

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 FIVE THOUSAND FOUR HUNDRED AND NO/100 DOLLARS (\$5,400.00), of which Four Hundred Fifty-Seven and 55/100 Dollars (\$457.55) 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 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 Bossier Parish, Lincoln Parish, Ouachita Parish, Jackson Parish, and St. Mary 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.

RIVIERA OPERATING, LLC

BY: _____
(Signature)

(Printed)

TITLE: _____

THUS DONE AND SIGNED in duplicate original before me this _____ day of _____, 20 _____, at _____.

NOTARY PUBLIC (ID # _____)

(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 _____ day of _____, 20 _____, at Baton Rouge, Louisiana.

NOTARY PUBLIC (ID # _____)

(stamped or printed)

Approved: 
Lourdes Iturralde, Assistant Secretary

JOHN BEL EDWARDS
GOVERNOR



CHUCK CARR BROWN, Ph.D.
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

December 4, 2019



CERTIFIED MAIL (7018 1130 0001 5655 0140)
RETURN RECEIPT REQUESTED

RIVIERA OPERATING, LLC
c/o C T Corporation System
Agent for Service of Process
3867 Plaza Tower Dr.
Baton Rouge, LA 70816

RE: NOTICE OF POTENTIAL PENALTY

ENFORCEMENT TRACKING NO. AE-PP-19-00690

AGENCY INTEREST NOS. 31686, 31693, 32425, 32427, 32430, 32432, 32446, 32548, 32551, 86053, 86054, 88667, 91914, 91915, 93421, 93429, 93434, 93435, 105325, 105326, 105327, 114656, 116452, 117366, 117368, 124727, 125870, 146567, 146740, 146882, 146883, 146884, 146886, 146887, 150129, 158684, 159019, 160992, 171558, 175016, 177526, 179398, 179784, 179785, 196401, 200588, 208001, 208012, 211737

Dear Sir:

On or about August 20, 2019, file reviews of the following facilities, owned and/or operated by **RIVIERA OPERATING, LLC (RESPONDENT)**, were performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Air Quality Regulations.

| AGENCY INTEREST NUMBER | FACILITY | LOCATION | PERMIT | ISSUE DATE |
|------------------------|------------------------------------------|-----------------------------------------------------|---------------|-------------------|
| 31686 | Rocky Mountain Gathering System Facility | 3.6 mi NE of Rocky Mount, Bossier Parish, Louisiana | 0400-00066-05 | May 7, 2018 |
| 31693 | USA 1 | 16 mi NE of Benton, Bossier Parish, Louisiana | 0400-00074-02 | July 28, 2015 |
| 32425 | Della Covin 18-1 | 3.4 mi NE of Vienna, Lincoln Parish, Louisiana | 1720-00051-01 | February 19, 2014 |
| 32427 | Della Covin 3-18 | 3.1 mi NE of Vienna, Lincoln Parish, Louisiana | 1720-00053-02 | August 21, 2015 |

