

**STATE OF LOUISIANA**

**DEPARTMENT OF ENVIRONMENTAL QUALITY**

**IN THE MATTER OF:**

**TYGR OPERATING COMPANY, LLC**

**AI # 31686, 31693, 86054, 93421, 93435,  
114656, 146567, 175016, 108480**

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

\* **Settlement Tracking No.**  
\* **SA-AE-23-0033**  
\*  
\* **Enforcement Tracking Nos.**  
\* **AE-CN-21-00098**  
\* **AE-PP-22-00295**  
\*  
\*  
\*  
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**SETTLEMENT AGREEMENT**

The following Settlement Agreement is hereby agreed to between TYGR Operating Company, LLC (“Respondent”) and the Department of Environmental Quality (“DEQ” or “the Department”), under authority granted by the Louisiana Environmental Quality Act, La. R.S. 30:2001, et seq. (“the Act”).

**I**

Respondent is a limited liability company that owns and/or operates facilities located in Bossier Parish, Ouachita Parish, Lincoln Parish, and Jackson Parish, Louisiana (“the Facilities”).

**II**

On June 1, 2022, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement Tracking No. AE-CN-21-00098 (Exhibit 1).

On June 14, 2022, the Department issued to Respondent a Notice of Potential Penalty, Enforcement Tracking No. AE-PP-22-00295 (Exhibit 2).

**III**

Respondent denies it committed any violations or that it is liable for any fines, forfeitures

and/or penalties.

#### IV

Nonetheless, Respondent, without making any admission of liability under state or federal statute or regulation, agrees to pay, and the Department agrees to accept, a payment in the amount of FIFTEEN THOUSAND AND NO/100 DOLLARS (\$15,000.00), of which One Thousand Two Hundred Sixty and 66/100 Dollars (\$1,260.66) represents the Department's enforcement costs, in settlement of the claims set forth in this Settlement 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 permit record(s), the Consolidated Compliance Order & Notice of Potential Penalty, Notice of Potential Penalty and this Settlement Agreement 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 Settlement 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 Settlement Agreement in any action by the Department to enforce this Settlement Agreement.

## VII

This Settlement Agreement 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 Agreement, 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 Bossier Parish, Ouachita Parish, Lincoln Parish, and Jackson Parish, Louisiana. The advertisement, in form and wording approved by the Department, announced the availability of this Settlement Agreement 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 Agreement 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 Settlement 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 attached hereto.

## XI

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

## 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.

**TYGR OPERATING COMPANY, LLC**

BY: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Printed)

TITLE: \_\_\_\_\_

THUS DONE AND SIGNED in duplicate original before me this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_, at \_\_\_\_\_.

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

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

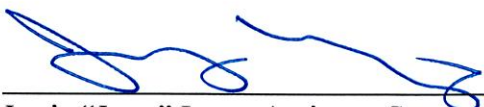
**LOUISIANA DEPARTMENT OF  
ENVIRONMENTAL QUALITY**  
Courtney J. Burdette, Secretary

BY: \_\_\_\_\_  
Jerrie "Jerry" Lang, Assistant Secretary  
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_, at Baton Rouge, Louisiana.

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

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

Approved:  \_\_\_\_\_  
Jerrie "Jerry" Lang, Assistant Secretary

JOHN BEL EDWARDS  
GOVERNOR

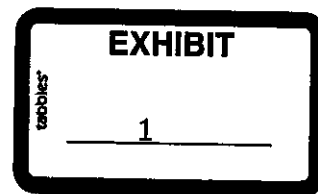


CHUCK CARR BROWN, Ph.D.  
SECRETARY

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

JUN 01 2022

CERTIFIED MAIL (7020 1810 0000 5261 0133)  
RETURN RECEIPT REQUESTED



**TYGR OPERATING COMPANY, LLC**

c/o Brian A. Flournoy  
Agent for Service of Process  
920 Pierremont Road, Ste. 511  
Shreveport, LA 71106

**RE: CONSOLIDATED COMPLIANCE ORDER  
& NOTICE OF POTENTIAL PENALTY  
ENFORCEMENT TRACKING NO. AE-CN-21-00098  
AGENCY INTEREST NOS. 31686, 31693, 86054, 93421, 93435, 114656, 146567, & 175016**

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 **TYGR OPERATING COMPANY, LLC (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 Courtney Tolbert at 225-219-3347 or [courtney.tolbert@la.gov](mailto:courtney.tolbert@la.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Angela Marse".

