

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

DELTA PETROLEUM COMPANY, INC.

AI # 4921

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

* **Settlement Tracking No.**
* **SA-AE-24-0035**
*
* **Enforcement Tracking No.**
* **AE-CN-19-00828**
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SETTLEMENT AGREEMENT

The following Settlement Agreement is hereby agreed to between Delta Petroleum Company, Inc. (“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 corporation that owns and/or operates a chemical fill facility located in St. Gabriel, Iberville Parish, Louisiana (“the Facility”).

II

On May 4, 2021, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement Tracking No. AE-CN-19-00828 (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 keep records of breakthroughs for the Carbon Adsorption System (EQT 0002) for the calendar years 2007 through 2019. Specifically, breakthroughs for EQT 0002

were not recorded in the facility's Compliance Management System (CMS). Failure to keep records of the number of breakthroughs on site and available for inspection is a violation of SR 3 of Minor Source Air Permit No. 1280-00023-02, SR 4 of Minor Source Air Permit No. 1280-00023-03, SR 8 of Minor Source Air Permit No. 1280-00023-03AA, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

The Respondent exceeded the annual dedrumming volumetric throughput limit of the Dedrumming Operations (EQT 0003) for calendar years 2019 and 2020. Specifically, SR 12 of Minor Source Air Permit No. 1280-00023-03AA limits the annual volumetric throughput of EQT 0003 to less than or equal to 1.1 million gallons. In the Written Report dated July 9, 2021 for AE-CN-19-00828, the Respondent reported annual dedrumming volumetric throughput values of 2,533,386 gallons and 2,362,666 gallons for calendar years 2019 and 2020, respectively. Failure to limit the annual dedrumming throughput to less than or equal to the permitted maximum is a violation of SR 12 of Minor Source Air Permit No. 1280-00023-03AA, LAC 33:III.501.C.4, 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 THIRTY THOUSAND AND NO/100 DOLLARS (\$30,000.00), of which Two Thousand Nine Hundred Forty-Four and 71/100 Dollars (\$2,944.71) 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 permit record(s), the Consolidated Compliance Order & 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 Iberville 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.

DELTA PETROLEUM COMPANY, INC.

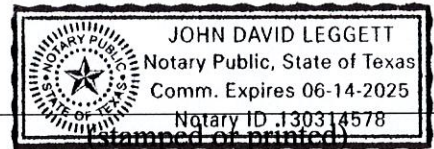
BY: [Signature]
(Signature)

Joel Dickerson
(Printed)

TITLE: President

THUS DONE AND SIGNED in duplicate original before me this 20th day of August, 20 24, at Pasadena, Texas.

[Signature]
NOTARY PUBLIC (ID # 130314578)



LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Aurelia S. Giacometto, Secretary

BY: [Signature]
Jerrie "Jerry" Lang, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 26th day of November, 20 24, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 51205)
DELORA JOHNSON
NOTARY PUBLIC
EAST BATON ROUGE PARISH
LOUISIANA
NOTARY ID NO. 51205

(stamped or printed)

Approved: [Signature]
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
**CONSOLIDATED COMPLIANCE ORDER
& NOTICE OF POTENTIAL PENALTY**


Enforcement Tracking No.	AE-CN-19-00828	Certified Mail No.	7019 1120 0000 2352 0759
Agency Interest (AI) No.	4921	Contact Name	Mark E. Brown
Alternate ID No.	1280-00023	Contact Phone No.	(225) 219-3782
Respondent:	Delta Petroleum Company, Inc.	Facility Name:	Delta Petroleum Company
	c/o Corporation Service Company	Physical Location:	3950 Louisiana Highway 30
	Agent for Service of Process		
	501 Louisiana Avenue	City, State, Zip:	St. Gabriel, LA, 70776
Baton Rouge, LA 70802	Parish:	Iberville	