Notice of Potential Penalty
 Riviera Operating, LLC
 Page 2

| AGENCY INTEREST NUMBER | FACILITY | LOCATION | PERMIT | ISSUE DATE |
|------------------------|---------------------------|---------------------------------------------------------|---------------|-------------------|
| 32430 | Paul Martin 1-19 | 3.3 mi NE of Vienna, Lincoln Parish, Louisiana | 1720-00056-02 | July 16, 2015 |
| 32432 | Jiles Heirs 19-1 PF | 3 mi NE of Vienna, Lincoln Parish, Louisiana | 1720-00058-02 | August 19, 2015 |
| 32446 | Barham Estate 2-20 | 2 mi NE of Vienna, Lincoln Parish, Louisiana | 1720-00072-02 | May 26, 2015 |
| 32548 | Nelson 1 and Calhoun 1 | 15 mi W of Monroe, Ouachita Parish, Louisiana | 2160-00093-00 | June 27, 2016 |
| 32551 | Henderson 1 | 15 mi SW of Monroe, Ouachita Parish, Louisiana | 2160-00096-03 | June 26, 2015 |
| 86053 | Wright 1 | 2 mi S of Choudrant, Lincoln Parish, Louisiana | 1720-00100-00 | September 5, 2000 |
| 86054 | J.P. Reiger 1 | 1 mi W of Calhoun, Ouachita Parish, Louisiana | 2160-00119-02 | July 27, 2015 |
| 88667 | Dowling SWD 1 | 2.5 mi NE of Vienna, Lincoln Parish, Louisiana | 1720-00103-02 | November 9, 2015 |
| 91914 | David Love 1-6 | 2 mi SE of Vienna, Lincoln Parish, Louisiana | 1720-00106-02 | June 19, 2015 |
| 91915 | J.P. Graham 4-2 | 1 mi S of Vienna, Lincoln Parish, Louisiana | 1720-00107-00 | December 17, 2015 |
| 93421 | George Cox A-1 | 4 mi W of Monroe, Ouachita Parish, Louisiana | 2160-00162-00 | June 23, 2011 |
| 93429 | Parnell 1 | 5 mi NE of Choudrant, Lincoln Parish, Louisiana | 1720-00140-01 | April 27, 2013 |
| 93434 | Verdie Wassan 1 | 3.5 mi W of Monroe, Ouachita Parish, Louisiana | 2160-00123-00 | November 1, 2012 |
| 93435 | W.C. Whitehead 1 | 4.5 mi NE of Choudrant, Lincoln Parish, Louisiana | 1720-00111-01 | July 16, 2015 |
| 105325 | John Mayfield 1-31 | 1.8 mi E of Vienna, Lincoln Parish, Louisiana | 1720-00377-00 | October 23, 2015 |

Notice of Potential Penalty
 Riviera Operating, LLC
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| AGENCY INTEREST NUMBER | FACILITY | LOCATION | PERMIT | ISSUE DATE |
|------------------------|-------------------------------------------|--------------------------------------------------------|---------------|--------------------|
| 105326 | Nelson Mayfield 1-30 | 1.8 mi E of Vienna, Lincoln Parish, Louisiana | 1720-00365-00 | September 15, 2011 |
| 105327 | J.H. Liner 1-36 | 1.5 mi NE of Vienna, Lincoln Parish, Louisiana | 1720-00429-00 | March 27, 2018 |
| 114656 | TJ Green 1-25 | LA Highway 556, Jackson Parish, Louisiana | 1300-00493-00 | November 10, 2015 |
| 116452 | J.H. Liner B 1-36 | 1.1 mi NE of Vienna, Lincoln Parish, Louisiana | 1720-00407-00 | December 9, 2015 |
| 117366 | Jiles Heirs 3-20 | 3.3 mi NW of Vienna, Lincoln Parish, Louisiana | 1720-00121-01 | November 6, 2015 |
| 117368 | Howard 19-1 & 19-2 | 3.2 mi NE of Vienna, Lincoln Parish, Louisiana | 1720-00122-01 | July 15, 2015 |
| 124727 | Grizzafi Vial 1 | 4 mi NE of Patterson, St. Mary Parish, Louisiana | 2660-00266-02 | November 24, 2015 |
| 125870 | R Colvin Estate 19-1 | 14.8 mi N of Ruston, Lincoln Parish, Louisiana | 1720-00132-01 | November 9, 2015 |
| 146567 | Hammonds 1 | 1.8 mi SW of Calhoun, Ouachita Parish, Louisiana | 2160-00146-00 | July 9, 2013 |
| 146740 | Eva Colvin 19-2 | 4.8 mi NNE of Vienna, Lincoln Parish, Louisiana | 1720-00172-01 | January 31, 2007 |
| 146882 | Jiles Heirs 19-5, 19-6 Alt, & 19-7 Alt | 4.6 mi NNE of Vienna, Lincoln Parish, Louisiana | 1720-00173-02 | October 30, 2015 |
| 146883 | Colvin Estate 19-2 | 5.6 mi NNE of Vienna, Lincoln Parish, Louisiana | 1720-00174-01 | January 5, 2016 |
| 146884 | Cook Estate 30-2 | 2.8 mi NNE of Vienna, Lincoln Parish, Louisiana | 1720-00175-00 | October 21, 2015 |
| 146886 | Eva Colvin 19-3 | 5 mi NNE of Vienna, Lincoln Parish, Louisiana | 1720-00176-01 | April 2, 2012 |
| 146887 | Clay Colvin B 24-5 | 3.7 mi NNE of Vienna, Lincoln Parish, Louisiana | 1720-00177-01 | July 27, 2015 |

