

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

ENERVEST OPERATING, L.L.C.

AI # 8190, 8250, 33211, 33227, 616, 18619,
18672, 32304, 32306, 32321, 32342, 32567,
32601, 32606, 32676, 32890, & 33662

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

* Settlement Tracking No.
* SA-AE-05-0048
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* Enforcement Tracking No.
* AE-PP-04-0074
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SETTLEMENT

The following Settlement is hereby agreed to between Enervest Operating, L.L.C. ("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 Limited Liability Company who currently owns and operates, or has previously owned and operated the following compressor stations known as The Perryville Compressor Station (the Perryville Facility, AI No. 8190) located in Morehouse Parish, the Fairbanks Compressor Station (the Fairbanks Facility, AI No. 8250) located in Ouachita Parish, the Ouachita City Girl Scout Compressor Station No. 2 (the Girl Scout Facility, AI No. 33211) located in Union Parish, Rocky Branch Compressor Station (the Rocky Branch Facility, AI No. 33227) located in Union Parish, the Garden Island Bay Compressor Station No. 1 (the Garden

Island Facility, AI No. 616) located in Plaquemines Parish, the Cote Blanche Island Tank Battery No.1 (the Cote Blanche Island Facility, AI No. 18619) located in St. Mary Parish, the Leeville CF No. 6 Tank Battery No. 1 (the Leeville CF No. 6 Facility, AI No. 18672) located in Lafourche Parish, the Bay DeChene Compressor Station (the Bay DeChene Compressor Facility, AI No. 32304) located in Lafourche Parish, the Bay DeChene CF No. 2 Tank Battery No. 5 (the Bay DeChene Facility, AI No. 32306), located in Lafourche Parish, the Leeville Compressor Station (the Leeville Compressor Facility, AI No. 32321) located in Lafourche Parish, the Leeville CF No. 4 Tank Battery No. 9 (the Leeville CF No. 4 Facility, AI No. 32342) located in Lafourche Parish, the Compressor Barge East Bay (East Bay Barge Facility, AI No. 32567) located in Plaquemines Parish, the Garden Island Bay Tank Battery No. 2 (the Garden Island Bay Tank No. 2 Facility, AI No. 32601) located in Plaquemines Parish, the Garden Island Bay Compressor Station No. 2 (the Garden Island Bay Compressor No. 2 Facility, AI No. 32606) located in Plaquemines Parish, the Garden Island Bay Tank Battery No. 7 (the Garden Island Bay Tank No. 7 Facility, AI No. 32676) located in Plaquemines Parish, the Cote Blanche Island Tank Battery No. 2 (the Cote Blanche Tank No. 2 Facility, AI No. 32890) located in St. Mary Parish, and the Compressor Barge Timbalier (the Timbalier Barge Facility, AI No. 33662) located in St. Mary Parish.

II.

The Garden Island facility is located approximately sixteen miles southeast of Venice in Plaquemines Parish, Louisiana. The facility operated under Title V Permit No. 2240-00221-V1 issued to Texaco Exploration and Production on October 12, 1998, and which expired on October 16, 2001. Ownership of the facility was transferred to the Respondent on or about April 1, 2000.

The facility currently operates under Title V Permit No. 2240-00221-V2 issued on April 12, 2004.

The Cote Blanche Island Facility is located approximately five miles southeast of Cypremort in St. Mary Parish, Louisiana. The facility operated under Title V Permit No. 2660-00126-V1 issued on October 5, 1999, and which expired September 23, 2001. Ownership of the facility was transferred from the Respondent to Swift Energy Company on or about December 29, 2004.

The Leeville CF No. 6 Facility is located approximately one mile south of Leeville in Lafourche Parish, Louisiana. The facility operated under Title V Permit No. 1560-00126-V3 issued to Texaco Exploration and Production, Inc. on March 16, 2000, and which expired on December 19, 2002. Ownership of the facility was transferred to the Respondent on or about April 1, 2000. The facility currently operates under Title V Permit No. 1560-00126-V4 issued on April 5, 2004.

The Bay DeChene Compressor Facility is located approximately fifteen miles northeast of Leeville in Lafourche Parish, Louisiana. The facility operated under Title V Permit No. 1560-00068-V0 issued on April 18, 1996. Ownership of the facility was transferred from the Respondent to Swift Energy Company on or about December 29, 2004.

