO.</p> <p>32570</p>
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**CONSOLIDATED**  
**COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY**

The following **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is issued to **TEXAS PETROLEUM INVESTMENT COMPANY (RESPONDENT)** by the Louisiana Department of Environmental Quality (the Department), under the authority granted by the Louisiana Environmental Quality Act (the Act), La. R.S. 30:2001, et seq., and particularly by La. R.S. 30:2025(C), 30:2050.2 and 30:2050.3(B).

**FINDINGS OF FACT**

I.

The Respondent owns and/or operates an oil and gas production facility known as the Garden Island Bay Production Facility, located approximately twenty (20) miles southeast of Venice in Garden Island Bay Field, Plaquemines Parish, Louisiana. The Department transferred Louisiana Pollutant Discharge Elimination System (LPDES) General Permit LAG33A430 to the Respondent on November 17, 2012, and which will expire on January 31, 2016. LPDES permit LAG33A430 authorizes the Respondent to discharge wastewater from oil and gas production activities from its facility into unnamed canal; thence into Pass a Loutre Bayou, all waters of the state.

II.

An inspection conducted by the Department on or about January 3, 2013, and a subsequent file review conducted by the Department on or about July 16, 2014, revealed that the Respondent self-reported the following unauthorized discharges of crude oil into waters of the state:

- A. Specifically, on or about December 23, 2012, a storage barge was overfilled during a transfer operation. Approximately, one barrel of crude oil overflowed out of the hatch and onto the deck of the storage barge and then migrated to the northeast corner of the barge. A missing plug from the containment wall in the Northeast corner of the barge, allowed the discharge of crude oil into the adjacent waterway. Containment booms and sorbent pads were deployed to recover the crude oil.
- B. Specifically, on or about January 10, 2013, the Respondent discharged approximately one (1) barrel of crude oil into the adjacent waterway due to a malfunction of the carryover associated with the flare scrubber.

Each unauthorized discharge of crude oil into waters of the state is a violation of La. R.S. 30:2076(A)(1)(a) and LAC 33:IX.1701.B. The Respondent failed to provide containment or diversionary structures, in this case, a system of curbs capable of retaining an oil spill. The failure to implement an adequate SPC Plan is a violation of LPDES permit LAG33A430 (Part I, Narrative Requirements, Page 1 of 19, Condition No. T-2, and T-4; and Part III, Section A.2), La. R.S. 30:2076(A)(3), and LAC 33:IX.708.C.1.b.

**COMPLIANCE ORDER**

Based on the foregoing, the Respondent is **hereby ordered**:

I.

To immediately cease, upon receipt of this **COMPLIANCE ORDER**, all unauthorized discharges from the Respondent's facility to waters of the state, and to take any and all steps necessary to meet and maintain compliance with the Water Quality Regulations.

II.

To amend and implement an adequate Spill Prevention and Control Plan (SPC) Plan for Texas Petroleum Investment Company to address the violations in Paragraph II of the Findings of Fact portion of this Order within thirty (30) days after receipt of this **COMPLIANCE ORDER**, and to submit an updated copy of SPC Plan to the Enforcement Division within forty-five (45) days.

III.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a written report that includes a detailed description of the circumstances surrounding the cited violations and actions taken or to be taken to achieve compliance with the Order. This report and all other reports or information required to be submitted to the Enforcement Division by this **COMPLIANCE ORDER** shall be submitted to:

Office of Environmental Compliance  
Post Office Box 4312  
Baton Rouge, Louisiana 70821-4312  
**Attn: Suzanne Gardner**  
**Re: Enforcement Tracking No. WE-CN-13-00217**  
**Agency Interest No. 32570**

**THE RESPONDENT SHALL FURTHER BE ON NOTICE THAT:**

I.

The Respondent has a right to an adjudicatory hearing on a disputed issue of material fact or of law arising from this **COMPLIANCE ORDER**. This right may be exercised by filing a written request with the Secretary no later than thirty (30) days after receipt of this **COMPLIANCE ORDER**.

II.

The request for an adjudicatory hearing shall specify the provisions of the **COMPLIANCE ORDER** on which the hearing is requested and shall briefly describe the basis for the request. This request should reference the Enforcement Tracking Number and Agency Interest Number, which are located in the upper right-hand corner of the first page of this document and should be directed to the following:

Department of Environmental Quality  
Office of the Secretary  
Post Office Box 4302  
Baton Rouge, Louisiana 70821-4302  
**Attn: Hearings Clerk, Legal Division**  
**Re: Enforcement Tracking No. WE-CN-13-00217**  
**Agency Interest No. 32570**

III.

Upon the Respondent's timely filing a request for a hearing, a hearing on the disputed issue of material fact or of law regarding this **COMPLIANCE ORDER** may be scheduled by the Secretary of the Department. The hearing shall be governed by the Act, the Administrative Procedure Act (La. R.S. 49:950, et seq.), and the Department's Rules of Procedure. The Department may amend or supplement

this **COMPLIANCE ORDER** prior to the hearing, after providing sufficient notice and an opportunity for the preparation of a defense for the hearing.

IV.

This **COMPLIANCE ORDER** shall become a final enforcement action unless the request for hearing is timely filed. Failure to timely request a hearing constitutes a waiver of the Respondent's right to a hearing on a disputed issue of material fact or of law under Section 2050.4 of the Act for the violation(s) described herein.

V.

The Respondent's failure to request a hearing or to file an appeal or the Respondent's withdrawal of a request for hearing on this **COMPLIANCE ORDER** shall not preclude the Respondent from contesting the findings of facts in any subsequent penalty action addressing the same violation(s), although the Respondent is estopped from objecting to this **COMPLIANCE ORDER** becoming a permanent part of its compliance history.

