

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

MARQUIS RESOURCES, LLC

AI # 18665, et al.

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

\* Settlement Tracking No.  
\* SA-WE-19-0101  
\*  
\* Enforcement Tracking Nos.  
\* MM-PP-17-00440  
\* MM-PP-17-00440A  
\*  
\*  
\*  
\*  
\*

SETTLEMENT

The following Settlement is hereby agreed to between Marquis Resources, 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 facilities located in Lafourche Parish, Cameron Parish, St. Mary Parish, and Plaquemines Parish, Louisiana (“the Facilities”).

II

On December 21, 2018, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. MM-PP-17-00440 (Exhibit 1).

On August 13, 2019, the Department issued to Respondent an Amended Notice of Potential Penalty, Enforcement No. MM-PP-17-00440A (Exhibit 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 THREE THOUSAND NINE HUNDRED AND NO/100 DOLLARS (\$3,900.00), of which Five Hundred and Thirty-Three and 30/100 Dollars (\$533.30) 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 Notice of Potential Penalty, the Amended 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 Lafourche Parish, Cameron Parish, St. Mary Parish, and 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.



MARQUIS RESOURCES, LLC

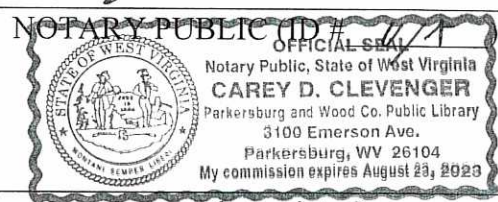
BY: Rod Baker  
(Signature)

Rod Baker  
(Printed)

TITLE: Production Mgr.

THUS DONE AND SIGNED in duplicate original before me this 29<sup>th</sup> day of June, 20 20, at Parkersburg, WV.

[Signature]



(stamped or printed)

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

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

THUS DONE AND SIGNED in duplicate original before me this 14<sup>th</sup> day of September, 20 20, at Baton Rouge, Louisiana.

[Signature]

NOTARY PUBLIC (ID # 92803)

Amber Gremillion Lifenield  
(stamped or printed)

Approved: [Signature]  
Loures Iturralde, Assistant Secretary

JOHN BEL EDWARDS  
GOVERNOR



CHUCK CARR BROWN, PH.D.  
SECRETARY

State of Louisiana  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
OFFICE OF ENVIRONMENTAL COMPLIANCE

December 21, 2018

CERTIFIED MAIL (7016 2140 0000 5132 9915)  
RETURN RECEIPT REQUESTED

**MARQUIS RESOURCES, LLC**  
c/o City Corporation System  
Agent for Service of Process  
3867 Plaza Tower Drive  
Baton Rouge, LA 70816

**RE: NOTICE OF POTENTIAL PENALTY  
ENFORCEMENT TRACKING NO. MM-PP-17-00440  
AGENCY INTEREST NOS. Multiple (See Attachment A)**

Dear Sir/Madam:

On or about December 5, 2018, file reviews of the facilities listed in attachment A, owned and/or operated by **MARQUIS RESOURCES, LLC (RESPONDENT)**, were performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Air Quality Regulations.

While the investigation by the Louisiana Department of Environmental Quality (the Department) is not yet complete, the following violations were noted during the course of the file reviews:

- A. The Respondent became the owner/operator of the facilities listed in Attachment A on March 1, 2017. The Respondent submitted a Notification of Change Form (NOC-1) to the Department on or about April 17, 2017. Each failure to submit the NOC-1 and associated documentation to the Department within forty-five (45) days after a change in ownership of a permitted facility is a violation of LAC 33:III.1907.B; LAC 33:III.517.G; and La. R.S. 30:2057(A)(2).
- B. The Respondent operated the facilities listed in Attachment A from March 1, 2017, through May 8, 2017 without permits. The permits were transferred on May 9, 2017. Each unauthorized operation of the facilities from the date of acquisition until the permits were transferred is a violation of LAC 33:III.501.C.2 and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).





- C. The Respondent failed to submit Discharge Monitoring Reports (DMRs) in a timely manner. Specifically, the Respondent is required to submit DMRs no later than the 28<sup>th</sup> day of the month following each quarterly and semiannual monitoring period. Each failure to submit a DMR in a timely manner is a violation of the facility's LAG330000 LPDES permit (Part I, Section C.6 and Part III, Section A.2), LAC 33:IX.2701.L.4, and La. R.S. 30:2076(A)(3).

