

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

PINNACLE ENERGY, LLC

AI # 4616, 13776, 32563, 32689, 135494

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

* Settlement Tracking No.
* SA-MM-25-0086
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* Enforcement Tracking No.
* MM-CN-24-00070
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SETTLEMENT AGREEMENT

The following Settlement Agreement is hereby agreed to between Pinnacle Energy, 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 Plaquemines Parish, Louisiana (“the Facilities”).

II

On July 3, 2024, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement Tracking No. MM-CN-24-00070 (Exhibit 1).

The following violations, although not cited in the foregoing enforcement action, are included within the scope of this settlement:

A file review conducted by the Department on or about August 14, 2025, revealed the following violations for the Pointe a la Hache South Barge Facility (Agency Interest Number 4616):

The Respondent failed to comply with LPDES General Permit LAG33A396. Specifically, the Respondent failed to submit the Discharge Monitoring Reports (DMRs) listed in **Table I** in a timely manner. The Respondent is required to submit the DMRs no later than the 28th day of the month following each monitoring period. (LAG33A396 (Part I, Section C.6 and Part III, Sections A.2 and D.4), La. R.S. 30:2076(A)(3), and LAC 33:IX.2701.L.4)

**Table I. Late DMRs for Pointe a la Hache South Barge Facility
(Agency Interest No. 4616)**

Monitoring Period End Date	Reporting Frequency	Outfall	Postmark/Received Date	Number of Days Late
01/31/2024	Quarterly	001-A	4/28/2025	365
01/31/2024	Quarterly	002-A	4/28/2025	365
01/31/2024	Quarterly	003-A	4/28/2025	365
01/31/2024	Quarterly	005-A	4/28/2025	365
01/31/2024	Quarterly	006-A	4/28/2025	365
01/31/2024	Quarterly	007-A	4/28/2025	365
01/31/2024	Quarterly	04B-A	4/28/2025	365
02/29/2024	Quarterly	001-A	4/28/2025	365
02/29/2024	Quarterly	002-A	4/28/2025	365
02/29/2024	Quarterly	003-A	4/28/2025	365
02/29/2024	Quarterly	005-A	4/28/2025	365
02/29/2024	Quarterly	006-A	4/28/2025	365
02/29/2024	Quarterly	007-A	4/28/2025	365
02/29/2024	Quarterly	04B-A	4/28/2025	365
04/30/2024	Quarterly	001-A	4/28/2025	274
04/30/2024	Quarterly	002-A	4/28/2025	274
04/30/2024	Quarterly	003-A	4/28/2025	274
04/30/2024	Quarterly	005-A	4/28/2025	274
04/30/2024	Quarterly	006-A	4/28/2025	274
04/30/2024	Quarterly	007-A	4/28/2025	274
04/30/2024	Quarterly	04B-A	4/28/2025	274
05/31/2024	Quarterly	001-A	4/28/2025	274
05/31/2024	Quarterly	002-A	4/28/2025	274

**Table I. Late DMRs for Pointe a la Hache South Barge Facility
(Agency Interest No. 4616)**

Monitoring Period End Date	Reporting Frequency	Outfall	Postmark/Received Date	Number of Days Late
05/31/2024	Quarterly	003-A	4/28/2025	274
05/31/2024	Quarterly	005-A	4/28/2025	274
05/31/2024	Quarterly	006-A	4/28/2025	274
05/31/2024	Quarterly	007-A	4/28/2025	274
05/31/2024	Quarterly	04B-A	4/28/2025	274
06/30/2024	Quarterly	001-A	4/28/2025	274
06/30/2024	Quarterly	003-A	4/28/2025	274
06/30/2024	Quarterly	005-A	4/28/2025	274
06/30/2024	Quarterly	006-A	4/28/2025	274
06/30/2024	Quarterly	007-A	4/28/2025	274
06/30/2024	Quarterly	04B-A	4/28/2025	274
06/30/2024	Semiannually	04B-S	4/28/2025	274
06/30/2024	Semiannually	04C-S	4/28/2025	274
07/31/2024	Quarterly	001-A	4/28/2025	182
07/31/2024	Quarterly	002-A	4/28/2025	182
07/31/2024	Quarterly	003-A	4/28/2025	182
07/31/2024	Quarterly	005-A	4/28/2025	182
07/31/2024	Quarterly	006-A	4/28/2025	182
07/31/2024	Quarterly	007-A	4/28/2025	182
07/31/2024	Quarterly	04B-A	4/28/2025	182
08/31/2024	Quarterly	001-A	4/28/2025	182
08/31/2024	Quarterly	002-A	4/28/2025	182
08/31/2024	Quarterly	003-A	4/28/2025	182
08/31/2024	Quarterly	005-A	4/28/2025	182
08/31/2024	Quarterly	006-A	4/28/2025	182
08/31/2024	Quarterly	007-A	4/28/2025	182
08/31/2024	Quarterly	04B-A	4/28/2025	182
09/30/2024	Quarterly	001-A	4/28/2025	182
09/30/2024	Quarterly	002-A	4/28/2025	182
09/30/2024	Quarterly	003-A	4/28/2025	182
09/30/2024	Quarterly	005-A	4/28/2025	182

**Table I. Late DMRs for Pointe a la Hache South Barge Facility
(Agency Interest No. 4616)**

Monitoring Period End Date	Reporting Frequency	Outfall	Postmark/Received Date	Number of Days Late
09/30/2024	Quarterly	006-A	4/28/2025	182
09/30/2024	Quarterly	007-A	4/28/2025	182
09/30/2024	Quarterly	04B-A	4/28/2025	182
10/31/2024	Quarterly	001-A	4/28/2025	90
10/31/2024	Quarterly	002-A	4/28/2025	90
10/31/2024	Quarterly	003-A	4/28/2025	90
10/31/2024	Quarterly	005-A	4/28/2025	90
10/31/2024	Quarterly	006-A	4/28/2025	90
10/31/2024	Quarterly	007-A	4/28/2025	90
10/31/2024	Quarterly	04B-A	4/28/2025	90
11/30/2024	Quarterly	001-A	4/28/2025	90
11/30/2024	Quarterly	002-A	4/28/2025	90
11/30/2024	Quarterly	003-A	4/28/2025	90
11/30/2024	Quarterly	005-A	4/28/2025	90
11/30/2024	Quarterly	006-A	4/28/2025	90
11/30/2024	Quarterly	007-A	4/28/2025	90
11/30/2024	Quarterly	04B-A	4/28/2025	90
12/31/2024	Quarterly	001-A	4/28/2025	90
12/31/2024	Quarterly	002-A	4/28/2025	90
12/31/2024	Quarterly	003-A	4/28/2025	90
12/31/2024	Quarterly	005-A	4/28/2025	90
12/31/2024	Quarterly	006-A	4/28/2025	90
12/31/2024	Quarterly	007-A	4/28/2025	90
12/31/2024	Quarterly	04B-A	4/28/2025	90
12/31/2024	Semiannually	04B-S	4/28/2025	90
12/31/2024	Semiannually	04C-S	4/28/2025	90

A file review conducted by the Department on or about August 14, 2025, revealed the following violations for the Pointe a la Hache Compressor Station (Agency Interest Number 13776):

The Respondent failed to comply with LPDES General Permit LAG33A395. Specifically, the Respondent failed to submit the DMRs listed in **Table II** in a timely manner. The Respondent is required to submit the DMRs no later than the 28th day of the month following each monitoring period. (LAG33A395 (Part I, Section C.6 and Part III, Sections A.2 and D.4), La. R.S. 30:2076(A)(3), and LAC 33:IX.2701.L.4)