The Bay DeChene Facility is located fifteen miles east of Golden Meadow in Lafourche Parish, Louisiana. The facility operated under Title V Permit No. 1560-00073-V1 issued on January 24, 1997, and which expired January 24, 2002. Ownership of the facility was transferred from the Respondent to Swift Energy Company on or about December 29, 2004.

The Leeville Compressor Facility is located approximately two miles southwest of Leeville in Lafourche Parish, Louisiana. Title V Permit No. 1560-00094-V1 was issued to Texaco Exploration and Production, Inc. on June 8, 1998, with an expiration date of October 2, 2001. Ownership of the facility was transferred to the Respondent in April 2000. On or about July 16, 2001, the Department received the Respondent's Part 70 Permit Renewal Application. The Respondent also submitted an Air Permit Application dated July 30, 2001, for the Leeville Compressor Station Point Source 018, a 1272 HP Waukesha Compressor Engine. This emission source was included in Title V Permit No. 1560-00094-V2 which was issued to the Respondent on August 24, 2001, and which expired on October 2, 2001. The renewal permit, Title V Permit No. 1560-00094-V3, was issued to the Respondent on or about April 16, 2004.

The Leeville CF No. 4 Facility is located approximately two miles north of Leeville in Lafourche Parish, Louisiana. Title V Permit No. 1560-00125-V0 was issued to Texaco Exploration and Production, Inc. on September 30, 1996, and expired on September 30, 2001. Ownership of the facility was transferred to the Respondent in April 2000. On or about August 17, 2001, the Department received the Respondent's Part 70 Permit Renewal Application dated July 23, 2001. Title V Permit No. 1560-00125-V1 was issued to the Respondent on June 10, 2004.

The East Bay Barge Facility is located approximately sixteen miles southeast of Venice in Plaquemines Parish, Louisiana. Title V Permit No. 2240-00046-V1 was issued to Texaco Exploration and Production, Inc. on October 7, 1998, and expired on September 30, 2001. Ownership of the facility was transferred to the Respondent in April 2000. On or about August 17, 2001, the Department received the Respondent's Part 70 Permit Renewal Application dated

July 18, 2001. Title V Permit No. 2240-00046-V2 was issued to the Respondent on April 19, 2004.

The Garden Island Bay Tank No. 2 Facility is located approximately three miles northeast of Port Eads in Plaquemines Parish, Louisiana. Title V Permit No. 2240-00112-V2 was issued to Texaco Exploration and Production, Inc. on November 18, 1998, and expired on January 14, 2001. Ownership of the facility was transferred to the Respondent in April 2000. On or about August 17, 2001, the Department received the Respondent's Part 70 Permit Renewal Application dated July 18, 2001. Title V Permit No. 2240-00112-V3 was issued to the Respondent on June 10, 2004.

The Garden Island Bay Compressor No. 2 Facility is located approximately sixteen miles southeast of Venice in Plaquemines Parish, Louisiana. Title V Permit No. 2240-00122-V1 was issued to Texaco Exploration and Production, Inc. on October 21, 1998, and expired on October 23, 2001. Ownership of the facility was transferred to the Respondent in April 2000. On or about June 20, 2001, the Department received the Respondent's Part 70 Permit Renewal Application dated May 7, 2001. Title V Permit No. 2240-00122-V2 was issued to the Respondent on June 10, 2004.

The Garden Island Bay Tank No. 7 Facility is located approximately sixteen miles southeast of Venice in Plaquemines Parish, Louisiana. Title V Permit No. 2240-00232-V3 was issued to Texaco Exploration and Production, Inc. on July 13, 1999, and expired on December 19, 2002. Ownership of the facility was transferred to the Respondent in April 2000. On or about October 10, 2002, the Department received the Respondent's Part 70 Permit Renewal Application dated August 14, 2002. Title V Permit No. 2240-00232-V4 was

issued to the Respondent on June 10, 2004.

The Cote Blanche Tank No. 2 Facility is located approximately five miles southeast of Cypremort in St. Mary Parish, Louisiana. Title V Permit No. 2660-00130-V1 was issued to Texaco Exploration and Production, Inc. on August 19, 1999, and expired on October 7, 2001. Ownership of the facility was transferred to the Respondent in April 2000. On or about July 16, 2001, the Department received the Respondent's Part 70 Permit Renewal Application dated June 1, 2001. Title V Permit No. 2660-00130-V2 was issued to the Respondent on June 10, 2004. Ownership of the facility was transferred from the Respondent to Swift Energy Company on or about December 29, 2004.

