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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 6, 1445 ROSS AVENUE, DALLAS, TEXAS 75202-2733  
EXPEDITED SPILL SETTLEMENT AGREEMENT

DOCKET NO. CWA-06-2010-4521

On May 09, 2010

At: Milagro Exploration, St. Martin Parish, LA (Respondent) discharged 30 gallons of crude oil in violation of Section 311(b)(3) of the Clean Water Act (the Act), as noted on the attached FINDINGS and ALLEGED CIVIL VIOLATIONS FORM (Form), which is hereby incorporated by reference.

The parties are authorized to enter into this Expedited Settlement under the authority vested in the Administrator of EPA by Section 311(b) (6) (B) (i) of the Act, 33 USC § 1321(b) (6) (B) (i), as amended by the Oil Pollution Act of 1990, and by 40 CFR § 22.13(b). **The parties enter into this Expedited Settlement in order to settle the civil violations described in the Form for a penalty of \$500.00.**

This settlement is subject to the following terms and conditions:

EPA finds the Respondent's conduct is subject to the discharge prohibition of Section 311(b)(3) of the Act, as described in the statute and further described by 40 CFR § 110.3. The Respondent admits he/she is subject to Section 311(b)(3) and that EPA has jurisdiction over the Respondent and the Respondent's conduct as described in the Form. Respondent does not contest the Findings, and waives any objections it may have to EPA's jurisdiction. The Respondent consents to the assessment of the penalty stated above. Respondent certifies, subject to civil and criminal penalties for making a false submission to the United States Government, that it has investigated the cause of the spill, it has cleaned up the spill pursuant to the federal requirements, and it has taken corrective actions that will prevent future spills. The Respondent also verifies that it has sent a certified check for \$500.00, payable to "Environmental Protection Agency," to: "USEPA, Fines & Penalties, P.O. Box 979077, St. Louis, MO 63197-9000" and Respondent has noted on the penalty payment check "Spill Fund-311" and the docket number of this case, "CWA-06-2010-4521."

Upon signing and returning this Expedited Settlement to EPA, Respondent waives the opportunity for a hearing or appeal pursuant to Section 311 of the Act, and consents to EPA's approval of the Expedited Settlement without further notice.

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.

If Respondent does not sign and return this Expedited Settlement as presented within 30 days of the date of its

receipt, the proposed Expedited Settlement is withdrawn without prejudice to EPA's ability to file any other enforcement action for the violations identified in the Form.

After this Expedited Settlement becomes effective, EPA will take no further action against the Respondent for the violations of the Section 311(b)(3) of the Act described in the Form. However, EPA does not waive any rights to take any enforcement action for any other past, present, or future violations by the Respondent of Section 311(b)(3) of the Act or of any other federal statute or regulation. By its first signature, EPA ratifies the Inspection Findings and Alleged Violations set forth in the Form.

This Expedited Settlement is binding on the parties signing below, and is effective upon the Superfund Division Director's signature.

APPROVED BY EPA:

Chris Petersen Date: 8/27/10  
Mark A. Hansen  
Acting Associate Director  
Prevention and Response Branch  
Superfund Division

APPROVED BY RESPONDENT:

Name (print): Tom C. Langford  
Title (print): SA, VP and General Counsel  
[Signature] Date: 9/15/10  
Signature

The estimated cost of the clean-up and corrective action is \$ 1625<sup>00</sup>.

IT IS SO ORDERED:

Samuel Coleman Date: 9/15/10  
Samuel Coleman, P.E.  
Director  
Superfund Division

2010 SEP 29 AM 7:41

FILED

## FINDINGS AND ALLEGED CIVIL VIOLATIONS

1. Milagro Exploration is a firm qualified to do business in the State of Louisiana with a place of business located in Houston, Texas. The Respondent is a person within the meaning of Section 311(a)(7) of the Act, 33 U.S.C. §1321(a)(7).

2. Respondent is the owner/operator of an offshore facility within the meaning of Section 311(a)(10) of the Act, 33 U.S.C. §1321(a)(10), an oil production facility, which is located in St. Martin Parish, LA (facility).

3. Section 311(b)(3) of the Act prohibits the discharge of oil into or upon the navigable waters of the United States or adjoining shorelines in such quantities that have been determined may be harmful to the public health or welfare or environment of the United States.

4. For purposes of Section 311(b)(3) and (b)(4) of the Act, 33 U.S.C. §1321(b)(3) and (b)(4), discharges of oil into or upon the navigable waters of the United States in such quantities that have been determined may be harmful to the public health or welfare or environment of the United States are defined in 40 C.F.R. §110.3 to include discharges of oil that cause a film or a sheen upon or discoloration of the surface of the water or adjoining shorelines.

5. On May 09, 2010, Respondent discharged 30 gallons of oil as defined in Section 311(a)(1) of the Act, 33 U.S.C. §1321(a)(1), and 40 C.F.R. §110.1, from its facility into or upon West Lake Verret and adjoining shorelines.

6. West Lake Verret enters Big Fork Bayou; thence Little Bayou Sorrel; thence the Intracoastal Waterway and is a navigable water of the United States as defined in Section 502(7) of the Act, 33 U.S.C. §1362(7), and 40 C.F.R. §110.1.

7. Respondent's May 09, 2010, discharge of oil from its facility caused a sheen upon or discoloration of the surface of West Lake Verret and adjoining shorelines and therefore, was in a quantity that has been determined may be harmful under 40 C.F.R. §110.3, which implements Sections 311(b)(3) and (b)(4) of the Act.


8. Respondent's May 09, 2010, discharge of oil from its facility into or upon West Lake Verret and adjoining shorelines in a quantity that has been determined may be harmful under 40 C.F.R. §110.3 violated Section 311(b)(3) of the Act. Pursuant to Section 311(b)(6)(B)(i) of the Act, and 40 CFR 19.4, the Respondent is liable for civil penalties of up to \$11,000 per violation, up to a maximum of \$32,500.

**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 9-29, 2010, 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:

NAME: Ronnie Ratliff  
ADDRESS: 1301 McKinney Street, Suite 500  
Houston, Texas 77010

  
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Frankie Markham  
OPA Enforcement Administrative Assistant