**Table II. Late DMRs for Pointe a la Hache Compressor Station
(Agency Interest No. 13776)**

Monitoring Period End Date	Reporting Frequency	Outfall	Postmark/Received Date	Number of Days Late
01/31/2024	Quarterly	001-A	4/28/2025	365
01/31/2024	Quarterly	002-A	4/28/2025	365
01/31/2024	Quarterly	003-A	4/28/2025	365
01/31/2024	Quarterly	005-A	4/28/2025	365
01/31/2024	Quarterly	006-A	4/28/2025	365
01/31/2024	Quarterly	007-A	4/28/2025	365
01/31/2024	Quarterly	04B-A	4/28/2025	365
02/29/2024	Quarterly	001-A	4/28/2025	365
02/29/2024	Quarterly	002-A	4/28/2025	365
02/29/2024	Quarterly	003-A	4/28/2025	365
02/29/2024	Quarterly	005-A	4/28/2025	365
02/29/2024	Quarterly	006-A	4/28/2025	365
02/29/2024	Quarterly	007-A	4/28/2025	365
02/29/2024	Quarterly	04B-A	4/28/2025	365
04/30/2024	Quarterly	001-A	4/28/2025	274
04/30/2024	Quarterly	002-A	4/28/2025	274
04/30/2024	Quarterly	003-A	4/28/2025	274
04/30/2024	Quarterly	005-A	4/28/2025	274
04/30/2024	Quarterly	006-A	4/28/2025	274
04/30/2024	Quarterly	007-A	4/28/2025	274
04/30/2024	Quarterly	04B-A	4/28/2025	274
05/31/2024	Quarterly	001-A	4/28/2025	274
05/31/2024	Quarterly	002-A	4/28/2025	274

**Table II. Late DMRs for Pointe a la Hache Compressor Station
(Agency Interest No. 13776)**

Monitoring Period End Date	Reporting Frequency	Outfall	Postmark/Received Date	Number of Days Late
05/31/2024	Quarterly	003-A	4/28/2025	274
05/31/2024	Quarterly	005-A	4/28/2025	274
05/31/2024	Quarterly	006-A	4/28/2025	274
05/31/2024	Quarterly	007-A	4/28/2025	274
05/31/2024	Quarterly	04B-A	4/28/2025	274
06/30/2024	Quarterly	001-A	4/24/2025	270
06/30/2024	Quarterly	003-A	4/28/2025	274
06/30/2024	Quarterly	005-A	4/28/2025	274
06/30/2024	Quarterly	006-A	4/28/2025	274
06/30/2024	Quarterly	007-A	4/28/2025	274
06/30/2024	Quarterly	04B-A	4/28/2025	274
06/30/2024	Semiannually	04B-S	4/28/2025	274
06/30/2024	Semiannually	04C-S	4/28/2025	274
07/31/2024	Quarterly	001-A	4/24/2025	178
07/31/2024	Quarterly	002-A	4/24/2025	178
07/31/2024	Quarterly	003-A	4/24/2025	178
07/31/2024	Quarterly	005-A	4/24/2025	178
07/31/2024	Quarterly	006-A	4/24/2025	178
07/31/2024	Quarterly	007-A	4/24/2025	178
07/31/2024	Quarterly	04B-A	4/24/2025	178
08/31/2024	Quarterly	001-A	4/24/2025	178
08/31/2024	Quarterly	002-A	4/24/2025	178
08/31/2024	Quarterly	003-A	4/24/2025	178
08/31/2024	Quarterly	005-A	4/24/2025	178
08/31/2024	Quarterly	006-A	4/24/2025	178
08/31/2024	Quarterly	007-A	4/24/2025	178
08/31/2024	Quarterly	04B-A	4/24/2025	178
09/30/2024	Quarterly	001-A	4/24/2025	178
09/30/2024	Quarterly	002-A	4/24/2025	178
09/30/2024	Quarterly	003-A	4/24/2025	178
09/30/2024	Quarterly	005-A	4/24/2025	178

**Table II. Late DMRs for Pointe a la Hache Compressor Station
(Agency Interest No. 13776)**

Monitoring Period End Date	Reporting Frequency	Outfall	Postmark/Received Date	Number of Days Late
09/30/2024	Quarterly	006-A	4/24/2025	178
09/30/2024	Quarterly	007-A	4/24/2025	178
09/30/2024	Quarterly	04B-A	4/24/2025	178
10/31/2024	Quarterly	001-A	4/24/2025	86
10/31/2024	Quarterly	002-A	4/24/2025	86
10/31/2024	Quarterly	003-A	4/24/2025	86
10/31/2024	Quarterly	005-A	4/24/2025	86
10/31/2024	Quarterly	006-A	4/24/2025	86
10/31/2024	Quarterly	007-A	4/24/2025	86
10/31/2024	Quarterly	04B-A	4/24/2025	86
11/30/2024	Quarterly	001-A	4/24/2025	86
11/30/2024	Quarterly	002-A	4/24/2025	86
11/30/2024	Quarterly	003-A	4/24/2025	86
11/30/2024	Quarterly	005-A	4/24/2025	86
11/30/2024	Quarterly	006-A	4/24/2025	86
11/30/2024	Quarterly	007-A	4/24/2025	86
11/30/2024	Quarterly	04B-A	4/24/2025	86
12/31/2024	Quarterly	001-A	4/24/2025	86
12/31/2024	Quarterly	002-A	4/24/2025	86
12/31/2024	Quarterly	003-A	4/24/2025	86
12/31/2024	Quarterly	005-A	4/24/2025	86
12/31/2024	Quarterly	006-A	4/24/2025	86
12/31/2024	Quarterly	007-A	4/24/2025	86
12/31/2024	Quarterly	04B-A	4/24/2025	86
12/31/2024	Semiannually	04B-S	4/24/2025	86
12/31/2024	Semiannually	04C-S	4/24/2025	86

A file review conducted by the Department on or about August 14, 2025, revealed the following violations for the East Potash Field Facility (Agency Interest Number 32563):

The Respondent failed to comply with LPDES General Permit LAG33A585. Specifically, the Respondent failed to submit the DMRs listed in **Table III** in a timely manner. The Respondent is required to submit the DMRs no later than the 28th day of the month following each monitoring period. (LAG33A585 (Part I, Section C.6 and Part III, Sections A.2 and D.4), La. R.S. 30:2076(A)(3), and LAC 33:IX.2701.L.4)

Table III. Late DMRs for East Potash Field Facility (Agency Interest No. 32563)				
Monitoring Period End Date	Reporting Frequency	Outfall	Postmark/Received Date	Number of Days Late
01/31/2024	Quarterly	001-A	4/28/2025	365
01/31/2024	Quarterly	002-A	4/28/2025	365
01/31/2024	Quarterly	003-A	4/28/2025	365
01/31/2024	Quarterly	005-A	4/28/2025	365
01/31/2024	Quarterly	006-A	4/28/2025	365
01/31/2024	Quarterly	007-A	4/28/2025	365
01/31/2024	Quarterly	04B-A	4/28/2025	365
02/29/2024	Quarterly	001-A	4/28/2025	365
02/29/2024	Quarterly	002-A	4/28/2025	365
02/29/2024	Quarterly	003-A	4/28/2025	365
02/29/2024	Quarterly	005-A	4/28/2025	365
02/29/2024	Quarterly	006-A	4/28/2025	365
02/29/2024	Quarterly	007-A	4/28/2025	365
02/29/2024	Quarterly	04B-A	4/28/2025	365
04/30/2024	Quarterly	001-A	4/28/2025	274
04/30/2024	Quarterly	002-A	4/28/2025	274
04/30/2024	Quarterly	003-A	4/28/2025	274
04/30/2024	Quarterly	005-A	4/28/2025	274
04/30/2024	Quarterly	006-A	4/28/2025	274
04/30/2024	Quarterly	007-A	4/28/2025	274
04/30/2024	Quarterly	04B-A	4/28/2025	274
05/31/2024	Quarterly	001-A	4/28/2025	274
05/31/2024	Quarterly	002-A	4/28/2025	274

