STATE OF LOUISIANA
DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:
* Settlement Tracking No.
* SA-AE-20-0065

WILL-DRILL PRODUCTION COMPANY,
* Enforcement Tracking Nos.
INC.
* AE-PP-15-00323
* AE-PP-14-01138

AI # 186930, 32721, 32723, 32724, 32725, 88141,
88142, 135161, 147852, 147853, 147855, 147857,
147859, 147860, 147862, 187825, 184717

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

SETTLEMENT

The following Settlement is hereby agreed to between Will-Drill Production Company, Inc.
(“Respondent”) and the Department of Environmental Quality (“DEQ” or “the Department”), under

I

Respondent is a corporation that owned and/or operated facilities located in Beauregard
Parish and Pointe Coupee Parish, Louisiana (“the Facilities”).

II

On August 28, 2015, the Department issued to Respondent a Notice of Potential Penalty,
Enforcement No. AE-PP-15-00323 (Exhibit 1).

On September 11, 2015, the Department issued to Respondent a Notice of Potential Penalty,
Enforcement No. AE-PP-14-01138 (Exhibit 2).

The following violations, although not cited in the foregoing enforcement action(s), are
included within the scope of this settlement:
Columbia L & T 9 #1 Facility (AI# 184717)

The Respondent became the owner/operator of the aforementioned facility on December 1, 2014. The Respondent submitted a Notification of Change Form (NOC-1) to the Department on or about September 11, 2015, and additional information on September 21, 2015. The 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:I.1907.B; LAC 33:III.517.G; and La. R.S. 30:2057(A)(2).

The Respondent operated the aforementioned facility from December 1, 2014, through September 25, 2015. The unauthorized operation of the facility from the date of acquisition until the permit was transferred is a violation of LAC 33:III.501.C.2 and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

III

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

IV

Nonetheless, Respondent, without making any admission of liability under state or federal statute or regulation, agrees to pay, and the Department agrees to accept, a payment in the amount of TWELVE THOUSAND FIVE HUNDRED AND NO/100 DOLLARS ($12,500.00), of which One Thousand Forty-Six and 59/100 Dollars ($1,046.59) 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 Notices 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 Beauregard Parish and Pointe Coupee 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.
WILL-DRILL PRODUCTION COMPANY, INC.

BY: ________________________

(Signature)

Ernest L. Nix, Jr.

(Printed)

TITLE: President

THUS DONE AND SIGNED in duplicate original before me this 5th day of February, 2021, at Shreveport, Louisiana.

Cynthia S. Barker
NOTARY PUBLIC (ID #35584)

Cynthia S. Barker, Notary Public
Notary No. 35584
Bossier/Caddo Parish, Louisiana

My Commission is For life
(stamped or printed)

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

BY: ________________________

Lourdes Ituralde, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 23rd day of June, 2021, at Baton Rouge, Louisiana.

AMBER G. LITCHFIELD
Notary Public
State of Louisiana
Notary ID #92503
East Baton Rouge Parish

(stamped or printed)

Approved:

Lourdes Ituralde, Assistant Secretary

SA-AE-20-0065
CERTIFIED MAIL (7004 2510 0005 5753 7401)
RETURN RECEIPT REQUESTED

WILL-DRILL PRODUCTION COMPANY, INC.
c/o Ernest J. Nix, Jr.
Agent for Service of Process
416 Travis Street, Suite 1200
Shreveport, Louisiana 71101

RE: NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-PP-15-00323
AGENCY INTEREST NO. 186930

Dear Sir:

On or about March 23, 2015, an investigation of WILMA STUMP 9 #1 – LAKE SKINNER FIELD, an oil and gas facility, owned and/or operated by WILL-DRILL PRODUCTION COMPANY, INC. (RESPONDENT), was performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Air Quality Regulations. The facility is located 0.75 miles southwest of Bancroft in Beauregard Parish, Louisiana. The facility was previously owned and operated by Halcon Louisiana Operating, LP; however, the permit was transferred to Will-Drill Production Company, Inc. effective February 2, 2015. The facility currently operates under Permit No. 0320-00169 issued on or about May 28, 2013.

