

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

LOUISIANA MIDSTREAM GAS SERVICES,  
L.L.C.

AI # 165400

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

\* Settlement Tracking No.  
\* SA-AE-21-0055  
\*  
\* Enforcement Tracking No.  
\* AE-CN-20-00724  
\*  
\*  
\*  
\*  
\*

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 an oil and natural gas processing facility located in Frierson, DeSoto Parish, Louisiana (“the Facility”).

II

On October 22, 2020, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement Tracking No. AE-CN-20-00724 (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 THREE THOUSAND AND NO/100 DOLLARS (\$3,000.00), of which Four Hundred Eleven and 36/100 Dollars (\$411.36) 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

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: operations Manager, Sr

THUS DONE AND SIGNED in duplicate original before me this 10 day of December, 20 21, at Caddo Parish.

William Lance Fouts  
NOTARY PUBLIC (ID # 138509)



WILLIAM LANCE FOUTS  
Notary Public  
Notary ID No. 138509  
Caddo Parish, Louisiana  
My Commission is for life.

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

BY: Celeste J. Case  
Celeste J. Case, Assistant Secretary  
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 24<sup>th</sup> day of March, 20 22, at Baton Rouge, Louisiana.

Amber G. Litchfield  
NOTARY PUBLIC (ID # 92503)



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

(stamped or printed)

Approved: Lourdes Iturralde  
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

October 22, 2020

CERTIFIED MAIL (7019 2970 0000 6037 3084)  
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-20-00724  
AGENCY INTEREST NO. 165400**

Dear Sir/Madam:

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.

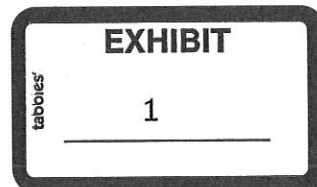
Compliance is expected within the maximum time period established by each part of the **COMPLIANCE ORDER**. The violation(s) cited in the **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** could result in the issuance of a civil penalty or other appropriate legal actions.

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

Sincerely,

Celenia J. Cage  
Administrator  
Enforcement Division

CJC/AFC/afc  
Alt ID No. 0760-01133  
Attachment



c: Louisiana Midstream Gas Services, L.L.C.  
North DeSoto Central Facility  
c/o Mr. Robert Evers, Senior Manager of Operations  
8051 Shreve Park Drive  
Shreveport, LA 71129

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

<p><b>IN THE MATTER OF</b></p> <p><b>LOUISIANA MIDSTREAM GAS SERVICES, L.L.C.</b></p> <p><b>DESOTO PARISH</b></p> <p><b>ALT ID NO. 0760-01133</b></p> <p><b>PROCEEDINGS UNDER THE LOUISIANA ENVIRONMENTAL QUALITY ACT, La. R.S. 30:2001, ET SEQ.</b></p>	<p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p>	<p><b>ENFORCEMENT TRACKING NO.</b></p> <p style="text-align: center;"><b>AE-CN-20-00724</b></p> <p><b>AGENCY INTEREST NO.</b></p> <p style="text-align: center;"><b>165400</b></p>
--	---	--

**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, 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 Title V Air Permits:

UNIT	PERMIT	ISSUE DATE	PERMIT EXPIRATION DATE
Facility	0760-01133-V4	01/30/2019	10/30/2020
	0760-01133-V3	10/30/2015	10/30/2020

II.

On or about October 14, 2020, 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 2020 First Semiannual Monitoring and Deviation Report Amendment dated October 5, 2020, the Respondent reported the MC-3555 Caterpillar G3606 LE Compressor Engine (EQT 0002) was not maintained and operated to the extent practicable in a manner consistent with good air pollution control practice for minimizing emissions. On April 1, 2020, the west side pressure safety valve (PSV) failed causing gas to release for five (5) minutes. An operator found a hole in the stainless-steel hose attached to PSV due to compressor unit vibration. The calculated gas loss was approximately 225 MCF. This is a violation of 40 CFR 60.4243(b)(2), which is incorporated by reference as Louisiana Regulation LAC 33:III.3003, Specific Requirement 7 of Title V Permit No. 0760-01133-V4, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2). The Respondent reported on April 2, 2020, the stainless-steel hose between the PSV and the PSV Pilot was replaced and the compressor owner modified (the compressors are leased by the Respondent) the stainless steel hose length and secured it to support. The PSV pilot hoses on all compressors were also modified to mitigate the issue of hoses becoming worn and failing due to vibration.
  