The Timbalier Barge Facility is located in St. Mary Parish. Title V Permit No. 7777-00271-V1 was issued to Texaco Exploration and Production, Inc. on August 19, 1999, and expired on October 7, 2001. Ownership of the facility was transferred to the Respondent in April 2000. On or about June 20, 2001, the Department received the Respondent's Part 70 Permit Renewal Application dated May 31, 2001. Title V Permit No. 7777-00271-V2 was issued to the Respondent on June 10, 2004. Ownership of the facility was transferred from the Respondent to Swift Energy Company on or about December 29, 2004.

III.

On April 18, 2005, the Department issued a Notice of Potential Penalty, Enforcement Tracking No. AE-PP-04-0074, to Respondent, which was based upon the following findings of fact:

A) Perryville Facility and Fairbanks Facility:

On June 6, 2002, Compliance Orders AE-C-01-0311 and AE-C-01-0308 were issued

to the Respondent for failing to submit the 2000 annual compliance certifications for the Perryville Compressor Station (AI No. 8190) and Fairbanks Compressor Station (AI No. 8250) to the Department by March 31, 2001, as required by Part 70 General Condition M of Title V Permit Nos. 1920-00013-V0 and 2160-00059-V0.

B) The Girl Scout Facility:

On June 19, 2002, Compliance Order AE-C-01-0309 was issued to the Respondent for failing to submit the 2000 annual compliance certification for the Ouachita City Girl Scout No. 2 Compressor Station (AI No. 33211) to the Department by March 31, 2001, as required by Part 70 General Condition M of Title V Permit No. 2920-00010-V0.

C) The Rocky Branch Facility:

On June 21, 2002, Compliance Order AE-C-01-0310 was issued to the Respondent for failing to submit the 2000 annual compliance certification for the Rocky Branch Compressor Station (AI No. 33227) to the Department by March 31, 2001, as required by Part 70 General Condition M of Title V Permit No. 2920-00027-V0.

D) The Garden Island Facility:

1. The expiration date of the Respondent's operating permit was October 16, 2001. The Respondent submitted a Part 70 Permit Renewal Application dated May 14, 2001, which was received by the Department on or about June 20, 2001. The fees associated with the application were paid via check dated June 18, 2001. A permit renewal application was to be submitted to the Department no later than six months prior to the expiration date of the permit. Failure to submit the Title V permit renewal application at least six months prior to the date of permit expiration is a violation of LAC 33:III.507.E.4 and Section 2057(A)(2) of the Act.
2. As stipulated in LAC 33:III.507.E.3, unless renewed in accordance with Section 507 of the Air Quality Regulations, permits issued under Section 507 shall expire at the end of the effective duration. Therefore, the Respondent operated the facility without a permit from October 16, 2001 until April 12, 2004. This is a

violation of LAC 33:III.501.C.2 and Sections 2057(A)(1) and 2057(A)(2) of the Act.

E) The Cote Blanche Island Facility:

1. The expiration date of the Respondent's operating permit was September 23, 2001. The Respondent submitted a Part 70 Permit Renewal Application dated July 18, 2001, which was received by the Department on or about August 17, 2001. The fees associated with the application were paid via check dated August 8, 2001. A permit renewal application was to be submitted to the Department no later than six months prior to the expiration date of the permit. Failure to submit the Title V permit renewal application at least six months prior to the date of permit expiration is a violation of LAC 33:III.507.E.4 and Section 2057(A)(2) of the Act. A revised application was submitted to the Department in December 2004 and Standard Oil and Gas Permit No. 2660-00126-03 was issued on January 11, 2005.
2. As stipulated in LAC 33:III.507.E.3, unless renewed in accordance with Section 507 of the Air Quality Regulations, permits issued under Section 507 shall expire at the end of the effective duration. Therefore, the Respondent operated the facility without a permit from September 23, 2001 until December 29, 2004. This is a violation of LAC 33:III.501.C.2 and Sections 2057(A)(1) and 2057(A)(2) of the Act.