**Table III. Late DMRs for East Potash Field Facility
(Agency Interest No. 32563)**

Monitoring Period End Date	Reporting Frequency	Outfall	Postmark/Received Date	Number of Days Late
05/31/2024	Quarterly	003-A	4/28/2025	274
05/31/2024	Quarterly	005-A	4/28/2025	274
05/31/2024	Quarterly	006-A	4/28/2025	274
05/31/2024	Quarterly	007-A	4/28/2025	274
05/31/2024	Quarterly	04B-A	4/28/2025	274
06/30/2024	Quarterly	001-A	4/28/2025	274
06/30/2024	Quarterly	003-A	4/28/2025	274
06/30/2024	Quarterly	005-A	4/28/2025	274
06/30/2024	Quarterly	006-A	4/28/2025	274
06/30/2024	Quarterly	007-A	4/28/2025	274
06/30/2024	Quarterly	04B-A	4/28/2025	274
06/30/2024	Semiannually	04B-S	4/28/2025	274
06/30/2024	Semiannually	04C-S	4/28/2025	274
07/31/2024	Quarterly	001-A	4/28/2025	182
07/31/2024	Quarterly	002-A	4/28/2025	182
07/31/2024	Quarterly	003-A	4/28/2025	182
07/31/2024	Quarterly	005-A	4/28/2025	182
07/31/2024	Quarterly	006-A	4/28/2025	182
07/31/2024	Quarterly	007-A	4/28/2025	182
07/31/2024	Quarterly	04B-A	4/28/2025	182
08/31/2024	Quarterly	001-A	4/28/2025	182
08/31/2024	Quarterly	002-A	4/28/2025	182
08/31/2024	Quarterly	003-A	4/28/2025	182
08/31/2024	Quarterly	005-A	4/28/2025	182
08/31/2024	Quarterly	006-A	4/28/2025	182
08/31/2024	Quarterly	007-A	4/28/2025	182
08/31/2024	Quarterly	04B-A	4/28/2025	182
09/30/2024	Quarterly	001-A	4/28/2025	182
09/30/2024	Quarterly	002-A	4/28/2025	182
09/30/2024	Quarterly	003-A	4/28/2025	182
09/30/2024	Quarterly	005-A	4/28/2025	182

**Table III. Late DMRs for East Potash Field Facility
(Agency Interest No. 32563)**

Monitoring Period End Date	Reporting Frequency	Outfall	Postmark/Received Date	Number of Days Late
09/30/2024	Quarterly	006-A	4/28/2025	182
09/30/2024	Quarterly	007-A	4/28/2025	182
09/30/2024	Quarterly	04B-A	4/28/2025	182
10/31/2024	Quarterly	001-A	4/28/2025	90
10/31/2024	Quarterly	002-A	4/28/2025	90
10/31/2024	Quarterly	003-A	4/28/2025	90
10/31/2024	Quarterly	005-A	4/28/2025	90
10/31/2024	Quarterly	006-A	4/28/2025	90
10/31/2024	Quarterly	007-A	4/28/2025	90
10/31/2024	Quarterly	04B-A	4/28/2025	90
11/30/2024	Quarterly	001-A	4/28/2025	90
11/30/2024	Quarterly	002-A	4/28/2025	90
11/30/2024	Quarterly	003-A	4/28/2025	90
11/30/2024	Quarterly	005-A	4/28/2025	90
11/30/2024	Quarterly	006-A	4/28/2025	90
11/30/2024	Quarterly	007-A	4/28/2025	90
11/30/2024	Quarterly	04B-A	4/28/2025	90
12/31/2024	Quarterly	001-A	4/28/2025	90
12/31/2024	Quarterly	002-A	4/28/2025	90
12/31/2024	Quarterly	003-A	4/28/2025	90
12/31/2024	Quarterly	005-A	4/28/2025	90
12/31/2024	Quarterly	006-A	4/28/2025	90
12/31/2024	Quarterly	007-A	4/28/2025	90
12/31/2024	Quarterly	04B-A	4/28/2025	90
12/31/2024	Semiannually	04B-S	5/1/2025	93
12/31/2024	Semiannually	04C-S	4/28/2025	90

A file review conducted by the Department on or about August 14, 2025, revealed the following violations for the Potash Field West Facility (Agency Interest Number 32689):

The Respondent failed to comply with LPDES General Permit LAG33A948. Specifically, the Respondent failed to submit the DMRs listed in **Table IV** in a timely manner. The Respondent is required to submit the DMRs no later than the 28th day of the month following each monitoring period. (LAG33A948 (Part I, Section C.6 and Part III, Sections A.2 and D.4), La. R.S. 30:2076(A)(3), and LAC 33:IX.2701.L.4)

**Table IV. Late DMRs for Potash Field West Facility
(Agency Interest No. 32689)**

Monitoring Period End Date	Reporting Frequency	Outfall	Postmark/Received Date	Number of Days Late
01/31/2024	Quarterly	001-A	4/28/2025	365
01/31/2024	Quarterly	002-A	4/28/2025	365
01/31/2024	Quarterly	003-A	4/28/2025	365
01/31/2024	Quarterly	005-A	4/28/2025	365
01/31/2024	Quarterly	006-A	4/28/2025	365
01/31/2024	Quarterly	007-A	4/28/2025	365
01/31/2024	Quarterly	04A-A	4/28/2025	365
02/29/2024	Quarterly	001-A	4/28/2025	365
02/29/2024	Quarterly	002-A	4/28/2025	365
02/29/2024	Quarterly	003-A	4/28/2025	365
02/29/2024	Quarterly	005-A	4/28/2025	365
02/29/2024	Quarterly	006-A	4/28/2025	365
02/29/2024	Quarterly	007-A	4/28/2025	365
02/29/2024	Quarterly	04A-A	4/28/2025	365
04/30/2024	Quarterly	001-A	4/28/2025	274
04/30/2024	Quarterly	002-A	4/28/2025	274
04/30/2024	Quarterly	003-A	4/28/2025	274
04/30/2024	Quarterly	005-A	4/28/2025	274
04/30/2024	Quarterly	006-A	4/28/2025	274
04/30/2024	Quarterly	007-A	4/28/2025	274
04/30/2024	Quarterly	04A-A	4/28/2025	274
05/31/2024	Quarterly	001-A	4/28/2025	274
05/31/2024	Quarterly	002-A	4/28/2025	274

