

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

LOUISIANA MIDSTREAM GAS SERVICES,
L.L.C.

AI # 165400, 168549

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

* Settlement Tracking No.
* SA-AE-19-0092
*
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* Enforcement Tracking No.
* AE-CN-15-00872
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SETTLEMENT

The following Settlement is hereby agreed to between Louisiana Midstream Gas Services, L.L.C. (“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 oil and natural gas processing facilities located in DeSoto Parish, Louisiana (“the Facilities”).

II

On February 23, 2017, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-15-00872 (Exhibit 1).

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 THIRTY-ONE THOUSAND AND NO/100 DOLLARS (\$31,000.00), of which Eight Hundred Ninety-Seven and 80/100 Dollars (\$897.80) 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 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 DeSoto 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.

LOUISIANA MIDSTREAM GAS SERVICES, L.L.C.

BY: Robert Evers
(Signature)

Robert Evers
(Printed)

TITLE: Manager of operations, Sr

THUS DONE AND SIGNED in duplicate original before me this 16 day of JANUARY, 20 20, at 11:25 AM.

Phillip Lynn Deaton
NOTARY PUBLIC (ID # 41913)

Phillip Lynn Deaton
Notary Public
(stamped or printed)
Caddo Parish, Louisiana
Life Commission #41913

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 10th day of March, 20 20, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 19181)

Perry Theriot
(stamped or printed)

Approved: [Signature]
Lourdes Iturralde, Assistant Secretary



JOHN BEL EDWARDS
GOVERNOR

CHUCK CARR BROWN, PH.D.
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

February 23, 2017

CERTIFIED MAIL (7004 2510 0006 3854 1365)
RETURN RECEIPT REQUESTED

LOUISIANA MIDSTREAM GAS SERVICES, L.L.C.
c/o C T Corporation System
Agent for Service of Process
3867 Plaza Tower Drive
Baton Rouge, LA 70816

**RE: CONSOLIDATED COMPLIANCE ORDER
& NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-CN-15-00872
AGENCY INTEREST NOS. 165400 & 168549**

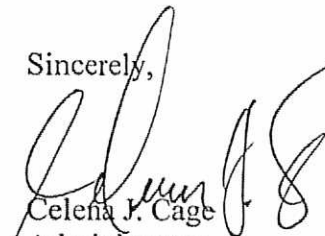
Dear Sir:

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 **LOUISIANA MIDSTREAM GAS SERVICES, L.L.C. (RESPONDENT)** for the violation(s) described therein.

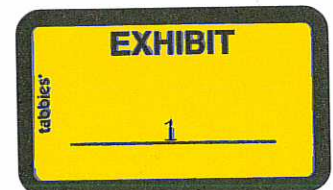
Compliance is expected within the maximum time period established by each part of the **COMPLIANCE ORDER**. The violation(s) cited in the **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** could result in the issuance of a civil penalty or other appropriate legal actions.

Any questions concerning this action should be directed to Antoinette Cobb at (225) 219-3072 or via email at antoinette.cobb@la.gov.

Sincerely,


Celeña J. Cage
Administrator
Enforcement Division

CJC/AFC/afc
Alt ID Nos. 0760-01133; 0760-01253
Attachment



c: Louisiana Midstream Gas Services, L.L.C.
c/o Mr. Jason Sarakatsannis, General Manager
P. O. Box 54915
Oklahoma City, OK 73154

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

<p>IN THE MATTER OF</p> <p>LOUISIANA MIDSTREAM GAS SERVICES, L.L.C.</p> <p>DESOTO PARISH</p> <p>ALT ID NOS. 0760-01133; 0760-01253</p> <p>PROCEEDINGS UNDER THE LOUISIANA ENVIRONMENTAL QUALITY ACT, La. R.S. 30:2001, ET SEQ.</p>	<p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p>	<p>ENFORCEMENT TRACKING NO.</p> <p style="text-align: center;">AE-CN-15-00872</p> <p>AGENCY INTEREST NOS.</p> <p style="text-align: center;">165400 & 168549</p>
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CONSOLIDATED
COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY

The following **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is issued to **LOUISIANA MIDSTREAM GAS SERVICES, L.L.C. (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 North DeSoto Central Facility (Agency Interest No. 165400), an oil and natural gas processing facility, located at 1679 Gravel Road in Frierson, DeSoto Parish, Louisiana. The facility operates or has operated under the authority of the following permits:

PERMIT NO.	ISSUE DATE
0760-01133-V3	10/30/2015
0760-01133-V2	04/17/2014
0760-01133-V1	04/13/2012
0760-01133-V0	01/11/2011

PERMIT NO.	ISSUE DATE
0760-01133-01	08/09/2010
0760-01133-00	07/23/2009

II.

