

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

TARGA MIDSTREAM SERVICES LLC

AI # 26859

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

* Settlement Tracking No.
* SA-AE-18-0072
*
* Enforcement Tracking No.
* AE-CN-14-00938
*
*
*
*

SETTLEMENT

The following Settlement is hereby agreed to between Targa Midstream 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 natural gas processing facility located in Cameron Parish, Louisiana (“the Facility”).

II

On July 6, 2015, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-14-00938, attached as Exhibit A.

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 TWENTY-ONE THOUSAND ONE HUNDRED EIGHTY-SIX AND NO/100 DOLLARS (\$21,186.00), of which Seven Hundred Twenty and 49/100 Dollars (\$720.49) 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 B).

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.

Targa Midstream Services, LLC

gls

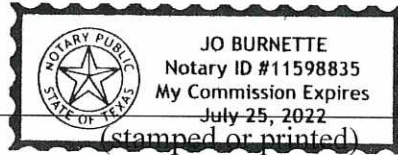
BY: [Signature]
(Signature)

FRANCIS FORET
(Printed)

TITLE: SR. VICE PRESIDENT OPERATIONS

THUS DONE AND SIGNED in duplicate original before me this 18th day of April, 20 19, at Houston, Texas.

[Signature]
NOTARY PUBLIC (ID # 11598835)



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

BY: [Signature]
Lourdes Iturralde, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 19th day of June, 20 19, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 19181)

Perry Theriot
(stamped or printed)

Approved: [Signature]
Lourdes Iturralde, Assistant Secretary

BOBBY JINDAL
GOVERNOR



PEGGY M. HATCH
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

July 6, 2015

CERTIFIED MAIL (7004 2510 0006 3853 8822)
RETURN RECEIPT REQUESTED

TARGA MIDSTREAM SERVICES LLC
c/o C T Corporation System
Agent for Service of Process
5615 Corporate Blvd., Suite 400B
Baton Rouge, LA 70808

**RE: CONSOLIDATED COMPLIANCE ORDER
& NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-CN-14-00938
AGENCY INTEREST NO. 26859**

Dear Sir/Madam:

Pursuant to the Louisiana Environmental Quality Act (La. R.S. 30:2001, et seq.), the attached **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is hereby served on **TARGA MIDSTREAM SERVICES LLC (RESPONDENT)** for the violations described therein.

Compliance is expected within the maximum time period established by each part of the **COMPLIANCE ORDER**. The violations cited in the **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** could result in the issuance of a civil penalty or other appropriate legal actions.

Any questions concerning this action should be directed to David Seymour at 225-219-3138.

Sincerely,

Celena J. Cage
Administrator
Enforcement Division

CJC/DGS/dgs
Alt ID No. 0560-00020
Attachment



c: Targa Midstream Services Ltd Partnership – Stingray Gas Plant
1000 Louisiana St Suite 4700
Houston, TX 77002

STATE OF LOUISIANA
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

IN THE MATTER OF

TARGA MIDSTREAM SERVICES LLC
CAMERON PARISH
ALT ID NO. 0560-00020

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

*
*
*
*
*
*
*
*
*

ENFORCEMENT TRACKING NO.

AE-CN-14-00938

AGENCY INTEREST NO.

26859

CONSOLIDATED
COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY

The following **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is issued to **TARGA MIDSTREAM SERVICES LLC (RESPONDENT)** by the Louisiana Department of Environmental Quality (the Department), under the authority granted by the Louisiana Environmental Quality Act (the Act), La. R.S. 30:2001, et seq., and particularly by La. R.S. 30:2025(C), 30:2050.2 and 30:2050.3(B).

FINDINGS OF FACT

I.

The Respondent owns and/or operates the **STINGRAY GAS PLANT (FACILITY)**, a natural gas processing facility, located at 5022 Gulf Beach Hwy in Johnsons Bayou, Cameron Parish, Louisiana. The Facility currently operates under Title V Permit No. 0560-00020-V4, issued on April 15, 2014. The Facility previously operated under Title V Permit No. 0560-00020-V3 issued on October 17, 2012, Title V Air Permit No. 0560-00020-V2AA issued on May 20, 2010 and Title V Permit No. 0560-00020-V2, issued on May 5, 2010.

II.

