

BEFORE THE MISSISSIPPI COMMISSION
ON ENVIRONMENTAL QUALITY

MISSISSIPPI COMMISSION ON
ENVIRONMENTAL QUALITY

COMPLAINANT

VS.

DENBURY ONSHORE, LLC
5320 LEGACY DRIVE
PLANO, TEXAS 75024

RESPONDENT

6749 17
ORDER NO. _____

AGREED ORDER

COME NOW the Mississippi Commission on Environmental Quality (Commission), acting through the staff and Executive Director of the Mississippi Department of Environmental Quality (MDEQ), Complainant, and, Denbury Onshore, LLC, Respondent, in the above captioned cause and agree as follows:

1.

By letter dated February 19, 2015, Respondent was contacted by Complainant and notified of the following alleged violation at its facility located at Heidelberg, Mississippi in Jasper County:

- A. Violation of Miss. Code Ann. § 49-17-29(2)(a): A well control event in the West Heidelberg Oil and Gas Field occurred that released carbon dioxide and potentially petroleum hydrocarbons into the intended formation, through water bearing formations, and onto the surface in violation of Miss. Code Ann. § 49-17-29(2)(a), which makes it unlawful for any person to cause pollution of any waters of the state or to place or cause to be placed any wastes in a location where they are likely to cause pollution of waters of the state (the "Incident").

2.

All statements and legal conclusions in Paragraph 1 are Complainant's allegations, and Respondent neither admits nor denies Complainant's specific factual allegations and legal conclusions contained in Paragraph 1.

3.

In lieu of a formal enforcement hearing concerning the alleged violation listed above, Complainant and Respondent agree to settle this matter as follows:

- A. Respondent agrees to pay, and Complainant agrees to accept, a civil penalty in the amount of \$195,000.00. Payment shall be submitted within thirty (30) days of execution of this Agreed Order by the Commission to:

Mississippi Department of Environmental Quality
Attn: Jennifer Parish
P.O. Box 2339
Jackson, MS 39225

Payment of this amount by Respondent constitutes a final and complete settlement of all civil penalties related to the Incident.

- B. If Commission-approved Environmental Covenants are negotiated with all impacted property owners, Paragraphs C-I listed below do not apply.
- C. Respondent shall conduct groundwater monitoring of the Will Darty Well ("well") for at least eight consecutive quarterly sampling events and until the well exhibits concentrations of Constituents of Concern ("CoCs") (defined as benzene and DRO) below the Target Remediation Goals ("TRGs") for three consecutive sample events.
- D. The well must have valid analytical results for each sampling event. If for any reason data from sampling results from any sampling event are invalid, then another consecutive sampling event must be added to take its place.

- E. If no significant decrease of CoCs is observed in the well, MDEQ may require Corrective Action, the installation of additional groundwater monitoring wells, and/or the implementation of an institutional control on each impacted property.
- F. After the eighth consecutive quarterly sampling event, Respondent may petition the MDEQ to modify the groundwater sampling frequency. MDEQ will evaluate the collected data to determine an appropriate site-specific groundwater sampling frequency and may modify the groundwater sampling frequency. Otherwise, sampling must continue on a quarterly basis.
- G. Within thirty (30) days of the date of this Agreed Order, a groundwater sampling event shall be conducted by Respondent.
- H. Within sixty (60) days of each groundwater sampling event, a groundwater sampling report shall be submitted to MDEQ.
- I. Respondent shall notify MDEQ within fifteen (15) business days prior to any field sampling activities.

4.

Nothing in this Agreed Order shall limit the rights of MDEQ or the Commission in the event Respondent fails to comply with this Agreed Order. The Agreed Order shall be strictly construed to apply to those matters expressly resolved herein.

5.

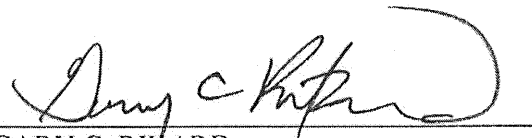
Nothing contained in this Agreed Order shall limit the rights of MDEQ or the Commission to take enforcement or other actions against Respondent for violations not addressed herein and for future violations of environmental laws, rules, and regulations.

6.

Respondent understands and acknowledges that it is entitled to an evidentiary hearing before the Commission pursuant to Miss. Code Ann. § 49-17 -31, and that it has made an informed waiver of that right.

ORDERED, this the 28TH day of APRIL, 2017.

MISSISSIPPI COMMISSION ON
ENVIRONMENTAL QUALITY

BY: 

GARY C. RIKARD
EXECUTIVE DIRECTOR
MISSISSIPPI DEPARTMENT
OF ENVIRONMENTAL QUALITY

AGREED, this the 27th day of April, 2017.

DENBURY ONSHORE, LLC

BY: [Signature]

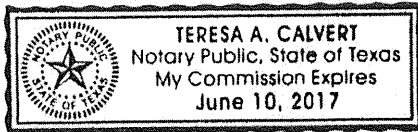
TITLE: SVP + General Counsel

STATE OF Texas

COUNTY OF Collin

PERSONALLY appeared before me, the undersigned authority in and for the jurisdiction aforesaid, the within named James S. Matthews who first being duly sworn, did state upon his/her oath and acknowledge to me that he/she is the SVP and General Counsel of Denbury Onshore, LLC and is authorized to sign and enter this Agreed Order.

SWORN AND SUBSCRIBED BEFORE ME, this the 27th day of April, 2017.



Teresa A. Calvert
Notary Public

My Commission Expires: _____