Angela Marse  
Administrator  
Enforcement Division

AM/CJT/cjt

Alt ID No. 0400-00066, 0400-00074, 2160-00119, 2160-00162, 1720-00111, 1300-00493, 2160-00146, and 1300-00487

Attachment

c: TYGR Operating Company, LLC  
c/o Brian A. Flournoy  
P.O. Box 6764  
Shreveport, LA 71136

**STATE OF LOUISIANA  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
OFFICE OF ENVIRONMENTAL COMPLIANCE**

**IN THE MATTER OF**

**TYGR OPERATING COMPANY, LLC  
MULTIPLE PARISHES (SEE TABLE A)  
ALT ID NOS. 0400-00066, 0400-00074,  
2160-00119, 2160-00162, 1720-00111,  
1300-00493, 2160-00146, & 1300-00487**

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

\*  
\*  
\* **ENFORCEMENT TRACKING NO.**  
\*  
\* **AE-CN-21-00098**  
\*  
\*  
\* **AGENCY INTEREST NOS.**  
\*  
\* **31686, 31693, 86054, 93421,**  
\* **93435, 114656, 146567, & 175016**

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

The following **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is issued to **TYGR OPERATING COMPANY, LLC (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**

1.

The Respondent owns and/or operates the following facilities under the authority of the Minor Source Air General Permit for Crude Oil & Natural Gas Production Facilities and the Air Quality Permits listed below:

<b>TABLE A</b>						
	<b>AGENCY INTEREST NO.</b>	<b>FACILITY</b>	<b>LOCATION</b>	<b>PERMIT</b>	<b>ISSUE DATE</b>	<b>EXPIRATION DATE</b>
1	31686	Rocky Mount Gathering System Facility	3.6 mi NE of Rocky Mount, Bossier Parish, Louisiana	0400-00066-05	May 7, 2018	N/A-MSOG
2	31693	USA #1 Production Facility	16 mi NE of Benton, Bossier Parish, Louisiana	0400-00074-02	July 28, 2015	N/A-MSOG
3	86054	J.P. Reiger #1 Facility	1 mi W of Calhoun, Ouachita Parish, Louisiana	2160-00119-02	July 27, 2015	N/A-MSOG

TABLE A						
	AGENCY INTEREST NO.	FACILITY	LOCATION	PERMIT	ISSUE DATE	EXPIRATION DATE
4	93421	South Drew Common Point & George Cox #1	4 mi W of Monroe, Ouachita Parish, Louisiana	2160-00162-00	June 23, 2011	June 23, 2021
5	93435	W.C. Whitehead #1 Production Facility	4.5 mi NE of Choudrant, Lincoln Parish, Louisiana	1720-00111-01	July 16, 2015	N/A-MSOG
6	114656	TJ Green 1-25 Production Facility	LA Highway 556, Vienna, Jackson Parish, Louisiana	1300-00493-00	November 10, 2015	N/A-MSOG
7	146567	Hammonds #1 Production Facility	1.8 mi SW of Calhoun, Ouachita Parish, Louisiana	2160-00146-01	July 9, 2013	N/A-MSOG
8	175016	East Vernon Central Point Station	5 mi NE of Chatham, Jackson Parish, Louisiana	1300-00487-01	February 8, 2016	N/A-MSOG

## II.

On or about October 13, 2021, a file review of the facilities owned and/or operated by the **RESPONDENT**, was performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Air Quality Regulations. While the investigation by the Department is not yet complete, the following violations were noted during the course of the file review:

