

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

FOREST OIL CORPORATION

AI # 31794, 33252, 33282, 162734, 164705,  
164707, 164718, 164782, 164881, 164882,  
165391, 167395

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

\* Settlement Tracking No.  
\* SA-AE-20-0029  
\*  
\* Enforcement Tracking Nos.  
\* AE-CN-09-0263  
\* AE-CN-09-0263A  
\*  
\*  
\*  
\*  
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SETTLEMENT

The following Settlement is hereby agreed to between Sabine Oil & Gas Corporation f/k/a Forest Oil Corporation and its successor-in-interest, Sabine Oil & Gas Holdings, Inc. (collectively, “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 directly or indirectly, formerly owned and/or operated oil and gas production facilities located in Cameron Parish, Vermilion Parish, Red River Parish, and Bienville Parish, Louisiana (“the Facilities”).

II

On June 9, 2014, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-09-0263 (Exhibit 1).

On April 20, 2015, the Department issued to Respondent an Amended Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-09-0263A (Exhibit 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 FIFTEEN THOUSAND AND NO/100 DOLLARS (\$15,000.00), of which Two Thousand Two Hundred Seventy-Eight and 13/100 Dollars (\$2,278.13) 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, Amended 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 Cameron Parish, Vermilion Parish, Red River Parish, and 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.

## 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.

SABINE OIL & GAS CORPORATION  
F/K/A FOREST OIL CORPORATION

BY: *A. G. Isaac*  
(Signature)

A. G. Isaac  
(Printed)

TITLE: SVP OPS

THUS DONE AND SIGNED in duplicate original before me this 11<sup>th</sup> day of January, 20 21, at Houston, Texas.

*Belinda R. Trevino*  
NOTARY PUBLIC (ID # 128660840)

  
(stamped or printed)

SABINE OIL & GAS HOLDINGS, INC.

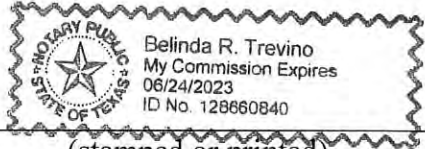
BY: *A. C. Isaac*  
(Signature)

A. C. Isaac  
(Printed)

TITLE: SVP OPS

THUS DONE AND SIGNED in duplicate original before me this 11<sup>th</sup> day of January, 20 21, at Houston, Texas.

*Belinda R. Trevino*  
NOTARY PUBLIC (ID #128660840)

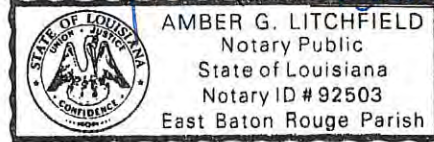
  
(stamped or printed)

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

BY:   
Lourdes Iturralde, Assistant Secretary  
Office of Environmental Compliance

THIS DONE AND SIGNED in duplicate original before me this 1<sup>st</sup> day of February, 20 21, at Baton Rouge, Louisiana.

  
NOTARY PUBLIC (ID # 92503)



(stamped or printed)

Approved:   
Lourdes Iturralde, Assistant Secretary



BOBBY JINDAL  
GOVERNOR



PEGGY M. HATCH  
SECRETARY

State of Louisiana  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
OFFICE OF ENVIRONMENTAL COMPLIANCE

June 9, 2014

CERTIFIED MAIL (7005 1820 0002 2365 8863)  
RETURN RECEIPT REQUESTED

**FOREST OIL CORPORATION**  
c/o Corporation Service Company  
Agent of Service  
320 Somerulos St.  
Baton Rouge, LA 70802-6129

**RE: CONSOLIDATED COMPLIANCE ORDER  
& NOTICE OF POTENTIAL PENALTY  
ENFORCEMENT TRACKING NO. AE-CN-09-0263  
AGENCY INTEREST NOs. 31794, 33252, 33282, 162734, 164705, 164707,  
164718, 164782, 164881, 164882, 165391, 167395**

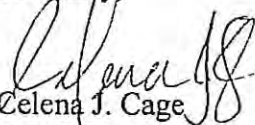
Dear Sir/Madame:

Pursuant to the Louisiana Environmental Quality Act (La. R.S. 30:2001, et seq.), the attached **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is hereby served on **FOREST OIL CORPORATION (RESPONDENT)** for the violations described therein.

Compliance is expected within the maximum time period established by each part of the **COMPLIANCE ORDER**. The violations cited in the **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** could result in the issuance of a civil penalty or other appropriate legal actions.

Any questions concerning this action should be directed to Richard LeBlanc at (225) 219-3165.

Sincerely,

  
Celena J. Cage  
Administrator  
Enforcement Division

CJC/RDL/rdl

Alt ID Nos. 0560-00070, 2940-00100, 2940-00142, 2420-00146,  
2420-00078, 2420-00079, 0360-00748, 2420-00091, 2420-00094,  
2420-00095, 2420-00144, 2420-00145

Attachment





**STATE OF LOUISIANA  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
OFFICE OF ENVIRONMENTAL COMPLIANCE**

**IN THE MATTER OF**

**FOREST OIL CORPORATION  
MULTIPLE PARISHES  
ALT ID NOs. 0560-00070, 2940-00100,  
2940-00142, 2420-00146, 2420-00078,  
2420-00079, 0360-00748, 2420-00091,  
2420-00094, 2420-00095, 2420-00144,  
2420-00145**

**PROCEEDINGS UNDER THE LOUISIANA**

**ENVIRONMENTAL QUALITY ACT,  
La. R.S. 30:2001, ET SEQ.**

\*  
\*  
\* **ENFORCEMENT TRACKING NO.**  
\*  
\* **AE-CN-09-0263**  
\*  
\*  
\*  
\* **AGENCY INTEREST NOs.**  
\*  
\* **31794, 33252, 33282, 162734, 164705,**  
\* **164707, 164718, 164782, 164881,**  
\* **164882, 165391, 167395**  
\*  
\*

**CONSOLIDATED  
COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY**

The following **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is issued to **FOREST OIL CORPORATION (RESPONDENT)** by the Louisiana Department of Environmental Quality (the Department), under the authority granted by the Louisiana Environmental Quality Act (the Act), La. R.S. 30:2001, et seq., and particularly by La. R.S. 30:2025(C), 30:2050.2 and 30:2050.3(B).