On or about May 21, 2014, an inspection of the Facility was performed to determine the Respondent's degree of compliance with the Act and the Air Quality Regulations.

While the investigation by the Department is not yet complete, the following violation was noted during the course of the inspection:

In correspondence dated November 8, 2013, the Respondent notified the Department of its intent, in accordance with LAC 33:III.2121.D.1.c, to skip three (3) quarterly leak detection periods based on having achieved a leak rate less than two (2) percent for five (5) consecutive leak detection periods. A review of these five (5) quarters revealed that during two (2) of these quarters no leak monitoring was conducted as the Facility was following the Alternate Monitoring Program outlined in LAC 33:III.2121.D.1.b, in which after two (2) consecutive quarters with a leak rate less than two (2) percent the owner/operator may skip one (1) quarterly leak detection period. Listed below is the facility's monitoring schedule beginning with the 3rd quarter of 2012:

Monitoring Period	Monitoring Performed	Leak Detection Rate
3 rd Quarter 2012	Skip	Not Monitored
4 th Quarter 2012	Monitored	1.67%
1 st Quarter 2013	Monitored	1.6492%
2 nd Quarter 2013	Skip	Not Monitored
3 rd Quarter 2013	Monitored	1.8969%
4 th Quarter 2013	Skip	Not Monitored
1 st Quarter 2014	Skip	Not Monitored
2 nd Quarter 2014	Skip	Not Monitored

The two (2) skipped periods of the 3rd quarter of 2012 and the 2nd Quarter of 2013 do not count as having a leak rate below two (2) percent as monitoring was not conducted during these periods, thus the Respondent failed to achieve a leak rate of less than two (2) percent for five (5) consecutive quarters. The failure to properly participate in the Alternate Leak Detection Monitoring Program for the 4th Quarter of 2013, the 1st Quarter of 2014 and the 2nd Quarter of 2014 is a violation of LAC 33:III.2121.E.1.c, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).

III.

On or about November 13, 2014, a file review for the facility was performed to determine the degree of compliance with the Act and the Air Quality Regulations.

While the investigation by the Department is not yet complete, the following violations were noted during the course of the review:

- A. The Respondent failed to submit the Facility's Title V Semi Annual Monitoring Report for the 1st half of 2013 in a timely fashion. This report was due to be submitted no later than September 30, 2013. The Respondent

submitted this report with a postmark date of October 01, 2013. Failure to submit this report in a timely manner is a violation of Part 70 General Condition R of Title V Permit No. 0560-00020-V2AA, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).

- B. The Respondent failed to submit the Facility's Semiannual Fugitive Emissions Report as required by LAC 33:III.2121 for the 2nd half 2013 in a timely manner. Specifically, this report was due to be submitted not later than January 31, 2014 and the Respondent submitted the report with a postmark date of February 3, 2014. Failure to submit this report in a timely manner is a violation of LAC 33:III.2121.G, LAC 33:III.501.C.4 and La. R.S.30:2057(A)(2).

COMPLIANCE ORDER

Based on the foregoing, the Respondent is hereby ordered:

I.

To take, immediately upon receipt of this **COMPLIANCE ORDER**, any and all steps necessary to meet and maintain compliance with the Air Quality Regulations and Title V Permit No. 0560-00020-V4.

II.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a report summarizing fugitive emissions monitoring from the 1st quarter of 2012 through the 4th quarter of 2013. This report should include the number of components added, the type of the service the added components were in, the number of missed monitoring events and the fugitive emissions during this time period.

III.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a written report that includes a detailed description of the circumstances surrounding the cited violations and actions taken or to be taken to achieve compliance with the Order Portion of this **COMPLIANCE ORDER**. This report and all other reports or information required to be submitted to the Enforcement Division by this **COMPLIANCE ORDER** shall be submitted to:

Office of Environmental Compliance
Post Office Box 4312
Baton Rouge, Louisiana 70821-4312
Attn: David Seymour
Re: **Enforcement Tracking No. AE-CN-14-00938**
Agency Interest No. 26859

THE RESPONDENT SHALL FURTHER BE ON NOTICE THAT:

I.

The Respondent has a right to an adjudicatory hearing on a disputed issue of material fact or of law arising from this **COMPLIANCE ORDER**. This right may be exercised by filing a written request with the Secretary no later than thirty (30) days after receipt of this **COMPLIANCE ORDER**.