- A. The Respondent became the owner/operator of the aforementioned facilities on September 1, 2019. The Respondent submitted a Notification of Change Form (NOC-1) to the Department on or about November 6, 2019. Each failure to submit the NOC-1 and associated documentation to the Department within forty-five (45) days after a change in ownership of a permitted facility is a violation of LAC 33:I.1907.B, LAC 33:III.517.G, and La. R.S. 30:2057(A)(2).
- B. The Respondent operated the aforementioned facilities from September 1, 2019, through November 17, 2020. The unauthorized operation of the facilities from the date of acquisition until the permit was transferred on November 17, 2020, is a violation of LAC 33:III.501.C.2 and La. R.S. 30:2057(A)(1) and La. R.S. 30:2057(A)(2).

## III.

On or about September 1, 2019, the Respondent became the owner/operator of the South Drew Common Point & George Cox #1 Facility (AI 93421). On or about February 20, 2015, the Department promulgated amendments to LAC 33:III.503, which established a regulatory framework setting forth maximum terms and renewal procedures for minor source permits. Per the final rule,

LAC 33:III.503.C.1.a and La. R.S. 30:2023(A)(1), permits issued to minor sources of air emissions shall have an effective term of ten (10) years unless a shorter period is provided in the permit.

- A. The Respondent failed to submit an application to renew an existing permit at least six (6) months prior to the date of expiration. Specifically, Minor Source Air Permit No. 2160-00162-00 was issued on June 23, 2011, and the Department has not yet received an application for permit renewal. This is a violation of LAC 33:III.503.C.a and La. R.S. 30:2057(A)(2). Minor Source Air Permit No. 2160-00162-00 expired on June 23, 2021. The Respondent's operation of the facility without an air quality permit is a violation of LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2).

#### IV.

On or about June 12, 2020, a Chemical Accident Prevention Program (CAPP) inspection of Rocky Mount Gathering System (Agency Interest No. 31686) was performed to determine the degree of compliance with the Act and the Air Quality Regulations. The facility is subject to Program Level 1 CAPP requirements under 40 CFR 68. While the investigation by the Department is not yet complete, the following violations were noted during the course of the inspection:

- A. The Respondent failed to register with the Office of Environmental Compliance within sixty (60) days after the date on which the facility became subject to LAC 33:III.Chapter 59. Specifically, the Respondent became the owner/operator of the facility on or about September 1, 2019, and at the time of the inspection on June 12, 2020, the Respondent had not registered with the Department's Office of Environmental Compliance. This is a violation of LAC 33:III.5911.A.2 and La. R.S. 30:2057(A)(2). As a corrective action, the Respondent completed the registration form and submitted to the Department's inspector via email on July 6, 2020.
- B. The Respondent failed to submit a single Risk Management Plan (RMP) that includes information required by 40 CFR 68.150 through 40 CFR 68.185 for all covered processes. Specifically, the Respondent became the owner/operator of the facility on or about September 1, 2019, and at the time of the inspection on June 12, 2020, the Respondent had not submitted the facility's RMP to the Environmental Protection Agency (EPA). This is a violation of 40 CFR 68.12(a), which language has been

adopted as a Louisiana regulation in LAC 33:III.5901.A, and La. R.S. 30:2057(A)(2). On December 17, 2020, the Respondent submitted a RMP to the EPA that includes all information required by 40 CFR 68.150 through 40 CFR 68.185.

