

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

TEXAS PETROLEUM INVESTMENT  
COMPANY

AI # 90979

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

\* Settlement Tracking No.  
\* SA-WE-17-0043  
\*  
\* Enforcement Tracking No.  
\* WE-CN-16-00556  
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SETTLEMENT

The following Settlement is hereby agreed to between Texas Petroleum Investment 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 an oil and gas production facility located in Lafourche Parish, Louisiana (“the Facility”).

II

On January 20, 2017, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. **WE-CN-16-00556**, which was based upon the following findings of fact:

“The Respondent owns and/or operates an oil and gas production facility located at or near 9.5 miles southeast of Larose in Lafourche Parish, Louisiana. The Respondent was reissued permit coverage under Louisiana Pollutant Discharge Elimination System (LPDES) Permit LAG33A075 effective April 23, 2011, with an expiration date of January 31, 2016. LAG33A075 was

subsequently modified and issued on September 15, 2011, with an effective date of October 3, 2011 and an expiration date of January 31, 2016. LPDES Permit LAG33A075 was administratively continued. Under the terms and conditions of LPDES Permit LAG33A075, the Respondent is permitted to discharge dewatering effluent from reserve pits which have not received drilling fluids and/or drill cuttings since December 15, 1996, deck drainage, formation test fluids, treated sanitary wastewater, domestic wastewater, hydrostatic test water, and miscellaneous discharges from oil and gas facilities and their incorporated wells engaged in field exploration, drilling, and production activities located in the Coastal Subcategory of Louisiana into Bayou Perot of the Barataria Basin, all waters of the state.”

A file review conducted on November 14, 2016 revealed that “ the Respondent caused and/or allowed the discharge of wastewater from a source or location not authorized by the permit. Specifically, in the written notification dated April 28, 2016, the Respondent reported an unauthorized discharge discovered on April 23, 2016, of one (1) to two (2) barrels of crude oil into an unnamed oil field access canal due to corrosion on a two (2) inch nipple on a valve located on the BRV #9 well. (La. R.S. 30:2076(A)(1)(a) and LAC 33:IX.501.D).”

An inspection conducted on January 12, 2016 revealed that “ the Respondent caused and/or allowed the discharge of wastewater from a source or location not authorized by the permit. Specifically, in the written notification dated November 12, 2015, the Respondent reported an unauthorized discharge discovered on November 9, 2015, of one (1) barrel of crude oil which impacted an unnamed oil field access canal spoil bank with approximately 5 gallons of crude oil entering the adjacent water alongside of the impacted spoil bank. The Respondent reported that the release was caused by a pinhole leak in the BRV #6 two inch flow line. (La. R.S. 30:2076(A)(1)(a) and LAC 33:IX.501.D).”

An inspection conducted on January 12, 2016 revealed that “the Respondent failed to immediately remediate the area adversely impacted by the unauthorized discharge discovered on November 9, 2015. Specifically, the inspection on January 12, 2016, revealed that impacts from the release were not effectively addressed by the remedial response in a timely manner as evidenced by the presence of oil in the surrounding vegetation. Additionally, it was noted that the boom was not maintained. (La. R.S. 30:2076(A)(1)(a) and LAC 33:IX.708.C.1.b.iv).”

A file review conducted on November 14, 2016 revealed that “the Respondent caused and/or allowed the discharge of wastewater from a source or location not authorized by the permit. Specifically, in the written notification dated March 19, 2015, the Respondent reported an unauthorized discharge discovered on March 14, 2015, of one (1) barrel of crude oil into the marsh creating a sheen in Bayou Perot due to a pinhole leak in a three (3) inch flowline associated with the #75 Well. (La. R.S. 30:2076(A)(1)(a) and LAC 33:IX.501.D).”

A file review conducted on November 14, 2016 revealed that “the Respondent caused and/or allowed the discharge of wastewater from a source or location not authorized by the permit. Specifically, in the written notification dated March 2, 2014, the Respondent reported an unauthorized discharge discovered on February 24, 2014, of five (5) barrels of crude oil into an unnamed pond within the marsh. The released product was contained to the unnamed pond. The release occurred when a leak developed in the eight (8) inch North Bulk Line. (La. R.S. 30:2076(A)(1)(a) and LAC 33:IX.501.D).”

A file review conducted on November 14, 2016 revealed that “the Respondent caused and/or allowed the discharge of wastewater from a source or location not authorized by the permit. Specifically, in the written notification dated February 15, 2013, the Respondent reported an unauthorized discharge discovered on February 11, 2013, of approximately one (1) barrel of crude oil

into an isolated pond due to a pinhole leak that developed in the south header bulk line. The pinhole leak developed due to corrosion. (La. R.S. 30:2076(A)(1)(a) and LAC 33:IX.501.D).”

The following violation, although not cited in the foregoing enforcement action, is included within the scope of this settlement:

An inspection conducted by the Department on or about April 27, 2017, revealed that the Respondent discharged oily fluids to, or allowed oily fluids to flow on the ground or be carried from the original lease in open ditches, or discharged or allowed to flow into any stream, lake or other body of water. Specifically, on or about August 12, 2016, the Respondent reported a release of crude oil to water at its facility. The Respondent submitted an unauthorized discharge report dated August 18, 2016, providing information on the release that occurred on August 12, 2016. According to the report, severe weather caused a saltwater pump to lose power causing a saltwater storage tank to overflow resulting in the release of approximately one (1) barrel of crude oil from the tank hatch. The released product was carried by the wind from the top of the tank into the marsh adjacent to the facility. This discharge of crude oil is a violation of LAC 33:IX.1701.B and La. R.S. 30:2076(A)(3).

### 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 ELEVEN THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$11,500.00), of which Four Hundred Seventy-Two and 15/100 Dollars (\$472.15) 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), 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 Lafourche 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.

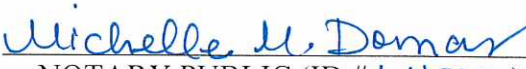
Texas Petroleum Investment Company

BY:   
(Signature)

Chris Santilippo  
(Printed)

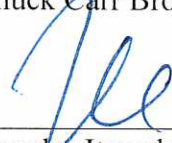
TITLE: Environmental Manager

THUS DONE AND SIGNED in duplicate original before me this 24th day of April, 20 18, at Lafayette, Louisiana

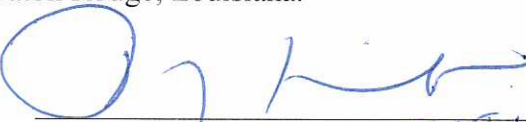
  
NOTARY PUBLIC (ID # 61170)  
Michelle M. Doman

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(stamped or printed)

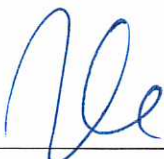
**LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY**  
Chuck Carr Brown, Ph.D., Secretary

BY:   
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.

  
NOTARY PUBLIC (ID # 19181)

Perry Theriot  
(stamped or printed)

Approved:   
Lourdes Iturralde, Assistant Secretary