**Table IV. Late DMRs for Potash Field West Facility
(Agency Interest No. 32689)**

Monitoring Period End Date	Reporting Frequency	Outfall	Postmark/Received Date	Number of Days Late
05/31/2024	Quarterly	003-A	4/28/2025	274
05/31/2024	Quarterly	005-A	4/28/2025	274
05/31/2024	Quarterly	006-A	4/28/2025	274
05/31/2024	Quarterly	007-A	4/28/2025	274
05/31/2024	Quarterly	04A-A	4/28/2025	274
06/30/2024	Quarterly	001-A	4/28/2025	274
06/30/2024	Quarterly	003-A	4/28/2025	274
06/30/2024	Quarterly	005-A	4/28/2025	274
06/30/2024	Quarterly	006-A	4/28/2025	274
06/30/2024	Quarterly	007-A	4/28/2025	274
06/30/2024	Quarterly	04A-A	4/28/2025	274
06/30/2024	Semiannually	04A-S	4/28/2025	274
07/31/2024	Quarterly	001-A	4/28/2025	182
07/31/2024	Quarterly	002-A	4/28/2025	182
07/31/2024	Quarterly	003-A	4/28/2025	182
07/31/2024	Quarterly	005-A	4/28/2025	182
07/31/2024	Quarterly	006-A	4/28/2025	182
07/31/2024	Quarterly	007-A	4/28/2025	182
07/31/2024	Quarterly	04A-A	4/28/2025	182
08/31/2024	Quarterly	001-A	4/28/2025	182
08/31/2024	Quarterly	002-A	4/28/2025	182
08/31/2024	Quarterly	003-A	4/28/2025	182
08/31/2024	Quarterly	005-A	4/28/2025	182
08/31/2024	Quarterly	006-A	4/28/2025	182
08/31/2024	Quarterly	007-A	4/28/2025	182
08/31/2024	Quarterly	04A-A	4/28/2025	182
09/30/2024	Quarterly	001-A	4/28/2025	182
09/30/2024	Quarterly	002-A	4/28/2025	182
09/30/2024	Quarterly	003-A	4/28/2025	182
09/30/2024	Quarterly	005-A	4/28/2025	182
09/30/2024	Quarterly	006-A	4/28/2025	182

**Table IV. Late DMRs for Potash Field West Facility
(Agency Interest No. 32689)**

Monitoring Period End Date	Reporting Frequency	Outfall	Postmark/Received Date	Number of Days Late
09/30/2024	Quarterly	007-A	4/28/2025	182
09/30/2024	Quarterly	04A-A	4/28/2025	182
10/31/2024	Quarterly	001-A	4/28/2025	90
10/31/2024	Quarterly	002-A	4/28/2025	90
10/31/2024	Quarterly	003-A	4/28/2025	90
10/31/2024	Quarterly	005-A	4/28/2025	90
10/31/2024	Quarterly	006-A	4/28/2025	90
10/31/2024	Quarterly	007-A	4/28/2025	90
10/31/2024	Quarterly	04A-A	4/28/2025	90
11/30/2024	Quarterly	001-A	4/28/2025	90
11/30/2024	Quarterly	002-A	4/28/2025	90
11/30/2024	Quarterly	003-A	4/28/2025	90
11/30/2024	Quarterly	005-A	4/28/2025	90
11/30/2024	Quarterly	006-A	4/28/2025	90
11/30/2024	Quarterly	007-A	4/28/2025	90
11/30/2024	Quarterly	04A-A	4/28/2025	90
12/31/2024	Quarterly	001-A	4/28/2025	90
12/31/2024	Quarterly	002-A	4/28/2025	90
12/31/2024	Quarterly	003-A	4/28/2025	90
12/31/2024	Quarterly	005-A	4/28/2025	90
12/31/2024	Quarterly	006-A	4/28/2025	90
12/31/2024	Quarterly	007-A	4/28/2025	90
12/31/2024	Quarterly	04A-A	4/28/2025	90
12/31/2024	Semiannually	04A-S	4/28/2025	90

A file review conducted by the Department on or about August 14, 2025, revealed the following violations for the Pointe a la Hache North Barge Facility (Agency Interest Number 135494):

The Respondent failed to comply with LPDES General Permit LAG33A392. Specifically, the Respondent failed to submit the DMRs listed in **Table V** in a timely manner. The Respondent is required to submit the DMRs no later than the 28th day of the month following each monitoring period. (LAG33A392 (Part I, Section C.6 and Part III, Sections A.2 and D.4), La. R.S. 30:2076(A)(3), and LAC 33:IX.2701.L.4)

**Table V. Late DMRs for Pointe a la Hache North Barge Facility
(Agency Interest No. 135494)**

Monitoring Period End Date	Reporting Frequency	Outfall	Postmark/Received Date	Number of Days Late
01/31/2024	Quarterly	001-A	2/26/2025	304
01/31/2024	Quarterly	002-A	2/26/2025	304
01/31/2024	Quarterly	003-A	2/26/2025	304
01/31/2024	Quarterly	005-A	4/24/2025	361
01/31/2024	Quarterly	006-A	4/24/2025	361
01/31/2024	Quarterly	007-A	4/24/2025	361
01/31/2024	Quarterly	04B-A	4/24/2025	361
02/29/2024	Quarterly	001-A	2/26/2025	304
02/29/2024	Quarterly	002-A	2/26/2025	304
02/29/2024	Quarterly	003-A	2/26/2025	304
02/29/2024	Quarterly	005-A	2/26/2025	304
02/29/2024	Quarterly	006-A	2/26/2025	304
02/29/2024	Quarterly	007-A	2/26/2025	304
02/29/2024	Quarterly	04B-A	2/26/2025	304
04/30/2024	Quarterly	001-A	2/26/2025	213
04/30/2024	Quarterly	002-A	2/26/2025	213
04/30/2024	Quarterly	003-A	2/26/2025	213
04/30/2024	Quarterly	005-A	2/26/2025	213
04/30/2024	Quarterly	006-A	2/26/2025	213
04/30/2024	Quarterly	007-A	2/26/2025	213
04/30/2024	Quarterly	04B-A	2/26/2025	213
05/31/2024	Quarterly	001-A	2/26/2025	213
05/31/2024	Quarterly	002-A	2/26/2025	213

**Table V. Late DMRs for Pointe a la Hache North Barge Facility
(Agency Interest No. 135494)**

Monitoring Period End Date	Reporting Frequency	Outfall	Postmark/Received Date	Number of Days Late
05/31/2024	Quarterly	003-A	2/26/2025	213
05/31/2024	Quarterly	005-A	2/26/2025	213
05/31/2024	Quarterly	006-A	2/26/2025	213
05/31/2024	Quarterly	007-A	2/26/2025	213
05/31/2024	Quarterly	04B-A	2/26/2025	213
06/30/2024	Quarterly	001-A	2/26/2025	213
06/30/2024	Quarterly	003-A	2/26/2025	213
06/30/2024	Quarterly	005-A	2/26/2025	213
06/30/2024	Quarterly	006-A	2/26/2025	213
06/30/2024	Quarterly	007-A	2/26/2025	213
06/30/2024	Quarterly	04B-A	2/26/2025	213
06/30/2024	Semiannually	04B-S	2/26/2025	213
06/30/2024	Semiannually	04C-S	2/26/2025	213
07/31/2024	Quarterly	001-A	2/26/2025	121
07/31/2024	Quarterly	002-A	2/26/2025	121
07/31/2024	Quarterly	003-A	2/26/2025	121
07/31/2024	Quarterly	005-A	2/26/2025	121
07/31/2024	Quarterly	006-A	2/26/2025	121
07/31/2024	Quarterly	007-A	2/26/2025	121
07/31/2024	Quarterly	04B-A	2/26/2025	121
08/31/2024	Quarterly	001-A	2/26/2025	121
08/31/2024	Quarterly	002-A	2/26/2025	121
08/31/2024	Quarterly	003-A	2/26/2025	121
08/31/2024	Quarterly	005-A	2/26/2025	121
08/31/2024	Quarterly	006-A	2/26/2025	121
08/31/2024	Quarterly	007-A	2/26/2025	121
08/31/2024	Quarterly	04B-A	2/26/2025	121
09/30/2024	Quarterly	001-A	2/26/2025	121
09/30/2024	Quarterly	002-A	2/26/2025	121
09/30/2024	Quarterly	003-A	2/26/2025	121
09/30/2024	Quarterly	005-A	2/26/2025	121

