STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	**Settlement Tracking No.**
	*	**SA-AE-15-0052**
EOG RESOURCES, INC.	*	
	*	**Enforcement Tracking No.**
AI # 192027	*	**AE-PP-14-00664**
	*	
PROCEEDINGS UNDER THE LOUISIANA	*	
ENVIRONMENTAL QUALITY ACT	*	
LA. R.S. 30:2001, ET SEQ.	*	

SETTLEMENT

The following Settlement is hereby agreed to between EOG Resources, Inc. ("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 exploration and production facility located in DeSoto Parish, Louisiana ("the Facility").

II

On April 20, 2015, the Department issued to Respondent a Notice of Potential Penalty (NOPP), Enforcement No. AE-PP-14-00664, which was based upon the following findings of fact:

"On or about March 31, 2015, a file review of **LOGANSPORT GATHERING COMPRESSOR STATION**, an oil and gas exploration and production facility, owned and/or operated by **EOG RESOURCES, INC. (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 four (4) miles northeast of Logansport in Desoto Parish,

Louisiana. The facility currently operates under Minor Source Oil and Gas Permit No. 0760-01783-00 issued on July 29, 2014.

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 review:

A. On or about May 16, 2014, the Department received the Respondent's initial minor source permit application dated May 12, 2014. According to correspondence dated April 9, 2015, construction of the facility began in March 2014. The Respondent's failure to submit a permit application to the permitting authority prior to construction of the facility is a violation of LAC 33:III.501.C.1 and La. R.S. 30:2057 (A)(2).

B. On or about May 16, 2014, the Department received the Respondent's initial minor source permit application dated May 12, 2014. In the application and correspondence dated April 9, 2015, the Respondent stated estimated operation of the facility began May 6, 2014. The facility's Minor Source Oil and Gas Permit No. 0760-01783-00 was issued on July 29, 2014. Operation of the facility from May 6, 2014, until July 28, 2014, without a permit is a violation of LAC 33:III.501.C.2 and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

C. According to a report dated July 24, 2014, an emission test for LGNSPORTCOMP-Compressor: Gas Engine (EQT 0001) was conducted on June 4, 2014. The Department received the results of the emission test on or about July 29, 2014. The Respondent failed to submit a Notification of Intent to conduct the performance test to the Department sixty (60) days prior to the test being conducted. Failure to provide notification of the performance test is a violation of Minor Source Oil and Gas Permit No. 0760-01783-00, 40 CFR Part 63 Subpart ZZZZ, which language has been incorporated by reference as a Louisiana Regulation in LAC 33:III.5311, LAC 33:III.501.C.4, and La. R.S 30:2057(A)(2)."

III

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

IV

Nonetheless, Respondent, without making any admission of liability under state or federal

statute or regulation, agrees to pay, and the Department agrees to accept, a payment in the amount of ONE THOUSAND FIVE HUNDRED AND NO/100 DOLLARS ($1,500.00), of which Five Hundred Eighty-Eight and 35/100 Dollars ($588.35) 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 NOPP 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 DeSoto 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 thirty (30) 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.

EOG RESOURCES, INC.

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
Peggy M. Hatch Secretary

BY: _____
D. Chance McNeely, 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: _____
D. Chance McNeely, Assistant Secretary