VI.

Civil penalties of not more than twenty-seven thousand five hundred dollars (\$27,500) for each day of violation for the violation(s) described herein may be assessed. For violations which occurred on August 15, 2004, or after, civil penalties of not more than thirty-two thousand five hundred dollars (\$32,500) may be assessed for each day of violation. The Respondent's failure or refusal to comply with this **COMPLIANCE ORDER** and the provisions herein will subject the Respondent to possible enforcement procedures under La. R.S. 30:2025, which could result in the assessment of a civil penalty in an amount of not more than fifty thousand dollars (\$50,000) for each day of continued violation or noncompliance.

VII.

For each violation described herein, the Department reserves the right to seek civil penalties in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such penalties.

**NOTICE OF POTENTIAL PENALTY**

I.

Pursuant to La. R.S. 30:2050.3(B), you are hereby notified that the issuance of a penalty assessment is being considered for the violation(s) described herein. Written comments may be filed

regarding the violation(s) and the contemplated penalty. If you elect to submit comments, it is requested that they be submitted within ten (10) days of receipt of this notice.

II.

Prior to the issuance of additional appropriate enforcement action(s), you may request a meeting with the Department to present any mitigating circumstances concerning the violation(s). If you would like to have such a meeting, please contact Suzanne Gardner at (225) 219-3078 within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.

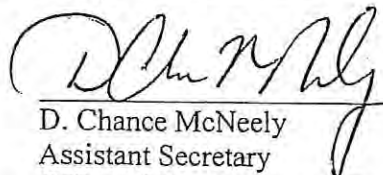
III.

The Department is required by La. R.S. 30:2025(E)(3)(a) to consider the gross revenues of the Respondent and the monetary benefits of noncompliance to determine whether a penalty will be assessed and the amount of such penalty. Please forward the Respondent's most current annual gross revenue statement along with a statement of the monetary benefits of noncompliance for the cited violation(s) to the above named contact person within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**. Include with your statement of monetary benefits the method(s) you utilized to arrive at the sum. If you assert that no monetary benefits have been gained, you are to fully justify that statement.

IV.

This **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is effective upon receipt.

Baton Rouge, Louisiana, this 9 day of April, 2015.


  
\_\_\_\_\_  
D. Chance McNeely  
Assistant Secretary  
Office of Environmental Compliance

Copies of a request for a hearing and/or related correspondence should be sent to:

Louisiana Department of Environmental Quality  
Office of Environmental Compliance  
Enforcement Division  
P.O. Box 4312  
Baton Rouge, LA 70821-4312  
Attention: Suzanne D. Gardner

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY  
 OFFICE OF ENVIRONMENTAL COMPLIANCE  
 ENFORCEMENT DIVISION  
 POST OFFICE BOX 4312  
 BATON ROUGE, LOUISIANA 70821-4312

**CONSOLIDATED COMPLIANCE ORDER &  
 NOTICE OF POTENTIAL PENALTY**



Enforcement Tracking No.	WE-CN-13-00610	Certified Mail No.	7014 0510 0001 5486 1575
Agency Interest (AI) No.	93835	Contact Name	Richard Ober, Jr.
Alternate ID No.	LAG33A066	Contact Phone No.	(225) 219-3135
Respondent:	Texas Petroleum Investment Company	Facility Name:	Romere Pass Terminal
	c/o Patrick S. Ottinger	Physical Location:	approximately eight (8) miles east-northeast of Venice
	Agent for Service of Process	City, State, Zip:	Venice, LA 70091
	1313 W. Pinhook Road	Parish:	Plaquemines Parish
Lafayette, LA 70503			

This CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY is issued by the Louisiana Department of Environmental Quality (the Department), under the authority granted by the Louisiana Environmental Quality Act (the Act), La. R.S. 30:2001, et seq., and particularly by La. R.S. 30:2025(C), 30:2050.2 and 30:2050.3(B).

**FINDINGS OF FACT**

An authorized representative of the Department inspected the abovementioned facility or conducted a file review of the facility to determine the degree of compliance with regulations promulgated in the Louisiana Administrative Code, Title 33. The State regulatory citations for the violation(s) identified during the inspection and/or file review are indicated below.

I. The Respondent owns and/or operates an oil and gas production facility located approximately eight (8) miles east-northeast of Venice, Plaquemines Parish, Louisiana. Under the terms and conditions of LPDES Permit LAG33A066, the Respondent is permitted to discharge dewatering effluents from reserve pits which have not received drilling fluids and/or drill cuttings since December 15, 1996, deck drainage, formation test fluids, sanitary wastewater, domestic wastewater, hydrostatic test water, and miscellaneous discharges which are common to the Coastal Subcategory of the Oil and Gas Extraction Point Subcategory into Lake Pond of the Mississippi River Basin, waters of the state.