**Table V. Late DMRs for Pointe a la Hache North Barge Facility
(Agency Interest No. 135494)**

Monitoring Period End Date	Reporting Frequency	Outfall	Postmark/Received Date	Number of Days Late
09/30/2024	Quarterly	006-A	2/26/2025	121
09/30/2024	Quarterly	007-A	2/26/2025	121
09/30/2024	Quarterly	04B-A	2/26/2025	121

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 SEVENTEEN THOUSAND AND NO/100 DOLLARS (\$17,000.00), of which Two Thousand Two Hundred Fifty-Nine and 67/100 Dollars (\$2,259.67) 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 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 Plaquemines 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

An initial payment of \$5,000.00 is to be made within thirty (30) days from notice of the Secretary's signature. The remaining balance of \$12,000.00 shall be made over a period of six (6) consecutive months in the amount of \$2,000.00 per month due on the 15th of each month. If payment is not received within that time, this Settlement Agreement is voidable at the option of the Department. The Respondent shall provide its tax identification number when submitting payment. Payments are to be made by check, payable to the Department of Environmental Quality, and mailed or delivered to the attention of Accounts Receivable, Financial Services Division, Department of Environmental Quality, Post Office Box 4303, Baton Rouge, Louisiana, 70821-4303 or by Electronic Funds Transfer (EFT) to the Department of Environmental Quality, in accordance with instructions provided to Respondent by the Financial Services Division. 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.

PINNACLE ENERGY, 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

JEFF LANDRY
GOVERNOR



AURELIA S. GIACOMETTO
SECRETARY

STATE OF LOUISIANA
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

JUL 03 2024

CERTIFIED MAIL (7021 2720 0002 7447 1202)
RETURN RECEIPT REQUESTED



PINNACLE ENERGY, LLC
c/o David Freeman
Agent for Service of Process
71683 Riverside Drive
Covington, LA 70433

**RE: CONSOLIDATED COMPLIANCE ORDER
& NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. MM-CN-24-00070
AGENCY INTEREST NOS. 4616; 13776; 32563; 32689; 135494**

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 **PINNACLE ENERGY, 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 Stephanie Cernich at 225-219-3165 or Stephanie.Cernich2@la.gov.

Sincerely,

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

Angela Marse
Administrator
Enforcement Division

AM/sac/emr
Alt ID Nos. See Table B
Attachment

**STATE OF LOUISIANA
DEPARTMENT OF ENVIRONMENTAL QUALITY**

OFFICE OF ENVIRONMENTAL COMPLIANCE

IN THE MATTER OF

**PINNACLE ENERGY, LLC
PLAQUEMINES PARISH
ALT ID NOS. SEE TABLE B**

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

*
*
* **ENFORCEMENT TRACKING NO.**
*
* **MM-CN-24-00070**
*
* **AGENCY INTEREST NOS.**
*
* **4616; 13776; 32563; 32689; 135494**
*

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

The following **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is issued to **PINNACLE ENERGY, 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

I.

The Respondent owns and/or operates the oil and gas production facilities listed in the table below:

TABLE A

AI	FACILITY NAME	LOCATION	CITY	PARISH
4616	Pointe a la Hache South Barge Facility	7.8 miles northwest of Port Sulphur, LA 29°36'13.25"N 89°47'16.25"W	Port Sulphur	Plaquemines
13776	Pointe a la Hache Compressor Station	7 miles northwest of Port Sulphur, LA 29°34'58.02"N, 89°47'55.02"W	Port Sulphur	Plaquemines
32563	East Potash Field Facility	8.5 miles southeast of Pointe a la Hache, LA 29°29'50.40"N, 89°41'40.86"W	Pointe a la Hache	Plaquemines
32689	Potash Field West Facility	0.2 miles east of Port Sulphur, LA 29°30'03.87"N, 89°42'42.87"W	Port Sulphur	Plaquemines
135494	Pointe a la Hache North Barge Facility	8.6 miles northwest of Port Sulphur, LA 29°36'52.10"N, 89°47'45.10"W	Port Sulphur	Plaquemines

The aforementioned Facilities are operated by the Respondent under the authority of the Air Quality and Water Quality Permits listed below:

TABLE B					
AI	ALT. ID	PERMIT TYPE	PERMIT NO.	PERMIT ISSUE DATE	PERMIT EXPIRATION DATE
4616	LA0000002207500278; LAG33A396	Louisiana Pollutant Discharge Elimination System (LPDES) General Permit	LAG33A396	6/8/2021*	5/4/2026
13776	LA0000002207500156	Minor Source Air Permit	2240-00156-03	4/16/2014	4/16/2024
	LAG33A395	LPDES General Permit	LAG33A395	6/8/2021*	5/4/2026
32563	LA0000002207500041	Minor Source Oil and Gas General Air Permit	2240-00041-06AA	8/8/2016	N/A
	LAG33A585	LPDES General Permit	LAG33A585	6/8/2021*	5/4/2026
32689	LA0000002207500252	Minor Source Oil and Gas General Air Permit	2240-00252-03	4/27/2013	N/A
	LAG33A948	LPDES General Permit	LAG33A948	6/8/2021*	5/4/2026
135494	LA0000002207500367; LAG33A392	LPDES General Permit	LAG33A392	6/8/2021*	5/4/2026

*Permit transfer to the Respondent occurred on November 21, 2023.

II.

On or about May 8, 2024, the Department conducted a file review to determine the Respondent's degree of compliance with the Act, the Air Quality Regulations, the Water Quality Regulations, and all applicable permits. 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 five (5) aforementioned Facilities on April 1, 2022, and the Notification of Change Form (NOC-1) was postmarked on December 12, 2022. LPDES General Permits were transferred to the Respondent by the Department with an effective date of November 21, 2023, for each of the five (5) Facilities as noted in Table B. 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, La. R.S. 30:2057(A)(2), and La. R.S. 30:2076(A)(3).
- B. The Respondent became the owner/operator of five (5) facilities listed in Table B on April 1, 2022. The air permits for three (3) facilities were transferred from Petrodome Operating, LLC to the Respondent effective November 21, 2023. The unauthorized operation of these facilities from the date the facilities were acquired until the date the

permits were 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).

C. The Respondent failed to submit a permit renewal application that renews an existing permit at least six (6) months prior to the date of permit expiration. 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. Applications to renew existing permits that expired after January 1, 2016 were required to be submitted in accordance with LAC 33:III.503.C.3.a, at least six (6) months prior to their date of expiration. Specifically, Minor Source Air Permit No. 2240-00156-03 for Pointe a la Hache Compressor Station (Agency Interest Number 13776) expired on April 16, 2024; therefore, the deadline to submit a permit renewal application was on October 16, 2023. The Respondent submitted to the Department an air permit renewal application dated April 15, 2024 for Minor Source Air Permit No. 2240-00156-03. The failure to submit a permit renewal application that renews an existing permit at least six (6) months prior to the date of permit expiration is a violation of LAC 33:III.503.C.3.a and La. R.S. 30:2057(A)(2). The operation of the Pointe a la Hache Compressor Station (Agency Interest Number 13776) from April 16, 2024 until a permit is issued 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).

III.

