

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

JORDAN OIL COMPANY, INC.

AI # 155304

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

\* Settlement Tracking No.  
\* SA-AE-10-0005  
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\* Enforcement Tracking No.  
\* AE-PP-08-0239  
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SETTLEMENT

The following Settlement is hereby agreed to between Jordan Oil Company, Inc. (“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 a natural gas, crude oil, and saltwater collection and separation facility located off Goos Ferry Road approximately seven miles northeast of Lake Charles in Calcasieu Parish, Louisiana (“the Facility”).

II

On August 4, 2009, the Department issued to Respondent a Notice of Potential Penalty, (NOPP) Enforcement Tracking No. AE-PP-09-0239, which was based upon the following findings of fact:

On or about September 29, 2008, an Air Quality inspection of RN Minerals Production Facility, owned and/or operated by Jordan Oil Company, Inc. (Respondent), was performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Air Quality Regulations. On or about March 18, 2009, a file review of the facility was performed to determine the degree of compliance with the Act and the air Quality Regulations.

The facility is located off Goos Ferry Road approximately seven miles northeast of Lake Charles in Calcasieu Parish, Louisiana. The facility currently operates under Air Permit No. 0520-00400-00 issued on or about June 4, 2008.

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

- A. The Respondent put the facility into operation on or about November 30, 2007. An air permit application submitted by the Respondent was received by the Department on or about December 26, 2007. The failure to submit a timely and complete permit application to the Department prior to any construction, reconstruction, or modification of a facility which ultimately may result in an initiation or increase in emission of air contaminants is a violation of LAC 33:III.501.C.1, and La. R.S. 30:2057(A)(2).
  
- B. The Respondent put the facility into operation on or about November 30, 2007. Air Permit No. 0520-00400-00 was issued on or about June 4, 2008. Therefore, the facility operated for 187 days without a valid air permit. The failure to obtain prior approval for any construction, modification, or operation of a facility which ultimately may result in an initiation or increase in emission of air contaminants is a violation of LAC 33:III.501.C.2, LAC 33:III.501.C.4, and 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 THREE HUNDRED FIFTY DOLLARS (\$1,350.00) of which Three Hundred Fifty-One and 95/100 Dollars (\$351.95) represents the Department's enforcement costs, in settlement of the claims set forth in this agreement.

### V

Respondent further agrees that the Department may consider the inspection report, 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 LSA- 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 Calcasieu 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.

JORDAN OIL COMPANY, INC.

BY: [Signature]  
(Signature)

S M JORDAN  
(Print)

TITLE: PRESIDENT

THUS DONE AND SIGNED in duplicate original before me this 8<sup>th</sup> day of September, 20 10, at Lake Charles, LA.

[Signature]  
NOTARY PUBLIC (ID # 1990)

TINA M Clark  
(Print)

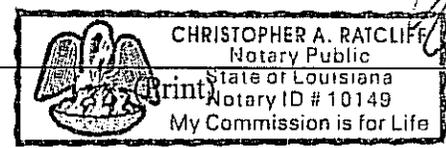
LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY

Peggy M. Hatch, Secretary

BY: [Signature]  
Beau James Brock, Assistant Secretary  
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 13<sup>th</sup> day of December, 20 10, at Baton Rouge, Louisiana.

[Signature]  
NOTARY PUBLIC (ID # \_\_\_\_\_)



Approved: [Signature]  
Beau James Brock, Assistant Secretary