	Date of Violation	Description of Violation
II.	File Reviews 2/21/2011 - 9/30/2011, 2/6/2013-4/22/2013 & 7/1/2015	Based on file reviews conducted by the Department's Inspection and Enforcement Divisions, the Respondent caused and/or allowed the discharge of oily fluids and oil field wastes to waters of the state. Specifically, the file reviews of the Respondent's facility revealed unauthorized discharges impacting surrounding marsh and waterway as reported by the Respondent. (La. R.S. 30:2076(A)(3), LAC 33:IX.1701.B, and/or LAC 33:IX.1901.A) Additionally, as reported by the Respondent on, or attached to, Discharge Monitoring Reports (DMRs), the Respondent caused and/or allowed the discharge of free oil as determined by a film or sheen upon or a discoloration of the surface of the receiving water. (LPDES Permit LAG33A066 (Limitation Requirement (Outfall 002) page 4 of 20 prior to April 28, 2011; Narrative Requirements (Outfall 002), Condition T-6, page 6 of 19 on and after April 28, 2011; and Part III, Section A.2), La. R.S. 30:2076(A)(3), and LAC 33:IX.501.A) [See Attachment 1]
III.	File Reviews 2/6/2013 - 4/22/2013 & 7/1/2015	Based on file reviews conducted by the Department's Inspection and Enforcement Divisions of a release on February 6, 2013, the Respondent failed to have an adequate Spill Prevention and Control (SPC) Plan. Specifically, although records provided by the Department indicated that pressure testing had been conducted on May 2, 2012, the Respondent failed to include provisions for annual monitoring of flowline integrity through a combination of visual inspection and pressure testing in the SPC plan. Written procedures for pressure testing and visual inspection associated with the flowline integrity management program were not established in the SPC. (LAC 33:IX.708.C.1.b, LAC 33:IX.907.J, and La. R.S. 30:2076(A)(3))
IV.	File Reviews 2/6/2013 - 4/22/2013 & 7/1/2015	Based on file reviews conducted by the Department's Inspection and Enforcement Divisions of a release on February 6, 2013, the Respondent failed to have inspection records signed or initialed by the inspector, appropriate supervisor or the facility designee. Specifically, records of pressure testing that occurred on May 2, 2012, for the flowlines associated with the RP-59 well failed to include a signature or initials of the inspector, appropriate supervisor or the facility designee. (LAC 33:IX.907.J and La. R.S. 30:2076(A)(3))
V.	File Review 7/1/2015	Based on a file review conducted by the Department's Enforcement Division, the Respondent failed to comply with LPDES permit LAG33A066. Specifically, the Respondent failed to submit quarterly Discharge Monitoring Reports (DMRs) for Outfalls 001, 003, 04B, 005, and 006 for the quarterly monitoring periods from the second quarter 2011 through the first quarter 2015 and semiannual DMRs for Outfall 04B for the semiannual monitoring periods from the first semiannual period 2011 through the second semiannual period 2014. The Respondent submitted letters, which included multiple facilities, dated January 27, 2012 (fourth quarter 2011), July 27, 2012 (second quarter 2012), January 28, 2013 (fourth quarter 2012), January 26, 2015 (fourth quarter 2014), in lieu of submitting DMRs, for outfalls having no discharges. This is acceptable under LPDES permit LAG33A066, Narrative Requirement Condition T-1 for Outfalls 001, 003 and 005 and T-2 for Outfall 04B. The letters noted that the Romere Pass Terminal had discharges (DMRs were submitted for Outfall 002), and did not list Outfalls 001, 003, 04B, 005, and 006 as having no discharges during the quarterly periods. Additionally, the file review did not reveal any letters submitted in accordance with permit Narrative Requirement Conditions T-1 or T-2 stating that there were no discharges from Outfalls 001, 003, 04B, 005, and 006 for the following quarterly periods: second and third quarters of 2011, first and third quarters of 2012, first through third quarters of 2013 and the first quarter of 2015. (LPDES Permit LAG33A066 (Narrative Requirement Conditions 5-1 and T-1 for Outfalls 001, 003, 005, and 006; Narrative Requirement Conditions 5-1, 5-2 and T-2 for Outfall 04B; and Part III, Section A.2), La. R.S. 30:2076(A)(3), and LAC 33:IX.2701.L.4.a)

**ORDER**

Based on the foregoing, the Respondent is hereby ordered to comply with the requirements that are indicated below:





I.	To take, immediately upon receipt of this <b>COMPLIANCE ORDER</b> , any and all steps necessary to meet and maintain compliance with the Water Quality Regulations. This shall include, but not be limited to; correcting <u>all</u> of the violations described in the "Findings of Fact" portion.
II.	To submit to the Enforcement Division, within thirty (30) days after receipt of this <b>COMPLIANCE ORDER</b> , a written report that includes a detailed description of the circumstances surrounding the cited violation(s) and actions taken or to be taken to achieve compliance with the "Order" portion of this <b>COMPLIANCE ORDER</b> . This report and all other reports or information required to be submitted to the Enforcement Division by this <b>COMPLIANCE ORDER</b> shall be submitted to the Department at the address specified in this document.
III.	To immediately cease, upon receipt of this <b>COMPLIANCE ORDER</b> , any unauthorized discharges from the Respondent's facility to waters of the state.
IV.	To develop and implement, within thirty (30) days after receipt of this <b>COMPLIANCE ORDER</b> , an adequate Spill Prevention and Control Plan (SPC) that includes but is not limited to written procedures for pressure testing and visual inspection associated with the flowline integrity management program to comply with the requirements as outlined in LAC 33:IX.907 and submit a copy to the Enforcement Division within forty-five (45) days after receipt of this <b>COMPLIANCE ORDER</b> .
V.	To submit to the Enforcement Division, within thirty (30) days after receipt of this <b>COMPLIANCE ORDER</b> , properly completed DMRs for the monitoring periods of the last three (3) years mentioned in Paragraph V of the "Findings of Fact" portion of this Order. If you are submitting copies of DMRs, please be advised that each copy of the DMR shall be signed and certified. If no sampling or monitoring was conducted during a monitoring period, the Respondent should indicate this in the space provided for "Comment and Explanation of Any Violations." If there has been absolutely no discharge from a particular outfall (discharge type) for the entire quarterly monitoring period being submitted, a listing of the outfalls with no discharges will be accepted in lieu of submitting actual DMRs for these particular outfalls. This list shall be included in a letter for the monitoring period of the DMR submittal and indicate the Facility Name, LPDES General Permit Number, AI Number, and the outfall/discharge number and type of discharge. Also, include the certification statement presented in Part III.D.10.d of LPDES Permit LAG33A066 and an original signature of the designated responsible official.
VI.	To submit a completed NetDMR Subscriber Agreement to the Department for approval to submit DMRs electronically using NetDMR, within thirty (30) days after receipt of this <b>COMPLIANCE ORDER</b> . The Subscriber Agreement shall be signed and dated with an original signature and submitted to the Enforcement Division. (NetDMR is accessed through: <a href="http://www.epa.gov/netdmr">www.epa.gov/netdmr</a> . For assistance establishing and maintaining a NetDMR account or for NetDMR training, see attached instructions or contact the Permit Compliance Unit at <a href="mailto:deqnetdmr@la.gov">deqnetdmr@la.gov</a> .)
VII.	To submit DMRs and associated reports electronically using NetDMR beginning with the first monitoring period after approval of the NetDMR Subscriber Agreement unless otherwise notified in writing by the Department.

