

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

WHITE RIVER OPERATING LLC

AI # 235998

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

* Settlement Tracking No.
* SA-SE-25-0083
*
* Enforcement Tracking No.
* SE-PP-23-00299
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SETTLEMENT AGREEMENT

The following Settlement Agreement is hereby agreed to between White River Operating 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 an oil and gas exploration and production office located in Ferriday, Concordia Parish, Louisiana (“the Facility”).

II

On December 15, 2023, the Department issued to Respondent a Notice of Potential Penalty, Enforcement Tracking No. SE-PP-23-00299 (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 SIX THOUSAND AND NO/100 DOLLARS (\$6,000.00), of which Two Thousand Nine Hundred Seventy-Two and 23/100 Dollars (\$2,972.23) 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 Concordia 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 Accounts Receivable, Financial Services Division, Department of Environmental Quality, Post Office Box 4303, Baton Rouge, Louisiana, 70821-4303 or by Electronic Funds Transfer (EFT) to the Department of Environmental Quality, in accordance with instructions

provided to Respondent by the Financial Services Division. 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.

WHITE RIVER OPERATING 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)

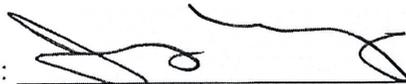
LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Courtney J. Burdette, Secretary

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



ROGER W. GINGLES
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

DEC 15 2023

CERTIFIED MAIL (7022 2410 0001 1710 0103)
RETURN RECEIPT REQUESTED



WHITE RIVER OPERATING LLC
c/o Jo Taylor
Agent for Service of Process
301 East Kaliste Saloom Road, Suite 100
Lafayette, LA 70508

**RE: NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. SE-PP-23-00299
AGENCY INTEREST NO. 235998**

Dear Madam:

On or about October 10, 2022, the Louisiana Department of Environmental Quality (the Department) conducted an inspection of **WHITE RIVER OPERATIONS**, an oil and gas exploration and production office location (the Facility), owned and/or operated by **WHITE RIVER OPERATING LLC (RESPONDENT)**, in response to a citizens' complaint to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Solid Waste Regulations. The Facility is located at 27073 Highway 15 in Ferriday, Concordia Parish, Louisiana. The Respondent does not have a permit or other authorization from the Department to dispose of regulated solid waste at the Facility.

On or about September 28, 2022, the Department received a citizens' complaint alleging the Respondent transported exploration and production (E&P) waste from Mississippi and buried it, along with old tanks and other debris, at the Facility. Representatives of the Department conducted investigations at the Facility on September 30, 2022, and October 10, 2022, which revealed the Respondent allowed the deposition of E&P waste into a large hole in the ground, approximately 20-feet by 25-feet in size. The investigations revealed no evidence the Respondent buried old tanks or other solid waste at the Facility.

During the October 10, 2022 inspection, representatives of the Respondent stated the E&P waste disposed of at the Facility was generated by the Respondent's drilling activities at an oil well, known as the Harry O'Neal Well Pad, located in Holmes County, Mississippi. According to the Respondent's representatives, the Mississippi Oil and Gas Board denied the Respondent's request to land farm the E&P waste generated at the Harry O'Neal Well Pad, as some of the waste exhibited chloride concentrations that exceeded the Mississippi allowable limit of 1,000 mg/l. Subsequently, the Respondent contracted

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United States Environmental Services, L.L.C. (USES) located in Byram, Mississippi to transport the E&P waste from the point of generation to the Facility.

In written correspondence to the Department dated January 23, 2023, a representative of Apex Environmental Consultants, Inc. (Apex), an environmental consultant contracted by the Respondent, stated that six (6) 20-yard loads of E&P waste were transported to the Facility by USES in approximately September 2022. The representative further stated that eight (8) 20-yard loads of E&P waste were removed from the Facility by USES and properly disposed of at Plantation Oaks Landfill, located at 35 Shieldsboro Road in Sibley, Mississippi in approximately November 2022. Plantation Oaks Landfill is permitted by the Mississippi Department of Environmental Quality (MDEQ) to accept this type of waste. The response included multiple non-hazardous waste manifests dated between October 18, 2022, through October 26, 2022, to document the proper disposal of the aforementioned E&P waste at Plantation Oaks Landfill.

The January 23, 2023 response further stated that Apex collected soil samples from the hole from which the E&P waste was removed. Analytical laboratory results for the soil samples were submitted to the Department with the response. Based on the results of the soil samples, the Department's Remediation Division issued a Site Investigation Request Letter dated September 21, 2023, to the Respondent.

