

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

SHORELINE SOUTHEAST LLC

AI # 18617

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

\* Settlement Tracking No.  
\* SA-AE-15-0069  
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\* Enforcement Tracking No.  
\* AE-CN-14-00940  
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SETTLEMENT

The following Settlement is hereby agreed to between Shoreline Southeast 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 an oil and gas production facility located in Cameron Parish, Louisiana (“the Facility”).

II

On April 20, 2015, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-14-00940, which was based upon the following findings of fact:

“The Respondent owns and/or operates the South Pecan Lake Production Facility (facility), an oil and gas production facility, located approximately 15 miles east of Grand Chenier in Cameron Parish, Louisiana. Ownership of the facility and responsibility for Title V Air Permit No. 0560-00022-V4 were transferred to the Respondent from Harvest Development LLC on or about

September 1, 2012. The facility currently operates under Minor Source Air Permit No. 0560-00022-04 issued on June 12, 2014, and modified on November 10, 2014.

On or about April 24, 2014, the Department conducted an inspection at the facility to determine compliance with the Air Quality Regulations. Additionally, the Department conducted a file review for the facility on or about April 1, 2015.

While the Department's investigation is not yet complete, the following violations were discovered during the course of the inspection and file review:

- A. In the facility's 2012 Annual Compliance Certification submitted on or about March 28, 2013, the Respondent stated that two (2) 1500 barrel storage tanks were operated at the facility without a permit. The unpermitted tanks were inherited from the previous owner and operated at the facility without a permit beginning on September 1, 2012, the date of ownership change, until being included in Minor Source Air Permit No. 0560-00022-04 on June 12, 2014. The operation of each tank without a permit is a violation of Title V Air Permit No. 0560-00022-V4 Louisiana General Condition I, LAC 33:III.501.C.2, La R.S. 30:2057(A)(1) and 30:2057(A)(2).
- B. In the facility's 2012 Annual Compliance Certification submitted on or about March 28, 2013, the Respondent stated a failure to submit a permit modification application by December 31, 2012, to address the applicability of NESHAP 40 CFR 63 Subpart ZZZZ. The modification application was submitted on or about July 23, 2013. This is a violation of Title V Air Permit No. 0560-00022-V4 Specific Requirement 30, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).
- C. In the facility's Revised 2013 Annual Compliance Certification submitted on or about June 9, 2014, and discovered during the April 24, 2014 inspection, the Respondent stated that the

following equipment was installed at the facility prior to receiving approval from the permitting authority:

<b>Emission Point</b>	<b>Emission Point ID No.</b>	<b>Installation Date</b>
Glycol Regenerator Burner Stack	60-14-GR-BS	3/8/2013
Glycol Regenerator Still Column	61-14-GR-SC	3/8/2013
Glycol Regenerator Burner Stack	62-14-GR-BS	9/29/2013
Glycol Regenerator Still Column	63-14-GR-SC	9/29/2013
Oil Storage Tank	64a-14-OST-CV	12/22/2013
Oil Storage Tank	64b-14-OST-CV	12/22/2013
Heater Treater	65-14-HT-FG	12/2013
Control Flare	66-14-F	12/2013

Each failure to submit a permit application and receive approval from the permitting authority prior to the construction, modification, and/or operation of a facility, which ultimately may have resulted in an initiation or increase in emission of air contaminants, is a violation of LAC 33:III.501.C.1, La. R.S. 30:2057(A)(1) and 30:2057(A)(2). A permit modification application to include the equipment was submitted to the Department on or about October 20, 2014. The operation of each source without a permit prior to June 12, 2014, is a violation of Title V Air Permit No. 0560-00022-V4 Louisiana General Condition I. The operation of each source without a permit after June 12, 2014, but prior to being permitted on November 10, 2014, is a violation of Minor Source Air Permit No. 0560-00022-04. Each is also 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 NINE THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$9,500.00), of which Four Hundred Eighteen and 34/100 Dollars (\$418.34) 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)/permit record(s), the Consolidated Compliance Order & 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 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 Cameron Parish, Louisiana. The advertisement, in form and wording 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).

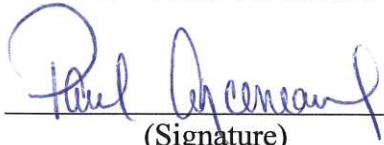
XI

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.

**SHORELINE SOUTHEAST LLC**

BY:   
(Signature)

PAUL ARCENEAUX  
(Printed)

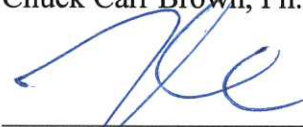
TITLE: OPERATIONS MANAGER

THUS DONE AND SIGNED in duplicate original before me this 5<sup>th</sup> day of May, 20 16, at Lafayette, La.


  
NOTARY PUBLIC (ID # 7917)

OFFICIAL SEAL  
BRENDA B. LeBLANC  
NOTARY PUBLIC NO. 7917  
STATE OF LOUISIANA  
PARISH OF LAFAYETTE  
(stamped or printed) Life

**LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY**  
Chuck Carr Brown, Ph.D., Secretary

BY:   
Lourdes Iturralde, Assistant Secretary  
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 30<sup>th</sup> day of June, 20 16, at Baton Rouge, Louisiana.

  
NOTARY PUBLIC (ID # 19181)

Perry Theriot  
(stamped or printed)

Approved:   
Lourdes Iturralde, Assistant Secretary