**FINDINGS OF FACT**

**I.**

The Respondent owns and/or operates multiple oil and gas production facilities within the State of Louisiana. Inspections and file reviews were conducted to ensure the Respondent's compliance with the Act and the Air Quality Regulations. The Respondent's facilities are listed as follows:

AI No.	Facility Name	Parish	Current Operating Permit No.	Permit Issue Date	Permit Expiration Date
31794	Sweet Lake Field Facility	Cameron Parish	0560-00070-V4	5/21/2010	5/21/2015
33252	West White Lake 540B Facility	Vermilion Parish	2940-00100-V3	5/20/2010	5/20/2015
33282	West White Lake 540A Facility	Vermilion Parish	2940-00142-V4	6/1/2011	5/20/2015
162734	Mosely 14-1 Facility	Red River Parish	2420-00146-00	6/30/2010	6/30/2020
164705	Conly 11-1 Facility	Red River Parish	2420-00078-00	6/17/2009	6/17/2019
164707	SJ Mondello 18-1 Facility	Red River Parish	2420-00079-00	6/17/2009	6/17/2019
164718	Conly 6-1 Facility	Bienville Parish	0360-00748-00	6/17/2009	6/17/2019
164782	LL Golson 13-1 Facility	Red River Parish	2420-00091-00	7/20/2009	7/20/2019
164881	MD Wood 12-1 Facility	Red River Parish	2420-00094-00	7/20/2009	7/20/2019
164882	Raburn 23-1 Facility	Red River Parish	2420-00095-00	7/20/2009	7/20/2019
165391	Driver 13 H No. 1 Facility	Red River Parish	2420-00144-00	6/30/2010	6/30/2020
167395	Madden 18 No. 1 Facility	Red River Parish	2420-00145-00	7/6/2010	7/6/2020

## II.

On or about May 18, 2009, the Department conducted a compliance inspection for the Sweet Lake Field Facility owned and/or operated by the Respondent and located at 586 Sweet Lake Camp Road in Sweet Lake, Cameron Parish, Louisiana. Additionally, the Department conducted a file review for the facility on or about August 19, 2013. The facility was issued Title V Air Permit No. 0560-00070-V3 on May 19, 2005, which was renewed and Title V Air Permit No. 0560-00070-V4 was issued on May 21, 2010. The inspection and file review revealed the following violations:

- A. The May 18, 2009, inspection revealed that the Respondent failed to use a Louisiana Environmental Laboratory Accreditation Program (LELAP) accredited laboratory for flare gas analysis of Combustion Flare Stack 91-

- 18 (EQT014). Specifically, the Respondent contracted Columbia Energy Group, which was not a LELAP accredited laboratory at the time of the analyses, to perform flare gas analyses for the 2006 and 2007 monitoring periods. This is a violation of LAC 33:III.4501.A.2 and La. R.S. 30:2057(A)(2).
- B. The May 18, 2009 inspection revealed that the Respondent failed to completely perform annual flare gas analyses for 2006 and 2007. Specifically and since the Respondent failed to use a LELAP accredited laboratory for flare gas analyses, the Respondent failed to monitor heat content by gas analysis annually in 2006 and 2007 for combustion flare stack EQT014 to ensure the heat content is above 300 BTU/scf. This is a violation of Title V Air Permit No. 0560-00070-V3 Specific Requirement 42, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).
- C. Specific Requirements 17, 18, 19, 24, 25 and 26 of Title V Air Permit No. 0560-00070-V3 require that stack tests be performed six months after the previous semiannual test, plus or minus 30 days. The Respondent self-reported in the facility's 2008 Annual Compliance Certification dated March 30, 2009, that the NO<sub>x</sub>, O<sub>2</sub>, and CO stack tests for engine 91-11 (EQT009) and engine 91-12 (EQT010) were not performed within the specified time frame. Specifically, stack tests were previously conducted on November 6, 2007, but not conducted within 30 days of the following semiannual due date, May 6, 2008. The stack tests were conducted on August 12, 2008. Each failure to conduct stack tests for each pollutant and each engine within 30 days of the due date is a violation of Specific Requirements 17, 18, 19, 24, 25 and 26 of Title V Air Permit No. 0560-00070-V3, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).
- D. The Respondent self-reported in the facility's 2006 Annual Compliance Certification dated March 29, 2007, an exceedance of the permitted throughput for EQT014 for a period of 168 hours. Due to a vapor recovery unit (VRU) outage all emissions were routed to EQT014. The exceedance of the permitted throughput is a violation of General Condition I of Title V Air Permit No. 0560-00070-V3, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).
- E. The Respondent self-reported in the facility's 2006 Annual Compliance Certification dated March 29, 2007, a failure to use and maintain a VRU (EQT022). The VRU was not operational for 168 hours during the second semiannual monitoring period of 2006. This is a violation of LAC 33:III.905 which states, "When facilities have been installed on a property, they shall be used and diligently maintained in proper working order whenever any emissions are being made which can be controlled by the facilities, even though the ambient air quality standards in affected areas are not exceeded." This is also a violation of General Condition I of Title V Air Permit No. 0560-00070-V3, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- F. The Respondent self-reported in the facility's 2007 Annual Compliance Certification dated March 28, 2008, an exceedance of the permitted

throughput for oil shipping tank 91-03 (EQT003). Specifically, the Respondent exceeded the throughput for the tank by 8,509 barrels during 2007. The failure to properly operate equipment as specified in the application is a violation of Title V Air Permit No. 0560-00070-V3, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).