#### RIGHT TO APPEAL

I.	The Respondent has a right to an adjudicatory hearing on a disputed issue of material fact or of law arising from this <b>COMPLIANCE ORDER</b> . This right may be exercised by filing a written request with the Secretary no later than thirty (30) days after receipt of this <b>COMPLIANCE ORDER</b> .
II.	The request for an adjudicatory hearing shall specify the provisions of the <b>COMPLIANCE ORDER</b> on which the hearing is requested and shall briefly describe the basis for the request. This request should reference the Enforcement Tracking Number and Agency Interest Number, which are located in the upper right-hand corner of the first page of this document and should be directed to the address specified in this document.
III.	Upon the Respondent's timely filing a request for a hearing, a hearing on the disputed issue of material fact or of law regarding this <b>COMPLIANCE ORDER</b> may be scheduled by the Secretary of the Department. The hearing shall be governed by the Act, the Administrative Procedure Act (La. R.S. 49:950, et seq.). The Department may amend or supplement this <b>COMPLIANCE ORDER</b> prior to the hearing, after providing sufficient notice and an opportunity for the preparation of a defense for the hearing.
IV.	This <b>COMPLIANCE ORDER</b> shall become a final enforcement action unless the request for hearing is timely filed. Failure to timely request a hearing constitutes a waiver of the Respondent's right to a hearing on a disputed issue of material fact or of law under Section 2050.4 of the Act for the violation(s) described herein.
V.	The Respondent's failure to request a hearing or to file an appeal or the Respondent's withdrawal of a request for hearing on this <b>COMPLIANCE ORDER</b> shall not preclude the Respondent from contesting the findings of facts in any subsequent penalty action addressing the same violation(s), although the Respondent is estopped from objecting to this <b>COMPLIANCE ORDER</b> becoming a permanent part of its compliance history.
VI.	Civil penalties of not more than thirty-two thousand five hundred dollars (\$32,500) may be assessed for each day of violation. The Respondent's failure or refusal to comply with this <b>COMPLIANCE ORDER</b> and the provisions herein will subject the Respondent to possible enforcement procedures under La. R.S. 30:2025, which could result in the assessment of a civil penalty in an amount of not more than fifty thousand dollars (\$50,000) for each day of continued violation or noncompliance.
VII.	For each violation described herein, the Department reserves the right to seek civil penalties in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such penalties.

#### NOTICE OF POTENTIAL PENALTY

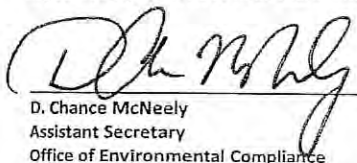
I.	Pursuant to La. R.S. 30:2050.3(B), you are hereby notified that the issuance of a penalty assessment is being considered for the violation(s) described herein. Written comments may be filed regarding the violation(s) and the contemplated penalty. If you elect to submit comments, it is requested that they be submitted within ten (10) days of receipt of this notice.
II.	Prior to the issuance of additional appropriate enforcement action(s), you may request a meeting with the Department to present any mitigating circumstances concerning the violation(s). If you would like to have such a meeting, please contact Richard Ober, Jr. at (225) 219-3135 within ten (10) days of receipt of this <b>NOTICE OF POTENTIAL PENALTY</b> .
III.	The Department is required by La. R.S. 30:2025(E)(3)(a) to consider the gross revenues of the Respondent and the monetary benefits of noncompliance to determine whether a penalty will be assessed and the amount of such penalty. Please forward the Respondent's most current annual gross revenue statement along with a statement of the monetary benefits of noncompliance for the cited violation(s) to the above named contact person within ten (10) days of receipt of this <b>NOTICE OF POTENTIAL PENALTY</b> . Include with your statement of monetary benefits the method(s) you utilized to arrive at the sum. If you assert that no monetary benefits have been gained, you are to fully justify that statement.
IV.	This <b>CONSOLIDATED COMPLIANCE ORDER &amp; NOTICE OF POTENTIAL PENALTY</b> is effective upon receipt.

