STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	**Settlement Tracking No.**
	*	**SA-AE-13-0077**
J-W OPERATING COMPANY	*	
	*	**Enforcement Tracking No.**
AI # 169698, 170826, 171068, 94015	*	**AE-PP-12-00096**
	*	**AE-PP-12-00949**
	*	
PROCEEDINGS UNDER THE LOUISIANA	*	
ENVIRONMENTAL QUALITY ACT	*	
LA. R.S. 30:2001, ET SEQ.	*	

SETTLEMENT

The following Settlement is hereby agreed to between J-W Operating Company ("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 facilities located in De Soto Parish, Caddo Parish, and Bossier Parish, Louisiana ("the Facilities").

II

On October 19, 2012, the Department issued to Respondent a Notice of Potential Penalty (NOPP), Enforcement No. AE-PP-12-00096, which was based upon the following findings of fact:

On or about January 23, 2012, a file review of **WHITE 16 #1 TANK BATTERY** (the facility) **(AI NO. 169698)**, owned and/or operated by **J-W OPERATING COMPANY (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 five miles northeast of Stonewall in De Soto Parish, Louisiana. The facility currently operates under

Standard Oil and Gas Air (SOGA) Permit No. 0760-01238-00, issued on or about April 1, 2010 and effective transfer date of July 15, 2011.

The following violations were noted during the course of the file review:

A. In correspondence dated April 26, 2011, the Respondent submitted an initial Notification of Ownership/Operator or Name Change Form (NOC-1) reporting the ownership transfer of the facility to the Respondent on or about February 1, 2011. The submittal was 84 days following the transfer. The failure to submit notification within forty-five (45) days after the date of change is a violation of LAC 33:III.517.G, and La. R.S. 30:2057(A)(2).

B. In correspondence dated July 15, 2011, the Department approved the transfer of the air permit to the Respondent effective July 15, 2011. Therefore, the facility operated without an air permit from on or about February 1, 2011, the date of purchase through July 14, 2011. Operation, without an air permit, of any facility which will, or ultimately may, result in emission of air contaminants is a violation of LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

On or about January 23, 2012, a file review of **BROYLES 2 #1 ALT. TANK BATTERY**, (the facility), **(AI NO. 170826)**, owned and/or operated by the Respondent, was performed to determine the degree of compliance with the Act and the Air Quality Regulations. The facility is located seven miles southeast of Forbing in Caddo Parish, Louisiana. The facility currently operates under SOGA Permit No. 0500-00438-00, issued on or about June 4, 2010 and effective transfer date of July 15, 2011.

The following violations were noted during the course of the file review:

A. In correspondence dated April 26, 2011, the Respondent submitted an initial NOC-1 form reporting the ownership transfer of the facility to the Respondent on or about February 1, 2011. The submittal was 84 days following the transfer. The failure to submit notification within forty-five (45) days after the date of change is a violation of LAC 33:III.517.G, and La. R.S. 30:2057(A)(2).

B. In correspondence dated July 15, 2011, the Department approved the transfer of the air permit to the Respondent effective July 15, 2011. Therefore, the facility operated without an air permit from on or about February 1, 2011, the date of purchase, through July 14, 2011. Operation, without an air permit, of any facility

which will, or ultimately may, result in emission of air contaminants is a violation of LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

On or about January 23, 2012, a file review of **WHITE 16 #2 TANK BATTERY** (the facility) **(AI NO. 171068),** owned and/or operated by the Respondent, was performed to determine the degree of compliance with the Act and the Air Quality Regulations. The facility is located four miles north of Frierson in De Soto Parish, Louisiana. The facility currently operates under SOGA Permit No. 0760-01289-00, issued on or about June 14, 2010 and effective transfer date of July 15, 2011.

The following violations were noted during the course of the file review:

A. In correspondence dated April 26, 2011, the Respondent submitted an initial NOC-1 form reporting the ownership transfer of the facility to the Respondent on or about February 1, 2011. The submittal was 84 days following the transfer. The failure to submit notification within forty-five (45) days after the date of change is a violation of LAC 33:III.517.G, and La. R.S. 30:2057(A)(2).

B. In correspondence dated July 15, 2011, the Department approved the transfer of the air permit to the Respondent effective July 15, 2011. Therefore, the facility operated without an air permit from on or about February 1, 2011, the date of purchase, through July 14, 2011. Operation, without a valid permit, of any facility which will, or ultimately may, result in emission of air contaminants is a violation of LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

On May 28, 2013, the Department issued to Respondent a Notice of Potential Penalty (NOPP), Enforcement No. AE-PP-12-00949, which was based upon the following findings of fact:

On or about April 13, 2013, a file review of **NORTON 36 #1 CENTRAL FACILITY** (the facility), owned and/or operated by **J-W OPERATING COMPANY (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 on Goat Hill Road, off of Louisiana Highway 527, seven miles north of Taylortown, Bossier Parish, Louisiana. The facility currently operates under Standard Oil and Gas Air (SOGA) Permit No. 0400-00081-03, issued on or about

October 15, 2003 and effective transfer date of August 2, 2012.

The following violations were noted during the course of the file review:

A. In correspondence postmarked July 17, 2012, the Respondent submitted a Notification of Ownership/Operator or Name Change (NOC-1) Form reporting the ownership transfer of the facility to the Respondent on or about May 31, 2012. The submittal was 47 days following the transfer. The failure to submit notification within forty-five (45) days after the date of change is a violation of LAC 33:I.1907.B, LAC 33:III.517.G, and La. R.S. 30:2057(A)(2).

B. In correspondence dated August 2, 2012, the Department approved the transfer of the air permit to the Respondent with an effective date of August 2, 2012. Therefore, the facility operated without a valid air permit from on or about May 31, 2012, the date of transfer, through August 1, 2012. Operation, without a valid air permit, of any facility which will, or ultimately may, result in emission of air contaminants 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 THREE THOUSAND AND NO/100 DOLLARS ($3,000.00), of which Five Hundred Eighteen and 36/100 Dollars ($518.36) 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 NOPPs

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 DeSoto Parish, Caddo Parish, and Bossier 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 from the newspaper of each affected parish 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.

J-W OPERATING COMPANY

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