

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

MAGNUM PRODUCING, LP

AI # 164008, 179071

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

* Settlement Tracking No.
* SA-AE-22-0008
*
* Enforcement Tracking No.
* AE-PP-09-0423
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SETTLEMENT

The following Settlement is hereby agreed to between Magnum Producing, LP (“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 partnership that owns and/or operates facilities located in Pointe Coupee Parish and St. Martin Parish, Louisiana (“the Facilities”).

II

On November 19, 2010, the Department issued to Respondent a Notice of Potential Penalty, Enforcement Tracking No. AE-PP-09-0423 (Exhibit 1).

The following violations, although not cited in the foregoing enforcement action, are included within the scope of this settlement:

The Respondent failed to submit a permit application and receive approval from the permitting authority prior to construction, modification, or operation of a facility which ultimately may result in an initiation or increase in air contaminants. Specifically, the Respondent began

construction of the Henry Melancon No. 1 Tank Battery (AI# 179071) on or about August 26, 2009, but failed to submit a permit application until on or about October 20, 2011. This is a violation of LAC 33:III.501.C.1, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2).

The Respondent operated the Henry Melancon No. 1 Tank Battery since on or about September 10, 2009, until issuance of Minor Source Air Permit No. 2620-00115-00 on November 22, 2011, without a permit. The operation of the facility without an air permit 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).

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 EIGHTEEN THOUSAND ONE HUNDRED NINETY-FIVE AND 53/100 DOLLARS (\$18,195.53), of which Eight Hundred Ninety-Four and 96/100 Dollars (\$894.96) 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 inspection report(s), 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 Pointe Coupee Parish and St. Martin 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.

MAGNUM PRODUCING, LP

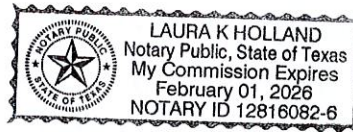
BY: Kanwal Ay
(Signature)

KANWAL (KEN) AHUJA
(Printed)

TITLE: VP operation.

THUS DONE AND SIGNED in duplicate original before me this 2nd day of November, 20 22, at CORPUS CHRISTI, TX.

Laura K Holland
NOTARY PUBLIC (ID # 12816082-6)



(stamped or printed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Roger W. Gingles, Secretary

BY: Celena J. Cage
Celena J. Cage, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 3/5th day of May, 20 23, at Baton Rouge, Louisiana.

Jay L. Glorioso
NOTARY PUBLIC (ID # 66881)

Jay L. Glorioso
(stamped or printed)

Approved: Celena J. Cage
Celena J. Cage, Assistant Secretary

BOBBY JINDAL
GOVERNOR



PEGGY M. HATCH
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

November 19, 2010



CERTIFIED MAIL (7004 2510 0005 5763 7392)
RETURN RECEIPT REQUESTED

MAGNUM PRODUCING, LP
c/o C T Corporation System
Agent of Service
5615 Corporate Blvd., Ste. 400B
Baton Rouge, LA 70808

RE: NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-PP-09-0423
AGENCY INTEREST NO. 164008

Dear Sir/Madame:

On or about March 31, 2009, an inspection of J.S. Kean Jr. #1 Tank Battery (the facility), owned and/or operated by MAGNUM PRODUCING, LP (RESPONDENT), was performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Air Quality Regulations. A subsequent file review of the facility was conducted by the Department on or about June 8, 2009. The facility is an oil and gas production facility that produces approximately ten (10) barrels of crude oil and 63 thousand cubic feet (mcf) of natural gas per day. The facility is located on the Bayou Latenache Field on Shell Road off LA Hwy 975 six miles north of LA Hwy 190 in Krotz Springs, Pointe Coupee Parish, Louisiana. The Respondent currently operates the facility under Minor Source Air Permit No. 2260-00107-00 issued on March 18, 2010.

While the investigation of the Louisiana Department of Environmental Quality (the Department) is not yet complete, the following violation was noted during the course of the inspection and file review:

- A. The Respondent operated the facility since August 1, 1994, when ownership was transferred from Inexco Oil Company. The Respondent failed to submit a permit application and receive approval from the permitting authority prior to construction, modification, or operation of a facility which ultimately may result in an initiation or increase in air contaminants. This is a violation of LAC 33:III.501.C.1, La. R.S. 30:2057(A)(1) and 30:2057(A)(2). On or about June 15, 2009, the Department received a minor source permit application from the Respondent.

Notice of Potential Penalty
MAGNUM PRODUCING, LP
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B. The Respondent operated the facility since August 1, 1994, until issuance of Minor Source Air Permit 2260-00107-00 on or about March 18, 2010, without approval from the permitting authority. The operation of the facility without an air permit is a violation of LAC 33:III.501.C.2, 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 described herein. Written comments may be filed regarding the violation 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.

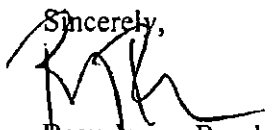
Prior to the issuance of any additional appropriate enforcement action, you may request a meeting with the Department to present any mitigating circumstances concerning the violation. If you would like to have such a meeting, please contact Richard LeBlanc, Environmental Scientist II, at (225) 219-3751 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,



Beau James Brock
Assistant Secretary

PDM/RDL/rdl
Alt ID No. 2260-00107-00

c: Magnum Producing, LP
500 N. Shoreline, Ste. 322
Corpus Christi, TX 78471