F) The Leeville CF No. 6 Facility:

1. The expiration date of the Respondent's operating permit was December 19, 2002. The Respondent submitted a Part 70 Permit Renewal Application dated September 4, 2002, which was received by the Department on or about October 10, 2002. The fees associated with the application were paid via check dated October 8, 2002. A permit renewal application was to be submitted to the Department no later than six months prior to the expiration date of the permit. Failure to submit the Title V permit renewal application at least six months prior to the date of permit expiration is a violation of LAC 33:III.507.E.4 and Section 2057(A)(2) of the Act.
2. As stipulated in LAC 33:III.507.E.3, unless renewed in accordance with Section 507 of the Air Quality Regulations, permits issued under Section 507 shall expire at the end of the effective duration. Therefore, the Respondent operated the facility without a permit from December 19, 2002 until April 5, 2004. This is a violation of LAC 33:III.501.C.2 and Sections 2057(A)(1) and 2057(A)(2) of the Act.

G) The Bay DeChene Compressor Facility:

1. Title V Permit No. 1560-00068-V0 was issued on April 18, 1996, to Texaco Exploration and Production, Inc. Ownership of the facility was transferred to the Respondent on or about April 1, 2000. As stipulated in Part 70 General Condition A, the term of this permit shall be five years from the date of issuance. Therefore, the expiration date of Title V Permit No. 1560-00068-V0 was April 18, 2001. The Respondent submitted a Part 70 Permit Renewal Application dated June 22, 2001, which was received by the Department on or about July 25, 2001. The fees associated with the application were paid via check dated July 23, 2001. A permit renewal application was to be submitted to the Department no later than six months prior to the expiration date of the permit. Failure to submit the Title V permit renewal application at least six months prior to the date of permit expiration is a violation of LAC 33:III.507.E.4 and Section 2057(A)(2) of the Act. A revised application requesting a Standard Oil and Gas permit was submitted to the Department on or about December 21, 2004.
2. As stipulated in LAC 33:III.507.E.3, unless renewed in accordance with Section 507 of the Air Quality Regulations, permits issued under Section 507 shall expire at the end of the effective duration. Therefore, the Respondent operated the facility without a permit from April 18, 2001 until December 29, 2004. This is a violation of LAC 33:III.501.C.2 and Sections 2057(A)(1) and 2057(A)(2) of the Act.

H) The Bay DeChene Facility:

1. The expiration date of the Respondent's operating permit was January 24, 2002. The Respondent submitted a Part 70 Permit Renewal Application dated July 23, 2001, which was received by the Department on or about August 17, 2001. The fees associated with the application were paid via check dated August 8, 2001. A permit renewal application was to be submitted to the Department no later than six months prior to the expiration date of the permit. Failure to submit the Title V permit renewal application at least six months prior to the date of permit expiration is a violation of LAC 33:III.507.E.4 and Section 2057(A)(2) of the Act. The Respondent submitted a revised application requesting a Standard Oil and Gas permit to the Department on or about December 21, 2004.
2. As stipulated in LAC 33:III.507.E.3, unless renewed in accordance with Section 507 of the Air Quality Regulations, permits issued under Section 507 shall expire at the end of the effective duration. Therefore, the Respondent operated the facility without a permit from January 24, 2002 until December 29, 2004. This is a violation of LAC 33:III.501.C.2 and Sections 2057(A)(1) and 2057(A)(2) of the

Act.

I) The Leeville Compressor Facility:

1. The expiration date of the Respondent's operating permit was October 2, 2001. On or about July 16, 2001, the Department received the Respondent's Part 70 Permit Renewal Application dated June 2001. A permit renewal application was to be submitted to the Department no later than six months prior to the expiration date of the permit. Failure to submit the Title V permit renewal application at least six months prior to the date of permit expiration is a violation of LAC 33:III.507.E.4 and Section 2057(A)(2) of the Act.
2. As stipulated in LAC 33:III.507.E.3, unless renewed in accordance with Section 507 of the Air Quality Regulations, permits issued under Section 507 shall expire at the end of the effective duration. Therefore, the Respondent operated the facility without a permit from October 2, 2001 until April 16, 2004, at which time the renewal permit was issued. This is a violation of LAC 33:III.501.C.2 and Sections 2057(A)(1) and 2057(A)(2) of the Act.