- G. The May 18, 2009 inspection and August 19, 2013 file review revealed that the Respondent failed to use and maintain the permitted VRU for oil tank 91-01 (EQT002), skim tank 91-06 (EQT004), heater treater 91-14B (EQT011) and work tank 97-28 (EQT021). The VRU was not operational for 3,336 hours from January 6, 2009, through June 30, 2009. This is a violation of LAC 33:III.905 which states, "When facilities have been installed on a property, they shall be used and diligently maintained in proper working order whenever any emissions are being made which can be controlled by the facilities, even though the ambient air quality standards in affected areas are not exceeded." This is also a violation of General Condition I of Title V Air Permit No. 0560-00070-V3, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- H. Specific Requirements 17, 18, 19, 24, 25 and 26 of Title V Air Permit No. 0560-00070-V3 require that stack tests be performed six months after the previous semiannual test, plus or minus 30 days. The Respondent self-reported in the facility's 2009 first Semiannual Monitoring Report dated September 29, 2009, that the NO<sub>x</sub>, O<sub>2</sub>, and CO stack tests for EQT009 and EQT010 were not performed within the specified time frame. Specifically, stack tests were previously conducted on August 12, 2008, but not conducted within 30 days of the following semiannual due date, February 12, 2009. The stack tests were conducted on September 4, 2009, and June 3, 2009, respectively. Each failure to conduct stack tests for each pollutant and each engine within 30 days of the due date is a violation of Specific Requirements 17, 18, 19, 24, 25 and 26 of Title V Air Permit No. 0560-00070-V3, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).
- I. The Respondent self-reported in the facility's 2009 first Semiannual Monitoring Report a failure to use and maintain flare EQT014. Specifically, the equipment was not operational for 48 hours during the first semiannual monitoring period of 2009. This is a violation of LAC 33:III.905 which states, "When facilities have been installed on a property, they shall be used and diligently maintained in proper working order whenever any emissions are being made which can be controlled by the facilities, even though the ambient air quality standards in affected areas are not exceeded." This is also a violation of General Condition I of Title V Air Permit No. 0560-00070-V3, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- J. The Respondent self-reported in the facility's 2009 Annual Compliance Certification dated March 31, 2010, exceedances of the permitted emissions limits for flare EQT014. Specifically, the Respondent reported the following exceedances in the facility's 2009 Annual Emissions Inventory submitted to ERIC on or about March 29, 2010:



Pollutant	Permit Limit	Amount Reported
VOCs	0.04 tpy	0.048 tpy
Carbon Monoxide (CO)	0.17 tpy	0.202 tpy
Nitrogen Oxides (NOx)	0.03 tpy	0.036 tpy
Particulate Matter (PM10)	0.003 tpy	0.004 tpy

Each exceedance of the permit limits is a violation of Title V Air Permit No. 0560-00070-V3, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

- K. The Respondent self-reported in the facility's 2010 Annual Compliance Certification dated March 31, 2011, exceedances of the permitted operating hours for methanol injection pumps 09-30 (EQT019), 09-31 (EQT020), 09-32 (EQT023), 09-39 (EQT030) and 09-40 (EQT031). Specifically, the permitted operating hours for EQT019 were exceeded by 85 hours, the permitted operating hours for EQT020 were exceeded by 468 hours, the permitted operating hours for EQT023 were exceeded by 25 hours, and the permitted operating hours for EQT030 and EQT031 were both exceeded by 73 hours in 2010. Each pump has an operating hours permit limit of 2,856 hours per year. Each exceedance of the permitted operating hours is a violation of General Condition I of Title V Air Permit No. 0560-00070-V4 Specific Requirement 48, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
- L. The Respondent self-reported in the facility's 2011 Annual Compliance Certification dated March 27, 2012, exceedances of the permitted operating hours for EQT019. Specifically, the permitted operating hours for EQT019 were exceeded by 30 hours in 2010. EQT019 has an operating hours permit limit of 2,856 hours per year. The exceedance of the permitted operating hours is a violation of General Condition I of Title V Air Permit No. 0560-00070-V4 Specific Requirement 48, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

### III.

On or about October 14, 2009, and August 21, 2013, the Department conducted file reviews for the West White Lake 540B Facility owned and/or operated by the Respondent and located approximately 25 miles west southwest of Intracoastal City and 8.5 miles northwest of Pecan Island in Vermilion Parish, Louisiana. The facility was issued Title V Air Permit No. 2940-00100-V2 on May 20, 2005, which was renewed and Title V Air Permit No. 2940-00100-V3 was issued on May 20, 2010. The file reviews revealed the following violations:

- A. The Respondent self-reported in the facility's 2010 Annual Compliance Certification dated March 31, 2011, an exceedance of the permitted emissions limits for Glycol Still Column Vent 91-13BA (EQT012). Emissions based on actual gas throughput and wet gas analysis performed during the second semiannual monitoring period of 2010 exceeded the



- permit limits. Additionally, the Respondent self-reported in the facility's 2010 Annual Emissions Inventory submitted to ERIC on or about April 25, 2011, a VOCs exceedance of 2.455 tpy for EQT012 with a permit limit of 0.90 tpy. The exceedance of the permit limit is a violation of Title V Air Permit No. 2940-00100-V3, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- B. The Respondent self-reported in the facility's 2010 Annual Compliance Certification exceedances of the permitted throughput rates for Produced Water Tank 91-17A (EQT015) and Produced Water Tank 91-17B (EQT016). Specifically, the permit is based on a 365 barrel per year cumulative throughput rate for the tanks as based on the permit application. The Respondent exceeded this throughput rate by 153,164 barrels. Each failure to properly operate equipment as specified in the application is a violation of Title V Air Permit No. 2940-00100-V3, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
- C. The Respondent self-reported in the facility's 2010 Annual Emissions Inventory submitted to ERIC on or about April 25, 2011, VOCs exceedances of the permit limits for EQT015 and EQT016. Specifically due to the abovementioned throughput exceedances for EQT015 and EQT016, a VOCs exceedance of 0.26 tpy was reported with a permit limit of 0.24 tpy for EQT015 and a VOCs exceedance of 0.369 tpy was reported with a permit limit of 0.26 tpy for EQT016. Each exceedance is a violation of Title V Air Permit No. 2940-00100-V3, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- D. The Respondent self-reported in the facility's 2010 Annual Compliance Certification exceedances of the permitted throughput rates for Barge Loading 91-16 (EQT014). Specifically, the permit is based on a 164,250 barrel per year throughput rate based on the permit application. The Respondent exceeded this throughput rate by 9,766 barrels. The failure to properly operate as specified in the application is a violation of Title V Air Permit No. 2940-00100-V3, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
- E. The Respondent self-reported in the facility's 2010 Annual Compliance Certification exceedances of the permitted throughput rates for Oil Storage Tank 91-01 (EQT001), Oil Storage Tank 91-02 (EQT002), and Oil Storage Tank 91-03 (EQT003). Specifically, the permit is based on a 164,250 barrel per year cumulative throughput rate for the tanks as based on the permit application. The Respondent exceeded this throughput rate by 11,183 barrels in 2010. Each failure to properly operate equipment as specified in the application is a violation of Title V Air Permit No. 2940-00100-V3, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
- F. The Respondent self-reported in the facility's 2009 Annual Compliance Certification dated March 31, 2010, exceedances of the permitted operating hours for Generator Engine 91-06 (EQT005), Saltwater Transfer Pump 91-08 (EQT007) and Saltwater Transfer Pump 91-09 (EQT008). Specifically, the permitted operating hours for EQT005 were exceeded by

