

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

M5 LOUISIANA GATHERING, LLC

AI # 211056

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

* **Settlement Tracking No.**
* **SA-WE-24-0018**
*
* **Enforcement Tracking No.**
* **WE-PP-18-01011**
*
*
*
*

SETTLEMENT AGREEMENT

The following Settlement Agreement is hereby agreed to between DTM Louisiana Gathering, LLC f/k/a M5 Louisiana Gathering, 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 a produced water/saltwater disposal pipeline located in Grand Crane, DeSoto Parish, Louisiana (“the Facility”).

II

On July 9, 2019, the Department issued to Respondent a Notice of Potential Penalty, Enforcement Tracking No. WE-PP-18-01011 (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 EIGHT THOUSAND AND NO/100 DOLLARS (\$8,000.00), of which One Thousand Nine Hundred Seventy-Six and 88/100 Dollars (\$1,976.88) represents the Department's enforcement costs, in settlement of the claims set forth in this Settlement 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 Agreement 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 Settlement 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 Settlement Agreement in any action by the Department to enforce this Settlement Agreement.

VII

This Settlement Agreement 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 Agreement, 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 DeSoto Parish, Louisiana. The advertisement, in form and wording approved by the Department, announced the availability of this Settlement Agreement 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 Agreement 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 thirty (30) days from notice of the Secretary's signature. If payment is not received within that time, this Settlement Agreement is voidable at the option of the Department. The Respondent shall provide its tax identification number when submitting payment. 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 attached hereto.

XI

In consideration of the above, any claims for penalties are hereby compromised and settled in accordance with the terms of this Settlement Agreement.

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.

**DTM LOUISIANA GATHERING, LLC
F/K/A M5 LOUISIANA GATHERING, LLC**

BY: _____
(Signature)

(Printed)

TITLE: _____

THUS DONE AND SIGNED in duplicate original before me this _____ day of _____, 20 _____, at _____.

NOTARY PUBLIC (ID # _____)

(stamped or printed)

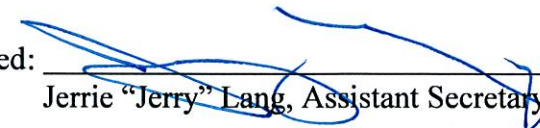
**LOUISIANA DEPARTMENT OF
ENVIRONMENTAL QUALITY**
Aurelia S. Giacometto, Secretary

BY: _____
Jerrie "Jerry" Lang, Assistant Secretary
Office of Environmental Compliance


THUS DONE AND SIGNED in duplicate original before me this _____ day of _____, 20 _____, at Baton Rouge, Louisiana.

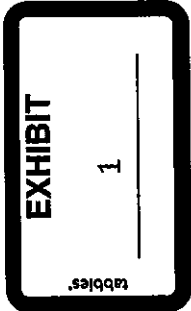
NOTARY PUBLIC (ID # _____)

(stamped or printed)

Approved: 

