

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

EPL OIL & GAS, INC.

AI # 23741

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

* Settlement Tracking No.
* SA-AE-19-0104
*
* Enforcement Tracking Nos.
* AE-CN-11-00570
* AE-CN-11-00570A
* AE-CN-14-00942
*
*
*
*
*

SETTLEMENT

The following Settlement is hereby agreed to between EPL Oil & Gas, LLC f/k/a EPL Oil & Gas, Inc., including its parents, subsidiaries, affiliates, officers, employees, and successor entities, (collectively, “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 Burrwood, Plaquemines Parish, Louisiana. (“the Facility”).

II

On June 28, 2013, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-11-00570 (Exhibit 1).

On July 27, 2015, the Department issued to Respondent an Amended Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-11-00570A (Exhibit 2).

On July 23, 2015, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-14-00942 (Exhibit 3).

The following violation, although not cited in the foregoing enforcement action(s), is included within the scope of this settlement:

The Respondent failed to submit an Annual Criteria Pollutant Emissions Inventory in a timely and complete manner. The 2014 Annual Criteria Emissions Inventory Certification, which was due on April 30, 2015, was received by the Department on June 25, 2015. This is a violation of LAC 33:III.919.F.1.d and La. R.S. 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 FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00), of which Two Thousand Four Hundred Sixteen and 89/100 Dollars (\$2,416.89) 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 Orders & Notices of Potential Penalty, the Amended 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 Plaquemines 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.

EPL OIL & GAS, LLC F/K/A EPL OIL & GAS INC.

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
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 _____ day of _____, 20_____, at Baton Rouge, Louisiana.

NOTARY PUBLIC (ID # _____)

(stamped or printed)

Approved:  _____
Lourdes Iturralde, Assistant Secretary

BOBBY JINDAL
GOVERNOR



PEGGY M. HATCH
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

June 28, 2013

CERTIFIED MAIL (7004 1160 0000 3797 0829)
RETURN RECEIPT REQUESTED

ENERGY PARTNERS OF DELAWARE, LTD.

c/o C T Corporation System
Agent for Service of Process
5615 Corporate Blvd., Ste. 400B
Baton Rouge, LA 70808

**RE: CONSOLIDATED COMPLIANCE ORDER
& NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-CN-11-00570
AGENCY INTEREST NO. 23741**

Dear Sir(s):

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 **ENERGY PARTNERS OF DELAWARE, LTD. (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.

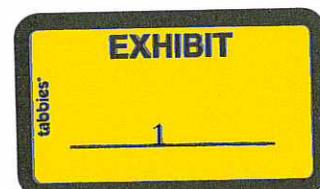
Any questions concerning this action should be directed to Richard LeBlanc at (225) 219-3165.

Sincerely,

A handwritten signature in black ink, appearing to read "Celena J. Cage".

Celena J. Cage
Administrator
Enforcement Division

CJC/RDL/rdl
Alt ID No. 2240-00145
Attachment



c: East Bay Central Facility
c/o Mike Francis
201 St. Charles Ave., Ste. 3400
New Orleans, LA 70170

**STATE OF LOUISIANA
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE**

IN THE MATTER OF	*	
	*	
ENERGY PARTNERS OF DELAWARE, LTD.	*	ENFORCEMENT TRACKING NO.
PLAQUEMINES PARISH	*	
ALT ID NO. 2240-00145	*	AE-CN-11-00570
	*	
PROCEEDINGS UNDER THE LOUISIANA	*	AGENCY INTEREST NO.
ENVIRONMENTAL QUALITY ACT,	*	
La. R.S. 30:2001, ET SEQ.	*	23741

CONSOLIDATED
COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY

The following **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is issued to **ENERGY PARTNERS OF DELAWARE, LTD. (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 East Bay Central Facility (facility), an oil and gas production and separation facility, located at 84 Chevron Road in Burrwood, Plaquemines Parish, Louisiana. The facility was issued Title V Air Permit No. 2240-00145-V3 on or about September 10, 2005, which was modified and Title V Air Permit No. 2240-00145-V4 was issued on August 27, 2008. The permit was renewed and Title V Air Permit No. 2240-00145-V5 was issued on January 20, 2011. The facility currently operates under Title V Air Permit No. 2240-00145-V6 issued on February 28, 2012.

II.