2,316 hours, the permitted operating hours for EQT007 were exceeded by 2,670 hours, and the permitted operating hours for EQT008 were exceeded by 2,154 hours in 2009. EQT005, EQT007 and EQT008 all have operating hour permit limits of 4,368 hours per year. Each exceedance of the permitted operating hours is a violation of General Condition I of Title V Air Permit No. 2940-00100-V2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

- G. The Respondent self-reported in the facility's 2009 Annual Compliance Certification exceedances of the permitted throughput rates for EQT001, EQT002, EQT003, and Spill-Over Oil Storage Tank 91-05 (EQT004). Specifically, the permit is based on a 164,250 barrel per year cumulative throughput rate for the tanks as based on the permit application. The Respondent exceeded this throughput rate by 19,529 barrels in 2009. Each failure to properly operate equipment as specified in the application is a violation of Title V Air Permit No. 2940-00100-V2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
- H. Specific Requirements 16, 17, and 18 of Title V Air Permit No. 2940-00100-V2 require that stack tests be performed six months after the previous semiannual test, plus or minus 30 days. The Respondent self-reported in the facility's 2009 first Semiannual Monitoring Report dated September 29, 2009, that the NO<sub>x</sub>, O<sub>2</sub>, and CO stack tests for Compressor Engine 91-10 (EQT009) were not performed within the specified time frame. Specifically, stack tests were previously conducted on August 12, 2008, but not conducted within 30 days of the following semiannual due date, February 12, 2009. The stack tests were conducted on June 4, 2009. Each failure to conduct stack tests for each pollutant and for each engine within 30 days of the due date is a violation of Specific Requirements 16, 17, and 18 of Title V Air Permit No. 2940-00100-V2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
- I. Specific Requirements 16, 17, and 18 of Title V Air Permit No. 2940-00100-V2 require that stack tests be performed six months after the previous semiannual test, plus or minus 30 days. The Respondent self-reported in the facility's 2008 Annual Compliance Certification dated March 30, 2009, that the NO<sub>x</sub>, O<sub>2</sub>, and CO stack tests for EQT009 were not performed within the specified time frame. Specifically, stack tests were previously conducted on December 5, 2007, but not conducted within 30 days of the following semiannual due date, June 5, 2008. The stack tests were conducted on August 12, 2008. Each failure to conduct stack tests for each pollutant and for each engine within 30 days of the due date is a violation of Specific Requirements 16, 17, and 18 of Title V Air Permit No. 2940-00100-V2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
- J. The Respondent self-reported in the facility's 2008 Annual Compliance Certification exceedances of the permitted operating hours for EQT005 and EQT007. Specifically, the permitted operating hours for EQT005 were exceeded by 1,030 hours and the permitted operating hours for

EQT007 were exceeded by 1,574 hours in 2008. Both EQT005 and EQT007 have operating hour permit limits of 4,368 hours per year. Each exceedance of the permitted operating hours is a violation of General Condition I of Title V Air Permit No. 2940-00100-V2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

- K. The Respondent self-reported in the facility's 2007 Annual Compliance Certification dated March 28, 2008, exceedances of the permitted operating hours for EQT005, EQT007, and Diaphragm Pump 91-19 (EQT017). Specifically, the permitted operating hours for EQT005 were exceeded by 576 hours, the permitted operating hours for EQT007 were exceeded by 936 hours in 2007. Both EQT005 and EQT007 have operating hour permit limits of 4,368 hours per year. The permitted operating hours for EQT017 were exceeded by 445 hours in 2007. The operating hour permit limit for EQT017 is 1,092 hours per year. Each exceedance of the permitted operating hours is a violation of General Condition I of Title V Air Permit No. 2940-00100-V2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
- L. The Respondent failed to submit the facility's 2007 first Semiannual Monitoring Report by the required September 30, 2007 due date. Specifically, the report was dated September 27, 2007, but was postmarked October 1, 2007. The failure to submit the report timely is a violation of General Condition K of Title V Air Permit No. 2940-00100-V2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
- M. On or about May 17, 2002, Unocal Corporation, previous owner of the facility, submitted a permit renewal application to the Department for the facility which included the addition of the following equipment that was pre-existing and operational at the facility: Gas Operated Diaphragm Pump 02-21 (EQT019), Gas Operated Chemical Injection Pump 02-22 (EQT020), Gas Operated Pressure Controllers 02-23 (EQT021), Gas Operated Level Controllers 02-24 (EQT022) and Gas Operated Level Controllers 02-25 (EQT023). On or about November 1, 2003, ownership of the facility was transferred from Unocal Corporation to the Respondent. The equipment was included in Title V Air Permit No. 2940-00100-V2 issued on May 20, 2005. Each operation of equipment from November 1, 2003, until May 20, 2005, without authorization from the permitting authority is a violation of LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

#### IV.

On or about October 14, 2009, and August 21, 2013, the Department conducted file reviews for the West White Lake 540A Facility owned and/or operated by the Respondent and located approximately 10 miles northwest of Pecan Island in Vermilion Parish, Louisiana. The facility was issued Title V Air Permit No. 2940-00142-V2 on May 31, 2005, which was renewed and Title V Air Permit No. 2940-00142-V3 was issued on May 20, 2010. The facility currently



operates under Title V Air Permit No. 2940-00142-V4 issued on June 1, 2011. The file reviews revealed the following violations:

- A. The Respondent self-reported in the facility’s 2011 Annual Compliance Certification dated March 27, 2012, that the VRU was not in operation. Specifically, the VRU for oil tanks 91-01 (EQT0012), 91-02 (EQT0013), 91-03 (EQT0014) and 91-04 (EQT0015), and produced water tanks 91-21A (EQT0029) and 91-21B (EQT0030) was not in operation for 3,144 hours in 2011. This is a violation of LAC 33:III.905 which states, “When facilities have been installed on a property, they shall be used and diligently maintained in proper working order whenever any emissions are being made which can be controlled by the facilities, even though the ambient air quality standards in affected areas are not exceeded.” This is also a violation of La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- B. The Respondent self-reported in the facility’s 2010 Annual Compliance Certification dated March 31, 2011, exceedances of the permit limits for flare stack 91-19 (EQT027). The exceedances were confirmed in the facility’s 2010 Annual Emissions Inventory submitted to ERIC on or about April 25, 2011:

Pollutant	Permit Limit	Amount Reported
VOCs	0.33 tpy	1.278 tpy
CO	0.28 tpy	1.085 tpy
NOx	0.05 tpy	0.194 tpy

Each exceedance of the permit limits is a violation of Title V Air Permit No. 2940-00142-V3, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

- C. The Respondent self-reported in the facility’s 2010 Annual Compliance Certification the release of vent gas to the atmosphere. Specifically, the combustion flare back-up device for EQT027 was not in operation for 264 hours in 2010. This is a violation of LAC 33:III.905 which states, “When facilities have been installed on a property, they shall be used and diligently maintained in proper working order whenever any emissions are being made which can be controlled by the facilities, even though the ambient air quality standards in affected areas are not exceeded.” This is also a violation of La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- D. The Respondent self-reported in the facility’s 2010 Annual Compliance Certification that the VRU was not in operation. Specifically, the VRU for EQT0012, EQT0013, EQT0014, EQT0015, EQT0029 and was not in operation for 1,922 hours in 2010. This is a violation of LAC 33:III.905 which states, “When facilities have been installed on a property, they shall be used and diligently maintained in proper working order whenever any emissions are being made which can be controlled by the facilities, even though the ambient air quality standards in affected areas are not exceeded.” This is also a violation of La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

- E. The Respondent self-reported in the facility's 2010 Annual Compliance Certification and 2011 first Semiannual monitoring Report the installation and operation of the following equipment prior to receiving approval from the permitting authority: Glycol Reboiler Burner GR-01 (EQT034), Glycol Reboiler Burner GR-02 (EQT035), Glycol Still Column Vent GV-01 (EQT036), Glycol Still Column Vent GV-02 (EQT037) and Compressor Engine CE-01 (EQT038). The Respondent's failure to submit a permit application and receive approval from the permitting authority prior to the construction, modification, and/or operation of a facility, which ultimately may have resulted in an initiation or increase in emission of air contaminants, is a violation of LAC 33:III.501.C.1, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- F. The Respondent self-reported in the facility's 2010 Annual Compliance Certification and 2011 first Semiannual Monitoring Report operation of equipment without a permit. Specifically, the Respondent operated EQT034, EQT035, EQT036, EQT037 and EQT038 without a permit until being included in Title V Air Permit No. 2940-00142-V4 issued on June 1, 2011. Each operation of the equipment prior to June 1, 2011, is a violation of LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- G. The Respondent self-reported in the facility's 2009 Annual Compliance Certification dated March 31, 2010, exceedances of the permit limits for EQT027. The exceedances were confirmed in the facility's 2009 Annual Emissions Inventory submitted to ERIC on or about March 29, 2010:

Pollutant	Permit Limit	Amount Reported
VOCs	2.11 tpy	4.33 tpy
CO	2.19 tpy	4.494 tpy
NOx	0.40 tpy	0.821 tpy
PM10	0.03 tpy	0.062 tpy
SO2	0.002 tpy	0.004 tpy

Each exceedance of the permit limits is a violation of Title V Air Permit No. 2940-00142-V2, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

- H. The Respondent self-reported in the facility's 2009 Annual Compliance Certification exceedances of the permitted throughput for the facility. Specifically, the permitted throughput for storage tank 91-01 (EQT012), storage tank 91-02 (EQT013), storage tank 91-03 (EQT014) and storage tank 91-04 (EQT015) was exceeded by 128,933 barrels in 2009. The tanks have a cumulative permitted throughput of 438,000 barrels per year. Additionally, the permitted throughput for barge loading losses 91-20 (EQT028) was exceeded by 128,933 barrels in 2009. EQT028 has a permitted throughput of 438,000 barrels per year. Each exceedance of the permitted throughput is a violation of General Condition I of Title V Air Permit No. 2940-00142-V2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).