DMRs Submitted Late	Agency Interest No. (AI#)
Fourth quarter 2017 and second semiannual 2017	18665, 18672, 31795, 32319, 32332, 32333, 32342, 40021, 87254, 134436, 134464, 148752, 167753, 174447, 177509, 203149
Fourth quarter 2017	203146
Second semiannual 2017	147125

- D. The Respondent caused and/or allowed the unauthorized discharge of crude oil and produced water from the Leeville Battery #1 (AI# 18672) to waters of the state. Specifically, on or about June 5, 2018, the Respondent submitted written notification of a release that occurred on May 30, 2018. Five barrels of crude oil and an unknown amount of produced water reached an unnamed canal and nearby marsh. The Respondent secured the release and deployed booms at the site of discharge and along the impacted marsh grass. The report states personnel utilized flushing and pumping operations as well as absorbents to recover the released product from the unnamed canal and impacted marsh. The unauthorized discharge of crude oil and produced water to waters of the state is a violation of LAC 33:IX.1701.B, LAC 33:IX.708.C.2, and La. R.S. 30:2076(A)(3).

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.

Prior to the issuance of any additional appropriate enforcement action, 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 Dr. Jacqueline Prudente at (225) 219-3347 within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.

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 in order 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 violations 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 this 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.




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

The Department assesses civil penalties based on LAC 33:I.Subpart1.Chapter 7. To expedite closure of this **NOTICE OF POTENTIAL PENALTY**, 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 "**NOTICE OF POTENTIAL PENALTY REQUEST TO SETTLE**" 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.

To reduce document handling, please refer to the Enforcement Tracking Number and Agency Interest Number on the front of this document on all correspondence in response to this action.

Sincerely,



Lourdes Itturalde  
Assistant Secretary  
Office of Environmental Compliance

LI/JAP/tma  
Alt ID No. Multiple (See attachment A)

c: Marquis Resources, LLC  
Daniel P. Hurley  
400 East Kaliste Saloom Road, Suite 2600  
Lafayette, LA 70508



LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY  
OFFICE OF ENVIRONMENTAL COMPLIANCE

ENFORCEMENT DIVISION

POST OFFICE BOX 4312

BATON ROUGE, LOUISIANA 70821-4312

NOTICE OF POTENTIAL PENALTY  
REQUEST TO SETTLE (OPTIONAL)



Enforcement Tracking No.	MM-PP-17-00440	Contact Name	Dr. Jacqueline Prudente
Agency Interest (AI) No.	Multiple (See attachment A)	Contact Phone No.	(225) 219-3347
Alternate ID No.	Multiple (See attachment A)		
Respondent:	Marquis Resources, LLC	Facility Name:	Multiple (See attachment A)
	c/o CT Corporation System	Physical Location:	Multiple (See attachment A)
	Agent for Service of Process		
	3867 Plaza Tower Drive	City, State, Zip:	Multiple (See attachment A)
	Baton Rouge, LA 70816	Parish:	Multiple (See attachment A)

**SETTLEMENT OFFER (OPTIONAL)**

*(check the applicable option)*

- 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.
- In order to resolve any claim for civil penalties for the violations in **NOTICE OF POTENTIAL PENALTY** (MM-PP-17-00440), the Respondent is interested in entering into settlement negotiations with the Department and would like to set up a meeting to discuss settlement procedures.
- In order to resolve any claim for civil penalties for the violations in **NOTICE OF POTENTIAL PENALTY** (MM-PP-17-00440), 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.
- 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.
- The Respondent has reviewed the violations noted in **NOTICE OF POTENTIAL PENALTY** (MM-PP-17-0040) 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: Dr. Jacqueline Prudente



