

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

DEVON ENERGY PRODUCTION
COMPANY, L.P.

AI # 178200, 179978, 181282, 182299,
183088, 185917

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

* Settlement Tracking No.
* SA-AE-17-0049
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* Enforcement Tracking No.
* AE-CN-14-00671
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SETTLEMENT

The following Settlement is hereby agreed to between Devon Energy Production Company, L.P. (“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 partnership that owned and/or operated facilities located in East Feliciana, Tangipahoa, St. Helena, and West Feliciana Parishes, Louisiana (“the Facilities”).

II

On September 4, 2015, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-14-00671, which was based upon the following findings of fact:

“The Respondent owned and/or operated Beech Grove Facility (Agency Interest No. 178200), an oil and gas production facility, located three (3) miles northwest of Clinton in East Feliciana

Parish, Louisiana. The facility operated under the authority of Minor Source Oil and Gas (MSOG) Permit No. 0880-00046-00 issued on September 10, 2012. The Respondent effectively transferred ownership and operational control to Goodrich Petroleum Company, L.L.C. on September 1, 2013.

On or about March 24, 2015, a file review of the Respondent's facility was performed to determine the degree of compliance with the Act, the Air Quality Regulations, and all applicable permits.

While the Department's review is not complete, the following violations were noted during the course of the file review:

- A. The Respondent failed to submit the Criteria Emissions Certification Statement for 2012 by the April 30, 2013 deadline. The 2012 reporting period encompassed September 10, 2012 through December 31, 2012. This is a violation of LAC 33:III.501.C.4, LAC 33:III.919F.1.d, and La. R.S. 30:2057(A)(2).
- B. The Respondent failed to submit the Criteria Pollutant Emissions Certification Statement for 2013 by the April 30, 2014 deadline. The 2013 reporting period encompassed January 1, 2013 through August 31, 2013. This is a violation of LAC 33:III.501.C.4, LAC 33:III.919.F.1.d, and La. R.S. 30:2057(A)(2).

The Respondent owned and/or operated Soterra 6H-1 Facility (Agency Interest No. 179978), an oil and gas production facility, located nine (9) miles southwest of Kentwood, in Tangipahoa Parish, Louisiana. The facility operated under the authority of MSOG Permit No. 2840-00242-00 issued on April 27, 2013. The Respondent effectively transferred ownership and operational control to Goodrich Petroleum Company, L.L.C. on September 1, 2013.

On or about March 24, 2015, a file review of the Respondent's facility was performed to determine the degree of compliance with the Act, the Air Quality Regulations, and all applicable permits.

While the Department's review is not complete, the following violation was noted during the course of the file review:

The Respondent failed to submit the Criteria Pollutant Emissions Certification Statement for 2013 by the April 30, 2014 deadline. The 2013 reporting period encompassed April 27, 2013 through August 31, 2013. This is a violation of LAC 33:III.501.C.4, LAC 33:III.919.F.1.d, and La. R.S. 30:2057(A)(2).

The Respondent owned and/or operated Richland Farms 74-H1 Facility (Agency Interest No. 181282), an oil and gas production facility, located four (4) miles northeast of Norwood in East Feliciana Parish, Louisiana. The facility operated under the authority of MSOG Permit No. 0880-00047-00 issued on July 1, 2013. The Respondent effectively transferred ownership and operational control to Goodrich Petroleum Company, L.L.C. on September 1, 2013.

On or about March 24, 2015, a file review of the Respondent's facility was performed to determine the degree of compliance with the Act, the Air Quality Regulations, and all applicable permits.

While the Department's review is not complete, the following violation was noted during the course of the file review:

The Respondent failed to submit the Criteria Pollutant Emissions Certification Statement for 2013 by the April 30, 2014 deadline. The 2013 reporting encompassed July 1, 2013 through August 31, 2013. This is a violation of LAC 33:III.501.C.4, LAC 33:III.919.F.1.d, and La. R.S. 30:2057(A)(2).

The Respondent owned and/or operated Weyerhaeuser 14H-1 Facility (Agency Interest No. 182299), an oil and gas production facility, located 11 miles northwest of Greensburg in St. Helena Parish, Louisiana. The facility operated under the authority of MSOG Permit No. 2540-00040-00 issued on September 10, 2012. The Respondent effectively transferred ownership and operational control to Goodrich Petroleum Company, L.L.C. on September 1, 2013.