On or about June 24, 2010, and April 11, 2012, the Department conducted inspections at the facility to determine compliance with the permit and the Air Quality Regulations. Additionally, the Department conducted a file review for the facility on or about September 19, 2012.

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

- A. On or about March 31, 2009, the Respondent submitted the facility's 2008 Annual Compliance Certification to the Department. The certification indicated that at least one (1) of the crude oil storage tanks 38 (EQT044), 39 (EQT045), 40 (EQT046), 41 (EQT047), 42 (EQT048), 43 (EQT049) and 44 (EQT050) was not properly sealed releasing vapors to the atmosphere. It was later discovered that EQT044 contained a hole in the rooftop. This is a violation of LAC 33:III.905 which states, "When facilities have been installed on a property, they shall be used and diligently maintained in proper working order whenever any emissions are being made which can be controlled by the facilities, even though the ambient air quality standards in affected areas are not exceeded." This is also a violation of Title V Air Permit No. 2240-00145-V4, LAC 33:III.501.C.4, La. R.S.30:2057(A)(1) and 30:2057(A)(2).
- B. On or about March 31, 2009, the Respondent submitted the facility's 2008 Annual Compliance Certification to the Department. The certification indicated that the actual blanket gas totals supplied to produced water tanks 71 (EQT033) and 72 (EQT034) for 2008 exceeded the rate utilized in the air permit application to establish volatile organic compounds (VOCs) emissions limits. The failure to properly operate all proposed control measures and/or equipment as specified in the application is a violation of Title V Air Permit No. 2240-00145-V3, Title V Air Permit No. 2240-00145-V4, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).
- C. On or about March 31, 2009, the Respondent submitted the facility's 2008 Annual Compliance Certification to the Department. The certification indicated that the Respondent installed equipment at the facility prior to receiving approval from the permitting authority. Specifically, the Respondent failed to submit a permit application prior to the installation of compressor engine 102, generator GEN-1, generator GEN-2, generator GEN-3 and generator GEN-4. The Respondent's failure to submit a permit application and receive approval from the permitting authority for each equipment 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).
- D. On or about May 29, 2007, the Respondent submitted a permit renewal application to the Department to include compressor engine 102, which was

installed at the facility in 1998. Additionally, the Respondent submitted further information for the permit renewal application on or about December 27, 2007, to include generator GEN-1 installed in 2001, generator GEN-2 installed in 2005, generator GEN-3 installed in 2004 and generator GEN-4 installed in 2005. The operation of each engine and generator without an air permit is a violation of LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

- E. On or about March 31, 2009, the Respondent submitted the facility's 2008 Annual Compliance Certification to the Department. The certification indicated that the Respondent failed to report the unauthorized discharge of any air pollutant into the atmosphere for this monitoring period due to reporting requirements being overlooked. The failure to notify the Department within 24 hours after learning of an unauthorized discharge and failure to follow associated written notification procedures are violations of LAC 33:I.3917 and LAC 33:I.3925 respectively. These are also violations of Title V Air Permit No. 2240-00145-V3 Specific Requirement 282, Title V Air Permit No. 2240-00145-V4 Specific Requirement 103, LAC 33:III.927, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).
- F. On or about March 31, 2009, the Respondent submitted the facility's 2008 Annual Compliance Certification to the Department. The certification indicated that the Respondent failed to submit an initial notification according to Title 40 Part 63 Subpart ZZZZ for engine GEN-3. Specifically, the Respondent is required to submit an initial notification within 120 days of becoming subject to Subpart ZZZZ. The Respondent installed engine GEN-3 on or about April 1, 2006, but failed to submit an initial notification until on or about May 21, 2010. The failure to submit a timely Subpart ZZZZ initial notification is a violation of Title V Air Permit No. 2240-00145-V4 Specific Requirement 35, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).
- G. On or about March 31, 2009, the Respondent submitted the facility's 2008 Annual Compliance Certification to the Department. The certification indicated that the Respondent failed to submit quarterly excess emissions reports to the Department. Specifically, the Respondent failed to submit excess emissions reports in conjunction with the releases associated with the improper sealing of EQT044 also mentioned in the facility's 2008 Annual Compliance Certification. The failure to submit quarterly excess emissions reports is a violation of Title V Air Permit No. 2240-00145-V3 Specific Requirement 286, Title V Air Permit No. 2240-00145-V4 Specific Requirement 68, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).
- H. On or about June 29, 2009, the Respondent submitted the facility's 2008 Criteria & Toxic Air Pollutants Certification Statement. In the statement the Respondent reported sulfur dioxide (SO₂) emissions of 6.23 tons with a permit limit of 3.46 tons and volatile organic compound (VOC) emissions of 336.51 tons with a