On or about December 22, 2016, a file review of the Respondent's facility was conducted to determine the degree of compliance with the Act, the Air Quality Regulations, and all applicable permits. While the Department's review is not complete, the following violations were noted during the course of the file review:

- A. In the 2011 Second Semiannual Monitoring and Deviation Report dated March 30, 2012, the Respondent reported VENT-C and VENT-D Amine Regenerator Vents (EQT 0055 and EQT 0056) exceeded the hydrogen sulfide (H₂S) maximum hourly limit. Both vents have a H₂S maximum hourly permit limit of 1.12 lb/hr. The following table lists the dates and quantities for EQT 0055 and 0056.

INCIDENT DATE	TOTAL PERMITTED LIMIT FOR BOTH VENTS (LB/HR)	EMISSIONS REPORTED
07/03/2011	2.24	3.77
07/04/2011	2.24	4.91
07/07/2011	2.24	8.51
07/08/2011	2.24	4.89
07/12/2011	2.24	4.90
07/13/2011	2.24	3.23
07/14/2011	2.24	3.54
07/17/2011	2.24	4.04
07/18/2011	2.24	3.78
07/20/2011	2.24	3.04
07/26/2011	2.24	5.08
07/28/2011	2.24	6.51

INCIDENT DATE	TOTAL PERMITTED EMISSIONS (lb/hr)	EMISSIONS REPORTED
07/29/2011	2.24	7.82
07/30/2011	2.24	3.79
08/04/2011	2.24	4.55
08/06/2011	2.24	2.31
08/09/2011	2.24	4.17
08/10/2011	2.24	4.39
08/12/2011	2.24	2.88
08/14/2011	2.24	3.20
08/17/2011	2.24	3.84
08/18/2011	2.24	5.45
08/21/2011	2.24	3.75
08/22/2011	2.24	7.68
08/23/2011	2.24	2.68
08/24/2011	2.24	6.32
08/25/2011	2.24	5.09
08/26/2011	2.24	7.24
08/28/2011	2.24	2.88
08/29/2011	2.24	3.36
08/30/2011	2.24	3.83
09/01/2011	2.24	2.63
09/05/2011	2.24	11.15

INCIDENT DATE	TOTAL PERMITTED AMOUNT OF EMISSIONS (lb/hr)	EMISSIONS REPORTED
09/06/2011	2.24	7.44
09/07/2011	2.24	2.58
09/08/2011	2.24	2.56
09/09/2011	2.24	3.83
09/10/2011	2.24	8.46
09/12/2011	2.24	3.11
09/13/2011	2.24	2.62
09/15/2011	2.24	7.94
09/18/2011	2.24	12.82
09/20/2011	2.24	2.98
09/21/2011	2.24	5.54
09/22/2011	2.24	2.31
09/25/2011	2.24	2.61
09/26/2011	2.24	3.77
09/27/2011	2.24	9.46
09/28/2011	2.24	8.18
09/30/2011	2.24	5.81
10/01/2011	2.24	8.71
10/02/2011	2.24	6.06
10/03/2011	2.24	6.69
10/04/2011	2.24	2.57

INCIDENT DATE	TOTAL PERMITTED LIMIT FOR BOTH VENTS (lb/hr)	EMISSIONS REPORTED
10/05/2011	2.24	5.31
10/06/2011	2.24	4.00
10/07/2011	2.24	7.26
10/14/2011	2.24	3.48
10/15/2011	2.24	2.56
10/18/2011	2.24	2.31

Each emission exceedance is a violation of Title V Permit No. 0760-01133-V0, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

- B. The Respondent submitted Regulatory Permit Notification Forms-Release of Natural Gas dated November 18, 2014, and November 19, 2014, to the Department. The Regulatory Permit for Release of Natural Gas was issued on December 2, 2014, with a sixty (60) day effective period. Pursuant to LAC 33:III.309.H, the Respondent was required to submit a follow up report detailing the metering, purging, or maintenance operation detailing actual date of the release, the actual volumes released, and the actual criteria pollutant and TAP emissions associated with the operation. To date, the Department has no record of receiving the follow up report. Failure to submit the report within thirty (30) days after completion of the metering, purging, or maintenance operation is a violation of LAC 33:III.309.H, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

III.

