

**STATE OF LOUISIANA**

**DEPARTMENT OF ENVIRONMENTAL QUALITY**

<b>IN THE MATTER OF:</b>	*	<b>Settlement Tracking No.</b>
	*	<b>SA-SE-23-0056</b>
<b>STALLION OILFIELD SERVICES LTD.</b>	*	
	*	<b>Enforcement Tracking No.</b>
<b>AI # 160653</b>	*	<b>SE-CN-19-00955</b>
	*	
<b>PROCEEDINGS UNDER THE LOUISIANA</b>	*	
<b>ENVIRONMENTAL QUALITY ACT</b>	*	<b>Docket No. 2021-5603-DEQ</b>
<b>LA. R.S. 30:2001, <u>ET SEQ.</u></b>	*	

**SETTLEMENT AGREEMENT**

The following Settlement Agreement is hereby agreed to between Stallion Infrastructure Services, Ltd f/k/a Stallion Oilfield Services Ltd. (“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 partnership that owns and/or operates a woodwaste processing facility located in Abbeville, Vermilion Parish, Louisiana (“the Facility”).

**II**

On March 25, 2020, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement Tracking No. SE-CN-19-00955 (Exhibit 1).

**III**

In response to the Consolidated Compliance Order & Notice of Potential Penalty, Respondent made a timely request for a hearing.

IV

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

V

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 FIFTEEN THOUSAND AND NO/100 DOLLARS (\$15,000.00), of which One Thousand Eighty-Eight and 01/100 Dollars (\$1,088.01) 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).

VI

Respondent further agrees that the Department may consider the inspection report(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.

VII

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.

## VIII

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

## IX

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.

## X

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Vermilion 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.

## XI

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 Settlement 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 attached hereto.

## XII

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

## XIII

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.

**STALLION INFRASTRUCTURE  
SERVICES, LTD F/K/A STALLION  
OILFIELD SERVICES LTD.**

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

JOHN BEL EDWARDS  
GOVERNOR

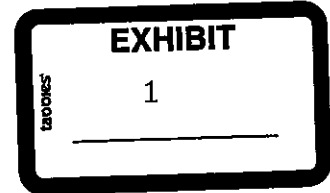


CHUCK CARR BROWN, Ph.D.  
SECRETARY

**State of Louisiana**  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
OFFICE OF ENVIRONMENTAL COMPLIANCE

MAR 25 2020

CERTIFIED MAIL (7017 3090 0002 0373 7354)  
RETURN RECEIPT REQUESTED



**STALLION OILFIELD SERVICES, LTD.**  
c/o Corporation Service Company  
Agent for Service of Process  
501 Louisiana Avenue  
Baton Rouge, LA 70802

**RE: CONSOLIDATED COMPLIANCE ORDER  
& NOTICE OF POTENTIAL PENALTY  
ENFORCEMENT TRACKING NO. SE-CN-19-00955  
AGENCY INTEREST NO. 160653**

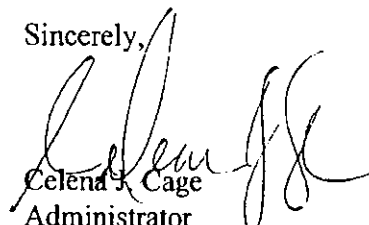
Dear Sir/Madam:

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 **STALLION OILFIELD SERVICES, LTD. (RESPONDENT)** for the violations described therein.

Compliance is expected within the maximum time period established by each part of the **COMPLIANCE ORDER**. The violations 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 Brendan Marsh at (225) 219-3372.