- permit limit of 326.77 tons. The failure to operate under all terms and conditions of the permit is a violation of Title V Air Permit 2240-00145-V4, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and La. R.S. 30:2057(A)(2).
- I. On or about March 29, 2010, the Respondent submitted the facility's 2009 Annual Compliance Certification to the Department. The certification indicated that the Respondent failed to submit quarterly excess emissions reports to the Department. Specifically, the Respondent failed to submit excess emissions reports in conjunction with the releases associated with the improper sealing of EQT044 as mentioned in the facility's 2008 Annual Compliance Certification. The failure to submit quarterly excess emissions reports is a violation of Title V Air Permit No. 2240-00145-V4 Specific Requirement 68, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).
 - J. The June 24, 2010 inspection revealed that the Respondent failed to maintain records. Specifically, at the time of the inspection the Respondent was unable to provide documentation needed to prove compliance with Title V Air Permit 2240-00145-V4 Specific Requirements 26, 27, 28, 29, 30, 31, 32 and 33. Each failure to maintain monitoring data and supporting information is a violation of Title V Air Permit 2240-00145-V4 Part 70 General Condition I, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).
 - K. On or about September 26, 2011, the Respondent submitted the facility's 2011 First Semiannual Monitoring Report to the Department. The report indicated that the Respondent began operating three (3) emission sources prior to authorization. Specifically, Glycol Reboiler Vent 36-1, Glycol Reboiler Vent 36-2 and Glycol Still Column Condenser 35A were previously constructed and permitted at the facility as EQT021, EQT022 and EQT042, respectively. The equipments were removed in Title V Air Permit 2240-00145-V5 issued January 20, 2011. The Respondent began operating the equipments again on or about December 1, 2010; however, an application to include the equipments was not submitted to the Department until December 22, 2011. 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).
 - L. The Respondent operated equipments at the facility without authorization. Specifically, the Respondent operated Glycol Reboiler Vent 36-1, Glycol Reboiler Vent 36-2 and Glycol Still Column Condenser 35A without a permit from December 22, 2011, until being included as EQT069, EQT070 and EQT071, respectively, in Title V Air Permit 2240-00145-V6 on February 28, 2012. Each operation of equipments without an air permit is a violation of LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

- M. On or about September 26, 2011, the Respondent submitted the facility's 2011 First Semiannual Monitoring Report to the Department. The report indicated that the Respondent began operating an emission source prior to authorization. Specifically, Detroit Firewater Pump Engine 69 was previously constructed and permitted at the facility as EQT031. The source was inadvertently removed in Title V Air Permit 2240-00145-V5 issued January 20, 2011. The Respondent began operating the equipments again; however, an application to include the source was not submitted to the Department until December 22, 2011. The 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).
- N. The Respondent operated an emission source at the facility without authorization. Specifically, the Respondent operated Detroit Firewater Pump Engine 69 without a permit from January 20, 2011, until being included as EQT072 in Title V Air Permit 2240-00145-V6 on February 28, 2012. The operation of equipment without an air permit is a violation of LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- O. On or about September 26, 2011, the Respondent submitted the facility's 2011 First Semiannual Monitoring Report to the Department. The report indicated that the Respondent began operating an emission source prior to authorization. Specifically, the Respondent began operating Caterpillar SWD Pump Engine 131-11-ICE-ES on or about February 21, 2011; however, an application to include the source was not submitted to the Department until December 22, 2011. The 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).
- P. The Respondent operated an emission source at the facility without authorization. Specifically, the Respondent operated Caterpillar SWD Pump Engine 131-11-ICE-ES without a permit from February 21, 2011, until being included as EQT073 in Title V Air Permit 2240-00145-V6 on February 28, 2012. The operation of equipment without an air permit is a violation of LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- Q. On or about March 27, 2012, the Respondent submitted the facility's 2011 Annual Compliance Certification to the Department. The certification indicated that the Respondent began operating an emission source prior to authorization. Specifically, the Respondent began operating Generator Engine 132-11-ICE-ES

on or about November 23, 2011; however, an application to include the source was not submitted to the Department until December 22, 2011. The 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).