- C. The Respondent failed to analyze the worst-case release scenario for the process. Specifically, at the time of the inspection, the Respondent had not prepared the necessary hazard assessment documentation. This is a violation of 40 CFR 68.12(b)(1), which language has been adopted as a Louisiana Regulation in LAC 33:III.5901.A, and La. R.S. 30:2057(A)(2). As a corrective action, the Respondent submitted an RMP on December 17, 2020, that includes the worst-case scenario for the facility's process.
- D. The Respondent failed to complete the five (5) year accident history for the process as provided in 40 CFR 68.42 and submit it in the RMP. Specifically, the Respondent became the owner/operator of the facility on or about September 1, 2019, and at the time of the inspection on June 12, 2020, had not completed the five (5) year accident history of all accidental releases from covered processes that resulted in deaths, injuries, or significant property damage on site, or know offsite deaths, injuries, evacuations, sheltering in place, property damage, or environmental damage. This is a violation of 40 CFR 68.12(b)(2), which language has been adopted as a Louisiana regulation in LAC 33:III.5901.A, and La. R.S. 30:2057(A)(2). As a corrective action, the Respondent submitted an RMP on December 17, 2020, that states the facility has not experienced a release that caused on or off site injury, death, or property damage within the past five (5) years based on the information obtained from the previous owner.
- E. The Respondent failed to ensure that emergency response actions have been coordinated with local emergency planning and response agencies. Specifically, at the time of the inspection, the Respondent had not coordinated emergency response actions with local emergency planning and response agencies. This is a violation of 40 CFR 68.12(b)(3), which language has been adopted as a Louisiana regulation in LAC 33:III.5901.A, and La. R.S. 30:2057(A)(2). On or about October 7, 2021, the Department's inspector received email correspondence confirming the Respondent

coordinated emergency response actions with the Bossier Office of Homeland Security & Emergency Preparedness and the local fire department on August 20, 2020.

**COMPLIANCE ORDER**

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

**I.**

To take, immediately upon receipt of this **COMPLIANCE ORDER**, any and all steps necessary to meet and maintain compliance with the Air Quality Regulations.

**II.**

To submit to the Air Permits Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, an application to renew Minor Source Air Permit No. 2160-00162-00 (AI No. 93421) in accordance with LAC 33:III.503 or to submit documentation, including calculations, if an air permit is no longer required per the exemption described at LAC 33:III.501.B.2.d. A copy of either the application or calculations shall also be submitted to the Enforcement Division within thirty (30) days of receipt of the **COMPLIANCE ORDER**.

**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 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: Courtney Tolbert**  
**Re: Enforcement Tracking No. AE-CN-21-00098**  
**Agency Interest No. 31686, 31693, 86054, 93421, 93435, 114656, 146567, & 175016**

**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. AE-CN-21-00098**  
**Agency Interest No. 31686, 31693, 86054, 93421, 93435, 114656, 146567, & 175016**

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 Division of Administrative Law (DAL) Procedural Rules. 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 Courtney Tolbert at 225-219-3347 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.

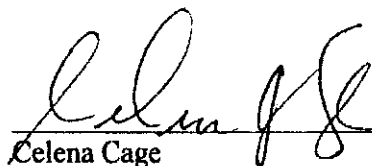
IV.

The Department assesses civil penalties based on LAC 33:I.Subpart1.Chapter7. To expedite closure of this **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 Respondent may offer a settlement amount, but the Department is under no obligation to enter into settlement negotiations. The decision to proceed with a settlement is at the discretion of the Department. 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.

V.


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

Baton Rouge, Louisiana, this 1<sup>st</sup> day of June, 2022.

  
Celena Cage  
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: Courtney Tolbert