CONTACTS AND SUBMITTAL OF INFORMATION	
<b>Enforcement Division:</b> Louisiana Department of Environmental Quality Office of Environmental Compliance Water Enforcement Division P.O. Box 4312 Baton Rouge, LA 70821 Attn: Richard Ober, Jr.	<b>Hearing Requests:</b> Department of Environmental Quality Office of the Secretary Post Office Box 4302 Baton Rouge, Louisiana 70821-4302 Attn: Hearings Clerk, Legal Division Re: Enforcement Tracking No. WE-CN-13-00610 Agency Interest No. 93835
<b>Permit Division (if necessary):</b> Department of Environmental Quality Office of Environmental Services Post Office Box 4313 Baton Rouge, LA 70821-4313 Attn: Water Permits Division	<b>Physical Address (if hand delivered):</b> Department of Environmental Quality 602 N Fifth Street Baton Rouge, LA 70802

**HOW TO REQUEST CLOSURE OF THIS CONSOLIDATED COMPLIANCE ORDER  
& NOTICE OF POTENTIAL PENALTY**

- To appeal the **CONSOLIDATED COMPLIANCE ORDER AND NOTICE OF POTENTIAL PENALTY**, the Respondent must follow the guidelines set forth in the "Right to Appeal" portion of this **CONSOLIDATED COMPLIANCE ORDER AND NOTICE OF POTENTIAL PENALTY**.
- To request closure of the **COMPLIANCE ORDER** portion, the Respondent must demonstrate compliance with the "Order" portion of this **COMPLIANCE ORDER** by completing the attached "**CONSOLIDATED COMPLIANCE ORDER AND NOTICE OF POTENTIAL PENALTY REQUEST TO CLOSE**" form and returning it to the address specified.
  - The **COMPLIANCE ORDER** will not be closed if the Respondent owes outstanding fees or penalties to the Department. Please contact the Financial Services Division at 225-219-3865 or email them at [\\_DEQ-WWWFinancialServices@la.gov](mailto:_DEQ-WWWFinancialServices@la.gov) to determine if you owe outstanding fees.
- To expedite closure of the **NOTICE OF POTENTIAL PENALTY** portion, the Respondent may offer a settlement amount to resolve any claim for civil penalties for the violation(s) described herein.
  - The Department assesses civil penalties based on LAC 33:1.Subpart1.Chapter7.
  - The Respondent may offer a settlement amount but the Department is under no obligation to enter into settlement negotiations. It is decided upon on a discretionary basis.
  - The settlement offer amount may be entered on the attached "**CONSOLIDATED COMPLIANCE ORDER AND NOTICE OF POTENTIAL PENALTY REQUEST TO CLOSE**" form. The Respondent must include a justification of the offer.
  - **DO NOT** submit payment of the offer amount with the form. The Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.
  - The **NOTICE OF POTENTIAL PENALTY** will not be closed if the Respondent owes outstanding fees to the Department. Please contact the Financial Services Division at 225-219-3865 or email them at [\\_DEQ-WWWFinancialServices@la.gov](mailto:_DEQ-WWWFinancialServices@la.gov) to determine if you owe outstanding fees.

If you have questions or need more information, you may contact Richard Ober, Jr. at (225) 219-3135 or [richard.ober@la.gov](mailto:richard.ober@la.gov).

  
 D. Chance McNeely  
 Assistant Secretary  
 Office of Environmental Compliance

Date: 7/28/15

cc: Chris Sanfilippo  
 Environmental Manager – Eastern Division  
 Texas Petroleum Investment Company  
 P. O. Box 218  
 Avery Island, LA 70513

Attachment(s)  
 - Request to Close  
 - Attachment 1  
 - NetDMR brochure

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY  
 OFFICE OF ENVIRONMENTAL COMPLIANCE  
 ENFORCEMENT DIVISION CONSOLIDATED COMPLIANCE ORDER &  
 POST OFFICE BOX 4312 NOTICE OF POTENTIAL PENALTY  
 BATON ROUGE, LOUISIANA 70821-4312 REQUEST TO CLOSE



Enforcement Tracking No.	WE-CN-13-00610	Contact Name	Richard Ober, Jr.
Agency Interest (AI) No.	93835	Contact Phone No.	(225) 219-3135
Alternate ID No.	LAG33A066		
Respondent:	Texas Petroleum Investment Company	Facility Name:	Romere Pass Terminal
	c/o Patrick S. Ottinger	Physical Location:	approximately eight (8) miles east-northeast of Venice
	Agent for Service of Process	City, State, Zip:	Venice, LA 70091
	1313 W. Pinhook Road	Parish:	Plaquemines Parish

**STATEMENT OF COMPLIANCE**

STATEMENT OF COMPLIANCE	Date Completed	Copy Attached?
A written report was submitted in accordance with Paragraph II of the "Order" portion of the COMPLIANCE ORDER.		
All necessary documents were submitted to the Department within 30 days of receipt of the COMPLIANCE ORDER in accordance with Paragraphs V and VI of the "Order" portion of the COMPLIANCE ORDER.		
All necessary documents were submitted to the Department within 45 days of receipt of the COMPLIANCE ORDER in accordance with Paragraph IV of the "Order" portion of the COMPLIANCE ORDER.		
Submitted DMRs and associated reports electronically using NetDMR in accordance with Paragraph VII of the "Order" portion of the COMPLIANCE ORDER.		
All items in the "Findings of Fact" portion of the COMPLIANCE ORDER were addressed and the facility is being operated to meet and maintain the requirements of the "Order" portion of the COMPLIANCE ORDER. Final compliance was achieved as of:		

**SETTLEMENT OFFER (OPTIONAL)**

(check the applicable option)

<input type="checkbox"/>	The Respondent is not interested in entering into settlement negotiations with the Department with the understanding that the Department has the right to assess civil penalties based on LAC 33:I.Subpart1.Chapter7.
<input type="checkbox"/>	In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY (WE-CN-11-01559), the Respondent is interested in entering into settlement negotiations with the Department and would like to set up a meeting to discuss settlement procedures.
<input type="checkbox"/>	In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY (WE-CN-11-01559), the Respondent is interested in entering into settlement negotiations with the Department and offers to pay \$ _____ which shall include LDEQ enforcement costs and any monetary benefit of non-compliance. <ul style="list-style-type: none"> <li>• Monetary component = \$ _____</li> <li>• Beneficial Environmental Project (BEP) component (optional) = \$ _____</li> <li>• DO NOT SUBMIT PAYMENT OF THE OFFER WITH THIS FORM- the Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.</li> </ul>
<input type="checkbox"/>	The Respondent has reviewed the violations noted in NOTICE OF POTENTIAL PENALTY (WE-CN-11-01559) and has attached a justification of its offer and a description of any BEPs if included in settlement offer.