- I. The Respondent self-reported in the facility's 2009 Annual Compliance Certification an exceedance of the permitted operating hours. Specifically, the permitted operating hours for generator engine 91-09 (EQT019) were exceeded by 2,520 hours in 2009. EQT019 has an operating hour permit limit of 4,368 hours per year. The exceedance of the permitted operating hours is a violation of General Condition I of Title V Air Permit No. 2940-00142-V2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
- J. Specific Requirements 19, 20, and 21 of Title V Air Permit No. 2940-00142-V2 require that stack tests be performed six months after the previous semiannual test, plus or minus 30 days. The Respondent self-reported in the facility's 2009 first Semiannual Monitoring Report dated September 29, 2009, that the NO<sub>x</sub>, O<sub>2</sub>, and CO stack tests for compressor engine 91-12 (EQT022) were not performed within the specified time frame. Specifically, stack tests were previously conducted on August 12, 2008, but not conducted within 30 days of the following semiannual due date, February 12, 2009. The stack tests were conducted on June 4, 2009. Each failure to conduct stack tests for the engine within 30 days of the due date is a violation of Specific Requirements 19, 20, and 21 of Title V Air Permit No. 2940-00142-V2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
- K. Specific Requirements 19, 20, and 21 of Title V Air Permit No. 2940-00142-V2 require that stack tests be performed six months after the previous semiannual test, plus or minus 30 days. The Respondent self-reported in the facility's 2008 Annual Compliance Certification dated March 30, 2009, that the NO<sub>x</sub>, O<sub>2</sub>, and CO stack tests for compressor engine 91-12 (EQT022) were not performed within the specified time frame. Specifically, stack tests were previously conducted on November 5, 2007, but not conducted within 30 days of the following semiannual due date, May 5, 2008. The stack tests were conducted on August 12, 2008. Each failure to conduct stack tests for the engine within 30 days of the due date is a violation of Specific Requirements 19, 20, and 21 of Title V Air Permit No. 2940-00142-V2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
- L. The Respondent self-reported in the facility's 2008 Annual Compliance Certification an exceedance of the permitted operating hours. Specifically, the permitted operating hours for generator engine 91-08 (EQT018) were exceeded by 160 hours in 2008. EQT018 has an operating hour permit limit of 4,368 hours per year. The exceedance of the permitted operating hours is a violation of General Condition I of Title V Air Permit No. 2940-00142-V2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
- M. The Respondent self-reported in the facility's 2008 Annual Compliance Certification exceedances of the permitted throughput for the facility. Specifically, the permitted throughput for EQT015 was exceeded by 140,666 barrels in 2008. EQT015 has a permitted throughput of 219,000

barrels per year. Additionally, the permitted throughput for EQT028 was exceeded by 140,666 barrels in 2008. EQT028 has a permitted throughput of 438,000 barrels per year. Each exceedance of the permitted throughput is a violation of General Condition I of Title V Air Permit No. 2940-00142-V2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

- N. In the facility's 2007 Criteria & Toxic Air Pollutant Emissions Certification Statement dated May 14, 2008, the Respondent notified the Department that the facility exceeded its maximum permitted annual emission rate for volatile organic compounds (VOCs) established in Air Permit No. 2940-00142-V2. Specifically, the Respondent reported total VOC emissions of 98.844 tons per year with a permit limit of 91.84 tons per year. The Respondent's failure to operate under all terms and conditions of the permit is a violation of LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- O. The Respondent self-reported in the facility's 2007 Annual Compliance Certification dated March 28, 2008, an exceedance of the permitted operating hours for the facility. Specifically, the permitted operating hours for EQT018 were exceeded by 3000 hours in 2007. EQT018 has an operating hour permit limit of 4,368 hours per year. The exceedance of the permitted operating hours is a violation of General Condition I of Title V Air Permit No. 2940-00142-V2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
- P. The Respondent self-reported in the facility's 2007 Annual Compliance Certification exceedances of the permitted throughput for the facility. Specifically, the permitted throughputs for EQT013, EQT014, EQT015 and EQT028 were exceeded in 2007. Each exceedance of the permitted throughput is a violation of General Condition I of Title V Air Permit No. 2940-00142-V2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
- Q. The Respondent failed to submit the facility's 2007 first Semiannual Monitoring Report by the required September 30, 2007 due date. Specifically, the report was dated September 27, 2007, but was postmarked October 1, 2007. The failure to submit the report timely is a violation of General Condition K of Title V Air Permit No. 2940-00142-V2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

## V.

On or about September 4, 2013, the Department conducted a file review for multiple facilities owned and/or operated by the Respondent. The file review revealed that the following facilities were constructed and/or modified prior to receiving approval from the permitting authority:

Facility Name	Location	Date Constructed and/or Modified	Date Permit Application Submitted
Mosely 14-1	4 miles Northwest of Hall Summit	Not provided*	5/5/2010
Conly 11-1	6.3 miles Northwest of Hall Summit	1/30/2008	5/7/2009
SJ Mondello 18-1	2.5 miles Northwest of Hall Summit	2/2/2009	5/7/2009
Conly 6-1	6.3 miles Northwest of Castor	1/28/2009	5/7/2009
LL Golson 13-1	2.4 miles Northwest of Hall Summit	1/29/2009	5/7/2009
MD Wood 12-1	3.5 miles Northwest of Hall Summit	2/2/2009	5/7/2009
Raburn 23-1	2.7 miles Northwest of Hall Summit	2/2/2009	5/7/2009
Driver 13 H No. 1	3 miles Northwest of Hall Summit	Not provided*	5/5/2010
Madden 18 No. 1	2.4 miles Northwest of Hall Summit	Not provided*	5/5/2010

\* permit application stated facility was "already existing and operating"

Each failure to submit a permit application and receive approval from the permitting authority prior to the construction, modification, and/or operation of a facility, which ultimately may have resulted in an initiation or increase in emission of air contaminants, is a violation of LAC 33:III.501.C.1, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

#### VI.

On or about September 4, 2013, the Department conducted a file review for multiple facilities owned and/or operated by the Respondent. The file review revealed that the following facilities were operated prior to issuance of a permit:

Facility Name	Permit No.	Permit Issuance Date
Mosely 14-1	2420-00146-00	6/30/2010
Conly 11-1	2420-00078-00	6/17/2009
SJ Mondello 18-1	2420-00079-00	6/17/2009
Conly 6-1	0360-00748-00	6/17/2009
LL Golson 13-1	2420-00091-00	7/20/2009
MD Wood 12-1	2420-00094-00	7/20/2009
Raburn 23-1	2420-00095-00	7/20/2009
Driver 13 H No. 1	2420-00144-00	6/30/2010
Madden 18 No. 1	2420-00145-00	7/6/2010

Each operation of a facility prior to the permit issuance date is a violation of LAC 33:III.501.C.2, La. R.S. 30:2057(A)(2) and 30:2057(A)(2).

#### VII.

After review of the Department's TEMPO database, it has been determined that the following facilities no longer qualify for a SOGA Permit: Mosely 14-1 Facility (AI# 162734), Conly 11-1 Facility (AI# 164705), SJ Mondello 18-1 Facility (AI# 164707), Conly 6-1 Facility (AI# 164718), LL Golson 13-1 Facility (AI# 164782), MD Wood 12-1 Facility (AI# 164881),

Raburn 23-1 Facility (AI# 164882), and Driver 13 H No. 1 Facility (AI# 165391). The Department has initiated a project to convert these SOGA permits into Minor Source Oil and Gas (MSOG) General Permits, State Permits, or Permit Rescissions. On or about December 18, 2012, the Department issued letters for the affected facilities outlining the permit conversion process.