The Department issued Warning Letter (WL) SE-L-23-00299 to the Respondent on or about April 26, 2023. A representative of the Respondent submitted a response to WL SE-L-23-00299 dated May 16, 2023, to the Department, which stated they properly disposed of the E&P waste and instituted procedures to ensure compliance with applicable regulations.

While the investigation by the Department is not yet complete, the following violations were noted during the course of the inspection and a subsequent file review conducted on or about August 23, 2023:

- A. The Respondent caused and/or allowed the unauthorized disposal of regulated solid waste, in violation of LAC 33:VII.315.C. Specifically, the Respondent allowed the deposition of approximately six (6) 20-yard loads of E&P waste to be disposed at the Facility, which is not permitted to receive such waste. The E&P waste was generated by the Respondent during oil well drilling activities conducted at the Harry O'Neal Well Pad, which is located in Holmes County, Mississippi. The Respondent subsequently contracted USES to remove the E&P waste. Between October 18, 2022, and October 26, 2022, approximately eight (8) 20-yard loads of regulated solid waste, including but not limited to the aforementioned E&P waste, were removed from the Facility. The waste was transported to Plantation Oaks Landfill, located at 35 Shieldsboro Road in Sibley, Mississippi. Plantation Oaks Landfill is permitted by the MDEQ to receive this type of waste.
- B. The Respondent offered solid waste to a transporter that has not received authorization and/or the required permits necessary to receive and/or manage the generator's solid waste, in violation of LAC 33:VII.315.O. Specifically, the Respondent offered the E&P waste described in Paragraph

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A to USES. USES is not authorized by the Department to transport solid waste. In the May 16, 2023 response to WL SE-L-23-00299, a representative of the Respondent stated they instituted procedures to ensure compliance with applicable regulations.

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.

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(s). If you would like to have such a meeting, please contact Jennifer Boudreaux at (225) 219-3636 or Jennifer.Boudreaux@la.gov 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. 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.

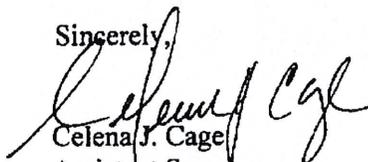
For each violation described herein, the Department reserves the right to seek civil penalties and the right to seek compliance with its rules and regulations in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such penalties and compliance.

The Department assesses civil penalties based on LAC 33:I.Subpart1.Chapter 7. To expedite closure of this **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 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 "**NOTICE OF POTENTIAL PENALTY REQUEST TO SETTLE**" form. The Respondent may submit the settlement offer within one hundred and eighty (180) days of receipt of this **NOTICE OF POTENTIAL PENALTY**. 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.

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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,



Celena J. Cage
Assistant Secretary
Office of Environmental Compliance

CJC/JMB/jmb
Alt ID No. N/A

c: WHITE RIVER OPERATING LLC
c/o Larry Parker, Operations Manager
27073 Highway 15
Ferriday, LA 71334



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.	SE-PP-23-00299	Contact Name	Jennifer Boudreaux
Agency Interest (AI) No.	235998	Contact Phone No.	(225) 219-3636
Alternate ID No.	N/A		
Respondent:	White River Operating LLC	Facility Name:	White River Operations
	c/o Jo Taylor	Physical Location:	27073 Highway 15
	Agent for Service of Process		
	301 East Kaliste Saloom Road, Suite 100 Lafayette, LA 70508	City, State, Zip:	Ferriday, LA 71334
		Parish:	Concordia

SETTLEMENT OFFER (OPTIONAL)

(check the applicable option)

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.

In order to resolve any claim for civil penalties for the violations in **NOTICE OF POTENTIAL PENALTY (SE-PP-23-00299)**, the Respondent is interested in entering into settlement negotiations with the Department and would like to set up a meeting to discuss settlement procedures.

The Respondent may submit the settlement offer within one hundred and eighty (180) days of receipt of this **NOTICE OF POTENTIAL PENALTY (SE-PP-23-00299)**.

In order to resolve any claim for civil penalties for the violations in **NOTICE OF POTENTIAL PENALTY (SE-PP-23-00299)**, 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.

- 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.

The Respondent has reviewed the violations noted in **NOTICE OF POTENTIAL PENALTY (SE-PP-23-00299)** 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
 P.O. Box 4312
 Baton Rouge, LA 70821
 Attn: Jennifer Boudreaux