**CERTIFICATION STATEMENT**

I certify, under provisions in Louisiana and United States law that provide criminal penalties for false statements, that based on information and belief formed after reasonable inquiry, the statements and information attached and the compliance statement above, are true, accurate, and complete. I also certify that I do not owe outstanding fees or penalties to the Department for this facility or any other facility I own or operate. I further certify that I am either the Respondent or an authorized representative of the Respondent.

Respondent's Signature	Respondent's Printed Name	Respondent's Title
Respondent's Physical Address	Respondent's Phone #	Date

**MAIL COMPLETED DOCUMENT TO THE ADDRESS BELOW:**

Louisiana Department of Environmental Quality  
 Office of Environmental Compliance  
 Enforcement Division  
 P.O. Box 4312  
 Baton Rouge, LA 70821  
 Attn: Richard Ober, Jr.

If you have questions or need more information, you may contact Richard Ober, Jr. at (225) 219-3135 or richard.ober@la.gov.

## Attachment 1

## Unauthorized Discharges

Date of Discharge	Substance	Amount Discharged	Cause	Corrective Action
February 21, 2011	Condensate	15 barrels	Corrosion hole developed in a 3 inch flowline of the Romere Pass #24 Well.	Containment and absorbent boom was deployed, and a contractor was contacted to perform remediation.
June 2, 2011	Crude Oil	8 - 10 barrels	A leak from a flowline of the Romere Pass #48 Well. The Respondent reported that the release was caused by equipment failure.	Containment and absorbent boom was deployed, and a contractor was contacted to perform remediation. A temporary clamp was installed on the flowline to secure the release. The flowline was to be flushed out and blind flanged off at the wellhead.
June 29-30, 2011	Produced Water	Unknown amount	A leak on the saltwater disposal line at the wellhead of the #1 Saltwater Disposal well. The Respondent reported the release was due to corrosion in the riser.	Facility personnel shut the well in and deployed absorbent boom around the well. The saltwater discharge line was replaced.
July 11, 2011	Crude Oil	2 gallons	Sand within a 3 inch flowline created a pinhole leak in the threads of a fitting causing a release of crude oil onto nearby vegetation (water hyacinths)	Field personnel shut in the well and containment boom was deployed around the source. The product was unrecoverable and naturally dissipated.
July 16, 2011	Crude Oil	10 - 15 gallons	A leak on a flowline of the Romere Pass #39 wellhead. The facility reported the release was due to equipment failure.	Containment boom was deployed. A crane barge near the well location secured the leak, and a cleanup contractor responded to recover and dispose of the release. The 10 foot section of flowline was removed and blind flanged off at the wellhead.

Date of Discharge	Substance	Amount Discharged	Cause	Corrective Action
July 26, 2011	Crude Oil	5 gallons	A leak developed on a well head past the choke body goping into the flowline due to sand cutting.	The well was shut in to secure the release. Absorbent boom was deployed around the well to contain the release and absorbent pads were deployed to recover the released product.
September 30, 2011	Crude Oil	2 barrels	A leak from a flowline. The facility reported the release was due to equipment failure.	Containment boom and absorbents were used to recover product, and a cleanup contractor responded to recover and dispose of the release.
October 3, 2011	Motor Oil	2 gallons	Facility personnel were moving storage drums with a crane when one of the drums slipped resulting in a small hole in the drum.	Absorbent boom was deployed to contain the release and absorbent pads used to recover residual product.
January 12, 2012	Crude Oil	0.34 teaspoons	While operators were making routine rounds, bubbles were observed surfacing from a 6 inch riser associated with the Romere Pass Saltwater Disposal Well	The well was shut in and divers were contracted to repair the line. The product was unrecoverable and naturally dissipated.
January 14, 2012	Gas condensate and methanol	<1 gallon	A 0.5 inch methanol line broke off of the Romere Pass 67 Well causing the release into the nearby unnamed canal.	The release was secured and the broken methanol line was repaired. There was no recoverable product as a result of this release.
May 3, 2012	Crude Oil	1 ounce	While pressure testing flowlines, personnel discovered a release on the trunk line associated with the Romere Pass 64, 115 and 23 Wells.	Divers were contacted to repair the line. The product was unrecoverable and naturally dissipated.

Date of Discharge	Substance	Amount Discharged	Cause	Corrective Action
September 19, 2012	Crude Oil	10 barrels	A leak from a six inch water leg line from a heater treater. The leak was found on the underside of the pipe where a pylon was supporting it. When the pipe was lifted it caused an increase in flow resulting in the release to the ground.	The repair to the water leg line was made and absorbent boom was deployed to contain and begin recovery of the released crude oil. Trenches were dug to help contain released product and to create a collection point. Pumps were used to recover freestanding liquids and pump the liquids into the facilities salt water storage tank. The impacted area was flushed with fresh water and all liquids were once again pumped to the facilities salt water storage tank.
	Produced Water	30 barrels		
September 21, 2012	Crude Oil	5 gallons	Corrosion on the flowline leading to the Romere Pass 48 Well.	Absorbent boom was deployed around the RP 48 Well to capture any released product while repairs were made. Absorbent boom and containment boom were also deployed at the mouth of the well access canal to prevent any sheen or emulsified product from migrating into the main canal. Absorbent pads pool nets were used to recover the release product. The section of the flowline was removed and blind flanged on both ends to prevent recurrence.
October 31, 2013	Crude Oil	Approximately 3-5 barrels	A leak developed on a 3 inch flowline associated with the Romere Pass 59 Well.	The well was shut in and containment boom was deployed in a nearby canal as a precaution. All accessible oil was recovered with absorbent pads. Containment boom and absorbent boom remained deployed around the impacted marsh to contain and passively recover any residual oil that might release from the marsh grass. Periodic maintenance visits will be performed to

