

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

WAGNER OIL COMPANY

AI # 31788

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

\* Settlement Tracking No.  
\* SA-AE-10-0016  
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\* Enforcement Tracking No.  
\* AE-PP-08-0244  
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SETTLEMENT

The following Settlement is hereby agreed to between Wagner Oil 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 an oil and gas facility located on Kennedy Street, 0.75 miles northeast of Cameron in Cameron Parish, Louisiana (“the Facility”).

II

On June 26, 2009, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. AE-PP-08-0244, which was based upon the following findings of fact:

On or about August 25, 2008, an inspection of Cameron Field Facility, an oil and gas facility, 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 Kennedy Street, 0.75 miles northeast of Cameron in Cameron Parish, Louisiana. The facility previously operated under Air Permit No. 0560-00055-04, issued on July 13, 2005. On or about October 7, 2008, the

Department received a Standard Oil and Gas Air (SOGA) Permit Modification Application for the facility dated, September 5, 2008. The facility currently operates under the modified SOGA Permit No. 0560-00055-04, dated January 6, 2009.

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

- A. During the course of the inspection, the inspector noted that three (3) of the four (4) oil tank hatches were open and had broken handles preventing full closure and sealing of the gasket hatches. The three (3) oil tanks associated with the open hatches are Emission Point Nos. (EPN) EQT001 (58-3 crude oil tank), EQT003 (58-5 spare oil tank), and EQT004 (58-6 spare oil tank). Each incident of the Respondent's failure to maintain best practical housekeeping and maintenance practices at the highest possible standards to reduce organic compound emissions is a violation of LAC 33:III.2113.A, LAC 33:III.905.A, Specific Requirement No. 24 of SOGA Permit No. 0560-00055-04, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1), and 30:2057(A)(2).
- B. During the course of the inspection, the inspector noted that the oil tank vent emission line connecting the oil tanks was not fully joined together. Additionally, the emission vent line was not fitted with an automatic vent header and was left open to the atmosphere. The Respondent's failure to maintain best practical housekeeping and maintenance practices at the highest possible standards to reduce organic compound emissions is a violation of LAC 33:III.2113.A, LAC 33:III.905.A, Specific Requirement No. 24 of SOGA Permit No. 0560-00055-04, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- C. On or about December 10, 2001, the Department received a Form for Notification of Change of Ownership/Operator or Name Change from the Respondent. According to the form, ownership and operatorship of Cameron Field Facility was transferred to the Respondent on or about July 7, 2001. During the course of the inspection, the inspector noted that the Respondent had failed to submit a complete Name/Ownership/Operator Change Form (NOC-1 Form) to the Department within 45 days after the change of ownership. This is a violation of LAC 33:I.1905.A and La. R.S. 30:2057(A)(2).

On or about February 17, 2009, a file review of the Respondent's facility was performed to determine the degree of compliance with the Act and Air Quality Regulations.

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

- D. On or about October 7, 2008, the Department received a SOGA Permit Modification Application dated September 5, 2008, for the Respondent's facility. The permit application proposed to add EPN 40-08-GBT-CV (gun barrel tank) to the facility's emission point list. According to a letter from the Respondent's representative dated February 19, 2009, EPN 40-08-GBT-CV was constructed on February 15, 2006. According to a letter from the Respondent's representative dated February 25, 2009, operation of the emission point commenced when the equipment was installed. The Respondent's failure to obtain approval from the permitting authority prior to construction, modification, and/or operation of an emission source which ultimately may result in an initiation or increase in emission of air contaminants is a violation of LAC 33:III.501.C.2, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- E. On or about October 7, 2008, the Department received a SOGA Permit Modification Application dated September 5, 2008, for the Respondent's facility. The permit application proposed to add EPN 40-08-GBT-CV (gun barrel tank) to the facility's emission point source list. According to a letter from the Respondent's representative dated February 19, 2009, EPN 40-08-GBT-CV was constructed on February 15, 2006. According to a letter from the Respondent's representative dated February 25, 2009, operation of the emission point commenced when the equipment was installed. The Respondent's failure to submit a timely and complete permit application to the Department prior to the construction of EPN 40-08-GBT-CV is a violation of LAC 33:III.501.C.1, 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 TWO THOUSAND AND SEVEN HUNDRED AND NO/100 DOLLARS (\$2,700.00), of which Three Hundred and Seventy-One and 84/100 Dollars (\$371.84) 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 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 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 Cameron 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.

WAGNER OIL COMPANY

BY: Walter Glasgow  
(Signature)

WALTER GLASGOW  
(Print)

TITLE: PRODUCTION MANAGER

THIS DONE AND SIGNED in duplicate original before me this 9<sup>th</sup> day of May, 20 11, at Tarrant County, Texas



Barbara Davis  
NOTARY PUBLIC (ID # N/A)

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(Stamped or Printed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY  
Peggy M. Hatch, Secretary

BY: Cheryl Sonnier Nolan  
Cheryl Sonnier Nolan, Assistant Secretary  
Office of Environmental Compliance

THIS DONE AND SIGNED in duplicate original before me this 25<sup>th</sup> day of August, 20 11, at Baton Rouge, Louisiana.

Delona King  
NOTARY PUBLIC (ID # 20590)  
Bar Roll #

Life Commissioner

Delona King  
(Stamped or Printed)

Approved: Cheryl Sonnier Nolan  
Cheryl Sonnier Nolan, Assistant Secretary