- R. The Respondent operated an emission source at the facility without authorization. Specifically, the Respondent operated Generator Engine 132-11-ICE-ES without a permit from November 23, 2011, until being included as EQT074 in Title V Air Permit 2240-00145-V6 on February 28, 2012. The operation of equipment without an air permit is a violation of LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- S. The April 11, 2012 inspection revealed that the Respondent failed to keep visible emissions checks by electronic or hard copy. Specifically, the facility was not completing records and information on control flare EQT0025. This is a violation of Title V Air Permit No. 2240-00145-V6 Specific Requirement 26, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).
- T. The April 11, 2012 inspection revealed that the Respondent failed to monitor opacity by 40 CFR 60 Appendix A, Method 9. Specifically, facility representatives questioned about Method 9 testing on control flare EQT0025 were unfamiliar with the testing and requirements. This is a violation of Title V Air Permit No. 2240-00145-V6 Specific Requirement 29, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).
- U. The April 11, 2012 inspection revealed that the Respondent failed to submit performance test results to the Department due within sixty (60) days after each test conducted according to 40 CFR 60.4244. Specifically, the Respondent did not submit stack test results for internal combustion engine EQT0074 installed at the facility in November 2011. This is a violation of Title V Air Permit No. 2240-00145-V6 Specific Requirement 93, 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, including, but not limited to, properly operating and maintaining equipment, maintaining records and documentation, reporting unauthorized discharges and submitting excess emissions reports, submitting permit applications and

receiving approval prior to installing and operating new sources, operating according to permit limits, and submitting stack test reports in a timely manner.

II.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a report describing the actual amount of gas supplied to EQT033 and EQT034 as mentioned in paragraph II.B of the Findings of Fact.

III.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, unauthorized discharge reports for 2008 as mentioned in paragraph II.E of the Findings of Fact and excess emissions reports as mentioned in paragraphs II.G and II.I of the Findings of Fact.

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: **Richard LeBlanc**
Re: **Enforcement Tracking No. AE-CN-11-00570**
Agency Interest No. 23741

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-11-00570
Agency Interest No. 23741

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 Richard LeBlanc at (225) 219-3090 within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.

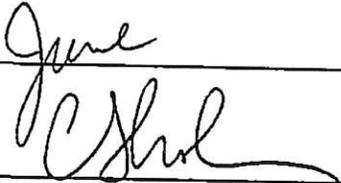
III.

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 28 day of June, 2013.



Cheryl Sonnier Nolan
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: Richard LeBlanc

BOBBY JINDAL
GOVERNOR



PEGGY M. HATCH
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

July 27, 2015

CERTIFIED MAIL (7005 1820 0002 2095 9666)
RETURN RECEIPT REQUESTED

ENERGY PARTNERS OF DELAWARE, LTD.

c/o C T Corporation System
Agent for Service of Process
5615 Corporate Blvd., Ste. 400B
Baton Rouge, LA 70808

**RE: AMENDED CONSOLIDATED COMPLIANCE ORDER &
NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-CN-11-00570A
AGENCY INTEREST NO. 23741**

Dear Sir(s):

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

Any questions concerning this action should be directed to Richard LeBlanc at (225) 219-3165.

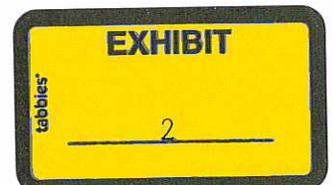
Sincerely,

A handwritten signature in black ink, appearing to read "Celena J. Cage".

Celena J. Cage
Administrator
Enforcement Division

CJC/RDL/rdl
Alt ID No. 2240-00145
Attachment

c: East Bay Central Facility
c/o Mike Francis
201 St. Charles Ave., Ste. 3400
New Orleans, LA 70170



STATE OF LOUISIANA
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

IN THE MATTER OF	*	
	*	
ENERGY PARTNERS OF DELAWARE, LTD.	*	ENFORCEMENT TRACKING NO.
PLAQUEMINES PARISH	*	
ALT ID NO. 2240-00145	*	AE-CN-11-00570A
	*	
	*	AGENCY INTEREST NO.
	*	
PROCEEDINGS UNDER THE LOUISIANA	*	23741
ENVIRONMENTAL QUALITY ACT,	*	
La. R.S. 30:2001, ET SEQ.	*	

AMENDED CONSOLIDATED COMPLIANCE ORDER &
NOTICE OF POTENTIAL PENALTY

The Louisiana Department of Environmental Quality (the Department) hereby amends the **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY, ENFORCEMENT TRACKING NO. AE-CN-11-00570**, issued to **ENERGY PARTNERS OF DELAWARE, LTD. (RESPONDENT)** on June 28, 2013, in the above-captioned matter as follows:

I.