### **COMPLIANCE ORDER**

Based on the foregoing, the Respondent is **hereby ordered**:

#### **I.**

To immediately take, upon receipt of this **COMPLIANCE ORDER**, any and all steps necessary to achieve and maintain compliance with Title V Permit Nos. 0560-00070-V4, 2940-00100-V3 and 2940-00142-V4 and comply with the Air Quality Regulations and the Act, including, but not limited to, Specific Requirements 17, 18, 19, 24, 25, 26, 42, and 48, and Louisiana General Condition I of Title V Air Permit No. 0560-00070-V4; Specific Requirements 16, 17, and 18, General Condition K and Louisiana General Condition I of Title V Air Permit No. 2940-00100-V3; and Specific Requirements 19, 20, and 21, General Condition K and Louisiana General Condition I of Title V Air Permit No. 2940-00142-V4.

#### **II.**

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a written report that provides the installation dates and beginning operation dates for the equipment abovementioned in Findings of Fact paragraph IV.E.

#### **III.**

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a written report that provides the construction dates and beginning operation dates for the facilities abovementioned in Findings of Fact paragraph V where the date constructed and/or modified was "not provided."

#### **IV.**

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a written report explaining the following emissions reported in Annual Emissions Inventories:



Facility	Report	Equipment	Pollutant	Permit Limit	Amount Reported
West White Lake 540B	2010 Annual Emissions Inventory	EQT003	VOCs	5.78 tpy	16.919 tpy
	2009 Annual Emissions Inventory	EQT005	CO	6.60 tpy	10.099 tpy
			NOx	3.92 tpy	5.998 tpy
		EQT007	CO	25.83 tpy	41.619 tpy
			NOx	15.34 tpy	24.717 tpy
		EQT008	CO	9.94 tpy	14.842 tpy
			NOx	5.91 tpy	8.824 tpy
	2008 Annual Emissions Inventory	EQT007	CO	25.83 tpy	35.138 tpy
			NOx	15.34 tpy	20.868 tpy
	2007 Annual Emissions Inventory	EQT007	CO	25.83 tpy	31.365 tpy
West White Lake 540A	2009 Annual Emissions Inventory	EQT014	VOCs	7.18 tpy	15.342 tpy
		EQT015	VOCs	18.41 tpy	33.813 tpy
	2008 Annual Emissions Inventory	EQT015	VOCs	18.41 tpy	40.07 tpy
		EQT028	VOCs	8.56 tpy	12.983 tpy
	2007 Annual Emissions Inventory	EQT018	CO	6.27 tpy	10.576 tpy
			NOx	3.73 tpy	6.292 tpy
		EQT014	VOCs	7.18 tpy	11.733 tpy
	EQT015	VOCs	18.41 tpy	30.258 tpy	

V.

To begin the permit conversion process, within ninety (90) days after receipt of this **COMPLIANCE ORDER**, for the facilities abovementioned in Findings of Fact paragraph VII. To begin the conversion process, please review the Applicability Questionnaire for Crude Oil and Natural Gas Production found on the Department's website at the following address: <http://www.deq.louisiana.gov/portal/Default.aspx?tabid=3022>. If upon reviewing the applicability questionnaire you agree that any of the above referenced facilities qualify for a MSOG General Permit, submit a completed questionnaire with the appropriate permit modification fee of \$90.00 for the Department to issue coverage for the facility under the MSOG. If upon reviewing the current permit for a facility you determine that there have been changes to the equipment listed, an updated Emissions Inventory Questionnaire (EIQ) sheet and supporting calculations must be submitted for each piece of equipment that must be added or deleted from the permit. If upon reviewing the applicability questionnaire you determine that a facility does not qualify for coverage under the MSOG, a site specific permit will be required. Submit a complete application and appropriate permit modification fee to the Department. The forms and necessary instructions can be found on the Department's website at the following



address:

<http://www.deq.louisiana.gov/portal/DIVISIONS/AirPermits/AirPermitApplications.aspx>

If you determine that a facility is no longer operating, and you wish to rescind the permit, a completed questionnaire should be submitted along with the date the facility closed. All submittals must be sent to the following address:

Louisiana Department of Environmental Quality  
Office of Environmental Services  
P.O. Box 4313  
Baton Rouge, LA 70821-4313  
**Attention: Statewide SOGA Air Permit Conversion Project**

V.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a written report that includes a detailed description of the circumstances surrounding the cited violations and actions taken or to be taken to achieve compliance with the Order Portion of this **COMPLIANCE ORDER**. This report and all other reports or information required to be submitted to the Enforcement Division by this **COMPLIANCE ORDER** shall be submitted to:

Office of Environmental Compliance  
Post Office Box 4312  
Baton Rouge, Louisiana 70821-4312  
**Attention: Richard LeBlanc**  
**Enforcement Tracking Nos. AE-CN-09-0263**  
**Agency Interest Nos. 31794, 33252, 33282, 162734, 164705,**  
**164707, 164718, 164782, 164881, 164882,**  
**165391, 167395**

**THE RESPONDENT SHALL FURTHER BE ON NOTICE THAT:**

I.

The Respondent has a right to an adjudicatory hearing on a disputed issue of material fact or of law arising from this **COMPLIANCE ORDER**. This right may be exercised by filing a written request with the Secretary no later than thirty (30) days after receipt of this **COMPLIANCE ORDER**.

II.

The request for an adjudicatory hearing shall specify the provisions of the **COMPLIANCE ORDER** on which the hearing is requested and shall briefly describe the basis for the request. This request should reference the **Enforcement Tracking Number** and **Agency Interest Number**, which are located in the upper right-hand corner of the first page of this document and should be directed to the following:

Department of Environmental Quality  
Office of the Secretary  
Post Office Box 4302  
Baton Rouge, Louisiana 70821-4302  
Attn: **Hearings Clerk, Legal Division**  
**Re: Enforcement Tracking Nos. AE-CN-09-0263**  
**Agency Interest Nos. 31794, 33252, 33282, 162734, 164705,**  
**164707, 164718, 164782, 164881, 164882,**  
**165391, 167395**

III.