J) The Leeville CF No. 4 Facility:

1. The expiration date of the Respondent's operating permit was September 30, 2001. On or about August 17, 2001, the Department received the Respondent's Part 70 Permit Renewal Application dated July 23, 2001. A permit renewal application was to be submitted to the Department no later than six months prior to the expiration date of the permit. Failure to submit the Title V permit renewal application at least six months prior to the date of permit expiration is a violation of LAC 33:III.507.E.4 and Section 2057(A)(2) of the Act.
2. As stipulated in LAC 33:III.507.E.3, unless renewed in accordance with Section 507 of the Air Quality Regulations, permits issued under Section 507 shall expire at the end of the effective duration. Therefore, the Respondent operated the facility without a permit from September 30, 2001 until June 10, 2004. This is a violation of LAC 33:III.501.C.2 and Sections 2057(A)(1) and 2057(A)(2) of the Act.

K) The East Bay Barge Facility:

1. The expiration date of the Respondent's operating permit was September 30, 2001. On or about August 17, 2001, the Department received the Respondent's Part 70 Permit Renewal Application dated July 18, 2001. The fees associated with the application were paid via check dated August 8, 2001. A permit renewal application was to be submitted to the Department no later than six months prior to the expiration date of the permit. Failure to submit the Title V permit renewal

application at least six months prior to the date of permit expiration is a violation of LAC 33:III.507.E.4 and Section 2057(A)(2) of the Act.

2. As stipulated in LAC 33:III.507.E.3, unless renewed in accordance with Section 507 of the Air Quality Regulations, permits issued under Section 507 shall expire at the end of the effective duration. Therefore, the Respondent operated the facility without a permit from September 30, 2001 until April 19, 2004. This is a violation of LAC 33:III.501.C.2 and Sections 2057(A)(1) and 2057(A)(2) of the Act.

L) The Garden Island Bay Tank No. 2 Facility:

1. The expiration date of the Respondent's operating permit was January 14, 2001. On or about August 17, 2001, the Department received the Respondent's Part 70 Permit Renewal Application dated July 18, 2001. The fees associated with the application were paid via check dated August 8, 2001. A permit renewal application was to be submitted to the Department no later than six months prior to the expiration date of the permit. Failure to submit the Title V permit renewal application at least six months prior to the date of permit expiration is a violation of LAC 33:III.507.E.4 and Section 2057(A)(2) of the Act.
2. As stipulated in LAC 33:III.507.E.3, unless renewed in accordance with Section 507 of the Air Quality Regulations, permits issued under Section 507 shall expire at the end of the effective duration. Therefore, the Respondent operated the facility without a permit from January 14, 2001 until June 10, 2004. This is a violation of LAC 33:III.501.C.2 and Sections 2057(A)(1) and 2057(A)(2) of the Act.

M) Garden Island Bay Compressor No. 2 Facility:

1. The expiration date of the Respondent's operating permit was October 23, 2001. On or about June 20, 2001, the Department received the Respondent's Part 70 Permit Renewal Application dated May 7, 2001. The fees associated with the application were paid via check dated June 18, 2001. A permit renewal application was to be submitted to the Department no later than six months prior to the expiration date of the permit. Failure to submit the Title V permit renewal application at least six months prior to the date of permit expiration is a violation of LAC 33:III.507.E.4 and Section 2057(A)(2) of the Act.
2. As stipulated in LAC 33:III.507.E.3, unless renewed in accordance with Section 507 of the Air Quality Regulations, permits issued under Section 507 shall expire at the end of the effective duration. Therefore, the Respondent operated the facility without a permit from October 23, 2001 until June 10, 2004. This is a violation of LAC 33:III.501.C.2 and Sections 2057(A)(1) and 2057(A)(2) of the Act.

N) The Garden Island Bay Tank No. 7 Facility:

1. The expiration date of the Respondent's operating permit was December 19, 2002. On or about October 10 2002, the Department received the Respondent's Part 70 Permit Renewal Application dated August 14, 2002. The fees associated with the application were paid via check dated October 8, 2002. A permit renewal application was to be submitted to the Department no later than six months prior to the expiration date of the permit. Failure to submit the Title V permit renewal application at least six months prior to the date of permit expiration is a violation of LAC 33:III.507.E.4 and Section 2057(A)(2) of the Act.
2. As stipulated in LAC 33:III.507.E.3, unless renewed in accordance with Section 507 of the Air Quality Regulations, permits issued under Section 507 shall expire at the end of the effective duration. Therefore, the Respondent operated the facility without a permit from December 19, 2002 until June 10, 2004. This is a violation of LAC 33:III.501.C.2 and Sections 2057 (A)(1) and 2057(A)(2) of the Act.