This **CONSOLIDATED COMPLIANCE ORDER & 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 particularly by La. R.S. 30:2025(C), 30:2050.2 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 chemical fill facility (the facility), located at 3950 Louisiana Highway 30 in St. Gabriel, Iberville Parish, Louisiana. The facility previously operated under Minor Source Air Permit No. 1280-00023-02, issued on July 26, 2007; Minor Source Air Permit No. 1280-00023-03, issued on July 20, 2009; and Minor Source Air Permit No. 1280-00023-03AA, issued on February 10, 2012, which expired on July 20, 2019.	
	Date of Violation	Description of Violation
II.	File Review 4/16/21	The Respondent failed to submit the Criteria Pollutant Emissions Certification Statement for 2018 by the April 30, 2019 deadline, in violation of LAC 33:III.501.C.4, LAC 33:III.919.F.1.d, and La. R.S. 30:2057(A)(2). Specifically, the 2018 certification statement was postmarked May 2, 2019.
III.	File Review 4/16/21	Minor Source Air Permit Nos. 1280-00023-03 and 1280-00023-03AA were issued on July 20, 2009, and February 10, 2012, respectively. The Respondent failed to submit a permit renewal application at least six (6) months prior to the expiration of the permit in accordance with LAC 33:III.503.C, and Minor Source Air Permit No. 1280-00023-03 expired on July 20, 2019. The unauthorized operation of the facility 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).
IV.	File Review 4/16/21	The Respondent failed to submit a permit renewal application at least six (6) months prior to the expiration of the permit, July 20, 2019. This is a violation of LAC 33:III.503.C.3 and La. R.S. 30:2057(A)(2). As of April 16, 2021, an application to renew the permit has not been submitted.
V.	File Review 4/16/21	The Respondent failed to submit the annual volumetric throughput of loaded chemicals for the Carbon Adsorption System (EQT 0002) for the calendar years 2007 through 2019. Each failure to submit the annual volumetric throughput is a violation of Specific Requirement (SR) 9 of Minor Source Air Permit No. 1280-00023-02, SR 1 of Minor Source Air Permit Nos. 1280-00023-03 and 1280-00023-03AA, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
VI.	File Review 4/16/21	The Respondent failed to submit the annual number of breakthroughs for the Carbon Adsorption System (EQT 0002) for the calendar years 2007 through 2019. Each failure to submit the annual number of breakthroughs for the Carbon Adsorption System (EQT 0002), is a violation of SR 4 of Minor Source Air Permit Nos. 1280-00023-02, 1280-00023-03, and 1280-00023-03AA, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
VII.	File Review 4/16/21	The Respondent failed to submit the annual dedrumming volumetric throughput for the Dedrumming Operation (EQT 0003) for the calendar years 2007 through 2019. Each failure to submit the annual volumetric throughput for the Dedrumming Operation (EQT 0003) is a violation of SR 13 of Minor Source Air Permit Nos. 1280-00023-02, 1280-00023-03, and 1280-00023-03AA, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

EXHIBIT

1

ORDER	
Based on the foregoing, the Respondent is hereby ordered to comply with the requirements that are indicated below:	
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. This shall include, but not be limited to; correcting <u>all</u> of the violations described in the "Findings of Fact" portion.
II.	To submit to the Enforcement Division, within thirty (30) days after receipt of this COMPLIANCE ORDER , a written report that includes a detailed description of the circumstances surrounding the cited violation(s) and actions taken or to be taken to achieve compliance with the "Order" portion of this COMPLIANCE ORDER . This report and all other reports or information required to be submitted to the Enforcement Division by this COMPLIANCE ORDER shall be submitted to the Department at the address specified in this document.
III.	To submit to the Air Permits Division, within thirty (30) days after receipt of this COMPLIANCE ORDER , an application to renew Minor Source Air Permit No. 1280-00023-03AA in accordance with LAC 33:III.503 or to submit documentation, including calculations, if an air permit is no longer required per the exemption described at LAC 33:III.501.B.2.d. A copy of either the application or calculations shall also be submitted to the Enforcement Division within thirty (30) days of receipt of the COMPLIANCE ORDER .
IV.	To continue, immediately upon receipt of this COMPLIANCE ORDER , complying with the permit limitations, operating parameters, reporting requirements, and all other requirements outlined in Minor Source Air Permit No. 1280-00023-03AA, until such time as a new permit is issued by the Department, or the Respondent is notified in writing by the Department to cease following these requirements.
V.	To submit to the Enforcement Division, within thirty (30) days after receipt of this COMPLIANCE ORDER , the annual volumetric throughput of loaded chemicals for EQT 0002 for the calendar years 2016 through 2020.
VI.	To submit to the Enforcement Division, within thirty (30) days after receipt of this COMPLIANCE ORDER , the annual number of breakthroughs for EQT 0002 for the calendar years 2016 through 2020.
VII.	To submit to the Enforcement Division, within thirty (30) days after receipt of this COMPLIANCE ORDER , the annual dedrumping volumetric throughput for EQT 0003 for the calendar years 2016 through 2020.
RIGHT TO APPEAL	
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 address specified in this document.
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 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 Mark E. Brown at (225) 219-3782 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 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. 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.