Upon the Respondent's timely filing a request for a hearing, a hearing on the disputed issue of material fact or of law regarding this **COMPLIANCE ORDER** may be scheduled by the Secretary of the Department. The hearing shall be governed by the Act, the Administrative Procedure Act (La. R.S. 49:950, et seq.), and the Department's Rules of Procedure. The Department may amend or supplement this **COMPLIANCE ORDER** prior to the hearing, after providing sufficient notice and an opportunity for the preparation of a defense for the hearing.

IV.

This **COMPLIANCE ORDER** shall become a final enforcement action unless the request for hearing is timely filed. Failure to timely request a hearing constitutes a waiver of the Respondent's right to a hearing on a disputed issue of material fact or of law under Section 2050.4 of the Act for the violation(s) described herein.

V.

The Respondent's failure to request a hearing or to file an appeal or the Respondent's withdrawal of a request for hearing on this **COMPLIANCE ORDER** shall not preclude the Respondent from contesting the findings of facts in any subsequent penalty action addressing the same violation(s), although the Respondent is estopped from objecting to this **COMPLIANCE ORDER** becoming a permanent part of its compliance history.

VI.

Civil penalties of not more than twenty-seven thousand five hundred dollars (\$27,500) for each day of violation for the violation(s) described herein may be assessed. For violations which occurred on August 15, 2004, or after, civil penalties of not more than thirty-two thousand five hundred dollars (\$32,500) may be assessed for each day of violation. The Respondent's failure or refusal to comply with this **COMPLIANCE ORDER** and the provisions herein will subject the Respondent to possible enforcement procedures under La. R.S. 30:2025, which could result in the assessment of a civil penalty in an amount of not more than fifty thousand dollars (\$50,000) for each day of continued violation or noncompliance.

VII.

For each violation described herein, the Department reserves the right to seek civil penalties in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such penalties.

**NOTICE OF POTENTIAL PENALTY**

I.

Pursuant to La. R.S. 30:2050.3(B), you are hereby notified that the issuance of a penalty assessment is being considered for the violation(s) described herein. Written comments may be filed regarding the violation(s) and the contemplated penalty. If you elect to submit comments, it is requested that they be submitted within ten (10) days of receipt of this notice.

II.

Prior to the issuance of additional appropriate enforcement action(s), you may request a meeting with the Department to present any mitigating circumstances concerning the violation(s). If you would like to have such a meeting, please contact Richard LeBlanc at (225) 219-3751 within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.

III.

The Department is required by La. R.S. 30:2025(E)(3)(a) to consider the gross revenues of the Respondent and the monetary benefits of noncompliance to determine whether a penalty will be assessed and the amount of such penalty. Please forward the Respondent's most current annual gross revenue statement along with a statement of the monetary benefits of

noncompliance for the cited violation(s) to the above named contact person within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**. Include with your statement of monetary benefits the method(s) you utilized to arrive at the sum. If you assert that no monetary benefits have been gained, you are to fully justify that statement.

IV.

This **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is effective upon receipt.

Baton Rouge, Louisiana, this 09 day of June, 2014.



\_\_\_\_\_  
Cheryl Sonnier Nolan  
Assistant Secretary  
Office of Environmental Compliance

Copies of a request for a hearing and/or related correspondence should be sent to:

Louisiana Department of Environmental Quality  
Office of Environmental Compliance  
Enforcement Division  
P.O. Box 4312  
Baton Rouge, LA 70821-4312  
Attention: Richard LeBlanc



BOBBY JINDAL  
GOVERNOR



PEGGY M. HATCH  
SECRETARY

**State of Louisiana**  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
OFFICE OF ENVIRONMENTAL COMPLIANCE

April 20, 2015

CERTIFIED MAIL (7005 1820 0002 2095 9758)  
RETURN RECEIPT REQUESTED

**FOREST OIL CORPORATION**  
c/o Corporation Service Company  
Agent for Service of Process  
320 Somerulos St.  
Baton Rouge, LA 70802-6129

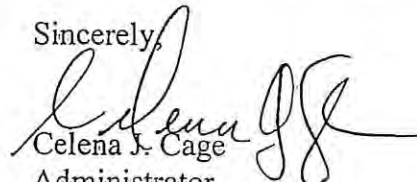
**RE: AMENDED CONSOLIDATED COMPLIANCE ORDER &  
NOTICE OF POTENTIAL PENALTY  
ENFORCEMENT TRACKING NO. AE-CN-09-0263A  
AGENCY INTEREST NOS. 31794, 33252, 33282, 162734, 164705, 164707, 164718, 164782,  
164881, 164882, 165391, 167395**

Dear Sir(s):

Pursuant to the Louisiana Environmental Quality Act (La. R.S. 30:2001, et seq.), the attached **AMENDED CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is hereby served on **FOREST OIL CORPORATION (RESPONDENT)** for the violations described therein.

Any questions concerning this action should be directed to Richard LeBlanc at (225) 219-3165.

Sincerely,

  
Celesta J. Cage  
Administrator  
Enforcement Division

CJC/RDL/rdl

Alt ID Nos. 0560-00070, 2940-00100, 2940-00142, 2420-00146,  
2420-00078, 2420-00079, 0360-00748, 2420-00091, 2420-00094,  
2420-00095, 2420-00144, 2420-00145

Attachment







IV.

The Department incorporates all of the remainder of the original **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY, ENFORCEMENT TRACKING NO. AE-CN-09-0263**, as if reiterated herein.

V.

This **AMENDED CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is effective upon receipt.

Baton Rouge, Louisiana, this 20 day of April, 2015.



\_\_\_\_\_  
D. Chance McNeely  
Assistant Secretary  
Office of Environmental Compliance

Copies of a request for a hearing and/or related correspondence should be sent to:

Louisiana Department of Environmental Quality  
Office of Environmental Compliance  
Enforcement Division  
Post Office Box 4312  
Baton Rouge, LA 70821-4312  
Attention: Richard LeBlanc