In the 2016 First Semiannual Monitoring Report dated September 21, 2016, the Respondent reported the following deviations:

	PERMIT NUMBER	EMISSION POINT	INCIDENT DATE (duration)	POLLUTANTS INVOLVED	DEVIATION	TOTAL PERMITTED LIMIT FOR BOTH VENTS (lb/hr)
A.	0760-01133-V3	EQT 0055 VENT-C Amine Regenerator Vent	03/29/2016 (24 hours)	H ₂ S	A scavenger pump malfunction on 03/29/2016 caused operations personnel at the facility to use decreased volumes of H ₂ S scavenger injection. Decreased H ₂ S scavenger directly led to the increase	2.24
		EQT 0056 VENT-D Amine Regenerator Vent				

	PERMIT NUMBER	EMISSION POINT	INCIDENT DATE (duration)	POLLUTANTS INVOLVED	DEVIATION	TOTAL PERMITTED LIMIT FOR BOTH VENTS (lb/hr)
					in H ₂ S emissions at the vents. H ₂ S emissions at the vents on this dated were calculated to be 2.36 lb/hr.	
B.	0760-01133-V3	EQT 0055 VENT-C Amine Regenerator Vent	04/23/2016 (24 hours)	H ₂ S	A scavenger pump malfunction on 04/23/2016 caused operations personnel at the facility to use decreased volumes of H ₂ S scavenger injection. Decreased H ₂ S scavenger directly led to the increase in H ₂ S emissions at the vents. H ₂ S emissions at the vents on this dated were calculated to be 2.26 lb/hr.	2.24
		EQT 0056 VENT-D Amine Regenerator Vent				

IV.

The Respondent owns and/or operates Converse Central Facility (Agency Interest No. 168549), an oil and natural gas processing facility, located at 4513 Louisiana Highway 513 in Mansfield, DeSoto Parish, Louisiana. The facility operates or has operated under the authority of the following permits:

PERMIT NO.	ISSUE DATE
0760-01253-V2	05/13/2016
0760-01253-V1	04/17/2014
0760-01253-V0	08/17/2011
0760-01253-01	03/22/2011
0760-01253-00	07/28/2010

V.

On or about December 22, 2016, a file review of the Respondent's facility was conducted to determine the degree of compliance with the Act, the Air Quality Regulations, and all applicable permits. While the Department's review is not complete, the following violations were noted during the course of the file review:

- A. In the 2011 Second Semiannual Monitoring and Deviation Report dated March 30, 2012, the Respondent reported visible emissions were not monitored continuously by visual inspection/determination during process upset events for FL-1 Flare (Acid Gas Flare) and FL-2 Flare (Atmospheric Tank Flare) (CRG 005-EQT 0023 and 0037) due to short event durations and staffing limitations on the following dates:

INCIDENT DATE	TIME (minutes)	REPORTED CAUSE OF THE UPSET
08/17/2011	20	Amine plant upset
08/20/2011	8	Slug catcher dumping and plant upset
08/23/2011	450	Loss of purchase power
08/25/2011	240	Received pig and lo-cat down due to blown fuse
09/07/2011	10	Over pressure to lo-cat
09/08/2011	20	Liquid dumping and lo-cat overpressure
09/16/2011	10	Over pressure to lo-cat
09/19/2011	10	Liquid dumping and lo-cat overpressure
09/22/2011	8	Amine plant upset
09/23/2011	17	Amine plant upset
09/24/2011	9	Amine plant upset
09/26/2011	8	Amine plant upset
09/27/2011	9	Amine plant upset
09/28/2011	27	Lo-cat down (test MCC2-generators)
09/30/2011	11	Amine plant upset
10/03/2011	6	Amine plant upset
10/05/2011	4	Amine plant upset
10/06/2011	11	Amine plant upset
10/07/2011	4	Amine plant upset
10/08/2011	5	Amine plant upset
10/09/2011	13	Amine plant upset
10/10/2011	11	Amine plant upset

