

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

ENDURO OPERATING LLC

AI # 162895, 169335, 169336

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

* Settlement Tracking No.
* SA-AE-16-0005
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* Enforcement Tracking No.
* AE-PP-13-00293
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SETTLEMENT

The following Settlement is hereby agreed to between Enduro Operating 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 Caddo Parish, Louisiana (“the Facilities”).

II

On November 21, 2014, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. AE-PP-13-00293, which was based upon the following findings of fact:

“On or about June 23, 2014, a file review of **STATE LINE COMPRESSOR STATION #1**, AI# 162895, a natural gas, crude oil, and saltwater collection and separation facility, owned and/or operated by **ENDURO OPERATING LLC (RESPONDENT)**, was performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Air Quality Regulations. The facility is located 8.5 miles southwest of Bethany in Caddo Parish, Louisiana. The

facility operates, or has operated, under Standard Oil and Gas Air (SOGA) permit No. 0500-00317-00, issued on or about May 1, 2009. SOGA Permit No. 0500-00317-00 was rescinded on or about May 23, 2013.

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

In correspondence postmarked March 27, 2013, the Respondent submitted a Notification of Change Form (NOC-1) for the May 1, 2011 purchase of the facility. The form was submitted 22 months following the purchase. The failure to submit the NOC-1 within 45 days of the change is a violation of LAC 33:III.517.G, LAC: III.501.C.4 and La. R.S. 30:2057(A)(2).

On or about June 23, 2014, a file review of **DUNN 11-2 FACILITY**, AI# 169335, a natural gas, crude oil, and saltwater collection and separation facility, owned and/or operated by **ENDURO OPERATING LLC (RESPONDENT)**, was performed to determine the degree of compliance with the Act and the Air Quality Regulations. The facility is located 4.0 miles southwest of Bethany in Caddo Parish, Louisiana. The facility operates, or has operated, under SOGA Permit No. 0500-00415-00, issued on or about December 17, 2010. SOGA Permit No. 0500-00415-00 was rescinded on or about May 23, 2013.

While the investigation by the Department is not yet complete, the following violation was noted during the course of the file review:

In correspondence postmarked March 27, 2013, the Respondent submitted a Notification of Change Form (NOC-1) for the May 1, 2011 purchase of the facility. The form was submitted 22 months following the purchase. The failure to submit the NOC-1 within 45 days of the change is a violation of LAC 33:III.517.G, LAC: III.501.C.4 and La. R.S. 30:2057(A)(2).

On or about June 12, 2014, a file review of **Trosper 32-1**, AI# 169336, a natural gas, crude oil, and saltwater collection and separation facility, owned and/or operated by **ENDURO**

OPERATING LLC (RESPONDENT), was performed to determine the degree of compliance with the Act and the Air Quality Regulations. The facility is located 2.5 miles northeast of Bethany in Caddo Parish, Louisiana. The facility operates, or has operated, under SOGA Permit No. 0500-00416-00, issued on or about September 7, 2010. SOGA Permit No. 0500-00416-00 was rescinded on or about May 23, 2013.

While the investigation by the Department is not yet complete, the following violation was noted during the course of the file review:

In correspondence postmarked March 27, 2013, the Respondent submitted a Notification of Change Form (NOC-1) for the May 1, 2011 purchase of the facility. The form was submitted 22 months following the purchase. The failure to submit the NOC-1 within 45 days of the change is a violation of LAC 33:III.517.G, LAC: III.501.C.4 and La. R.S. 30:2057(A)(2).”

III

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

IV

Nonetheless, Respondent, without making any admission of liability under state or federal statute or regulation, agrees to pay, and the Department agrees to accept, a payment in the amount of Four Thousand Three Hundred Eighty-One and 27/100 DOLLARS (\$4,381.27), of which Eight Hundred Twenty-One and 27/100 Dollars (\$821.27) 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 permit record(s), the Notice

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

VI

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

VII

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

VIII

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

IX

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

wording approved by the Department, announced the availability of this settlement for public view and comment and the opportunity for a public hearing. Respondent has submitted an original proof-of-publication affidavit and an original public notice to the Department and, as of the date this Settlement is executed on behalf of the Department, more than forty-five (45) days have elapsed since publication of the notice.

X

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

XI

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

XII

Each undersigned representative of the parties certifies that he or she is fully authorized to execute this Settlement Agreement on behalf of his or her respective party, and to legally bind such party to its terms and conditions.

ENDURO OPERATING LLC

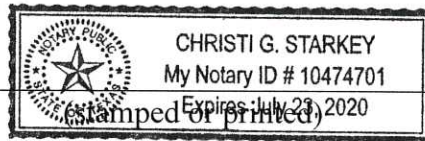
BY: Bill Pardue
(Signature)

Bill Pardue
(Printed)

TITLE: VP - Operations

THUS DONE AND SIGNED in duplicate original before me this 6th day of FEBRUARY, 20 17, at 3:47 pm.

Christi G. Starkey
NOTARY PUBLIC (ID # 10474701)



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

BY: [Signature]
Lourdes Iturralde, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 5th day of April, 20 17, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 19181)

Perry Theriot
(stamped or printed)

Approved: [Signature]
Lourdes Iturralde, Assistant Secretary