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY OFFICE OF ENVIRONMENTAL COMPLIANCE ENFORCEMENT DIVISION POST OFFICE BOX 4312 BATON ROUGE, LOUISIANA 70821-4312		<b>CONSOLIDATED COMPLIANCE ORDER &amp;          NOTICE OF POTENTIAL PENALTY          REQUEST TO CLOSE</b>		
Enforcement Tracking No.	AE-CN-21-00098	Contact Name	Courtney Tolbert	
Agency Interest (AI) No.	SEE TABLE A	Contact Phone No.	225-219-3347	
Alternate ID No.	SEE TABLE A			
Respondent:	TYGR Operating Company, LLC	Facility Name:	SEE TABLE A	
	c/o Brian A. Flournoy	Physical Location:	SEE TABLE A	
	Agent for Service of Process			
	920 Pierremont Road, Ste. 511	City, State, Zip:	SEE TABLE A	
	Shreveport, LA 71106	Parish:	SEE TABLE A	
<b>STATEMENT OF COMPLIANCE</b>				
STATEMENT OF COMPLIANCE		Date Completed	Copy Attached?	
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 II 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(s) ? of the "Order" portion of the COMPLIANCE ORDER.				
All necessary documents were submitted to the Department within 90 days of receipt of the COMPLIANCE ORDER in accordance with Paragraph(s) ? 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>				
_____	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.			
_____	In order to resolve any claim for civil penalties for the violations in CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY AE-CN-21-00098, the Respondent is interested in entering into settlement negotiations with the Department and would like to set up a meeting to discuss settlement procedures.			
_____	In order to resolve any claim for civil penalties for the violations in CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY AE-CN-21-00098, 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>• <b>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.</b></li> </ul>			
The Respondent has reviewed the violations noted in CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY AE-CN-21-00098 and has attached a justification of its offer and a description of any BEPs if included in settlement offer.				

CERTIFICATION STATEMENT		
<i>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.</i>		
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: Courtney Tolbert		



## WHAT IS A SETTLEMENT AGREEMENT?

Once the Department has determined that a penalty is warranted for a violation, the Assistant Secretary of the Department, with the concurrence of the Attorney General, may enter into a settlement agreement with the Respondent as a means to resolve the Department's claim for a penalty.

## HOW DOES THE SETTLEMENT AGREEMENT PROCESS WORK?

To begin the settlement agreement process, the Department must receive a written settlement offer. Once this offer is submitted, it is sent for approval by the Assistant Secretary of the Office of Environmental Compliance. The formal Settlement Agreement is drafted and sent to the Attorney General's office where the Attorney General has a 90 day concurrence period. During this time, the Respondent is required to run a public notice in an official journal and/or newspaper of general circulation in each affected parish. After which, a 45 day public comment period is opened to allow the public to submit comments. Once the Department has received concurrence, the settlement agreement is signed by both parties. The Department then forwards a letter to the responsible party to establish a payment plan and/or beneficial environmental project (BEP).

## WHAT SHOULD I INCLUDE IN A SETTLEMENT AGREEMENT?

The Department uses the penalty determination method defined in LAC 33:1.705 as a guideline to accepting settlement offers. The penalty matrix is used to determine a penalty range for each violation based on the two violation specific factors, the nature and gravity of the violation and the degree of risk/impact to human health and property.

		NATURE AND GRAVITY OF THE VIOLATION		
DEGREE OF RISK OR IMPACT TO HUMAN HEALTH OR PROPERTY		MAJOR	MODERATE	MINOR
	MAJOR	\$32,500 to \$20,000	\$20,000 to \$15,000	\$15,000 to \$11,000
	MODERATE	\$11,000 to \$8,000	\$8,000 to \$5,000	\$5,000 to \$3,000
	MINOR	\$3,000 to \$1,500	\$1,500 to \$500	\$500 to \$100

### Degree of Risk to Human Health or Property

Major: (actual measurable harm or substantial risk of harm) A violation of major impact to an environmental resource or a hazard characterized by high volume and/or frequent occurrence and/or high pollutant concentration.

Moderate: (potential for measurable detrimental impact) A violation of moderate impact and hazard may be one characterized by occasional occurrence and/or pollutant concentration that may be expected to have a detrimental effect under certain conditions.

Minor: (no harm or risk of harm) A violation of minor impact are isolated single incidences and that cause no measurable detrimental effect or are administrative in nature.

### Nature and Gravity of the Violation

Major: Violations of statutes, regulations, orders, permit limits, or permit requirements that result in negating the intent of the requirement to such an extent that little or no implementation of requirements occurred.

Moderate: Violations that result in substantially negating the intent of the requirements, but some implementation of the requirements occurred.

Minor: Violations that result in some deviation from the intent of the requirement; however, substantial implementation is demonstrated.