Sincerely,

  
Celena A. Cage  
Administrator  
Enforcement Division

CJC/BMM/bmm  
Alt ID No. P-0410M4  
Attachment

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

<b>IN THE MATTER OF</b>	*	
	*	
<b>STALLION OILFIELD SERVICES, LTD.</b>	*	<b>ENFORCEMENT TRACKING NO.</b>
	*	
<b>VERMILLION PARISH</b>	*	
<b>ALT ID NO. P-0410M4</b>	*	<b>SE-CN-19-00955</b>
	*	
	*	
	*	<b>AGENCY INTEREST NO.</b>
<b>PROCEEDINGS UNDER THE LOUISIANA</b>	*	
<b>ENVIRONMENTAL QUALITY ACT,</b>	*	<b>160653</b>
<b>La. R.S. 30:2001, ET SEQ.</b>	*	

**CONSOLIDATED**  
**COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY**

The following **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is issued to **STALLION OILFIELD SERVICES, LTD. (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 a permitted Type III Woodwaste Processing facility located at 10608 Highway 343 in Abbeville, Vermilion Parish, Louisiana. The Respondent is authorized to receive and process woodwaste at the facility. Solid Waste Standard Permit P-0410 was issued on June 29, 2010, and expires on June 29, 2020. The Respondent submitted four (4) applications to modify the permit since issuance, and the Respondent currently operates under Solid Waste Standard Permit P-0410M4, which was approved on September 27, 2016. Additionally, the facility utilizes a permitted Air Curtain Destructor (ACD) to process woodwaste. The Respondent deviated from the Solid Waste Standard Permit P-0410M4

by using a grinder to process woodwaste in conjunction with its permitted ACD without notifying the Department of the change in the processing procedure.

II.

The Department issued **NOTICE OF VIOLATION SE-N-17-01054** to the Respondent on or about March 29, 2018. The Respondent received **NOTICE OF VIOLATION SE-N-17-01054** on or about April 9, 2018. The **NOTICE OF VIOLATION** cited the Respondent for violations of the Solid Waste Regulations. The Respondent provided a written response to the Department regarding **NOTICE OF VIOLATION SE-N-17-01054** dated April 23, 2018, which was received by the Department on or about April 27, 2018. A second response regarding the **NOTICE OF VIOLATION** dated May 30, 2018, was received by the Department on or about June 4, 2018, which stated that the Respondent was using a method of processing other than that specified in Solid Waste Standard Permit P-0410M4.

III.

On or about August 30, 2018, the Department conducted an inspection of the above referenced facility to determine the degree of compliance with the Act and the supporting Solid Waste Regulations. While the investigation by the Department is not yet complete, the following violations were noted during the course of the inspection:

- A. The Respondent failed to maintain records indicating the time frame that waste has been stored at the facility, in violation of Facility Administrative Procedures of Solid Waste Standard Permit P-0410M4, LAC 33:VII.901.A, and LAC 33:VII.315.B. Specifically, the Respondent failed to maintain records indicating that the woodwaste onsite had been stored for less than one (1) year. Additionally, a facility representative stated that records are not kept.
- B. The Respondent stored solid waste for greater than one (1) year, in violation of the Facility Operational Plan of Solid Waste Standard Permit P-0410M4, LAC 33:VII.901.A, and LAC 33:VII.315.B. Specifically, the Respondent stored woodwaste onsite for a period greater than one (1) year without approval from the Department as revealed by Google Earth images dated April 9, 2014; January 16, 2016; February 8, 2017; and April 14, 2018.
- C. The Respondent failed to follow the approved Facility Operational Plan that describes in specific detail how waste will be managed during all phases of processing operations, in violation of the Facility Operational Plan of Solid Waste Standard Permit P-0410M4,



LAC 33:VII.901.A, and LAC 33:VII.725.C.2. Specifically, the approved Operational Plan allows the Respondent to store a volume of woodwaste equivalent to one hundred eighty (180) days processing. The facility can process 3,188 mats in one hundred eighty (180) days, but the Respondent was storing approximately 4,500 mats at the time of the inspection.