CONTACTS AND SUBMITTAL OF INFORMATION

Enforcement Division: Louisiana Department of Environmental Quality Office of Environmental Compliance Air Enforcement Division Post Office Box 4312 Baton Rouge, LA 70821 Attn: Mark E. Brown	Hearing Requests: 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-19-00828 Agency Interest No. 4921
Permit Division (if necessary): Department of Environmental Quality Office of Environmental Services Post Office Box 4313 Baton Rouge, LA 70821-4313 Attn: Air Permits Division	Physical Address (if hand delivered): Department of Environmental Quality 602 N Fifth Street Baton Rouge, LA 70802

HOW TO REQUEST CLOSURE OF THIS CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY

- To appeal the **COMPLIANCE ORDER** portion, the Respondent must follow the guidelines set forth in the "Right to Appeal" portion of this **COMPLIANCE ORDER**.
- To request closure of this **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY**, the Respondent must demonstrate compliance with the "Order" portion of this **COMPLIANCE ORDER** by completing the attached "**CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL REQUEST TO CLOSE**" form and returning it to the address specified.
- To expedite closure of the **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 Department assesses civil penalties based on LAC 33:i.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.

If you have questions or need more information, you may contact Mark E. Brown at (225) 219-3782, or mark.brown@la.gov



Lourdes Iturralde
Assistant Secretary
Office of Environmental Compliance

Date: _____

5-4-2024

cc: Delta Petroleum Company, Inc.
c/o Christi Nelson
3950 Louisiana Highway 30
St. Gabriel, LA 70776

Attachment

- Request to Close

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
 OFFICE OF ENVIRONMENTAL COMPLIANCE
 ENFORCEMENT DIVISION
 POST OFFICE BOX 4312
 BATON ROUGE, LOUISIANA 70821-4312

CONSOLIDATED COMPLIANCE ORDER &
 NOTICE OF POTENTIAL PENALTY
 REQUEST TO CLOSE



Enforcement Tracking No.	AE-CN-19-00828	Contact Name	Mark E. Brown
Agency Interest (AI) No.	4921	Contact Phone No.	(225) 219-3782
Alternate ID No.	1280-00023		
Respondent:	Delta Petroleum Company, Inc.	Facility Name:	Delta Petroleum Company
	c/o Corporation Service Company	Physical Location:	3950 Louisiana Highway 30
	Agent for Service of Process		
	501 Louisiana Avenue	City, State, Zip:	St. Gabriel, LA, 70776
	Baton Rouge, LA 70802	Parish:	Iberville

STATEMENT OF COMPLIANCE

STATEMENT OF COMPLIANCE	Date Completed	Copy Attached?
A written report was submitted in accordance with Paragraph II 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 Paragraphs III, V, VI, and VII 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 CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY AE-CN-19-00828, 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 CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY AE-CN-19-00828, 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 CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY AE-CN-19-00828, 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 informat. 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
 P.O. Box 4312
 Baton Rouge, LA 70821
 Attn: Mark E. Brown