

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

J-W OPERATING COMPANY

AI # 185818

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

\* Settlement Tracking No.  
\* SA-AE-17-0047  
\*  
\* Enforcement Tracking No.  
\* AE-PP-13-01076  
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SETTLEMENT

The following Settlement is hereby agreed to between J-W Operating Company (“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 gas and liquids separating facility located in Caddo Parish, Louisiana (“the Facility”).

II

On August 28, 2015, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. AE-PP-13-01076, which was based upon the following findings of fact:

“On or about March 23, 2015, a file review of Broyles 1 #2 (facility), a gas and liquids separating facility, owned and/or operated by J-W Operating Company (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 at Ellerbe Road in Norton, Caddo

Parish, Louisiana. The facility currently operates under Air Permit No. 0500-00691-00 issued on February 25, 2013, and adjusted by administrative amendment on November 12, 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:

On or about April 23, 2013, the Respondent conducted a performance test of Compressor Engine (EQT 001). In the Respondent's Performance Test Report, dated June 5, 2013, the Respondent stated that according to the results of the performance test, the compressor engine was operating above the permit limits for Carbon Monoxide (CO). The following table summarizes these findings:

Compressor Engine (EQT0001) Performance Test	Permitted Limits or Standards	Results
Pollutant CO	0.10 average lbs/hr*, maximum lbs/hr	0.154 lbs/hr
Pollutant CO	3.30 g/hp-hr**	1.036 g/hp-hr
Tested Load	75 HP***	68 HP (90%)

In conversations between the Department and the Respondent, dated March 12, 2015, the Respondent stated that Compressor Engine (EQT001) began operations on March 13, 2013. In correspondence dated April 24, 2014, the Respondent submitted an Application for Approval of Miscellaneous Permitting Actions to Air Permit No. 0500-00691-00 that would incorporate the test results from the April 23, 2013 performance test. On November 23, 2013, the Department approved and incorporated the changes into Air Permit No. 0500-00691-00. The exceedance of permitted emissions limits of CO from Compressor Engine (EQT001) from the date that operation of the equipment began on March 13, 2013, until the date the administrative amendment was approved is a violation of Air Permit No. 0500-00691-00, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 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 ONE THOUSAND AND NO/100 DOLLARS (\$1,000.00), of which Six Hundred Thirty-Seven and 99/100 Dollars (\$637.99) 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)/permit record(s), 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.

**J-W OPERATING COMPANY**

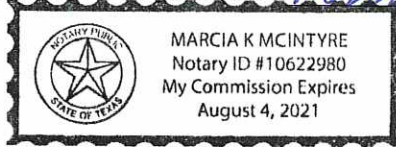
BY: R. Davis  
(Signature)

Rick DAVIS  
(Printed)

TITLE: VP of Finance

THUS DONE AND SIGNED in duplicate original before me this 8th day of MAY, 20 18, at DALLAS, TX.

Marcia K. McIntyre  
NOTARY PUBLIC (ID # 10622980)



(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