Notice of Potential Penalty
 Riviera Operating, LLC
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| AGENCY INTEREST NUMBER | FACILITY | LOCATION | PERMIT | ISSUE DATE |
|------------------------|-----------------------------------------------|-------------------------------------------------|---------------|-------------------|
| 150129 | J.B. Jiles 19-1 & L.H. Giles 19-3 | 2.5 mi NE of Vienna, Lincoln Parish, Louisiana | 1720-00195-01 | July 16, 2018 |
| 158684 | Mayfield 30-2 | 3 mi NE of Vienna, Lincoln Parish, Louisiana | 1720-00240-01 | June 23, 2011 |
| 159019 | J.B. Jiles 30-5 Alt & Cook Estate 30-3 Alt | 3.9 mi NNE of Vienna, Lincoln Parish, Louisiana | 1720-00243-02 | August 16, 2012 |
| 160992 | J.B. Jiles 19-2 | Off Pea Ridge Road, Lincoln Parish, Louisiana | 1720-00253-01 | June 9, 2015 |
| 171558 | Della Colvin 19-1H | 3 mi E of Vienna, Lincoln Parish, Louisiana | 1720-00346-03 | June 22, 2015 |
| 175016 | East Vernon Central Point Station | 5 mi NE of Chatham, Jackson Parish, Louisiana | 1300-00487-01 | February 8, 2016 |
| 177526 | J.B. Jiles 30-H-1 | Off Pea Ridge Road, Lincoln Parish, Louisiana | 1720-00361-00 | July 8, 2015 |
| 179398 | Wyatt Lumber Co 36-1 | Off LA Highway 3072, Lincoln Parish, Louisiana | 1720-00368-00 | February 13, 2012 |
| 179784 | J.B. Jiles 30-2 | Off Pea Ridge Road, Lincoln Parish, Louisiana | 1720-00369-00 | March 2, 2012 |
| 179785 | FE Hammonds 2-33 | Off Lorrie Lane, Lincoln Parish, Louisiana | 1720-00370-00 | March 2, 2012 |
| 196401 | Howard 19-2 PF | Off Pea Ridge Road, Lincoln Parish, Louisiana | 1720-00398-00 | June 15, 2015 |
| 200588 | Ruston CDP | Off Woods Road, Lincoln Parish, Louisiana | 1720-00413-00 | May 9, 2016 |
| 208001 | Elliot Et Al 1-11 & Elliot Et Al 1H No. 1 Alt | 0.75 mi SE of Vienna, Lincoln Parish, Louisiana | 1720-00426-00 | January 23, 2018 |
| 208012 | Graham 2H #2 Alt | 0.60 mi SW of Vienna, Lincoln Parish, Louisiana | 1720-00427-00 | October 12, 2017 |
| 211737 | Carter 6H-1 | 1.7 mi SE of Vienna, Lincoln Parish, Louisiana | 1720-00482-00 | June 15, 2018 |

Notice of Potential Penalty
Riviera Operating, LLC
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While the investigation by the Louisiana Department of Environmental Quality (the Department) is not yet complete, the following violations were noted during the course of the file reviews:

The Respondent's name changed on September 11, 2018. The Respondent submitted a Notification of Change Form (NOC-1) to the Department on or about January 16, 2019, and submitted additional information on February 19, 2019. Each failure to submit the NOC-1 and associated documentation to the Department within forty-five (45) days after a company name change of the owner/operator of a permitted facility is a violation of LAC 33:I.1905.A and La. R.S. 30:2057(A)(2).

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.

Prior to the issuance of any additional appropriate enforcement action, 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 Jacob Danielson at (225) 219-3703 or Jacob.Danielson@LA.GOV within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.

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 in order 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 violations 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 this statement. If the Respondent chooses not to submit the requested most current annual gross revenues statement within ten (10) days, it will be viewed by the Department as an admission that the Respondent has the ability to pay the statutory maximum penalty as outlined in La. R.S. 30:2025.

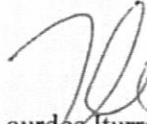
For each violation described herein, the Department reserves the right to seek civil penalties and the right to seek compliance with its rules and regulations in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such penalties and compliance.