The Respondent owns and/or operates an oil and gas production facility known as the Pointe a la Hache South Barge Facility (Agency Interest Number 4616) located on Louisiana Highway 39, 7.8 miles northwest of Port Sulphur, Plaquemines Parish, Louisiana. The Respondent was transferred authorization under Louisiana Pollutant Discharge Elimination System (LPDES) General Permit LAG33A396 on November 21, 2023, with an expiration date of May 4, 2026. Under the terms and conditions of LPDES General Permit LAG33A396, the Respondent is permitted to discharge dewatering effluent from reserve pits which have not received drilling fluids and/or drill cuttings since December 15, 1996 (Outfall 001), deck drainage (Outfall 002), formation test fluids (Outfall 003), treated sanitary wastewater (Outfalls 04B

and 04C), domestic wastewater (Outfall 005), hydrostatic test wastewater (Outfall 006), and/or miscellaneous discharges (Outfall 007) into Pointe a la Hache Canal, all waters of the state.

Effective January 1, 2013, the Respondent was automatically covered under the Louisiana Sewage Sludge and Biosolids Use or Disposal General Permit LAJ660000.

IV.

A file review conducted by the Department on or about May 8, 2024, revealed the following violations for the Pointe a la Hache South Barge Facility (Agency Interest Number 4616):

A. The Respondent failed to comply with LPDES General Permit LAG33A396. Specifically, the Respondent failed to submit the Discharge Monitoring Reports (DMRs) listed in Table C. (LAG33A396 (Part I, Section C.6 and Part III, Sections A.2 and D.4), La. R.S. 30:2076(A)(3), and LAC 33:IX.2701.L.4.a.i)

**TABLE C. DMRs NOT RECEIVED FOR POINTE A LA HACHE SOUTH BARGE FACILITY
(AGENCY INTEREST NO. 4616)**

MONITORING PERIOD END DATE	REPORTING FREQUENCY	OUTFALL
11/30/2023	Quarterly	001
11/30/2023	Quarterly	002
11/30/2023	Quarterly	003
11/30/2023	Quarterly	04B
11/30/2023	Quarterly	005
11/30/2023	Quarterly	006
11/30/2023	Quarterly	007
12/31/2023	Quarterly	001
12/31/2023	Quarterly	002
12/31/2023	Quarterly	003
12/31/2023	Quarterly	04B
12/31/2023	Quarterly	005
12/31/2023	Quarterly	006
12/31/2023	Quarterly	007
12/31/2023	Semiannually	04B
12/31/2023	Semiannually	04C
3/31/2024	Quarterly	001
3/31/2024	Quarterly	002
3/31/2024	Quarterly	003
3/31/2024	Quarterly	04B
3/31/2024	Quarterly	005
3/31/2024	Quarterly	006
3/31/2024	Quarterly	007

B. The Respondent failed to submit a Sewage Sludge and Biosolids Use or Disposal Reporting Form (Form 7264). The Respondent is required to submit annual Sewage Sludge and Biosolids Use or Disposal Reporting Forms no later than the 28th day of January following each year. Specifically, the Respondent failed to submit a Sewage Sludge and Biosolids Use or Disposal Reporting Form for the year 2023. (LAJ660000 (Part II, Section C, and Part III, Section A.2), La. R.S. 30:2076 (A)(3), and LAC 33:IX.7313.A.2)

V.

The Respondent owns and/or operates a compressor station known as the Pointe a la Hache Compressor Station (Agency Interest Number 13776) located 7 miles northwest of Port Sulphur, Plaquemines Parish, Louisiana. The Respondent was transferred authorization under LPDES General Permit LAG33A395 on November 21, 2023, with an expiration date of May 4, 2026. Under the terms and conditions of LPDES General Permit LAG33A395, the Respondent is permitted to discharge dewatering effluent from reserve pits which have not received drilling fluids and/or drill cuttings since December 15, 1996 (Outfall 001), deck drainage (Outfall 002), formation test fluids (Outfall 003), treated sanitary wastewater (Outfalls 04B and 04C), domestic wastewater (Outfall 005), hydrostatic test wastewater (Outfall 006), and/or miscellaneous discharges (Outfall 007) into Plaquemines Parish Drainage Canal, all waters of the state.

Effective January 1, 2013, the Respondent was automatically covered under the Louisiana Sewage Sludge and Biosolids Use or Disposal General Permit LAJ660000.

VI.

A file review conducted by the Department on or about May 8, 2024, revealed the following violations for the Pointe a la Hache Compressor Station (Agency Interest Number 13776):

A. The Respondent failed to comply with LPDES General Permit LAG33A395. Specifically, the Respondent failed to submit the DMRs listed in Table D. (LAG33A395 (Part I, Section C.6 and Part III, Sections A.2 and D.4), La. R.S. 30:2076(A)(3), and LAC 33:IX.2701.L.4.a.i)

**TABLE D. DMRs NOT RECEIVED FOR POINTE A LA HACHE COMPRESSOR STATION
(AGENCY INTEREST NO. 13776)**

MONITORING PERIOD END DATE	REPORTING FREQUENCY	OUTFALL
11/30/2023	Quarterly	001
11/30/2023	Quarterly	002
11/30/2023	Quarterly	003
11/30/2023	Quarterly	04B
11/30/2023	Quarterly	005
11/30/2023	Quarterly	006
11/30/2023	Quarterly	007
12/31/2023	Quarterly	001
12/31/2023	Quarterly	002
12/31/2023	Quarterly	003
12/31/2023	Quarterly	04B
12/31/2023	Quarterly	005
12/31/2023	Quarterly	006
12/31/2023	Quarterly	007
12/31/2023	Semiannually	04B
12/31/2023	Semiannually	04C
3/31/2024	Quarterly	001
3/31/2024	Quarterly	002
3/31/2024	Quarterly	003
3/31/2024	Quarterly	04B
3/31/2024	Quarterly	005
3/31/2024	Quarterly	006
3/31/2024	Quarterly	007

B. The Respondent failed to submit a Sewage Sludge and Biosolids Use or Disposal Reporting Form (Form 7264). The Respondent is required to submit annual Sewage Sludge and Biosolids Use or Disposal Reporting Forms no later than the 28th day of January following each year. Specifically, the Respondent failed to submit a Sewage Sludge and Biosolids Use or Disposal Reporting Form for the year 2023. (LAJ660000 (Part II, Section C, and Part III, Section A.2), La. R.S. 30:2076 (A)(3), and LAC 33:IX.7313.A.2)

VII.

The Respondent owns and/or operates an oil and gas production facility known as the East Potash Field Facility (Agency Interest Number 32563) located 8.5 miles southeast of Pointe a la Hache, Plaquemines Parish, Louisiana. The Respondent was transferred authorization under LPDES General

Permit LAG33A585 on November 21, 2023, with an expiration date of May 4, 2026. Under the terms and conditions of LPDES General Permit LAG33A585, the Respondent is permitted to discharge dewatering effluent from reserve pits which have not received drilling fluids and/or drill cuttings since December 15, 1996 (Outfall 001), deck drainage (Outfall 002), formation test fluids (Outfall 003), treated sanitary wastewater (Outfalls 04B and 04C), domestic wastewater (Outfall 005), hydrostatic test wastewater (Outfall 006), and/or miscellaneous discharges (Outfall 007) into the Mississippi River, all waters of the state.

Effective January 1, 2013, the Respondent was automatically covered under the Louisiana Sewage Sludge and Biosolids Use or Disposal General Permit LAJ660000.

VIII.

