STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	**Settlement Tracking No.**
	*	**SA-MM-14-0010**
REGENCY FIELD SERVICES LLC	*	
	*	**Enforcement Tracking No.**
AI # 174684	*	**MM-PP-11-00431**
	*	
PROCEEDINGS UNDER THE LOUISIANA ENVIRONMENTAL QUALITY ACT LA. R.S. 30:2001, ET SEQ.	* * *	

SETTLEMENT

The following Settlement is hereby agreed to between Regency Field Services 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 facility located in Dubach, Lincoln Parish, Louisiana ("the Facility").

II

On December 19, 2011, the Department issued to Respondent a Notice of Potential Penalty (NOPP), Enforcement No. MM-PP-11-00431, which was based upon the following findings of fact:

"On or about January 31, 2011, an inspection of a facility known as the **REGENCY GAS – PIPELINE LEAK SITE**, owned and/or operated by **REGENCY FIELD SERVICES LLC (RESPONDENT)**, was performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Office of the Secretary, Solid Waste, Hazardous Waste, and Water Quality Regulations. The facility is located on Mulehead Road in Dubach, Lincoln

Parish, Louisiana. The Respondent does not have a permit and/or other authority from the Department to treat and/or dispose of hazardous waste at the facility. The Respondent does not have an active Louisiana Pollutant Discharge Elimination System (LPDES) permit or authority to discharge wastes and/or other substances to waters of the state.

The aforementioned inspection was conducted by the Department in response to a citizen's complaint and revealed that the Respondent did cause and/or allow an unauthorized discharge of natural gas condensate to the environment. On or about January 28, 2011, the Respondent reported to the Department that a hole had developed in the pipeline resulting in an unauthorized discharge of approximately three (3) barrels of natural gas condensate that flowed approximately 300 yards from the leak in the pipeline.

The following violations were noted during the course of the inspection:

A. The Respondent failed to notify the Department of Public Safety 24-Hour Louisiana Emergency Hazardous Material Hotline of an adverse change in the nature or rate of a discharge of an unauthorized discharge resulting in an emergency condition, in violation of LAC 33:I.3915.A.3. Specifically, the Respondent failed to provide an updated notification specifying that the nature of the release had changed by impacting waters of the state.

B. The Respondent failed to immediately commence clean up of a release or commence emergency abatement activities relating to an off-site emergency in order to prevent or control a release or potential release of a pollutant, in violation of LAC 33:I.6909.A. Specifically, the pipeline leak was initially reported on or about January 28, 2011, yet during its January 31, 2011, inspection, the Department noted that the Respondent failed to characterize, manage, and/or dispose of contaminated soils resulting from the natural gas condensate release.

C. The Respondent treated and/or disposed of regulated hazardous waste without a permit or other authorization, in violation of LAC 33:V.303.B. Specifically, the Respondent disposed and/or treated waste natural gas condensate characteristically hazardous for flammability (D001) without a hazardous waste operating permit or other authorization.

D. The Respondent failed to determine if generated solid waste was a hazardous waste, in violation of LAC 33:V.1103. Specifically, the Respondent failed to make an adequate hazardous waste determination for waste natural gas condensate and environmental media contaminated by the release of natural gas condensate.

E. The Respondent failed to obtain an EPA Identification Number within fourteen (14) days after first generating any hazardous waste, in violation of LAC 33:V.1105.A.

F. The Respondent caused and/or allowed the unauthorized discharge of wastes and/or other substances to waters of the state, in violation of La. R.S. 30:2075. During its January 31, 2011, inspection, the Department noted that the natural gas condensate flowed into an unnamed creek located on and/or near the landowner's property and that the Respondent's response personnel had set the discharged material that had entered the creek on fire.

All of the aforementioned violations have since been corrected as evidenced by the Respondent's Site remediation and Waste Disposition Report dated March 31, 2011."

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 TWELVE THOUSAND FIVE HUNDRED AND NO/100 DOLLARS ($12,500.00), of which Six Hundred Eighty and 32/100 Dollars ($680.32) 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 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

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

REGENCY FIELD SERVICES 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