- B. In the 2020 First Semiannual Monitoring and Deviation Report Amendment dated October 5, 2020, the Respondent reported the failure to submit the Title V Permit Renewal application at least six (6) months prior to the expiration date of the current permit. According to the Respondent, an upgrade to the company-wide environmental management system during the fourth quarter of 2019 resulted in underlying data conversion issues. The data conversion resulted in a deficiency in highlighting key tasks with improper lead time for action within the required response time. The current Title V Permit, Permit No. 0760-01133-V4, is set to expire on October 30, 2020. The renewal application was due on or before April 30, 2020. The Respondent submitted the renewal application on or about October 6, 2020. Failure to submit the Title V Permit Renewal application in a timely manner is a violation of LAC 33:III.507.E.4,



Specific Requirement 63 of Title V Permit No. 0760-01133-V4, LAC 33:III.535, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2). The unauthorized operation of the facility from the expiration of Title V Permit No. 0760-01133-V4 on October 30, 2020, until the issuance of the renewal permit will be a violation of LAC 33:III.501.C.2 and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

III.

In correspondence dated October 14, 2020, the Respondent requested a Compliance Order related to the violations cited in Paragraph II.B of the **FINDINGS OF FACT**. The Respondent reported Title V Permit No. 0760-01133-V4 could not be administratively continued due to the late submittal of the renewal application and the Title V permit will not be issued prior to the expiration of Title V Permit No. 0760-01133-V4 on October 30, 2020. In accordance with La. R.S. 30:2025(C)(3), the Department finds it necessary to issue an order requiring compliance within a specified timeframe, as the Respondent's failure to obtain a Title V Permit on or before the expiration date of the current permit will result in a violation.

**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 Title V Permit No. 0760-01133-V4.

II.

Upon expiration of Title V Permit No. 0760-01133-V4, if the Respondent chooses to operate, the Respondent shall comply with all terms and conditions of Title V Permit No. 0760-01133-V4 until the reissuance and/or renewal of a Title V permit, or until the Respondent is notified in writing by the Department to cease following these requirements.

III.

To notify the Enforcement Division in writing, within fifteen (15) days of the receipt of an issued Title V permit.

Office of Environmental Compliance  
Post Office Box 4312  
Baton Rouge, Louisiana 70821-4312  
**Attn: Antoinette Cobb**  
**Re: Enforcement Tracking No. AE-CN-20-00724**  
**Agency Interest No. 165400**

**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-20-00724**  
**Agency Interest No. 165400**

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 Division of Administrative Law (DAL) Procedural Rules. 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 27<sup>th</sup> day of October, 2020.

  
\_\_\_\_\_  
Lourdes Iturralde  
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-20-00724	Contact Name	Antoinette Cobb
Agency Interest (AI) No.	165400	Contact Phone No.	(225) 219-3072
Alternate ID No.	0760-01133		
Respondent:	LOUISIANA MIDSTREAM GAS SERVICES, L.L.C.	Facility Name:	North DeSoto Central Facility
	c/o C T Corporation System	Physical Location:	1679 Gravel Road
	Agent for Service of Process		
	3867 Plaza Tower Drive	City, State, Zip:	Frierson, LA 71027
	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 III 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) ? 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:I.Subpart1.Chapter7.
<input type="checkbox"/>	In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY (AE-CN-20-00724), 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 (AE-CN-20-00724), 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"> <li>• Monetary component = \$ _____</li> <li>• Beneficial Environmental Project (BEP) component (optional)= \$ _____</li> <li>• 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.</li> </ul>
<input type="checkbox"/>	The Respondent has reviewed the violations noted in NOTICE OF POTENTIAL PENALTY (AE-CN-20-00724) and has attached a justification of its offer and a description of any BEPs if included in settlement offer.