On or about March 24, 2015, a file review of the Respondent's facility was performed to determine the degree of compliance with the Act, the Air Quality Regulations, and all applicable permits.

While the Department's review is not complete, the following violations were noted during the course of the file review:

- A. The Respondent failed to submit the Criteria Emissions Certification Statement for 2012 by the April 30, 2013 deadline. The 2012 reporting period encompassed September 10, 2012 through December 31, 2012. This is a violation of LAC 33:III.501.C.4, LAC 33:III.919.F.1.d, and La. R.S. 30:2057(A)(2).
- B. The Respondent failed to submit the Criteria Pollutant Emissions Certification Statement for 2013 by the April 30, 2014 deadline. The 2013 reporting period encompassed January 1, 2013 through August 31, 2013. This is a violation of LAC 33:III.501.C.4, LAC 33:III.919.F.1.d, and La. R.S. 30:2057(A)(2).

The Respondent owned and/or operated Murphy 63H-1 Facility (Agency Interest No. 183088), an oil and gas production facility, located 15 miles northwest of St. Francisville in West Feliciana Parish, Louisiana. The facility operated under the authority of MSOG Permit No. 3160-00016-00 issued on November 26, 2012. The Respondent effectively transferred ownership and operational control to Goodrich Petroleum Company, L.L.C. on September 1, 2013.

On or about March 24, 2015, a file review of the Respondent's facility was performed to determine the degree of compliance with the Act, the Air Quality Regulations, and all applicable permits.

While the Department's review is not complete, the following violations were noted during the course of the file review:

- A. The Respondent failed to submit the Criteria Emissions Certification Statement for 2012 by the April 30, 2013 deadline. The 2012 reporting period encompassed November 26, 2012 through December 31, 2012. This is a violation of LAC 33:III.501.C.4, LAC 33:III.919.F.1.d, and La. R.S. 30:2057(A)(2).
- B. The Respondent failed to submit the Criteria Pollutant Emissions Certification Statement for 2013 by the April 30, 2014 deadline. The 2013 reporting period encompassed January 1, 2013 through August 31, 2013. This is a violation of LAC 33:III.501.C.4, LAC 33:III.919.F.1.d, and La. R.S. 30:2057(A)(2).

The Respondent owned and/or operated Weyerhaeuser 72H-1 Facility (Agency Interest No.

185917), an oil and gas production facility, located 12 miles northwest of Greensburg in St. Helena Parish, Louisiana. The facility operated under the authority of MSOG Permit No. 2540-00043-00 issued on May 3, 2013. The Respondent effectively transferred ownership and operational control to Goodrich Petroleum Company, L.L.C. on September 1, 2013.

On or about March 24, 2015, a file review of the Respondent's facility was performed to determine the degree of compliance with the Act, the Air Quality Regulations, and all applicable permits.

While the Department's review is not complete, the following violation was noted during the course of the file review:

The Respondent failed to submit the Criteria Pollutant Emissions Certification Statement for 2013 by the April 30, 2014 deadline. The 2013 reporting period encompassed May 3, 2013 through August 31, 2013. This is a violation of LAC 33:III.501.C.4, LAC 33:III.919.F.1.d, 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 TEN THOUSAND AND NO/100 DOLLARS (\$10,000.00), of which Eight Hundred Fifty and 45/100 Dollars (\$850.45) 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 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.

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 East Feliciana, Tangipahoa, St. Helena, and West Feliciana Parishes, 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.

**DEVON ENERGY PRODUCTION
COMPANY, L.P.**

BY: *Darren Smith*
(Signature)

DARREN SMITH
(Printed)

TITLE: MANAGER, ECTS

THUS DONE AND SIGNED in duplicate original before me this 11 day of
June, 20 18, at Oklahoma / 12:52 P.M.



Brenda Deal
NOTARY PUBLIC (ID # 18004589)

Brenda Deal
(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 20th day of
July, 20 18, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 19181)

Perry Theriot
(stamped or printed)

Approved: *[Signature]*
Lourdes Iturralde, Assistant Secretary