INCIDENT DATE	TIME (minutes)	REPORTED CAUSE OF THE UPSET
10/11/2011	9	Amine plant upset and received pig
10/13/2011	4	Amine plant upset
10/15/2011	8	Amine plant upset
10/17/2011	70	Lost purchase power and liquids power
11/03/2011	6	Amine plant upset and received pig
11/17/2011	15	Amine plant upset
11/27/2011	27	Over pressure to lo-cat
12/01/2011	3	Amine plant upset and received
12/08/2011	22	Amine plant upset
12/25/2011	6	Lost purchase power

Each failure to continuously monitor visible emissions by visual inspection/determination during a process upset is a violation of Specific Requirement 24 of Title V Permit No. 0760-01253-V0, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

- B. In the 2012 First Semiannual Monitoring and Deviation Report dated September 28, 2012, the Respondent reported visible emissions were not monitored continuously by visual inspection/determination during process upset events for the FL-1 Flare (Acid Gas Flare) and FL-2 Flare (Atmospheric Tank Flare) (CRG 005-EQT 0023 and 0037) on the following dates:

INCIDENT DATE	TIME (minutes)	REPORTED CAUSE
01/03/2012	65	Amine plant upset
01/06/2012	134	Amine plant upset
01/19/2012	137	ESD Test Lo-cat down
01/22/2012	22	Plant shutdown due to power failure
01/25/2012	15	Amine plant upset

INCIDENT DATE	TIME (minutes)	REPORTED CAUSE
02/06/2012	44	Amine plant upset
02/15/2012	13	Amine plant upset
02/19/2012	16	Amine plant upset
02/21/2012	96	Amine plant upset
02/22/2012	158	Amine plant upset
02/23/2012	16	Amine plant upset
04/08/2012	1	Amine plant upset
06/02/2012	1	Amine plant upset
06/12/2012	6	Amine plant upset

Each failure to continuously monitor visible emissions by visual inspection/determination during a process upset is a violation of Specific Requirement 24 of Title V Permit No. 0760-01253-V0, 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 all applicable permits.

II.

To submit to the Office of Environmental Services, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, the follow up report for the metering, purging, or maintenance operation that occurred under the authority of the Regulatory Permit for Release of Natural Gas issued to the Respondent on December 2, 2014, as described in Paragraph II.B. of the **FINDINGS OF FACT** portion of the action. The report should include all sections outlined in LAC 33:III.309.H.1-3. A copy of the report should be submitted to the Enforcement Division.

III.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a written report describing the root cause(s) and corrective action(s) taken for the deviations reported in Paragraph III.A-B of the **FINDINGS OF FACT** portion of the action.

IV.

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 violation(s) 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: Antoinette Cobb
Re: Enforcement Tracking No. AE-CN-15-00872
Agency Interest Nos. 165400 & 168549

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-15-00872
Agency Interest Nos. 165400 & 168549

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 Antoinette Cobb at (225) 219-3072 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. If the Respondent chooses not to submit the requested most current annual gross revenues statement within ten (10) days, it will be viewed by the Department as an admission that the Respondent has the ability to pay the statutory maximum penalty as outlined in La. R.S. 30:2025.

IV.

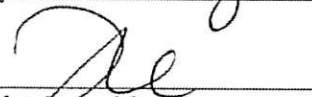
The Department assesses civil penalties based on LAC 33:I.Subpart1.Chapter7. To expedite closure of this **NOTICE OF POTENTIAL PENALTY** portion, the Respondent may offer a settlement amount to resolve any claim for civil penalties for the violation(s) described herein. The Respondent may offer a settlement amount, but the Department is under no obligation to enter into settlement negotiations. The decision to proceed with a settlement is at the discretion of the Department. The settlement offer amount may be entered on the attached "**CONSOLIDATED COMPLIANCE ORDER AND NOTICE OF POTENTIAL PENALTY REQUEST TO CLOSE**" form. The Respondent must include a justification of the offer. **DO NOT** submit payment of the offer amount with

the form. The Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.

V.