**Attachment A**  
**Marguis Resources, LLC**  
**Site and Permit Information**

AI #	Air Permit #	Water Permit #	New Facility Name	Previous Facility Name	Physical Location	Parish
18665	1560-00284-01	LAG33A931	Leeville Tank Battery #16	Leeville Tank Battery #16	3 miles E of Leeville, LA 70357	Lafourche
18672	N/A	LAG33A517	Leeville Tank Battery #1	Leeville Tank Battery #1	2 miles SW of Leeville, LA 70357	Lafourche
31795	0560-00071-04	LAG33A972	Grand Lake Production Facility-Grand Lake Field	Grand Lake Production Facility-Grand Lake Field	18 miles NE of Grand Cheniere, LA 70643	Cameron
32319	1560-00090-05	LAG33A518	Leeville Tank Battery #4	Leeville Tank Battery #4	8 miles S of Golden Meadow, LA 70357	Lafourche
32321	1560-00094-05	N/A	Leeville Compressor Station	Leeville Compressor Station	1 mile SW of Leeville, LA 70357	Lafourche
32332	1560-00108-05	LAG33A519	Leeville Tank Battery #6	Leeville Tank Battery #6	8 miles S of Golden Meadow, LA 70357	Lafourche
32333	1560-00109-06	LAG33A520	Leeville Tank Battery #7	Leeville Tank Battery #7	8 miles S of Golden Meadow, LA 70357	Lafourche
32342	1560-00125-01	LAG33A521	Leeville Tank Battery #9	Leeville Tank Battery #9	1.4 miles NE of Leeville, LA 70357	Lafourche
40021	N/A	LAG33A338	Bayou Sale Marin 1 Facility	Marin #1 Facility-Bayou Sale Field	0.5 mile N of Gordy, LA 70000	St. Mary
87254	2660-00240-03	LAG33A335	Bayou Sale Wooster Facility	Wooster Facility-Bayou Sale Field	11.5 miles SW of Centerville, LA 70522	St. Mary
114262	2660-00256-02	N/A	Bayou Sale Gates 1 Facility	RD Gates #1 Facility-Bayou Sale Field	1.5 miles N of Gordy, LA 70538	St. Mary
125858	0520-00344-06	N/A	Temple Inland 2-1 Production Facility	Temple Inland 2-1 Production Facility-DeQuincy Field	3.5 miles SW of Dequincy, LA 70633	Calcasieu
134436	N/A	LAG33A161	Bayou Sale Canal Bank & Trust	Bayou Sale Canal Bank & Trust	0.5 mile N of Gordy, LA 70000	St. Mary
134460	2660-00217-01	N/A	Bayou Sale Gates 2 Facility	Bayou Sale Gates 2 Facility	11 mile SW of Centerville, LA 70000	St. Mary
134464	N/A	LAG33A152	Bayou Sale B2 Facility	Bayou Sale B2 Facility	1.2 miles NE of Gordy, LA 70000	St. Mary
147125	1560-00250-03	LAG33A043	Leeville Tank Battery #11	Leeville Tank Battery #11	0.8 mile W of Louisiana Hwy 1, Leeville, LA 70357	Lafourche
147174	1560-00251-03	N/A	Lake Boef SW-Grand Coteau Facility	Lake Boef SW-Grand Coteau Facility	2.8 miles S of Lafourche, LA 70000	Lafourche



**Attachment A**  
**Marquis Resources, LLC**  
**Site and Permit Information**

AI #	Air Permit #	Water Permit #	New Facility Name	Previous Facility Name	Physical Location	Parish
148752	2660-00283-01	LAG33B177	Bayou Sale Central Facility Lacassine Refuge Central Facility	Bayou Sale Central Facility Lacassine Refuge Central Facility	11 miles SW of Centerville, LA 70522 29 miles NE of Cameron, LA 70631	St. Mary Cameron
165280	0560-00278-01	N/A	Diamond Field Facility	Diamond Field Facility	1.8 miles SW of Port Sulphur, LA 70083	Plaquemines
167753	2240-00402-02	LAG33B012	Bayou Ferblanc Allan 1 City of New Orleans 1	Bayou Ferblanc Allan 1 City of New Orleans 1	3.5 miles SE of Golden Meadow, LA 70357 1.4 miles NE of Golden Meadow, LA 70357	Lafourche Lafourche
174447	1560-00290-00	LAG33B081	Leeville	Leeville	2.78 miles SW of Leeville, LA 70357	Lafourche
177509	1560-00303-01	LAG33B035	Leeville Tank Battery #15 King Minerals, LLC A No. 1 Production Facility; Indian Village Field	Leeville Tank Battery #15 King Minerals, LLC A No. 1 Production Facility; Indian Village Field	7 miles NW of Fenton, LA 70648 1.2 miles WSW of Leeville, LA 70357	Jefferson Davis Lafourche
198469	1560-00319-00	LAG33B207	Leeville Tank Battery #14	Leeville Tank Battery #14	0.7 mile WSW of Leeville, LA 70357	Lafourche
201131	1360-00595-00	N/A	Leeville Tank Battery #12	Leeville Tank Battery #12		Lafourche
203146	N/A	LAG33B211				
203149	N/A	LAG33B206				

