

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 6

IN THE MATTER OF

**Redrock Energy, Inc.
Bully Camp Field
Lafourche Parish, LA**

Respondent.

**CWA SECTION 311 CLASS I
CONSENT AGREEMENT
AND FINAL ORDER
UNDER 40 CFR § 22.13(b)**

Docket No. CWA-06-2018-4809

FILED
2019 JAN 23 PM 0:16
REGIONAL ADMINISTRATOR
EPA REGION 6 OFFICE
NEW ORLEANS, LA

LEGAL AUTHORITY

1. This Consent Agreement is proposed and entered into under the authority vested in the Administrator of the U.S. Environmental Protection Agency ("EPA") by Section 311(b)(6)(B)(i) of the Clean Water Act ("Act"), 33 U.S.C. § 1321(b)(6)(B)(i), as amended by the Oil Pollution Act of 1990, and under the authority provided by 40 CFR §§ 22.13(b) and 22.18(b)(2). The Administrator has delegated these authorities to the Regional Administrator of EPA, Region 6, who has in turn delegated them to the Director of the Superfund Division of EPA, Region 6, who has, by his concurrence, re-delegated the authority to act as Complainant to the Branch Chief Emergency Management Branch (formerly identified as Associate Director Prevention and Response Branch) in Region 6, Delegation No. R6-2-51, dated February 13, 2008 ("Complainant").

CONSENT AGREEMENT

SPCC Stipulations

The parties, in their own capacity or by their attorneys or other authorized representatives, hereby stipulate:

2. Section 311(j)(1)(C) of the Act, 33 USC § 1321(j)(1)(C), provides that the President shall issue regulations "establishing procedures, methods, and equipment and other requirements for equipment to prevent discharges of oil from onshore or offshore vessels and from onshore or offshore facilities, and to contain such discharges...."

3. Initially by Executive Order 11548 (July 20, 1970), 35 Fed. Reg. 11677 (July 22, 1970), and most recently by Section 2(b)(1) of Executive Order 12777 (October 18, 1991), 56 Fed. Reg. 54757 (October 22, 1991), the President delegated to EPA his Section 311(j)(1)(C) authority to issue the regulations referenced in the preceding Paragraph for non-transportation-related onshore facilities.

4. Through Executive Order 12777 (October 18, 1991), 56 Fed. Reg. 54757 (October 22, 1991), the President delegated to the Department of the Interior (DOI), responsibility for spill prevention and control, contingency planning, and equipment inspection activities associated with offshore facilities. Subsequently, pursuant to section 2(i) of E.O. 12777, the Secretary of the Interior re-delegated, and the Administrator of EPA agreed to assume (MOU published as Appendix B to 40 CFR Part 112), responsibility for non-transportation-related offshore facilities located landward of the coast line.

5. EPA promulgated the Spill Prevention Control & Countermeasure (SPCC) regulations pursuant to delegated statutory authorities, and pursuant to its authorities under the Clean Water Act, 33 USC § 1251 et seq., which established certain procedures, methods and other requirements upon each owner and operator of a non-transportation-related onshore or off-shore facility, if such facility, due to its location, could reasonably be expected to discharge oil into or upon the navigable waters of the United States and their adjoining shorelines in such quantity as

EPA has determined in 40 CFR § 110.3 may be harmful to the public health or welfare or the environment of the United States (“harmful quantity”).

6. In promulgating 40 CFR § 110.3, which implements Section 311(b)(4) of the Act, 33 USC § 1321(b)(4), EPA has determined that discharges of harmful quantities include oil discharges that cause either (1) a violation of applicable water quality standards or (2) a film, sheen upon, or discoloration of the surface of the water or adjoining shorelines, or (3) a sludge or emulsion to be deposited beneath the surface of the water or upon adjoining shorelines.

7. Respondent is a firm conducting business in the State of Louisiana, with a place of business located at 2123 St. Mary Street, Thibodaux, LA 70301, and is a person within the meaning of Sections 311(a)(7) and 502(5) of the Act, 33 U.S.C. §§ 1321(a)(7) and 1362(5), and 40 CFR § 112.2.

8. Respondent is the owner within the meaning of Section 311(a)(6) of the Act, 33 USC § 1321(a)(6), and 40 CFR § 112.2 of an oil production facility, the Bully Camp Field, located in LaFourche Parish, Louisiana (“the facility”). The approximate coordinates of the facility are 29.472222° N and -90.380833° W. Drainage from the facility travels into Lake Bully Camp.

9. The facility has an aggregate above-ground storage capacity greater than 1320 gallons of oil in containers each with a shell capacity of at least 55 gallons. Facility capacity is approximately 181,605 gallons.