Date of Discharge	Substance	Amount Discharged	Cause	Corrective Action
				replace saturated absorbent boom and remove any recoverable oil until it is determined that all residual product has been recovered or naturally evaporated.
November 2, 2013	Motor Oil	25 gallons	A mechanic changing the oil on a piece of equipment and the oil leaked into the sump where the sump pipe released the oil underneath the platform and into the surrounding waters.	The leak was secured and contained it with absorbent boom and containment boom. All product was contained and recovered.
March 4, 2015	Crude Oil	5 gallons	Release from pinhole leak in the elbow of a 2-inch flowline associated with the Romere Pass 5000 LWR RA NVU, Romere Pass Well #100 as a result of crude backing up into the line from a leaking header valve.	A 2 inch clamp was installed on the flowline at the pinhole leak to prevent a recurrence. The well was shut in and the line pressure was bled down. Containment boom, absorbent boom, and absorbent pads were deployed. On March 5, 2015, no recoverable product was discovered. The section of the line from the elbow to the well head was to be replaced.



*The attached enforcement action requires the use of NetDMR*

## WHAT IS NETDMR?

NetDMR is a Web-based tool that allows facilities to electronically sign and submit LPDES discharge monitoring reports (DMRs) to the LDEQ.

## HOW DO I USE NETDMR?

1. Register in NetDMR
2. Submit Subscriber Agreement to LDEQ
3. Receive approval by LDEQ
4. Sign and Submit On-line

Training is offered by both LDEQ and EPA. Please check the LDEQ NetDMR Training website at <http://www.deq.louisiana.gov/netdmr> for training materials and current information offered by LDEQ. Information about EPA's training can be found at [www.epa.gov/netdmr](http://www.epa.gov/netdmr)

## HOW DO I REGISTER AND SUBMIT A SUBSCRIBER AGREEMENT?

(The first person to register must be an authorized signatory.)

1. Go to NetDMR website at <https://netdmr.epa.gov/netdmr>
2. Choose "Louisiana DEQ" as the Regulatory Authority from the drop-down list
3. Click the "Create a NetDMR Account" link in the login box
4. Complete the account information as required
  - a. Type of user must be "Permittee User"
  - b. Security answers must be unique and are case sensitive
5. Click "Submit" and confirm account information
6. Click the link within the verification email that has been sent to your email address
7. Create password by following instructions on the page
8. Login to NetDMR
9. Click "Request Access" link in the top left corner
10. Enter Permit Number and click "Update"
11. Select "Signatory" role and click "Add Request"
12. Click "Submit" and confirm
13. Provide Signatory Information, click "Submit" and confirm
14. Click button to print Subscriber Agreement
15. Mail in signed, original Subscriber Agreement to LDEQ for approval

If you have additional questions, please email [deqnetdmr@la.gov](mailto:deqnetdmr@la.gov).





6-23-17

Enforcement Tracking No.	WE-PP-17-00307	Certified Mail No.	7016 2140 0000 5132 7171
Agency Interest (AI) No.	17458	Contact Name	Richard Ober, Jr.
Alternate ID No.	LAU007554	Contact Phone No.	(225) 219-3135
Respondent:	Texas Petroleum Investment Company	Facility Name:	Kaplan Field
	c/o Patrick S. Ottinger	Physical Location:	11511 Ivy Road near Chestnut Road
	Agent for Service of Process	City, State, Zip:	Kaplan, LA 70548
	1313 W. Pinhook Road	Parish:	Vermilion
Lafayette, LA 70503			

This NOTICE OF POTENTIAL PENALTY is issued by the Louisiana Department of Environmental Quality (the Department), under the authority granted by the Louisiana Environmental Quality Act (the Act), La. R.S. 30:2001, et seq., and 30:2050.3(B).

**FINDINGS OF FACT**

An authorized representative of the Department inspected the abovementioned facility or conducted a file review of the facility to determine the degree of compliance with regulations promulgated in the Louisiana Administrative Code, Title 33. The State regulatory citations for the violation(s) identified during the inspection and/or file review are indicated below.

