STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF: * Settlement Tracking No.

SA-AE-20-0091

BISON ENERGY PARTNERS, LLC

* Enforcement Tracking No.

AI # 83902 * AE-PP-15-00392

*

PROCEEDINGS UNDER THE LOUISIANA ENVIRONMENTAL QUALITY ACT

LA. R.S. 30:2001, <u>ET SEQ.</u>

SETTLEMENT

The following Settlement is hereby agreed to between Bison Energy Partners, 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 owned and/or operated a condensate/crude oil and natural gas production facility located in Plaquemines Parish, Louisiana ("the Facility").

II

On August 28, 2015, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. AE-PP-15-00392 (Exhibit 1).

Ш

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 THREE HUNDRED AND NO/100 DOLLARS (\$3,300.00), of which Three Hundred Sixty-Eight and 89/100 Dollars (\$368.89) 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 permit record(s), the 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 over a period of twelve (12) months in the amount of \$275.00 per month. The first 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).

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.

	BISON ENERGY PARTNERS, LLC
*	11111111
E	BY: / Ant Mariano
	(Signature)
	Robert A. Schroeder
	(Printed)
7	TITLE:Agent
THUS DONE AND SIGNED in duplicate original before me this 16th day of	
, 20 <u>21</u>	, atMandeville, LA
	NOTARY PUBLIC (ID #)
	E. C. Otillio, Jr. Notary Public Notary ID No. 78611 St. Tammany Parish (stamped or printed)
B	LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY Chuck Carr Brown, Ph.D., Secretary Lourdes Iturralde, Assistant Secretary Office of Environmental Compliance
THUS DONE AND SIGNED in duplic	cate original before me this day of at Baton Rouge, Louisiana.
Approved: Lourdes Hurralde, Assistant Secreta	AMBER G. LITCHFIELD Notary Public State of Louisiana Notary ID # 92503 East Baton Rouge Parish (stamped or printed)
Tobiotani Deelett	J

5

BOBBY JINDAL GOVERNOR



PEGGY M. HATCH
SECRETARY

State of Louisiana

DEPARTMENT OF ENVIRONMENTAL QUALITY OFFICE OF ENVIRONMENTAL COMPLIANCE

August 28, 2015



CERTIFIED MAIL 7004 2510 0006 3853 1908 RETURN RECEIPT REQUESTED

BISON ENERGY PARTNERS, LLC

c/o Robert A Schroeder Agent for Service of Process 68446 Tammany Trace, Suite 6 Mandeville, LA 70471

RE: NOTICE OF POTENTIAL PENALTY

ENFORCEMENT TRACKING NO. AE-PP-15-00392

AGENCY INTEREST NO. 83902

Dear Sir:

On or about April 14, 2015, a file review of MAIN PASS 32 SL 14441 NO. 1 FACILITY (the facility), a condensate/crude oil and natural gas production facility owned and/or operated by BISON ENERGY PARTNERS, LLC (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 approximately 13 miles northeast of Buras in Plaquemines Parish, Louisiana.

According to the Notification of Change Form (NOC-1) received by the Louisiana Department of Environmental Quality (the Department) on December 20, 2010, effective September 21, 2010, the new owner of the facility was Attic Investment, Inc. and the new operator was Poydras Energy Partners, LLC. Air Permit No. 2240-00302-02 was transferred to Poydras Energy Partners, LLC at this time. According to LPDES Notice of Intent to Discharge dated March 20, 2014, Poydras Energy Partners, LLC was the operator of the facility from September 15, 2010 to August 1, 2011. According to an email dated March 17, 2015, the effective date of transfer from Poydras to the Respondent was August 1, 2011. According to the NOC-1 received by the Department on March 16, 2015, the facility owner and operator was transferred from the Respondent to Poydras Energy Partners, LLC on February 1, 2015. The Department has no record of receiving a NOC-1 to transfer the owner, operator, or permit from Attic Investment, Inc. and Poydras Energy Partners, LLC to the Respondent.

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

Notice of Potential Penalty Bison Energy Partners, LLC Page 2

- A. The Respondent became the owner/operator of the aforementioned facility on August 1, 2011, and failed to submit a NOC-1 to the Department before transferring the facility ownership/operatorship on February 1, 2015. Failure to submit the NOC-1 and associated documentation to the Department within forty-five (45) days after a change in ownership/operatorship 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).
- B. The Respondent began operating the facility on August 1, 2011 and transferred ownership/operatorship on February 1, 2015. The Department has no record of the facility air permit being transferred from Poydras Energy Partners, LLC to the Respondent. The unauthorized operation of the facility for 1,280 days is a violation of LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1), and La. R.S. 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 Roy Andermann Jr. at 225.219.3169 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 Bison Energy Partners, LLC Page 3

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/RJA/rja Alt ID No. 2240-00302