10. Lake Bully Camp is a navigable water of the United States within the meaning of 40 CFR § 112.2.

11. Respondent is engaged in drilling, producing, gathering, storing, processing, refining, transferring, distributing, using or consuming oil or oil products located at the facility.

12. The facility is therefore a non-transportation-related offshore and onshore facility which, due to its location, could reasonably be expected to discharge oil to a navigable water of the United States or its adjoining shorelines in a harmful quantity ("an SPCC-regulated facility").

13. Pursuant to Section 311(j)(1)(C) of the Act, E.O. 12777, and 40 CFR § 112.1 Respondent, as the owner of an SPCC-regulated facility, is subject to the SPCC regulations.

SPCC Allegations

14. Paragraphs 7 through 13 above are re-stipulated as though fully set forth herein.

15. 40 CFR § 112.3 requires that the owner or operator of an SPCC-regulated facility must prepare a SPCC plan in writing, and implement that plan in accordance with 40 CFR § 112.7 and any other applicable section of 40 CFR Part 112.

16. On March 22, 2018 the EPA inspected the facility and found that Respondent had failed to develop and implement an SPCC plan for the facility as follows:

- a. Respondent failed to provide a plan, certified by a licensed Professional Engineer, that attests to all the required elements in 40 CFR § 112.3(d).
- b. The plan states that the direction of flow is within containment. Specifically, respondent failed to include in the plan a prediction of the direction, rate of flow, and total quantity of oil that could be discharged for each type of major equipment where experience indicates a reasonable potential for equipment failure as required in 40 CFR § 112.7(b).
- c. Respondent failed to maintain a containment system, including walls and floor, that is capable of containing oil and is constructed so that any discharge from a primary containment system, such as a tank, will not escape the containment system before cleanup. Specifically, respondent failed to provide appropriate containment and/or diversionary structures or equipment to prevent a discharge from the facility in accordance with 40 CFR § 112.7(c)
- d. Respondent failed to include in the plan a complete discussion of conformance with the applicable requirements and other effective discharge prevention and containment procedures or any applicable more stringent State rules, regulations, and guidelines in accordance with 40 CFR § 112.7(j).

- e. Respondent failed to implement at the facility a regular schedule of inspection of field drainage systems and oil traps, sumps, or skimmers in accordance with 40 CFR § 112.9(b)(2).
 - f. Respondent failed to implement at the facility container materials and construction that are compatible with material stored and conditions of storage (such as pressure and temperature) in accordance with 40 CFR § 112.9(c)(1).
 - g. Respondent failed to provide adequately sized facility secondary containment to hold the capacity of the largest single container and sufficient freeboard for precipitation for all tank battery, separation, and treating facility installations in accordance with 40 CFR § 112.9(c)(2).
 - h. The plan states that the process vessels are periodically inspected. However, respondent failed to discuss in the plan specific schedule and procedures to visually inspect and/or test flow-through process vessels and associated components (such as dump valves) for leaks, corrosion, or other conditions that could lead to a discharge in accordance with 40 CFR § 112.9(c)(5)(i).
 - i. Respondent failed to address in the plan visual inspection and/or testing of intra-facility gathering lines and associated appurtenances on a periodic and regular schedule for leaks, oil discharges, corrosion, or other conditions that could lead to a discharge. Additionally, respondent failed to provide adequate secondary containment for the onshore intra-facility gathering lines as required in 40 CFR § 112.9(d)(4)(ii).
 - j. Respondent failed to address in the plan how sub-marine piping appurtenant to the facility will be adequately protected against environmental stresses and other activities such as fishing operations as required in 40 CFR § 112.11(o).
 - k. Respondent failed to discuss in the plan the specific time frame for inspection or testing of sub-marine piping appurtenant to the facility and the documentation and record keeping of such inspections or tests at the facility as required in 40 CFR § 112.11(p).
17. Respondent's failure to fully implement its SPCC plan for the facility

violated 40 CFR § 112.3, and impacted its ability to prevent an oil spill.

Waiver of Rights

18. Respondent admits the jurisdictional allegations set forth above and neither admits nor denies the other specific violations alleged above. Respondent waives the right to a hearing under Section 311(b)(6)(B)(i) of the Act, 33 U.S.C. § 1321(b)(6)(B)(i), and to appeal any Final Order in this matter under Section 311(b)(6)(G)(i) of the Act, 33 U.S.C. § 1321(b)(6)(G)(i), and

consents to the issuance of a Final Order without further adjudication.

