

STATE OF MISSISSIPPI

PHIL BRYANT GOVERNOR

MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL QUALITY

TRUDY D. FISHER, EXECUTIVE DIRECTOR

July 11, 2013

CERTIFIED MAIL/RETURN RECEIPT REQUESTED

Mr. Richard Mayers Mikes Quick Stop PO Box 510 Vernon, Alabama 35592

Re: Agreed Order No. 6285 13

Dear Mr. Mayers:

Enclosed you will find a copy of Agreed Order No. 6285 13, which has been executed by the Executive Director of the Mississippi Department of Environmental Quality, Trudy Fisher, on behalf of the Mississippi Commission on Environmental Quality.

The enclosed Order assesses a civil penalty. The penalty payment, when due, should be made by check payable to the Mississippi Department of Environmental Quality and returned in the enclosed, self-addressed envelope to the MDEQ Fees Division at P.O. Box 2339, Jackson, MS 39225.

If you have any questions regarding your obligations under the enclosed order, please contact Chris Wells at (601) 961-5545.

Sincerely,

Chris Sanders, P.E.

Kim Smith

Chief, Environmental Compliance and Enforcement Division

Enclosure

cc: Chris Wells

Agency Interest No. 26883 ENF20120001

BEFORE THE MISSISSIPPI COMMISSION ON ENVIRONMENTAL QUALITY

MISSISSIPPI COMMISSION ON ENVIRONMENTAL QUALITY

COMPLAINANT

VS.

ORDER NO: 6285 13

MIDSTATES PETROLEUM COMPANY LLC and MID SOUTH PETROLEUM CORPORATION PO BOX 510 VERNON, AL 35592

RESPONDENTS

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 Midstates Petroleum Company LLC ("Midstates") and MidSouth Petroleum Corporation ("MidSouth"), collectively "Respondents," in the above captioned cause and agree as follows:

1.

Respondent Midstates owns and/or operates a fuel delivery company conducting business in the state of Mississippi. Respondent MidSouth owns and/or operates an underground storage tank ("UST") at an establishment known as Mike's Quick Stop (I.D. #5872), 104 County Road 100, Nettleton, Mississippi, Itawamba County (the "Mike's Quick Stop UST"). Both Respondents are subject to the provisions of the laws of this state governing the ownership/operation of USTs as specified in Mississippi Code Ann. § 49-17-401 et seq. and the rules and regulations of the Commission.

2.

By letter dated November 8, 2011, MDEQ notified Respondent MidSouth that the Mike's Quick Stop UST was ineligible to accept deliveries due to violations previously communicated to MidSouth. By electronic correspondence on the same date, a member of Respondent Midstate's staff received notification of MDEQ's placement of the Mike's Quick Stop UST under a fuel delivery

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ECED

prohibition. Further, the MDEQ webpage was updated on November 8, 2011 to reflect the delivery prohibition. Pursuant to UST Regulation Section 280.36(c)(1), delivery prohibition tags were affixed to the Mike's Quick Stop UST fill risers on November 14, 2011 by an MDEQ inspector. At that time, MDEQ created a record to document the quantity of product contained in the Mike's Quick Stop UST compartments as of November 14, 2011.

During a follow-up inspection on November 22, 2011, an MDEQ inspector found the delivery prohibition tags had been removed and a product delivery had been accepted in each compartment of the Mike's Quick Stop UST.

On January 9, 2012, Respondent MidSouth was contacted by Complainant and notified of the following violations:

- a. Product acceptance is a direct violation of UST Regulation Section 280.36 which states in part "it shall be unlawful for any person to deliver to, deposit into, or accept a regulated substance into an underground storage tank at a facility that has been identified by the MDEQ to be ineligible for such delivery, deposit or acceptance".
- b. Removal of the delivery prohibition tags is a direct violation of UST Regulation Section 280.36(c)(1) which states in part "it shall be unlawful for anyone to remove, alter, destroy, deface or otherwise tamper with a delivery prohibition tag without valid authorization from the MDEQ".

According to MDEQ's investigation, Respondent Midstates was the entity which delivered fuel to both compartments of the Mike's Quick Stop UST after November 14, 2011. Accordingly, on January 9, 2012, Respondent Midstates was contacted by Complainant and notified of the following violations:

- a. Product delivery is a direct violation of UST Regulation Section 280.36 which states in part "it shall be unlawful for any person to deliver to, deposit into, or accept a regulated substance into an underground storage tank at a facility that has been identified by the MDEQ to be ineligible for such delivery, deposit or acceptance".
- b. Removal of the delivery prohibition tags is a direct violation of UST Regulation Section 280.36(c)(1) which states in part "it shall be unlawful for anyone to remove,

alter, destroy, deface or otherwise tamper with a delivery prohibition tag without valid authorization from the MDEQ".

Without an admission of liability, Midstates asserts that a third party may have removed the delivery prohibition tags. Nevertheless, Midstates' alleged delivery of product while the Mike's Quick Stop UST was under a delivery prohibition remains a violation.

3.

In lieu of a formal enforcement hearing concerning this matter, Complainant and Respondents agree to resolve this matter as follows:

Respondents agree to pay, jointly and/or severally, and Complainant agrees to accept a civil penalty in the amount of \$17,500 for the matters addressed herein. Respondents shall pay this penalty, jointly and/or severally, to the Mississippi Department of Environmental Quality within one hundred eighty (180) days after this order has been executed by the MDEQ Executive Director or their designee. The settlement payment(s) shall be submitted to:

Mississippi Department of Environmental Quality

Attn: Mona Varner

P.O. Box 2339

Jackson, MS 39225

4.

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

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Respondents understand and acknowledge that they are entitled to an evidentiary hearing before the Commission pursuant to Mississippi Code Ann. § 49-17-31 and have made an informed waiver of that right.

MISSISSIPPI COMMISSION ON ENVIRONMENTAL QUALITY

BY:

TRUDY D. FISHER

EXECUTIVE DIRECTOR

MISSISSIPPI DEPARTMENT

OF ENVIRONMENTAL QUALITY

AGREED, this the	day of Sine	, 2013.		
	BY: I m			
	TITLE: Tres,	Sent		
STATE OF MISSISSIPP				
COUNTY OF Loundes				
PERSONALLY appeared before me, the undersigned authority in and for the jurisdiction aforesaid,				
the within named				
upon his/her oath and acknowledge to me that he/she is the				
of MidSouth Petroleum Corporation and is authorized to sign and enter this Agreement on its behalf.				
SWORN AND SUBSCRIBED	BEFORE ME, this, the	_day of		
ID # 54387 SHERRY E. WEST Commission Expires		Shery Eubon NOTARY PUBLIC		
NACE COVE				
My Commission expires:				

AGREED, this the	day of June	, 2013.
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	BY:	Wy-
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STATE OF MISSISSIMI		
COUNTY OF LOWN des		
PERSONALLY appeared before me, to	he undersigned authority in and	for the jurisdiction aforesaid,
the within named	who first	st being duly sworn, did state
upon his/her oath and acknowledge to	me that he/she is the	of
MidStates Petroleum Company LLC as	nd is authorized to sign and ent	er this Agreement on its behalf.
SWORN AND SUBSCRIBED	BEFORE ME, this, the <u>24</u>	_day of
OF MISS/S ARY PUBL S 1D # 54387		Mony & Word NOTARY PUBLIC
SHERRY E. WES		
My Commission expires:		