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 review:

A. According to the Name/Ownership Change Form (NOC-1 Form) received on October 28, 2014, the Respondent became the owner and/or operator of the facility on December 1, 2013. The Respondent's failure to submit a complete NOC-1 Form to the Department within 45 days after the ownership change is a violation of LAC 33:III.517.G, LAC 33:1.1907.B, and La. R.S. 30:2057(A)(2).

B. According to the NOC-1 Form received on October 28, 2014, the Respondent became the owner and/or operator of the facility on December 1, 2013. The permit transfer date was February 2, 2015. The unauthorized operation of the facility during the time
Notice of Potential Penalty
Will-Drill Production Company, Inc.

period of December 1, 2013 through February 1, 2015, is a violation of

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 Afton Bessix at (225) 219-3760 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.

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.

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,

D. Chance McNeely
Assistant Secretary
Office of Environmental Compliance

DCM/AJB/ajb
Alt ID No. 0320-00169
CERTIFIED MAIL (7004 2510 0006 3853 8860)  
RETURN RECEIPT REQUESTED

WILL-DRILL PRODUCTION COMPANY, INC.  
c/o Ernest J. Nix, Jr.  
Agent for Service of Process  
416 Travis Street, Suite 1200  
Shreveport, LA 71101

RE: NOTICE OF POTENTIAL PENALTY  
ENFORCEMENT TRACKING NO. AE-PP-14-01138  
AGENCY INTEREST NOS. 32721, 32723, 32724, 32725, 88141, 88142, 135161, 147852,  
147853, 147855, 147857, 147859, 147860, 147862, 187825

Dear Sir:

On or about February 26, 2015, a file review of the following facilities, owned and/or operated by WILL-DRILL PRODUCTION COMPANY, INC. (RESPONDENT), was performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Air Quality Regulations.

<table>
<thead>
<tr>
<th>AGENCY INTEREST NUMBER</th>
<th>FACILITY</th>
<th>LOCATION</th>
<th>PERMIT</th>
<th>ISSUE DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>32721</td>
<td>Bayou Grosse Tete David Barrow #1 Tank Battery</td>
<td>Five (5) miles south of U.S. Highway 190, one (1) mile east of Louisiana Highway 411 on Jack Torres Road, Livonia, Point Coupee Parish, LA</td>
<td>2260-00042-01</td>
<td>June 6, 2000</td>
</tr>
<tr>
<td>32723</td>
<td>Bellelo #1 Production Facility</td>
<td>5.2 miles west of Torbet, Point Coupee Parish, LA</td>
<td>2260-00045-02</td>
<td>August 14, 2012</td>
</tr>
<tr>
<td>32724</td>
<td>Bellelo #2 Production Facility</td>
<td>Off Louisiana Highway 978, 0.5 miles northwest of Torbet, Point Coupee Parish, LA 70000</td>
<td>2260-00046-02</td>
<td>August 14, 2012</td>
</tr>
</tbody>
</table>
## Notice of Potential Penalty
### Will-Drill Production Company, INC.