A file review conducted by the Department on or about May 8, 2024, revealed the following violations for the East Potash Field Facility (Agency Interest Number 32563):

A. The Respondent failed to comply with LPDES General Permit LAG33A585. Specifically, the Respondent failed to submit the DMRs listed in Table E. (LAG33A585 (Part I, Section C.6 and Part III, Sections A.2 and D.4), La. R.S. 30:2076(A)(3), and LAC 33:IX.2701.L.4.a.i)

**TABLE E. DMRs NOT RECEIVED FOR EAST POTASH FIELD FACILITY
(AGENCY INTEREST NO. 32563)**

MONITORING PERIOD END DATE	REPORTING FREQUENCY	OUTFALL
11/30/2023	Quarterly	001
11/30/2023	Quarterly	002
11/30/2023	Quarterly	003
11/30/2023	Quarterly	04B
11/30/2023	Quarterly	005
11/30/2023	Quarterly	006
11/30/2023	Quarterly	007
12/31/2023	Quarterly	001
12/31/2023	Quarterly	002
12/31/2023	Quarterly	003
12/31/2023	Quarterly	04B
12/31/2023	Quarterly	005
12/31/2023	Quarterly	006
12/31/2023	Quarterly	007
12/31/2023	Semiannually	04B
12/31/2023	Semiannually	04C

**TABLE E. DMRs NOT RECEIVED FOR EAST POTASH FIELD FACILITY
(AGENCY INTEREST NO. 32563)**

MONITORING PERIOD END DATE	REPORTING FREQUENCY	OUTFALL
3/31/2024	Quarterly	001
3/31/2024	Quarterly	002
3/31/2024	Quarterly	003
3/31/2024	Quarterly	04B
3/31/2024	Quarterly	005
3/31/2024	Quarterly	006
3/31/2024	Quarterly	007

B. The Respondent failed to submit a Sewage Sludge and Biosolids Use or Disposal Reporting Form (Form 7264). The Respondent is required to submit annual Sewage Sludge and Biosolids Use or Disposal Reporting Forms no later than the 28th day of January following each year. Specifically, the Respondent failed to submit a Sewage Sludge and Biosolids Use or Disposal Reporting Form for the year 2023. (LAJ660000 (Part II, Section C, and Part III, Section A.2), La. R.S. 30:2076 (A)(3), and LAC 33:IX.7313.A.2)

IX.

The Respondent owns and/or operates an oil and gas production facility known as the Potash Field West Facility (Agency Interest Number 32689) located 0.2 miles east of Port Sulphur, Plaquemines Parish, Louisiana. The Respondent was transferred authorization under LPDES General Permit LAG33A948 on November 21, 2023, with an expiration date of May 4, 2026. Under the terms and conditions of LPDES General Permit LAG33A948, the Respondent is permitted to discharge dewatering effluent from reserve pits which have not received drilling fluids and/or drill cuttings since December 15, 1996 (Outfall 001), deck drainage (Outfall 002), formation test fluids (Outfall 003), treated sanitary wastewater (Outfall 04A), domestic wastewater (Outfall 005), hydrostatic test wastewater (Outfall 006), and/or miscellaneous discharges (Outfall 007) into the Mississippi River, all waters of the state.

Effective January 1, 2013, the Respondent was automatically covered under the Louisiana Sewage Sludge and Biosolids Use or Disposal General Permit LAJ660000.

X.

A file review conducted by the Department on or about May 8, 2024, revealed the following violations for the Potash Field West Facility (Agency Interest Number 32689):

A. The Respondent failed to comply with LPDES General Permit LAG33A948. Specifically, the Respondent failed to submit the DMRs listed in Table F. (LAG33A948 (Part I, Section C.6 and Part III, Sections A.2 and D.4), La. R.S. 30:2076(A)(3), and LAC 33:IX.2701.L.4.a.i)

TABLE F. DMRs NOT RECEIVED FOR POTASH FIELD WEST FACILITY (AGENCY INTEREST NO. 32689)		
MONITORING PERIOD END DATE	REPORTING FREQUENCY	OUTFALL
11/30/2023	Quarterly	001
11/30/2023	Quarterly	002
11/30/2023	Quarterly	003
11/30/2023	Quarterly	04A
11/30/2023	Quarterly	005
11/30/2023	Quarterly	006
11/30/2023	Quarterly	007
12/31/2023	Quarterly	001
12/31/2023	Quarterly	002
12/31/2023	Quarterly	003
12/31/2023	Quarterly	04A
12/31/2023	Quarterly	005
12/31/2023	Quarterly	006
12/31/2023	Quarterly	007
12/31/2023	Semiannually	04A
3/31/2024	Quarterly	001
3/31/2024	Quarterly	002
3/31/2024	Quarterly	003
3/31/2024	Quarterly	04A
3/31/2024	Quarterly	005
3/31/2024	Quarterly	006
3/31/2024	Quarterly	007

B. The Respondent failed to submit a Sewage Sludge and Biosolids Use or Disposal Reporting Form (Form 7264). The Respondent is required to submit annual Sewage Sludge and Biosolids Use or Disposal Reporting Forms no later than the 28th day of January following each year. Specifically, the Respondent failed to submit a Sewage Sludge and Biosolids Use or Disposal Reporting Form for the year 2023. (LAJ660000 (Part II, Section C, and Part III, Section A.2), La. R.S. 30:2076 (A)(3), and LAC 33:IX.7313.A.2)

The Respondent owns and/or operates an oil and gas production facility known as the Pointe a la Hache North Barge Facility (Agency Interest Number 135494) located 8.6 miles northwest of Port Sulphur, Plaquemines Parish, Louisiana. The Respondent was transferred authorization under LPDES General Permit LAG33A392 on November 21, 2023, with an expiration date of May 4, 2026. Under the terms and conditions of LPDES General Permit LAG33A392, the Respondent is permitted to discharge dewatering effluent from reserve pits which have not received drilling fluids and/or drill cuttings since December 15, 1996 (Outfall 001), deck drainage (Outfall 002), formation test fluids (Outfall 003), treated sanitary wastewater (Outfalls 04B and 04C), domestic wastewater (Outfall 005), hydrostatic test wastewater (Outfall 006), and/or miscellaneous discharges (Outfall 007) into Pointe a la Hache Canal, all waters of the state.

Effective January 1, 2013, the Respondent was automatically covered under the Louisiana Sewage Sludge and Biosolids Use or Disposal General Permit LAJ660000.

XII.