The range is adjusted using the following violator specific factors:

1. history of previous violations or repeated noncompliance;
2. gross revenues generated by the respondent;
3. degree of culpability, recalcitrance, defiance, or indifference to regulations or orders;
4. whether the Respondent has failed to mitigate or to make a reasonable attempt to mitigate the damages caused by the violation; and
5. whether the violation and the surrounding circumstances were immediately reported to the department, and whether the violation was concealed or there was an attempt to conceal by the Respondent.



## BENEFICIAL ENVIRONMENTAL PROJECTS

Given the previous information, the following formula is used to obtain a penalty amount.

$$\text{Penalty Event Total} = \text{Penalty Event Minimum} + (\text{Adjustment Percentage} \times (\text{Penalty Event Maximum} - \text{Penalty Event Minimum}))$$

After this, the Department adds any monetary benefit of noncompliance to the penalty event. In the event that a monetary benefit is gained due to the delay of a cost that is ultimately paid, the Department adds the applicable judicial interest. Finally, the Department adds all response costs including, but not limited to, the cost of conducting inspections, and the staff time devoted to the preparation of reports and issuing enforcement actions.

### WHAT IS A BEP?

A BEP is a project that provides for environmental mitigation which the respondent is not otherwise legally required to perform, but which the defendant/respondent agrees to undertake as a component of the settlement agreement.

Project categories for BEPs include public health, pollution prevention, pollution reduction, environmental restoration and protection, assessments and audits, environmental compliance promotion, and emergency planning, preparedness and response. Other projects may be considered if the Department determines that these projects have environmental merit and is otherwise fully consistent with the intent of the BEP regulations.

### WHAT HAPPENS IF MY OFFER IS REJECTED?

If an offer is rejected by the Assistant Secretary, the Legal Division will contact the responsible party, or anyone designated as an appropriate contact in the settlement offer, to discuss any discrepancies.

### WHERE CAN I FIND EXAMPLES AND MORE INFORMATION?

Settlement Offers .....	searchable in <u>EDMS</u> using the following filters Media: Air Quality, Function: Enforcement, Description: Settlement
Settlement Agreements .....	<u>Enforcement Division's website</u> specific examples can be provided upon request
Penalty Determination Method .....	<u>LAC 33.I Chapter 7</u>
Beneficial Environmental Projects .....	<u>LAC 33.I Chapter 25</u>
	<u>FAQs</u>
Judicial Interest .....	<u>provided by the Louisiana State Bar Association</u>



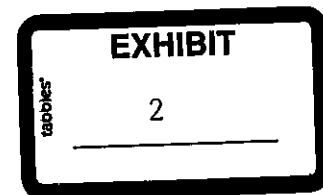
JOHN BEL EDWARDS  
GOVERNOR



CHUCK CARR BROWN, PH.D.  
SECRETARY

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

JUN 14 2022



CERTIFIED MAIL (7021 2720 0002 7447 1714)  
RETURN RECEIPT REQUESTED

**TYGR OPERATING COMPANY, LLC**

c/o Brian A. Flournoy  
Agent for Service of Process  
920 Pierremont Road  
Suite 511  
Shreveport, LA 71106

**RE: NOTICE OF POTENTIAL PENALTY  
ENFORCEMENT TRACKING NO. AE-PP-22-00295  
AGENCY INTEREST NO. 108480**

Dear Sir:

On or about June 13, 2022, a file review of **REDDY 01 PAD**, an oil and gas production facility, owned and/or operated by **TYGR OPERATING COMPANY, LLC (RESPONDENT)**, was performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Air Regulations. The Facility is located 3 miles west of Calhoun in Ouachita Parish, Louisiana. The Facility operates under Minor Source Air General Permit Number 2160-00164-00 issued on July 24, 2012.