O) The Cote Blanche Island Tank No. 2 Facility:

1. The expiration date of the Respondent's operating permit was October 7, 2001. On or about July 16, 2001, the Department received the Respondent's Part 70 Permit Renewal Application dated June 1, 2001. The fees associated with the application were paid via check dated July 10, 2001. A permit renewal application was to be submitted to the Department no later than six months prior to the expiration date of the permit. Failure to submit the Title V permit renewal application at least six months prior to the date of permit expiration is a violation of LAC 33:III.507.E.4 and Section 2057(A)(2) of the Act.
2. As stipulated in LAC 33:III.507.E.3, unless renewed in accordance with Section 507 of the Air Quality Regulations, permits issued under Section 507 shall expire at the end of the effective duration. Therefore, the Respondent operated the facility without a permit from October 7, 2001 until June 10, 2004. This is a violation of LAC 33:III.501.C.2 and Sections 2057(A)(1) and 2057(A)(2) of the Act.

P) The Timbalier Barge Facility:

1. The expiration date of the Respondent's operating permit was October 7, 2001. On or about June 20, 2001, the Department received the Respondent's Part 70 Permit Renewal Application dated May 31, 2001. The fees associated with the

application were paid via check dated June 18, 2001. A permit renewal application was to be submitted to the Department no later than six months prior to the expiration date of the permit. Failure to submit the Title V permit renewal application at least six months prior to the date of permit expiration is a violation of LAC 33:III.507.E.4 and Section 2057(A)(2) of the Act.

2. As stipulated in LAC 33:III.507.E.3, unless renewed in accordance with Section 507 of the Air Quality Regulations, permits issued under Section 507 shall expire at the end of the effective duration. Therefore, the Respondent operated the facility without a permit from October 7, 2001 until June 10, 2004. This is a violation of LAC 33:III.501.C.2 and Sections 2057(A)(1) and 2057(A)(2) of the Act.

IV.

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

V.

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 THIRTY TWO THOUSAND AND NO/100 DOLLARS (\$32,000.00), of which ONE THOUSAND THREE HUNDRED FIFTY SEVEN AND 64/100 DOLLARS (\$1,357.64) represents DEQ's enforcement costs, in settlement of the claims set forth in this agreement.

VI.

Respondent further agrees that the Department may consider the inspection report(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. 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, but Respondent may present relevant

mitigating factors for the Department's consideration.

VII.

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.

VIII.

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 LSA- R. S. 30:2025(E) of the Act.

IX.

The Respondent has caused public notice advertisements to be placed in the official journal of each parish governing authority in Morehouse, Ouachita, Union, Plaquemines, St. Mary, and Lafourche Parishes, Louisiana. The advertisement, in form, wording, and size 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 a proof-of-publication affidavit 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 Darryl Serio, Office of Management and Finance, 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/her respective party, and to legally bind such party to its terms and conditions.

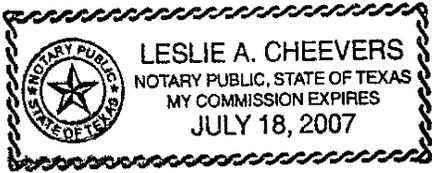
ENERVEST OPERATING, L.L.C.

BY: Barbara J. King
(Signature)

Barbara J. King
(Printed or Typed)

TITLE: V.P. - Southern Division

THIS DONE AND SIGNED in duplicate original before me this 17th day of March, 20 06, at Houston, Texas.



Leslie A. Cheevers
NOTARY PUBLIC (ID # 124622382)

Leslie A. Cheevers
(Printed or Typed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Mike D. McDaniel, Ph.D., Secretary

BY: Harold Leggett
Harold Leggett, Ph.D., Assistant Secretary
Office of Environmental Compliance

THIS DONE AND SIGNED in duplicate original before me this 10th day of July, 20 06, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 21673)

G. Allen Kirkpatrick
(Printed or Typed)

Approved: Harold Leggett
Harold Leggett, Ph.D., Assistant Secretary