

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

**IN THE MATTER OF:**

**MARTIN UNDERGROUND STORAGE, INC.**

**AI # 45504**

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

\* **Settlement Tracking No.**  
\* **SA-WE-16-0019**  
\*  
\* **Enforcement Tracking No.**  
\* **WE-CN-11-01450**  
\*  
\* **Docket No. 2013-11779-EQ**  
\*

**SETTLEMENT**

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

I

Respondent is a corporation that owns and/or operates a hydrocarbons storage facility located in Arcadia, Bienville Parish, Louisiana (“the Facility”).

II

On August 30, 2012, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. WE-CN-11-01450, which was based upon the following findings of fact:

“The Respondent owns and/or operates a natural gas transmission facility located at 616 Highway 147, Arcadia, Bienville Parish, Louisiana. The Respondent does not have a Louisiana Pollutant Discharge Elimination System (LPDES) permit or other authority to discharge wastes and/or other substances to the waters of the state.

An inspection conducted by the Department on or about September 9, 2011, revealed that the Respondent caused or allowed an unauthorized discharge of produced water. Specifically, the Respondent had an unauthorized discharge of approximately 200 barrels of produced water from a ruptured pipeline that discharged to an unnamed tributary that drains into Saline Bayou, waters of the state. The unauthorized discharge of produced water to waters of the state is a violation of La. R.S. 30:2075 and La. R.S.30:708.C.1.a.

A file review conducted by the Department on or about June 11, 2012, revealed that the Respondent failed to submit written notification of the unauthorized discharge noted above. Specifically, the Respondent failed to submit a written notification to the Department within seven (7) days of the unauthorized discharge of produced water. Failure to submit a written notification of the unauthorized discharge of produced water is a violation of La. R.S. 30:2076(A)(3) and LAC 33:I:3925.A.

An inspection conducted by the Department on or about September 9, 2011, revealed that contaminated soil from the produced water spill was excavated and transported to Webster Parish landfill for disposal. Additionally, confirmatory samples were collected from the spill area after excavation was complete along with a background sample collected nearby. Sample results showed that the confirmatory sample contained chlorides at a concentration of 354 mg/L, whereas background sample contained chlorides at a concentration of 20 mg/L.”

### III

In response to the Consolidated Compliance Order & Notice of Potential Penalty, Respondent made a timely request for a hearing.

### IV

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

and/or penalties.

V

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 TWO THOUSAND AND NO/100 DOLLARS (\$2,000.00), of which Four Hundred Forty-Three and 75/100 Dollars (\$443.75) 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).

VI

Respondent further agrees that the Department may consider the inspection report(s), the Consolidated Compliance Order & 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.

VII

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.

## VIII

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.

## IX

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.

## X

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Bienville 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.

## XI

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).

## XII

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

## XIII

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.

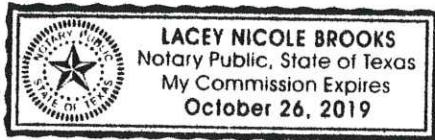
MARTIN UNDERGROUND STORAGE, INC.

BY: [Signature]  
(Signature)

Robert S. Bond  
(Printed)

TITLE: SVP/ CFO

THUS DONE AND SIGNED in duplicate original before me this 19<sup>th</sup> day of July, 2017, at Kilgore, Texas.



Lacey Brooks  
NOTARY PUBLIC (ID # 130417949)

Lacey Brooks  
(stamped or printed)

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 26<sup>th</sup> day of July, 2017, at Baton Rouge, Louisiana.

[Signature]  
NOTARY PUBLIC (ID # 19181)

Perry Theriot  
(stamped or printed)

Approved: [Signature]  
Lourdes Iturralde, Assistant Secretary