JOHN BEL EDWARDS  
GOVERNOR



CHUCK CARR BROWN, Ph.D.  
SECRETARY

**State of Louisiana**  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
OFFICE OF ENVIRONMENTAL COMPLIANCE

August 13, 2019

CERTIFIED MAIL (7016 0910 0000 2672 7507)  
RETURN RECEIPT REQUESTED

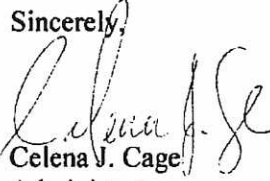
**MARQUIS RESOURCES, LLC**  
c/o C T Corporation System  
Agent for Service of Process  
3867 Plaza Tower Drive  
Baton Rouge, LA 70816

**RE: AMENDED NOTICE OF POTENTIAL PENALTY  
ENFORCEMENT TRACKING NO. MM-PP-17-00440A  
AGENCY INTEREST NOS. Multiple (See Attachment A)**

Dear Sir/Madam:

Pursuant to the Louisiana Environmental Quality Act (La. R.S. 30:2001, et seq.), the attached **AMENDED NOTICE OF POTENTIAL PENALTY** is hereby served on **MARQUIS RESOURCES, LLC (RESPONDENT)** for the violations described therein.

Any questions concerning this action should be directed to Dr. Jacqueline Prudente at (225) 219-3347 or [jacqueline.prudente@la.gov](mailto:jacqueline.prudente@la.gov).

Sincerely,  
  
Celena J. Cage  
Administrator  
Enforcement Division

CJC/JAP/jap  
Alt ID Nos. Multiple (See Attachment A)  
Attachment

c: Marquis Resources, LLC  
Daniel P. Hurley  
400 East Kaliste Saloom Road, Suite 2600  
Lafayette, LA 70508





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

<b>IN THE MATTER OF</b>	*	
	*	
<b>MARQUIS RESOURCES, LLC</b>	*	<b>ENFORCEMENT TRACKING NO.</b>
<b>MULTIPLE PARISHES (SEE ATTACHMENT A)</b>	*	
<b>ALT ID NOS. MULTIPLE</b>	*	<b>MM-PP-17-00440A</b>
<b>(SEE ATTACHMENT A)</b>	*	
	*	<b>AGENCY INTEREST NOS.</b>
	*	
<b>PROCEEDINGS UNDER THE LOUISIANA</b>	*	<b>MULTIPLE</b>
<b>ENVIRONMENTAL QUALITY ACT,</b>	*	<b>(SEE ATTACHMENT A)</b>
<b>La. R.S. 30:2001, ET SEQ.</b>	*	

**AMENDED NOTICE OF POTENTIAL PENALTY**

The Louisiana Department of Environmental Quality (the Department) hereby amends the **NOTICE OF POTENTIAL PENALTY, ENFORCEMENT TRACKING NO. MM-PP-17-00440** issued to **MARQUIS RESOURCES, LLC (RESPONDENT)** on December 21, 2018 in the above-captioned matter as follows:

I.

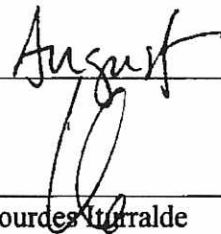
The Department hereby removes paragraphs A and B of the Notice of Potential Penalty, Enforcement Tracking No. MM-PP-17-00440.

The Department incorporates all of the remainder of the original **NOTICE OF POTENTIAL PENALTY, ENFORCEMENT TRACKING NO. MM-PP-17-00440** and **AGENCY INTEREST NOS. IN ATTACHMENT A** as if reiterated herein.

II.

This **AMENDED NOTICE OF POTENTIAL PENALTY** is effective upon receipt.

Baton Rouge, Louisiana, this 13<sup>th</sup> day of August, 2019.

  
\_\_\_\_\_  
Lourdes Urralde  
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: Dr. Jacqueline Prudente