A file review conducted by the Department on or about May 8, 2024, revealed the following violations for the Pointe a la Hache North Barge Facility (Agency Interest Number 135494):

A. The Respondent failed to comply with LPDES General Permit LAG33A392. Specifically, the Respondent failed to submit the DMRs listed in Table G. (LAG33A392 (Part I, Section C.6 and Part III, Sections A.2 and D.4), La. R.S. 30:2076(A)(3), and LAC 33:IX.2701.L.4.a.i)

**TABLE G. DMRs NOT RECEIVED FOR POINTE A LA HACHE NORTH BARGE FACILITY
(AGENCY INTEREST NO. 135494)**

MONITORING PERIOD END DATE	REPORTING FREQUENCY	OUTFALL
11/30/2023	Quarterly	001
11/30/2023	Quarterly	002
11/30/2023	Quarterly	003
11/30/2023	Quarterly	04B
11/30/2023	Quarterly	005
11/30/2023	Quarterly	006
11/30/2023	Quarterly	007
12/31/2023	Quarterly	001
12/31/2023	Quarterly	002
12/31/2023	Quarterly	003
12/31/2023	Quarterly	04B
12/31/2023	Quarterly	005

**TABLE G. DMRs NOT RECEIVED FOR POINTE A LA HACHE NORTH BARGE FACILITY
(AGENCY INTEREST NO. 135494)**

MONITORING PERIOD END DATE	REPORTING FREQUENCY	OUTFALL
12/31/2023	Quarterly	006
12/31/2023	Quarterly	007
12/31/2023	Semiannually	04B
12/31/2023	Semiannually	04C
3/31/2024	Quarterly	001
3/31/2024	Quarterly	002
3/31/2024	Quarterly	003
3/31/2024	Quarterly	04B
3/31/2024	Quarterly	005
3/31/2024	Quarterly	006
3/31/2024	Quarterly	007

B. The Respondent failed to submit a Sewage Sludge and Biosolids Use or Disposal Reporting Form (Form 7264). The Respondent is required to submit annual Sewage Sludge and Biosolids Use or Disposal Reporting Forms no later than the 28th day of January following each year. Specifically, the Respondent failed to submit a Sewage Sludge and Biosolids Use or Disposal Reporting Form for the year 2023. (LAJ660000 (Part II, Section C, and Part III, Section A.2), La. R.S. 30:2076 (A)(3), and LAC 33:IX.7313.A.2)

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 Act, the Air Quality and Water Quality Regulations, and all applicable permits.

II.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, properly completed DMRs for each facility, Agency Interest Numbers 4616, 13776, 32563, 32689, and 135494, for the monitoring periods mentioned respectively in Paragraphs IV, VI, VIII, X, and XII 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 shall indicate this in the space provided for "Comment and Explanation of Any Violations".

III.

To submit a completed NetDMR Subscriber Agreement to the Department for approval to submit DMRs electronically using NetDMR for each facility, Agency Interest Numbers 4616, 13776, 32563, 32689, and 135494, within thirty (30) days after receipt of this **COMPLIANCE ORDER**. The Subscriber Agreement(s) shall be signed and dated with an original signature and submitted to the Enforcement Division. (NetDMR is accessed through: <https://netdmr.epa.gov>. 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.)

IV.

To submit DMRs and associated reports electronically using NetDMR for each facility, Agency Interest Numbers 4616, 13776, 32563, 32689, and 135494, beginning with the first monitoring period after approval of the NetDMR Subscriber Agreement(s) 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**, the annual Sewage Sludge and Biosolids Use or Disposal Reporting Form (Form 7264) for each facility, Agency Interest Numbers 4616, 13776, 32563, 32689, and 135494, for the year 2023 mentioned respectively in Paragraphs IV, VI, VIII, X, and XII of the "Findings of Fact" portion of this Order.

VI.

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: **Stephanie Cernich**
Re: **Enforcement Tracking No. MM-CN-24-00070**
Agency Interest Nos. 4616; 13776; 32563; 32689; 135494

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. MM-CN-24-00070
Agency Interest Nos. 4616; 13776; 32563; 32689; 135494

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 thirty-two thousand five hundred dollars (\$32,500) for each day of violation for the violation(s) described herein may be assessed. 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 Stephanie Cernich at 225-219-3165 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.

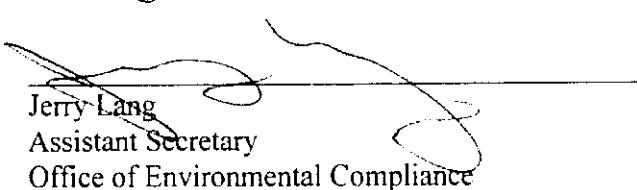
IV.

The Department assesses civil penalties based on LAC 33:1.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 may submit the settlement offer within one hundred and eighty (180) days of receipt of this **NOTICE OF POTENTIAL PENALTY** portion but no later than ninety (90) days of achieving compliance with the **COMPLIANCE ORDER** portion. 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 3rd day of July, 2024.


Jerry Lang
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: Stephanie Cernich

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.	MM-CN-24-00070	Contact Name	Stephanie Cernich
Agency Interest (AI) Nos.	4616; 13776; 32563; 32689; 135494	Contact Phone No.	225-219-3165
Alternate ID Nos.	SEE ATTACHMENT A		
Respondent:	PINNACLE ENERGY, LLC c/o David Freeman Agent for Service of Process	Facility Name: Physical Location:	SEE ATTACHMENT A SEE ATTACHMENT A
	71683 Riverside Drive Covington, LA 70433	City, State, Zip: Parish:	SEE ATTACHMENT A Plaquemines

STATEMENT OF COMPLIANCE

STATEMENT OF COMPLIANCE	Date Completed	Copy Attached?
A written report was submitted in accordance with Paragraph VI 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 II, III, and V of the "Order" portion of the COMPLIANCE ORDER .		
Submitted DMRs and associated reports electronically using NetDMR 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:		

SETTLEMENT OFFER (OPTIONAL)

(check the applicable option)

	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.
	In order to resolve any claim for civil penalties for the violations in CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY (MM-CN-24-00070), 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 (MM-CN-24-00070), 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. The Respondent may submit the settlement offer within one hundred and eighty (180) days of receipt of this NOTICE OF POTENTIAL PENALTY portion but no later than ninety (90) days of achieving compliance with the COMPLIANCE ORDER portion.
	<ul style="list-style-type: none"> • Monetary component = \$_____ • Beneficial Environmental Project (BEP) component (optional) = \$_____ • <i>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.</i>

The Respondent has reviewed the violations noted in **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** (MM-CN-24-00070) 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: Stephanie Cernich

ATTACHMENT A

AI	ALT. ID	FACILITY NAME	LOCATION	CITY, STATE, ZIP CODE
4616	LA0000002207500278; LAG33A396	Pointe a la Hache South Barge Facility	7.8 miles northwest of Port Sulphur, LA 29°36'13.25"N, 89°47'16.25"W	Port Sulphur, LA 70082
13776	LA0000002207500156; LAG33A395	Pointe a la Hache Compressor Station	7 miles northwest of Port Sulphur, LA 29°34'58.02"N, 89°47'55.02"W	Port Sulphur, LA 70082
32563	LA0000002207500041; LAG33A585	East Potash Field Facility	8.5 miles southeast of Pointe a la Hache, LA 29°29'50.40"N, 89°41'40.86"W	Pointe a la Hache, LA 70082
32689	LA0000002207500252; LAG33A948	Potash Field West Facility	0.2 miles east of Port Sulphur, LA 29°30'03.87"N, 89°42'42.87"W	Port Sulphur, LA 70083
135494	LA0000002207500367; LAG33A392	Pointe a la Hache North Barge Facility	8.6 miles northwest of Port Sulphur, LA 29°36'52.10"N, 89°47'45.10"W	Port Sulphur, LA 70082



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

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.



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	PENALTY MATRIX		
	MAJOR VIOLATION		
	\$32,500 to \$20,000	\$20,000 to \$15,000	\$15,000 to \$11,000
	\$11,000 to \$8,000	\$8,000 to \$5,000	\$5,000 to \$3,000
	\$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.



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

Penalty Event Total = Penalty Event Minimum + (Adjustment Percentage x [Penalty Event Maximum - 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 EDMS using the following filters Media: Air Quality, Function: Enforcement; Description: Settlement
Settlement Agreements	Enforcement Division's website specific examples can be provided upon request
Penalty Determination Method	LAC 33:1 Chapter 7
Beneficial Environmental Projects	LAC 33:1 Chapter 25 FAQs provided by the Louisiana State Bar Association
Judicial Interest.....	