I.	The Respondent owns and/or operates an onshore oil and gas production facility located at or near 11511 Ivy Road near Chestnut Road, 2 miles west of Kaplan, Vermilion Parish, Louisiana. The Respondent does not have a Louisiana Pollutant Discharge Elimination System (LPDES) permit or any other authority to discharge wastes and/or other substances to waters of the state.
	Date of Violation Description of Violation
II.	Inspection(s) February 28, 2014 The Respondent discharged oily fluids to, or allowed oily fluids to flow on the ground or be carried from the original lease in open ditches, or discharged or allowed to flow into any stream, lake or other body of water. Specifically, on or about February 28, 2014, the Respondent reported a release of oil at its facility. The Respondent submitted an unauthorized discharge report dated March 2, 2014, providing information on the release that occurred on February 28, 2014. According to the report, it was determined that a facility operator inadvertently circulated approximately 10 barrels of crude oil in and out of a tank, which led to the release of the product. The released crude oil migrated across the ground and through a valve in the secondary containment firewall that was discovered to be faulty, then onto the facility grounds which leads to a nearby ditch. (LAC 33:IX.1701.B and La. R.S. 30:2076(a)(3))
	Inspection(s) October 3, 2014 The Respondent discharged oily fluids to, or allowed oily fluids to flow on the ground or be carried from the original lease in open ditches, or discharged or allowed to flow into any stream, lake or other body of water. Specifically, the inspection revealed that on August 14, 2014, there was a condensate spill at the flare. (LAC 33:IX.1701.B and La. R.S. 30:2076(a)(3))
IV.	Inspection(s) October 3, 2014 The Respondent failed to make notification of an unauthorized discharge that does cause an emergency condition no later than one (1) hour after learning of the discharge. Specifically, the Respondent failed to notify the Department of the unauthorized discharge of condensate at the flare which resulted in a fire on August 14, 2014, and required the response of the Kaplan fire department. (LAC 33:I.3915.A.1 and La. R.S. 30:2076(a)(3))
	Inspection(s) October 3, 2014 The Respondent failed to submit a written report for any unauthorized discharge that requires notification under LAC 33:I.3915.A within seven (7) calendar days after the notification required by LAC 33:I.3915.A. Specifically, a written report for the condensate spill that occurred at the flare on August 14, 2014, was not submitted to the Department by the Respondent. (LAC 33:I.3925.A and La. R.S. 30:2076(a)(3))
VI.	Inspection(s) October 3, 2014 The Respondent failed to keep valves associated with drains from diked areas in the closed position except during periods of supervised discharge. Specifically, the inspection revealed that the facility was discharging stormwater from the open valve of the ring levee of the salt water tank battery without supervision. Additionally, the stormwater discharge valve on the ring levee for the salt water tank on the northeast side of the facility was also open without supervision. (LAC 33:IX.708.C.1.b.iii and La. R.S. 30:2076(a)(3))
	Inspection(s) October 3, 2014 The Respondent caused and/or allowed the discharge of free oil or other oily materials as evidenced by a visible sheen or residual oil deposits or stains in the drainage area downstream of the discharge point. Specifically, the inspection revealed that the Respondent was discharging stormwater from the ring levee of the salt water tank battery which had a visible sheen on it. (LAC 33:IX.708.C.4.c and La. R.S. 30:2076(A)(3))

**NOTICE OF POTENTIAL PENALTY**

I.	Pursuant to La. R.S. 30:2050.3(B), you are hereby notified that the issuance of a penalty assessment is being considered for the violation(s) described herein. Written comments may be filed regarding the violation(s) and the contemplated penalty. If you elect to submit comments, it is requested that they be submitted within ten (10) days of receipt of this notice.
II.	Prior to the issuance of additional appropriate enforcement action(s), you may request a meeting with the Department to present any mitigating circumstances concerning the violation(s). If you would like to have such a meeting, please contact Richard Ober, Jr. at (225) 219-3135 within ten (10) days of receipt of this NOTICE OF POTENTIAL PENALTY.
III.	The Department is required by La. R.S. 30:2025(E)(3)(a) to consider the gross revenues of the Respondent and the monetary benefits of noncompliance to determine whether a penalty will be assessed and the amount of such penalty. Please forward the Respondent's most current annual gross revenue statement along with a statement of the monetary benefits of noncompliance for the cited violation(s) to the above named contact person within ten (10) days of receipt of this NOTICE OF POTENTIAL PENALTY. Include with your statement of monetary benefits the method(s) you utilized to arrive at the sum. If you assert that no monetary benefits have been gained, you are to fully justify that statement. If the Respondent chooses not to submit the requested most current annual gross revenues statement within ten (10) days, it will be viewed by the Department as an admission that the Respondent has the ability to pay the statutory maximum penalty as outlined in La. R.S. 30:2025.



- IV. For each violation described herein, the Department reserves the right to seek civil penalties and the right to seek compliance with its rules and regulations in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such penalties and compliance.
- V. To reduce document handling, please refer to the Enforcement Tracking Number and Agency Interest Number on the front of this document on all correspondence in response to this action.

#### CONTACTS AND SUBMITTAL OF INFORMATION


Enforcement Division:	Physical Address (if hand delivered):
Louisiana Department of Environmental Quality Office of Environmental Compliance Water Enforcement Division Post Office Box 4312 Baton Rouge, LA 70821 Attn: Richard Ober, Jr.	Department of Environmental Quality 602 N Fifth Street Baton Rouge, LA 70802

#### HOW TO REQUEST CLOSURE OF THIS NOTICE OF POTENTIAL PENALTY

To expedite closure of the NOTICE OF POTENTIAL PENALTY, the Respondent may offer a settlement amount to resolve any claim for civil penalties for the violation(s) described herein.

- The Department assesses civil penalties based on LAC 33:1 Subpart 1, Chapter 7.
- The Respondent may offer a settlement amount but the Department is under no obligation to enter into settlement negotiations. It is decided upon on a discretionary basis.
- The settlement offer amount may be entered on the attached "NOTICE OF POTENTIAL PENALTY REQUEST TO SETTLE" form. The Respondent must include a justification of the offer.
- **DO NOT** submit payment of the offer amount with the form. The Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.
- Before requesting closure of this NOTICE OF POTENTIAL PENALTY, please contact the Financial Services Division at 225-219-3865 or email them at [DEQ-WWWFinancialServices@la.gov](mailto:DEQ-WWWFinancialServices@la.gov) to determine if you owe outstanding fees.

If you have questions or need more information, you may contact Richard Ober, Jr. at (225) 219-3135 or [richard.ober@la.gov](mailto:richard.ober@la.gov).



Lourdes Ferralde  
Assistant Secretary  
Office of Environmental Compliance

Date: 6-16-17

cc: Chris Sanfilippo  
Environmental Manager – Eastern Division  
Texas Petroleum Investment Company  
207 Town Center Parkway, Suite 150  
Lafayette, LA 70506

#### Attachment(s)

- Request to Settle
- Settlement Brochure