Penalty

19. The Complainant proposes, and Respondent consents to, the assessment of a civil penalty of \$12,554.

Payment Terms

Based on the forgoing, the parties, in their own capacity or by their attorneys or authorized representatives, hereby agree that:

20. The Respondent shall make monthly installment payments of \$3,138.50 per month, for 4 months. The first payment must be made within thirty (30) days of the effective date of the Final Order, and each subsequent payment will be due on the 15th day of each month.

Respondent shall make the payments by means of a cashier's or certified check, or by electronic funds transfer (EFT). The Respondent shall submit this Consent Agreement and Final Order, with original signature, along with documentation of the initial penalty payment to:

Oil Spill & Response Team Leader
U. S. Environmental Protection Agency
Region 6 (6SF-EO)
1445 Ross Avenue
Dallas, Texas 75202-2733

- If you are paying by check, pay the check to "Environmental Protection Agency," noting on the check "OSTLF-311" and docket number CWA-06-2018-4809. If you use the U.S. Postal Service, address the payment to:

U.S. Environmental Protection Agency, Fines & Penalties
P.O. Box 979077, St. Louis, MO 63197-9000

- If you use a private delivery service, address the payment to:

U.S. Bank
1005 Convention Plaza, Mail Station SL-MO-C2GL
St. Louis, MO 63101

- The Respondent shall submit copies of the check (or, in the case of an EFT transfer, copies of the EFT confirmation) to the following person:

Lorena Vaughn
Regional Hearing Clerk (6RC)
U.S. Environmental Protection Agency
Region 6
1445 Ross Avenue
Dallas, TX 75202-2733

21. Failure by the Respondent to pay the penalty assessed by the Final Order in full by its due date may subject Respondent to a civil action to collect the assessed penalty, plus interest, attorney's fees, costs and an additional quarterly nonpayment penalty pursuant to Section 311(b)(6)(H) of the Act, 33 USC §1321(b)(6)(H). In any such collection action, the validity, amount and appropriateness of the penalty agreed to herein shall not be subject to review.

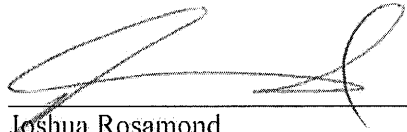
General Provisions

22. The Final Order shall be binding upon Respondent and Respondent's officers, directors, agents, servants, employees, and successors or assigns.

23. The Final Order does not constitute a waiver, suspension or modification of the requirements of Section 311 of the Act, 33 USC §1321, or any regulations promulgated thereunder, and does not affect the right of the Administrator or the United States to pursue any applicable injunctive or other equitable relief or criminal sanctions for any violation of law. Payment of the penalty pursuant to this Consent Agreement resolves only Respondent's liability for federal civil penalties for the violations and facts stipulated to and alleged herein.

REDROCK ENERGY, INC.

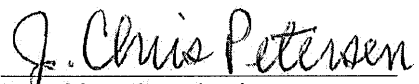
Date: 12/4/18



Joshua Rosamond
President

U.S. ENVIRONMENTAL PROTECTION AGENCY

Date: 12/13/18

for 

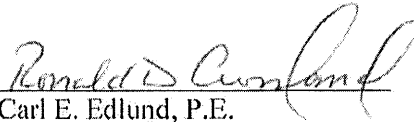
Ronald D. Crossland
Branch Chief
Emergency Management Branch
Superfund Division

FINAL ORDER

Pursuant to Section 311(b)(6) of the Act, 33 USC §1321(b)(6) and the delegated authority of the undersigned, and in accordance with the "Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, Issuance of Compliance or Corrective Action Orders, and the Revocation, Termination or Suspension of Permits," codified at 40 CFR Part 22, the forgoing Consent Agreement is hereby approved and incorporated by reference into this Final Order, and the Stipulations by the parties and Allegations by the Complainant are adopted as Findings in this Final Order.

The Respondent is ordered to comply with the terms of the Consent Agreement.

Date: 12/17/18

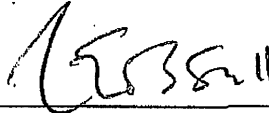
for 
Carl E. Edlund, P.E.
Director
Superfund Division

CERTIFICATE OF SERVICE

I certify that the original and one copy of the foregoing "Consent Agreement and Final Order," issued pursuant to 40 C.F.R. 22.13(b), was filed on January 28, 2019, with the Regional Hearing Clerk, U.S. EPA Region 6, 1445 Ross Avenue, Dallas, TX 75202-2733; and that on the same date a copy of the same was sent to the following, in the manner specified below:

Copy by certified mail,
return receipt requested:
7016 3010 0000 4985 2408

NAME: Mr. Joshua Rosamond
ADDRESS: 2123 Mary street
Thibodaux, LA 70301



Enoch Johnbull
OPA Enforcement Officer