Jerrie "Jerry" Lang, Assistant Secretary

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY OFFICE OF ENVIRONMENTAL COMPLIANCE ENFORCEMENT DIVISION POST OFFICE BOX 4312 BATON ROUGE, LOUISIANA 70821-4312				 NOTICE OF POTENTIAL PENALTY	
Enforcement Tracking No.	WE-PP-18-01011	Certified Mail No.	2018 2290 D000 5826 1050		
Agency Interest (A) No.	211056	Contact Name	Sharron Crayton		
Alternate ID No.	LAU008150	Contact Phone No.	225-219-3811		
Respondent:	MS Louisiana Gathering, LLC	Facility Name:	Silver Spur Land and SWD Pipeline		
	c/o Cogency Global, Inc.	Physical Location:	¼ miles east of Silver Spur Lane		
	Agent for Service of Process	City, State, Zip:	Grand Cane, LA 71032		
	3867 Plaza Tower Dr., 1st Floor	Parish:	DeSoto		
Baton Rouge, LA 70816					
This NOTICE OF POTENTIAL PENALTY is issued 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 30:2050.3(B).					
FINDINGS OF FACT					
An authorized representative of the Department inspected the abovementioned facility or conducted a file review of the facility to determine the degree of compliance with regulations promulgated in the Louisiana Administrative Code, Title 33. The State regulatory citations for the violation(s) identified during the inspection and/or file review are indicated below.					
I.	The Respondent owns and/or operates a produced water/saltwater disposal pipeline located ¼ miles east of Silver Spur Lane in Grand Crane, DeSoto Parish, Louisiana. The Respondent does not have a Louisiana Pollutant Discharge Elimination System (LPDES) permit or any other authority to discharge wastes and/or other substances to waters of the state.				
	Date of Violation	Description of Violation			
II.	Inspection(s) & File Review July 21, 22, & 24, 2018 and May 15, 2019	The Respondent caused and/or allowed the discharge of produced water directly onto a vegetated area, soil or intermittently exposed sediment area. Specifically, the Respondent reported a produced water release to the Department on July 21, 2018. According to the verbal spill report from the Respondent to the Department on July 21 st , the release of approximately 1,000 barrels (bbls) of produced water occurred from a 12" saltwater disposal (SWD) pipeline located on Silver Spur Lane. An inspection conducted by the Department on the same day revealed that the release had spread from the pipeline and migrated into a forested area into an intermittent stream, which ultimately flowed to a private pond. Prior to leaving the site on July 21 st , the facility representative provided the Department with an updated spill release quantity, which was estimated to be 12,000 bbls versus 1,000 bbls initially reported. Subsequent inspections conducted by the Department on July 22 & 24, 2018 observed dead vegetation and stained soil in impacted area(s). In addition, during inspections at the site on the aforementioned dates, clean-up efforts had been initiated and continued progress was being made. The incident was also referred to the Department's Remediation Division on July 25, 2018. The unauthorized discharge of produced water is in violation of LAC 33:IX.708.C.a.ii and La. R.S. 30:2076(A)(3).			
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 Sharron Crayton at 225-219-3811 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.	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.				
V.	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.				
CONTACTS AND SUBMITTAL OF INFORMATION					
Enforcement Division:			Physical Address (if hand delivered):		
Louisiana Department of Environmental Quality Office of Environmental Compliance Water Enforcement Division Post Office Box 4312 Baton Rouge, LA 70821 Attn: Sharron Crayton			Department of Environmental Quality 602 N Fifth Street Baton Rouge, LA 70802		

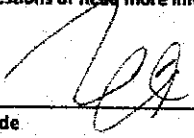


HOW TO REQUEST CLOSURE OF THIS NOTICE OF POTENTIAL PENALTY

To expedite closure of the **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 Department assesses civil penalties based on LAC 33:1.Subpart1.Chapter7.
- The Respondent may offer a settlement amount but the Department is under no obligation to enter into settlement negotiations. It is decided upon on a discretionary basis.
- 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.
- Before requesting closure of this **NOTICE OF POTENTIAL PENALTY**, please contact the Financial Services Division at 225-219-3865 or email them at _DEQ-WWWFinancialServices@la.gov to determine if you owe outstanding fees.

If you have questions or need more information, you may contact Sharron Crayton at 225-219-3811 or Sharron.Crayton@la.gov.




Date: 7-9-15

Lourdes Iturralde
Assistant Secretary
Office of Environmental Compliance

cc: Chris McCready, EH&S Coordinator
M5 Midstream, LLC
13441 Hwy 5
Keatchie, LA 71046

Attachment(s)
Request to Settle

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.	WE-PP-18-01011	Contact Name	Sharron Crayton				
Agency Interest (AI) No.	211056	Contact Phone No.	225-219-3811				
Alternate ID No.	LAU008150						
Respondent:	M5 Louisiana Gathering, LLC	Facility Name:	Silver Spur Land and SWD Pipeline				
	c/o Cogency Global, Inc.	Physical Location:	X miles east of Silver Spur Lane				
	Agent for Service of Process						
	3867 Plaza Tower Dr., 1 st Floor Baton Rouge, LA 70816	City, State, Zip:	Grand Cane, LA 71032			Parish:	DeSoto
SETTLEMENT OFFER (OPTIONAL)							
<i>(check the applicable option)</i>							
<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 33:1.Subpart1.Chapter 7.							
<input type="checkbox"/> In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY (WE-PP-18-01011), 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 (WE-PP-18-01011), 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"> • 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. 							
<input type="checkbox"/> The Respondent has reviewed the violations noted in NOTICE OF POTENTIAL PENALTY (WE-PP-18-01011) 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 Post Office Box 4312 Baton Rouge, LA 70821 Attn: Sharron Crayton							

If you have questions or need more information, you may contact Sharron Crayton at 225-219-3811 or Sharron.Crayton@la.gov.