**STATE OF LOUISIANA**

**DEPARTMENT OF ENVIRONMENTAL QUALITY**

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| **IN THE MATTER OF:** | * | **Settlement Tracking No.** |
| | * | **SA-AE-14-0032** |
| **ENTERPRISE GAS PROCESSING, LLC** | * | |
| | * | **Enforcement Tracking No.** |
| **AI # 17691** | * | **AE-CN-11-01077** |
| | * | |
| **PROCEEDINGS UNDER THE LOUISIANA ENVIRONMENTAL QUALITY ACT LA. R.S. 30:2001, ET SEQ.** | * | |

**SETTLEMENT**

The following Settlement is hereby agreed to between Enterprise Gas Processing, LLC ("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 that owns and/or operates a natural gas processing plant located in St. Bernard Parish, Louisiana ("the Facility").

II

On August 16, 2012, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. **AE-CN-11-01077**, which was based upon the following findings of fact:

"The Respondent owns and/or operates the Toca Gas Processing Plant (the facility), a natural gas processing plant located at 2300 Bayou Road in St. Bernard, St. Bernard Parish, Louisiana. The facility was issued Title V Air Permit No. 2500-00013-V6 on December 9, 2008. The Respondent currently operates the facility under Title V Air Permit No. 2500-00013-V7 issued on May 6, 2011.

On or about June 28, 2011, the Department conducted a full compliance audit for the Chemical Accident Prevention Provisions set forth in LAC 33:III.5901. Additionally, the Department conducted a file review for the facility on or about May 11, 2012, to determine compliance with the permit and the Air Quality Regulations.

While the Department's investigation is not yet complete, the following violations were discovered during the course of the inspection and file review:

A. The Respondent failed to establish and implement written procedures to maintain the on-going integrity of process equipment. Specifically, the Respondent provided documents that indicated pressure safety valves would be inspected biennially; however, most pressure safety valves were inspected triennially. For some instrumentation, there was no written policy or defined methodology to determine inspection frequency. There was no written policy to define what inspections and/or tests rotating equipment will be subject to or how frequently performed. Additionally, the maintenance order system did not include if instrument loops and "critical" loops are reported to be tested when calibration is suspected or needed. Each failure to establish and implement written procedures to maintain the on-going integrity of process equipment is a violation of Title V Air Permit No. 2500-00013-V7 Specific Requirement 162, LAC 33:III.5901.A, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).

B. On or about March 22, 2011, the Respondent submitted a 2010 Annual Compliance Certification for the facility. The certification indicated that the Respondent exceeded emissions limits for nitrogen oxides (NOx), volatile

organic compounds (VOCs) and carbon monoxide (CO) for Flare 005 (EQT006) and Maintenance Flare 032 (EQT0026). Each exccedance of the emissions limits is a violation of Title V Air Permit 2500-00013-V6, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and La. R.S. 30:2057(A)(2).

C. On or about March 31, 2010, the Respondent submitted a 2009 Annual Compliance Certification for the facility. The certification indicated that the Respondent exceeded emissions limits for VOCs for EQT0026. Each exccedance of the emissions limits is a violation of Title V Air Permit 2500-00013-V6, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) 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 SEVEN THOUSAND SIX HUNDRED FIFTY AND NO/100 DOLLARS ($7,650.00), of which Three Hundred Fifty and 25/100 Dollars ($350.25) 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), the Consolidated Compliance Order & Notice of Potential Penalty and this Settlement for the purpose of determining compliance history in connection with any future enforcement or permitting action by the Department against Respondent, and in any such action Respondent shall be estopped from objecting to the above-referenced documents being considered as proving the violations alleged herein for the sole purpose of determining Respondent's compliance history.

VI

This agreement shall be considered a final order of the Secretary for all purposes, including, but not limited to, enforcement under La. R.S. 30:2025(G)(2), and Respondent hereby waives any right to administrative or judicial review of the terms of this agreement, except such review as may be required for interpretation of this agreement in any action by the Department to enforce this agreement.

VII

This settlement is being made in the interest of settling the state's claims and avoiding for both parties the expense and effort involved in litigation or an adjudicatory hearing. In agreeing to the compromise and settlement, the Department considered the factors for issuing civil penalties set forth in La. R. S. 30:2025(E) of the Act.

VIII

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in St. Bernard Parish, 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 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.

IX

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).

X

In consideration of the above, any claims for penalties are hereby compromised and settled in accordance with the terms of this Settlement.

XI

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.

**ENTERPRISE GAS PROCESSING, 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**
Peggy M. Hatch, Secretary

BY: _____
Cheryl Sonnier Nolan, 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: _____
Cheryl Sonnier Nolan, Assistant Secretary