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

- A. The Respondent became the owner/operator of the Facility on September 1, 2019. The Notification of Change Form (NOC-1) was postmarked on November 16, 2021. The failure to submit the NOC-1 and associated documentation to the Department within forty-five (45) days after a change in ownership of a permitted facility is a violation of LAC 33:I.1907.B, LAC 33:III.517.G, and La. R.S. 30:2057(A)(2).
- B. The Respondent acquired ownership and or operational control of facility on September 1, 2019. The facility's air permit was transferred from Range Louisiana Operating, LLC to TYGR Operating Company, LLC on March 8, 2022. The unauthorized operation of the Facility from the date the Facility was acquired until the permit was transferred is a violation of LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2).

TYGR OPERATING COMPANY, LLC  
AE-PP-22-00295  
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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.

Prior to the issuance of any additional appropriate enforcement action, 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 Paige Green at 225-219-3782 or [paige.green@la.gov](mailto:paige.green@la.gov) within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.

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 in order 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 violations 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 this 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.

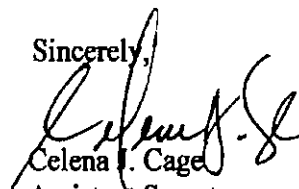
For each violation described herein, the Department reserves the right to seek civil penalties and the right to seek compliance with its rules and regulations in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such penalties and compliance.

The Department assesses civil penalties based on LAC 33:I.Subpart1.Chapter 7. To expedite closure of this **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 Respondent may offer a settlement amount, but the Department is under no obligation to enter into settlement negotiations. The decision to proceed with a settlement is at the discretion of the Department. The settlement offer amount may be entered on the attached "**NOTICE OF POTENTIAL PENALTY REQUEST TO SETTLE**" form. The Respondent may submit the settlement offer within one hundred and eighty (180) days of receipt of this **NOTICE OF POTENTIAL PENALTY**. 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.

TYGR OPERATING COMPANY, LLC  
AE-PP-22-00295  
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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.

Sincerely,

A handwritten signature in black ink, appearing to read 'Celena I. Cage', is written over the word 'Sincerely,'.

Celena I. Cage  
Assistant Secretary  
Office of Environmental Compliance

CJC/POG/pog  
Alt ID No. 2160-00164

c: Brian A. Flournoy  
P.O. Box 6764  
Shreveport, LA 71136



## LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY

## OFFICE OF ENVIRONMENTAL COMPLIANCE

## ENFORCEMENT DIVISION

POST OFFICE BOX 4312

BATON ROUGE, LOUISIANA 70821-4312

## NOTICE OF POTENTIAL PENALTY

## REQUEST TO SETTLE (OPTIONAL)

Enforcement Tracking No.	AE-PP-22-00295	Contact Name	Paige Green
Agency Interest (AI) No.	108480	Contact Phone No.	225-219-3782
Alternate ID No.	2160-00164		
Respondent:	TYGR OPERATING COMPANY, LLC	Facility Name:	Reddy 01 Pad
	c/o Brian A. Flournoy	Physical Location:	3 miles west of Calhoun
	Agent for Service of Process		
	920 Pierremont Road, Suite 511	City, State, Zip:	Calhoun, LA 71225
	Shreveport, LA 71106	Parish:	Ouachita

## 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 <b>NOTICE OF POTENTIAL PENALTY</b> (AE-PP-22-00295), 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"/>	The Respondent may submit the settlement offer within one hundred and eighty (180) days of receipt of this <b>NOTICE OF POTENTIAL PENALTY</b> (AE-PP-22-00295).
<input type="checkbox"/>	<p>In order to resolve any claim for civil penalties for the violations in <b>NOTICE OF POTENTIAL PENALTY</b> (AE-PP-22-00295), 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.</p> <ul style="list-style-type: none"> <li>• Monetary component = \$ _____</li> <li>• Beneficial Environmental Project (BEP) component (optional) = \$ _____</li> <li>• <b>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.</b></li> </ul> <p>The Respondent has reviewed the violations noted in <b>NOTICE OF POTENTIAL PENALTY</b> (AE-PP-22-00295) and has attached a justification of its offer and a description of any BEPs if included in settlement offer.</p>

## 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: Paige Green