- D. The Respondent failed to submit a permit modification request to the Office of Environmental Services, for any changes in a facility or deviation from a permit, in violation of LAC 33:VII.517.A.1. Specifically, the Respondent began using a grinder to process woodwaste in conjunction with its permitted (Air Permit #7777-00259-00) ACD without notifying the Department of the change in processing procedure.
- E. The Respondent instituted a modification without written approval of the administrative authority in violation of the Facility Operational Plan of Solid Waste Standard Permit P-0410M4, LAC 33:VII.901.A, and LAC:VII.517.C. Specifically, the Respondent began using a grinder for processing excess woodwaste without approval from the Department for the modification to the Facility Operational Plan.

#### **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 Solid Waste Regulations and Solid Waste Standard Permit P-0410M4.

##### **II.**

To institute, immediately upon receipt of this **COMPLIANCE ORDER**, procedures to ensure that records indicating the time frame that waste has been stored are maintained onsite. All records shall be produced upon request for inspection by the Department. Additionally, procedures shall be immediately instituted that ensure that no solid waste is stored or allowed to be stored for more than three hundred sixty-five (365) days, and all solid waste that has been stored for more than three hundred sixty-five (365) days shall be removed from the facility to an authorized facility, in accordance with LAC 33:VII.315.B.

##### **III.**

To institute, immediately upon receipt of this **COMPLIANCE ORDER**, procedures to ensure that the Facility Operational Plan is followed in all phases of processing operations, and cease all

deviations from the most recently approved Facility Operational Plan of Solid Waste Standard Permit P-0410M4. Alternatively, if the Respondent wishes to use a grinder to process woodwaste, then the Respondent shall submit a permit modification request to the Office of Environmental Services stating any changes to the facility or deviation from the permit. The permit modification request shall detail the proposed modifications and shall include an assessment of the effects of the modification on the environment and/or operation.

IV.

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 violations 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:

Office of Environmental Compliance  
Post Office Box 4312  
Baton Rouge, Louisiana 70821-4312  
**Attn: Brendan Marsh**  
**Re: Enforcement Tracking No. SE-CN-19-00955**  
**Agency Interest No. 160653**

**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. SE-CN-19-00955**  
**Agency Interest No. 160653**

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 Brendan Marsh at (225) 219-3372 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 March, 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: Brendan Marsh

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.	SE-CN-19-00955	Contact Name	Brendan Marsh	
Agency Interest (AI) No.	160653	Contact Phone No.	(225) 219-3372	
Alternate ID No.	P-0410M4			
Respondent:	Stallion Oilfield Services, LTD.	Facility Name:	Stallion Oilfield Services, LTD.	
	c/o Corporation Service Company	Physical Location:	10608 Highway 343	
	Agent for Service of Process			
	501 Louisiana Avenue	City, State, Zip:	Abbeville, Louisiana 70510	
	Baton Rouge, LA 70802	Parish:	Vermilion	
<b>STATEMENT OF COMPLIANCE</b>				
STATEMENT OF COMPLIANCE			Date Completed	Copy Attached?
A written report was submitted in accordance with Paragraph IV 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:				
<b>SETTLEMENT OFFER (OPTIONAL)</b>				
<i>(check the applicable option)</i>				
_____	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.Chapter7.			
_____	In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY SE-CN-19-00955, the Respondent is interested in entering into settlement negotiations with the Department and would like to set up a meeting to discuss settlement procedures.			
_____	In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY SE-CN-19-00955, 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>• <b>DO NOT SUBMIT PAYMENT OF THE OFFER WITH THIS FORM-</b> the Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.</li> </ul>			
	The Respondent has reviewed the violations noted in NOTICE OF POTENTIAL PENALTY SE-CN-19-00955 and has attached a justification of its offer and a description of any BEPs if included in settlement offer.			

CERTIFICATION STATEMENT		
<p><i>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.</i></p>		
Respondent's Signature	Respondent's Printed Name	Respondent's Title
Respondent's Physical Address	Respondent's Phone #	Date
<b>MAIL COMPLETED DOCUMENT TO THE ADDRESS BELOW:</b>		
<p>Louisiana Department of Environmental Quality                      Office of Environmental Compliance                      Enforcement Division                      P.O. Box 4312                      Baton Rouge, LA 70821                      Attn: Brendan Marsh</p>		