The Department hereby deletes subparagraphs II.B, II.E, II.S, II.T and II.U from the Findings of Fact portion of the Order.

II.

The Department hereby amends subparagraph II.C of the Findings of Fact portion of the Order to read as follows:

“C. On or about March 31, 2009, the Respondent submitted the facility’s 2008 Annual Compliance Certification to the Department. The certification stated that the Respondent installed equipment at the facility prior to receiving approval from the permitting authority. Specifically, the Respondent failed to submit a permit application prior to the installation of generator GEN-1, generator GEN-2, generator GEN-3 and generator GEN-4. The Respondent’s failure to submit a permit application and receive approval from the permitting authority for each equipment 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).”

III.

The Department hereby amends subparagraph II.H of the Findings of Fact portion of the Order to read as follows:

“H. On or about June 29, 2009, the Respondent submitted the facility’s 2008 Criteria & Toxic Air Pollutants Certification Statement. In the statement the Respondent reported volatile organic compound (VOC) emissions of 336.51 tons with a permit limit of 326.77 tons. The failure to operate under all terms and conditions of the permit is a violation of Title V Air Permit 2240-00145-V4, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and La. R.S. 30:2057(A)(2).”

IV.

The Department hereby deletes paragraph II from the Compliance Order portion of the Order.

V.

The Department hereby amends paragraph III of the Compliance Order portion of the Order to read as follows:

“To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, excess emissions reports as mentioned in subparagraph II.G of the Findings of Fact.”

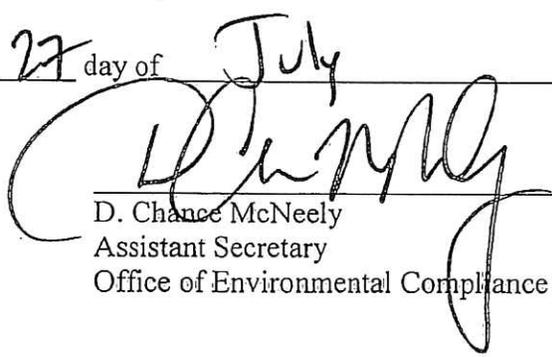
VI.

The Department incorporates all of the remainder of the original **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY, ENFORCEMENT TRACKING NO. AE-CN-11-00570**, and **AGENCY INTEREST NO. 23741** as if reiterated herein.

VII.

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

Baton Rouge, Louisiana, this 27 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
Post Office Box 4312
Baton Rouge, LA 70821-4312
Attention: Richard LeBlanc

BOBBY JINDAL
GOVERNOR



PEGGY M. HATCH
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

July 23, 2015

CERTIFIED MAIL (7005 1820 0002 2095 9703)
RETURN RECEIPT REQUESTED

EPL OIL & GAS, INC.
c/o C T Corporation System
Agent for Service of Process
5615 Corporate Blvd., Ste. 400B
Baton Rouge, LA 70808

**RE: CONSOLIDATED COMPLIANCE ORDER
& NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-CN-14-00942
AGENCY INTEREST NO. 23741**

Dear Sir(s):

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 **EPL OIL & GAS, INC. (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 Richard LeBlanc at (225) 219-3165.

Sincerely,


Celena J. Cage
Administrator
Enforcement Division

CJC/RDL/rdl
Alt ID No. 2240-00145
Attachment



c: EPL Oil & Gas, Inc.
201 St. Charles Ave., Ste. 3400
New Orleans, LA 70170

STATE OF LOUISIANA
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

IN THE MATTER OF	*	
	*	
EPL OIL & GAS, INC.	*	ENFORCEMENT TRACKING NO.
PLAQUEMINES PARISH	*	
ALT ID NO. 2240-00145	*	AE-CN-14-00942
	*	
PROCEEDINGS UNDER THE LOUISIANA	*	AGENCY INTEREST NO.
ENVIRONMENTAL QUALITY ACT,	*	
La. R.S. 30:2001, ET SEQ.	*	23741

