

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

HOUSTON ENERGY, L.P.

AI # 169631

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

\* Settlement Tracking No.  
\* SA-AE-14-0062  
\*  
\* Enforcement Tracking No.  
\* AE-PP-10-01008  
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SETTLEMENT

The following Settlement is hereby agreed to between Houston Energy, L.P. (“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 partnership that owns and/or operates a facility located six (6) miles southeast of Gibson in Terrebonne Parish, Louisiana (“the Facility”).

II

On May 13, 2011, the Department issued to Respondent a Notice of Potential Penalty (NOPP), Enforcement No. AE-PP-10-01008, which was based upon the following findings of fact:

“On or about October 8, 2010, a file review of **WILLIAM LAND COMPANY 19 WELL #1 FACILITY** (the facility), owned and/or operated by **HOUSTON ENERGY, L.P. (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 six (6)

miles southeast of Gibson in Terrebonne Parish, Louisiana. The facility currently operates under Minor Source Air Permit No. 2880-00415-00 issued on April 16, 2010.

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 March 11, 2010, the Department received the Respondent's Air Permit Application dated March 10, 2010. According to an email from the Respondent dated October 15, 2010, the well was completed on July 24, 2009, and facility construction was completed in November 2009 with operations commencing on November 19, 2009. The Respondent's failure to submit a timely and complete permit application to the Department prior to construction, reconstruction or modification is a violation of LAC 33:III.501.C.1 and La. R.S. 30:2057(A)(2).
- B. According to an email from the Respondent dated October 15, 2010, operation of the facility commenced on November 19, 2009. The Department issued Minor Source Air Permit No. 2880-00415-00 on April 16, 2010. The Respondent's failure to obtain approval from the Department prior to operating the facility from November 19, 2009, to April 16, 2010, is a violation of LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1) and 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 SIX HUNDRED SEVEN AND 17/100 DOLLARS (\$1,607.17), of which Two Hundred Eighty-Seven and 05/100 Dollars (\$287.05) 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 Terrebonne 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.

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.

**HOUSTON ENERGY, L.P.**

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