

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

DISCOVERY PRODUCER SERVICES LLC

AI # 104090

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

\* Settlement Tracking No.  
\* SA-AE-12-0023  
\*  
\* Enforcement Tracking No.  
\* AE-PP-11-00255  
\* AE-PP-11-00255A  
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SETTLEMENT

The following Settlement is hereby agreed to between Discovery Producer Services 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 a gas-processing plant facility located in Paradis, St. Charles Parish, Louisiana (“the Facility”).

II

On May 26, 2011, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. AE-PP-11-00255, which was based upon the following findings of fact:

On or about September 28, 2010, to September 30, 2010, an inspection of the Paradis Fractionation Plant, owned and/or operated by Discovery Producer Services LLC (Respondent), was performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the

Act) and the Air Quality Regulations. Additionally, the Department conducted a file review for the facility on or about February 8, 2011. The facility is located at 15849 Old Spanish Trail in Paradis, St. Charles Parish, Louisiana.

The following violations were noted during the course of the inspection and file review:

- A. The Respondent failed to include materials of construction in the process safety information pertaining to the equipment in the process. The failure to include materials of construction in the information pertaining to the equipment in the process is a violation of Title V Air Permit No. 2520-00090-V2 Specific Requirement 122, 40 CFR 68.65(d)(1)(i), which language has been adopted as a Louisiana regulation in LAC 33:III.5901.A, and La. R.S. 30:2057(A)(2).
  
- B. The Respondent failed to include relief system design and design basis in the process safety information pertaining to the equipment in the process. The failure to include relief system design and design basis in the information pertaining to the equipment in the process is a violation of Title V Air Permit No. 2520-00090-V2 Specific Requirement 122, 40 CFR 68.65(d)(1)(iv), which language has been adopted as a Louisiana regulation in LAC 33:III.5901.A, and La. R.S. 30:2057(A)(2).

On October 12, 2011, the Department issued to Respondent an Amended Notice of Potential Penalty, Enforcement No. AE-PP-11-00255A, amending the Notice of Potential Penalty, Enforcement Tracking No. AE-PP-11-00255, issued to Discovery Producer Services LLC (Respondent) on May 26, 2011, as follows:

“I.

The Department hereby deletes subparagraph B from the Notice.

II.

The Department incorporates all of the remainder of the original Notice of Potential Penalty, Enforcement Tracking No. AE-PP-11-00255, and Agency Interest No. 104090, as if reiterated herein.”

This Amended Notice of Potential Penalty was effective upon receipt.

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 NINE HUNDRED AND NO/100 DOLLARS (\$900.00), of which Five Hundred Twenty-Nine and 27/100 Dollars (\$529.27) represents the Department's enforcement costs, in settlement of the claims set forth in this agreement. The total amount of money expended by Respondent on cash payments to the Department as described above, shall be considered a civil penalty for tax purposes, as required by La. R.S. 30:2050.7(E)(1).

V

Respondent further agrees that the Department may consider the inspection report(s), the Notice of Potential Penalty, the Amended Notice of Potential Penalty and this Settlement for the purpose of determining compliance history in connection with any future enforcement or permitting action by the Department against Respondent, and in any such action Respondent shall be estopped from objecting to the above-referenced documents being considered as proving the violations alleged herein for the sole purpose of determining Respondent's compliance history.

VI

This agreement shall be considered a final order of the Secretary for all purposes, including, but not limited to, enforcement under La. R.S. 30:2025(G)(2), and Respondent hereby waives any right to administrative or judicial review of the terms of this agreement, except such review as may

be required for interpretation of this agreement in any action by the Department to enforce this agreement.

## VII

This settlement is being made in the interest of settling the state's claims and avoiding for both parties the expense and effort involved in litigation or an adjudicatory hearing. In agreeing to the compromise and settlement, the Department considered the factors for issuing civil penalties set forth in La. R. S. 30:2025(E) of the Act.

## VIII

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in St. Charles Parish, Louisiana. The advertisement, in form, wording, and size approved by the Department, announced the availability of this settlement for public view and comment and the opportunity for a public hearing. Respondent has submitted an original proof-of-publication affidavit and an original public notice from the newspaper to the Department and, as of the date this Settlement is executed on behalf of the Department, more than forty-five (45) days have elapsed since publication of the notice.

## IX

Payment is to be made within ten (10) days from notice of the Secretary's signature. If payment is not received within that time, this Agreement is voidable at the option of the Department. Payments are to be made by check, payable to the Department of Environmental Quality, and mailed or delivered to the attention of Accountant Administrator, Financial Services Division, Department of Environmental Quality, Post Office Box 4303, Baton Rouge, Louisiana, 70821-4303. Each payment shall be accompanied by a completed Settlement Payment Form (Exhibit A).

X

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

XI

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.

**DISCOVERY PRODUCER  
SERVICES LLC**

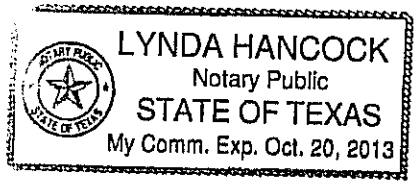
BY: [Signature]  
(Signature)

KEVIN R. REHM  
(Printed)

TITLE: VICE PRESIDENT

THUS DONE AND SIGNED in duplicate original before me this 19<sup>th</sup> day of October, 2012, at \_\_\_\_\_.

[Signature]  
NOTARY PUBLIC (ID # \_\_\_\_\_)



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

**LOUISIANA DEPARTMENT OF  
ENVIRONMENTAL QUALITY**

Peggy M. Hatch Secretary

BY: [Signature]

Cheryl Sonnier Nolan, Assistant Secretary  
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 13<sup>th</sup> day of Feb, 2013, at Baton Rouge, Louisiana.

[Signature]  
NOTARY PUBLIC (ID # 19181)

Perry Theriot  
(stamped or printed)

Approved: [Signature]  
Cheryl Sonnier Nolan, Assistant Secretary