The Department assesses civil penalties based on LAC 33:I.Subpart1.Chapter7. To expedite closure of this **NOTICE OF POTENTIAL PENALTY**, the Respondent may offer a settlement amount to resolve any claim for civil penalties for the violation(s) described herein. The Respondent may offer a settlement amount, but the Department is under no obligation to enter into settlement negotiations. The decision to proceed with a settlement is at the discretion of the Department. The settlement offer amount may be entered on the attached "**NOTICE OF POTENTIAL PENALTY REQUEST TO SETTLE**" form. The Respondent must include a justification of the offer. **DO NOT** submit payment of the offer amount with the form. The Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.

Notice of Potential Penalty
Riviera Operating, LLC
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To reduce document handling, please refer to the Enforcement Tracking Number and Agency Interest Number on the front of this document on all correspondence in response to this action.

Sincerely,



Lourdes Iturralde
Assistant Secretary
Office of Environmental Compliance

LI/JDD/jdd
Alt ID No. multiple

c: Riviera Operating, LLC
c/o Andrew Ray
600 Travis Street, Suite 1700
Houston, Texas 77002



LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
 OFFICE OF ENVIRONMENTAL COMPLIANCE
 ENFORCEMENT DIVISION
 POST OFFICE BOX 4312
 BATON ROUGE, LOUISIANA 70821-4312

**NOTICE OF POTENTIAL PENALTY
 REQUEST TO SETTLE (OPTIONAL)**

| | | | |
|--------------------------|------------------------------|--------------------|---------------------|
| Enforcement Tracking No. | AE-PP-19-00690 | Contact Name | Jacob Danielson |
| Agency Interest (AI) No. | Multi | Contact Phone No. | (225) 219-3703 |
| Alternate ID No. | Multi | | |
| Respondent: | Riviera Operating, LLC | Facility Name: | Multiple Facilities |
| | c/o C T Corporation System | Physical Location: | Multiple Facilities |
| | Agent for Service of Process | | |
| | 3867 Plaza Tower Drive | City, State, Zip: | Multiple Facilities |
| | Baton Rouge, LA 70816 | Parish: | Multiple Facilities |

SETTLEMENT OFFER (OPTIONAL)

(check the applicable option)

The Respondent is not interested in entering into settlement negotiations with the Department with the understanding that the Department has the right to assess civil penalties based on LAC 33:1.Subpart1.Chapter7.

In order to resolve any claim for civil penalties for the violations in **NOTICE OF POTENTIAL PENALTY (AE-PP-19-00690)**, the Respondent is interested in entering into settlement negotiations with the Department and would like to set up a meeting to discuss settlement procedures.

In order to resolve any claim for civil penalties for the violations in **NOTICE OF POTENTIAL PENALTY (AE-PP-19-00690)**, the Respondent is interested in entering into settlement negotiations with the Department and offers to pay \$ _____ which shall include LDEQ enforcement costs and any monetary benefit of non-compliance.

- Monetary component = \$ _____
- Beneficial Environmental Project (BEP) component (optional)= \$ _____
- **DO NOT SUBMIT PAYMENT OF THE OFFER WITH THIS FORM- the Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.**

The Respondent has reviewed the violations noted in **NOTICE OF POTENTIAL PENALTY (AE-PP-19-00690)** and has attached a justification of its offer and a description of any BEPs if included in settlement offer.

CERTIFICATION STATEMENT

I certify, under provisions in Louisiana and United States law that provide criminal penalties for false statements, that based on information and belief formed after reasonable inquiry, the statements and information attached and the compliance statement above, are true, accurate, and complete. I also certify that I do not owe outstanding fees or penalties to the Department for this facility or any other facility I own or operate. I further certify that I am either the Respondent or an authorized representative of the Respondent.

| | | |
|-------------------------------|---------------------------|--------------------|
| | | |
| Respondent's Signature | Respondent's Printed Name | Respondent's Title |
| | | |
| Respondent's Physical Address | Respondent's Phone # | Date |

MAIL COMPLETED DOCUMENT TO THE ADDRESS BELOW:

Louisiana Department of Environmental Quality
 Office of Environmental Compliance
 Enforcement Division
 P.O. Box 4312
 Baton Rouge, LA 70821
 Attn: Jacob Danielson