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

Baton Rouge, Louisiana, this 23rd day of February, 2017.



Lourdes Aturalde
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: Antoinette Cobb

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
 OFFICE OF ENVIRONMENTAL COMPLIANCE
 ENFORCEMENT DIVISION CONSOLIDATED COMPLIANCE ORDER &
 POST OFFICE BOX 4312 NOTICE OF POTENTIAL PENALTY
 BATON ROUGE, LOUISIANA 70821-4312 REQUEST TO CLOSE



Enforcement Tracking No.	AE-CN-15-00872	Contact Name	Antoinette Cobb
Agency Interest (AI) Nos.	165400, 168549	Contact Phone No.	(225) 219-3072
Alternate ID Nos.	0760-01133, 0760-01253		
Respondent:	LOUISIANA MIDSTREAM GAS SERVICES, L.L.C.	Facility Names:	1) North DeSoto Central Facility (AI 165400) 2) Converse Central Facility (AI 168549)
	c/o C T Corporation System Agent for Service of Process	Physical Locations:	1) 1679 Gravel Road 2) 4513 Louisiana Highway 513
	3867 Plaza Tower Drive	City, State, Zip:	1) Frierson, LA 71027 2) Mansfield, LA 71052
	Baton Rouge, LA 70816	Parish:	DeSoto

STATEMENT OF COMPLIANCE

STATEMENT OF COMPLIANCE	Date Completed	Copy Attached?
A written report was submitted in accordance with Paragraph IV of the "Order" portion of the COMPLIANCE ORDER.		
All necessary documents were submitted to the Department within 30 days of receipt of the COMPLIANCE ORDER in accordance with Paragraph(s) II-III of the "Order" portion of the COMPLIANCE ORDER.		
All necessary documents were submitted to the Department within 45 days of receipt of the COMPLIANCE ORDER in accordance with Paragraph(s) of the "Order" portion of the COMPLIANCE ORDER.		
All necessary documents were submitted to the Department within 90 days of receipt of the COMPLIANCE ORDER in accordance with Paragraph(s) of the "Order" portion of the COMPLIANCE ORDER.		
All items in the "Findings of Fact" portion of the COMPLIANCE ORDER were addressed and the facility is being operated to meet and maintain the requirements of the "Order" portion of the COMPLIANCE ORDER. Final compliance was achieved as of:		

SETTLEMENT OFFER (OPTIONAL)

(check the applicable option)

<input type="checkbox"/>	The Respondent is not interested in entering into settlement negotiations with the Department with the understanding that the Department has the right to assess civil penalties based on LAC 33:1.Subpart1.Chapter7.
<input type="checkbox"/>	In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY («Tracking_»), the Respondent is interested in entering into settlement negotiations with the Department and would like to set up a meeting to discuss settlement procedures.
<input type="checkbox"/>	In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY («Tracking_»), the Respondent is interested in entering into settlement negotiations with the Department and offers to pay \$_____ which shall include LDEQ enforcement costs and any monetary benefit of non-compliance. <ul style="list-style-type: none"> • Monetary component = \$_____ • Beneficial Environmental Project (BEP) component (optional)= \$_____ • DO NOT SUBMIT PAYMENT OF THE OFFER WITH THIS FORM- the Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.
<input type="checkbox"/>	The Respondent has reviewed the violations noted in NOTICE OF POTENTIAL PENALTY («Tracking_») and has attached a justification of its offer and a description of any BEPs if included in settlement offer.

CERTIFICATION STATEMENT

I certify, under provisions in Louisiana and United States law that provide criminal penalties for false statements, that based on information and belief formed after reasonable inquiry, the statements and information attached and the compliance statement above, are true, accurate, and complete. I also certify that I do not owe outstanding fees or penalties to the Department for this facility or any other facility I own or operate. I further certify that I am either the Respondent or an authorized representative of the Respondent.

Respondent's Signature	Respondent's Printed Name	Respondent's Title
Respondent's Physical Address	Respondent's Phone #	Date

MAIL COMPLETED DOCUMENT TO THE ADDRESS BELOW:

Louisiana Department of Environmental Quality
 Office of Environmental Compliance
 Enforcement Division
 P.O. Box 4312
 Baton Rouge, LA 70821
 Attn: Antoinette Cobb