CONSOLIDATED
COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY

The following **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is issued to **EPL OIL & GAS, INC. (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 East Bay Central Facility (facility), an existing oil and gas processing facility, located at 184 Chevron Road in Burrwood, Plaquemines Parish, Louisiana. The facility operated under Title V Air Permit No. 2240-00145-V5 issued on January 20, 2011, which was modified and Title V Air Permit No. 2240-00145-V6 was issued on February 28, 2012. The facility currently operates under Title V Air Permit No. 2240-00145-V7 issued on December 13, 2012, which was administratively amended on September 4, 2014.

II.

On or about March 25, 2014, the Department conducted an inspection at the facility to determine compliance with the Air Quality Regulations. Additionally, the Department conducted file reviews for the facility on or about November 5, 2014, and May 13, 2015.

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

- A. During the inspection the Department's inspector observed a leak at the flange on the glycol regenerator-burner stack that services EQT0069, EQT0070 and EQT0071 as evidenced by the presence of steam. The equipment is designed to control emissions of benzene, toluene, ethylbenzene and xylene. This is a violation of LAC 33:III.905.A, which states that "when facilities have been installed on a property, they shall be used and diligently maintained in proper working order whenever any emissions are being made which can be controlled by the facilities." This is also a violation of Title V Air Permit No. 2240-00145-V7 Louisiana General Condition I, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- B. On or about April 10, 2014, the Respondent submitted by electronic mail a stack test summary for the facility. The summary included the following instances where stack tests were not completed in violation of the listed permit requirements (respectively):

ID No.	Monitoring Period	Pollutant	Permit No.	Specific Requirement No.
EQT0001	2011 1 st Semiannual	NOx, CO, O2	2240-00145-V5	98, 100, 102
	2011 2 nd Semiannual	NOx, CO, O2	2240-00145-V5	98, 100, 102
EQT0002	2011 1 st Semiannual	NOx, CO, O2	2240-00145-V5	98, 100, 102
	2011 2 nd Semiannual	NOx, CO, O2	2240-00145-V5	98, 100, 102
EQT0007	2011 1 st Semiannual	O2, CO, NOx	2240-00145-V5	108, 109, 110
	2011 2 nd Semiannual	O2, CO, NOx	2240-00145-V5	108, 109, 110
EQT0009	2012 1 st Semiannual	NOx, CO, O2	2240-00145-V6	98, 101, 103
	2012 2 nd Semiannual	NOx, CO, O2	2240-00145-V6	98, 101, 103
	2013 1 st Semiannual	CO, O2, NOx	2240-00145-V7	88, 89, 91
EQT0010	2013 1 st Semiannual	CO, O2, NOx	2240-00145-V7	88, 89, 91
EQT0015	2013 1 st Semiannual	-	2240-00145-V7	-
	2013 2 nd Semiannual	-	2240-00145-V7	-

Each failure to analyze stack gas concentrations for each equipment and parameter is also a violation of LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2). Additionally, the Respondent failed to report these violations in Title V Semiannual Monitoring Reports and Title V Annual Compliance Certifications. Each failure to clearly identify all instances of deviation from permitted monitoring requirements at least semiannually is a violation of 40 CFR Part 70 General Condition K of the valid Title V permit for that monitoring period, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2). Each failure to identify the deviations in annual compliance

certifications is a violation of 40 CFR Part 70 General Condition M of the valid Title V permit for that monitoring period, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).

- C. In the facility's 2012 1st Semiannual Monitoring Report, the Respondent reported that pipeline pump engine 134-12-ICE-ES was installed at the facility prior to receiving approval from the permitting authority. Specifically, the engine was installed on or about March 29, 2012, but was not approved until being included as EQT0076 in Title V Air Permit No. 2240-00145-V7 on December 13, 2012. The Respondent's 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). Additionally, operation of the engine without an air permit is a violation of LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1) and 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, including, but not limited to, conducting stack gas concentration analyses and LAC 33:III.905.A.

II.

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: Richard LeBlanc
Re: Enforcement Tracking No. AE-CN-14-00942
Agency Interest No. 23741

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-14-00942
Agency Interest No. 23741

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 Richard LeBlanc at (225) 219-3165 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 23 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: Richard LeBlanc