<table>
<thead>
<tr>
<th>AGENCY INTEREST NUMBER</th>
<th>FACILITY</th>
<th>LOCATION</th>
<th>PERMIT</th>
<th>ISSUE DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>32725</td>
<td>Marionneaux #1 Facility</td>
<td>Off Louisiana Highway 78, 2.5 miles northeast of Livonia, Point Coupee Parish, LA 70755</td>
<td>2260-00047-02</td>
<td>November 1, 2012</td>
</tr>
<tr>
<td>88141</td>
<td>Exxon Fee #1 Facility</td>
<td>U.S. Highway 190 in Torbet, Point Coupee Parish, LA 70781</td>
<td>2260-00049-02</td>
<td>August 15, 2012</td>
</tr>
<tr>
<td>88142</td>
<td>Pickett #1 Production Facility</td>
<td>U.S. Highway 190 in Torbet, Point Coupee Parish, LA 70781</td>
<td>2260-00148-02</td>
<td>July 30, 2012</td>
</tr>
<tr>
<td>135161</td>
<td>Freneaux #1 Production Facility</td>
<td>0.7 Miles Northeast of Torbet, Point Coupee Parish, LA 70000</td>
<td>2260-00083-01</td>
<td>August 15, 2012</td>
</tr>
<tr>
<td>147852</td>
<td>Gremillion #2 Tank Battery- Frisco Field</td>
<td>Off Louisiana Highway 978 2.5 miles northwest of Torbet, Point Coupee Parish, LA 70000</td>
<td>2260-00090-01</td>
<td>August 15, 2012</td>
</tr>
<tr>
<td>147853</td>
<td>Laycock &amp; Beal et al #2 SWD Facility – Frisco Field</td>
<td>Off Louisiana Highway 978 1.25 miles northwest of Torbet, Point Coupee Parish, LA 70000</td>
<td>2260-00091-01</td>
<td>September 5, 2012</td>
</tr>
<tr>
<td>147855</td>
<td>Delambre et al #3 Tank Battery – Frisco Field</td>
<td>Two (2) miles northwest of Torbet, Point Coupee Parish, LA 70000</td>
<td>2260-00093-01</td>
<td>August 14, 2012</td>
</tr>
<tr>
<td>147857</td>
<td>Humble Fee #7 Tank Battery – Frisco Field</td>
<td>Off Louisiana Highway 978 one (1) mile northwest of Torbet, Point Coupee Parish, LA 70000</td>
<td>2260-00095-01</td>
<td>September 5, 2012</td>
</tr>
<tr>
<td>147859</td>
<td>C F Beuvais #1 Tank Battery – Frisco Field</td>
<td>Off Louisiana Highway 978 two (2) miles northwest of Torbet, Point Coupee Parish, LA</td>
<td>2260-00097-01</td>
<td>August 10, 2012</td>
</tr>
<tr>
<td>147860</td>
<td>Martin #1-D Tank Battery – Frisco Field</td>
<td>On Louisiana Highway 979 2.5 miles northwest of Torbet, Point Coupee Parish, LA 70000</td>
<td>2260-00098-01</td>
<td>September 12, 2012</td>
</tr>
<tr>
<td>147862</td>
<td>Ivy Henry et al #1 Tank Battery – Frisco Field</td>
<td>On Louisiana Highway 979 two (2) miles northwest of Torbet, Point Coupee Parish, LA 70000</td>
<td>2260-00100-01</td>
<td>September 5, 2012</td>
</tr>
</tbody>
</table>
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Will-Drill Production Company, INC.  
Page 3

<table>
<thead>
<tr>
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<th>LOCATION</th>
<th>PERMIT</th>
<th>ISSUE DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>187825</td>
<td>Indigo II Operating LLC 3 #1</td>
<td>0.87 miles outside of Bancroft, Beauregard Parish, LA 70700</td>
<td>0320-00171-00</td>
<td>July 29, 2013</td>
</tr>
</tbody>
</table>

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 review:

A. The Respondent became the owner of the aforementioned facilities on December 01, 2013. The Respondent submitted a Notification of Change Form (NOC-1) to the Department on or about September 16, 2014. 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 33:1.1907.B; LAC 33:III.517.G; and La. R.S. 30:2057(A)(2).

B. The Respondent operated the aforementioned facilities from December 1, 2013, through October 10, 2014. The unauthorized operation of the facilities from the date of acquisition until the permit was transferred on October 10, 2014 is a violation of LAC 33:III.501.C.2 and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

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 David Seymour at 225-219-3138 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.

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.
Notice of Potential Penalty
Will-Drill Production Company, INC.
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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,

D. Chance McNeely
Assistant Secretary
Office of Environmental Compliance

DCM/DGS/dgs
Alt ID Nos. 2260-00042-01, 2260-00045-02, 2260-00046-02, 2260-00047-02, 2260-00049-02,
2260-00148-02, 2260-00083-01, 2260-00090-01, 2260-00091-01, 2260-00093-01, 2260-00095-01,
2260-00097-01, 2260-00098-01, 2260-00160-01, 0320-00171-00

c: Will-Drill Production Company, INC.
c/o Bret Hardcastle
416 Travis Street, Suite 1200
Shreveport, LA 71101