II.

The request for an adjudicatory hearing shall specify the provisions of the **COMPLIANCE ORDER** on which the hearing is requested and shall briefly describe the basis for the request. This request should reference the Enforcement Tracking Number and Agency Interest Number, which are located in the upper right-hand corner of the first page of this document and should be directed to the following:

Department of Environmental Quality
Office of the Secretary
Post Office Box 4302
Baton Rouge, Louisiana 70821-4302
Attn: Hearings Clerk, Legal Division
Re: Enforcement Tracking No. AE-CN-14-00938
Agency Interest No. 26859

III.

Upon the Respondent's timely filing a request for a hearing, a hearing on the disputed issue of material fact or of law regarding this **COMPLIANCE ORDER** may be scheduled by the Secretary of the Department. The hearing shall be governed by the Act, the Administrative Procedure Act (La. R.S. 49:950, et seq.), and the Department's Rules of Procedure. The Department may amend or supplement this **COMPLIANCE ORDER** prior to the hearing, after providing sufficient notice and an opportunity for the preparation of a defense for the hearing.

IV.

This **COMPLIANCE ORDER** shall become a final enforcement action unless the request for hearing is timely filed. Failure to timely request a hearing constitutes a waiver of the Respondent's right to a hearing on a disputed issue of material fact or of law under Section 2050.4 of the Act for the violation(s) described herein.

V.

The Respondent's failure to request a hearing or to file an appeal or the Respondent's withdrawal of a request for hearing on this **COMPLIANCE ORDER** shall not preclude the Respondent from contesting the findings of facts in any subsequent penalty action addressing the same violation(s), although the Respondent is estopped from objecting to this **COMPLIANCE ORDER** becoming a permanent part of its compliance history.

VI.

Civil penalties of not more than twenty-seven thousand five hundred dollars (\$27,500) for each day of violation for the violation(s) described herein may be assessed. For violations which occurred on August 15, 2004, or after, civil penalties of not more than thirty-two thousand five hundred dollars (\$32,500) may be assessed for each day of violation. The Respondent's failure or refusal to comply with this **COMPLIANCE ORDER** and the provisions herein will subject the Respondent to possible enforcement procedures under La. R.S. 30:2025, which could result in the assessment of a civil penalty in an amount of not more than fifty thousand dollars (\$50,000) for each day of continued violation or noncompliance.

VII.

For each violation described herein, the Department reserves the right to seek civil penalties in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such penalties.

NOTICE OF POTENTIAL PENALTY

I.

Pursuant to La. R.S. 30:2050.3(B), you are hereby notified that the issuance of a penalty assessment is being considered for the violation(s) described herein. Written comments may be filed regarding the violation(s) and the contemplated penalty. If you elect to submit comments, it is requested that they be submitted within ten (10) days of receipt of this notice.

II.

Prior to the issuance of additional appropriate enforcement action(s), you may request a meeting with the Department to present any mitigating circumstances concerning the violation(s). If you would like to have such a meeting, please contact David Seymour at 225-219-3138 within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.

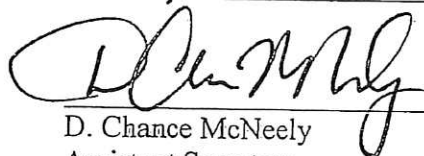
III.

The Department is required by La. R.S. 30:2025(E)(3)(a) to consider the gross revenues of the Respondent and the monetary benefits of noncompliance to determine whether a penalty will be assessed and the amount of such penalty. Please forward the Respondent's most current annual gross revenue statement along with a statement of the monetary benefits of noncompliance for the cited violation(s) to the above named contact person within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**. Include with your statement of monetary benefits the method(s) you utilized to arrive at the sum. If you assert that no monetary benefits have been gained, you are to fully justify that statement.

IV.

This **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is effective upon receipt.

Baton Rouge, Louisiana, this 6 day of July, 2015.



D. Chance McNeely
Assistant Secretary
Office of Environmental Compliance

Copies of a request for a hearing and/or related correspondence should be sent to:

Louisiana Department of Environmental Quality
Office of Environmental Compliance
Enforcement Division
P.O. Box 4312
Baton Rouge, LA 70821-4312
Attention: David Seymour