STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	**Settlement Tracking No.**
	*	**SA-MM-14-0036**
BAKER HUGHES OILFIELD	*	
OPERATIONS, INC.	*	**Enforcement Tracking Nos.**
AI # 952, 8879, 33231, 85440, 18194, 27193,	*	**AE-PP-12-00400**
42734	*	**WE-PP-13-00062**
PROCEEDINGS UNDER THE LOUISIANA	*	
ENVIRONMENTAL QUALITY ACT	*	
LA. R.S. 30:2001, ET SEQ.	*	

SETTLEMENT

The following Settlement is hereby agreed to between Baker Hughes Oilfield Operations, Inc. ("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 Corporation that owns and/or operates multiple oil and gas facilities located in Plaquemines, Terrebonne, Lafayette, Acadia, Vermilion and St. Mary Parishes, Louisiana ("the Facilities").

II

On June 28, 2013, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. **WE-PP-13-00062**, which was based upon the following findings of fact:

"On or about April 23, 2013, a file review of multiple facilities owned and/or operated by Baker Hughes Oilfield Operations, Inc. (RESPONDENT), was performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Water Quality Regulations. The Respondent owns and/or operates multiple oil and gas facilities. The facilities and

their corresponding locations operate or previously operated under the authority of the following Water Permits:

Facility	AI No.	Location	Permit (Effective Date)
Venice Bulk Plant	952	West of McDermitt Road in Venice, Plaquemines Parish, Louisiana	LAG531353 (1/25/2008)
Dulac Bulk Plant	8879	9292 Grand Calliou Road in Dulac, Terrebonne Parish, Louisiana	LAG531354 (1/25/2008)
Land Completions	18194	217 North Bernard Road in Broussard, Lafayette Parish, Louisiana	LAG480394 (11/10/2011)
Pressure Pumping	27193	279 Roller Road in Crowley, Acadia Parish, Louisiana	LAG531819 (2/8/2008)
Oilfield Completion Fluids Plant	42734	12366 Offshore Road in Abbeville, Vermillion Parish, Louisiana	LA0124249 (12/11/2008)
Berwick Bulk Plant	85440	1050 River Road in Berwick, St. Mary Parish, Louisiana	LAG531606 (2/8/2008)

While the investigation by the Louisiana Department of Environmental Quality (the Department) is not yet complete, the following violations were noted during the course of the file review conducted on or about April 23, 2013:

A. According to the Name/Ownership Change Forms (NOC-1 Forms), the Respondent became the owner and/or operator of the following facilities as follows:

Facility	AI No.	Date Acquired or Date of Name Change	NOC-1 Receipt Date	Permit Number (Permit Transfer Date)
Venice Bulk Plant	952	7/11/2011	3/2/2012	LAG531353 (3/21/2012)
Dulac Bulk Plant	8879	7/11/2011	3/2/2012	LAG531354 (3/21/2012)
Lafayette Acid Plant	18194	7/11/2011 (name change only)	11/14/2011	LAG480394 (12/6/2011)
Pressure Pumping	27193	7/11/2011	10/31/2011	LAG531819 (11/22/2011)
Oilfield Completion Fluids Plant	42734	7/11/2011	12/9/2011	LA0124249 (1/27/2012)
Berwick Bulk Plant	85440	7/11/2011	12/13/2011	LAG531606 (1/27/2012)

Submission of a completed NOC-1 form for each of the facilities noted above occurred more than 45 days after acquisition date or date of name change. Each incident of the Respondent's failure to submit a complete NOC-1 form to the Department within 45 days after the ownership change is a violation of LAC 33:I.1907.B, and La. R.S. 30:2075.

B. The Respondent caused and/or allowed unauthorized discharge to waters of the state for the following facilities:

Facility	AI No.	Date Acquired or Date of Name Change	NOC-1 Receipt Date	Permit Number (Permit Transfer Date)
Venice Bulk Plant	952	7/11/2011	3/2/2012	LAG531353 (3/21/2012)
Dulac Bulk Plant	8879	7/11/2011	3/2/2012	LAG531354 (3/21/2012)
Lafayette Acid Plant	18194	7/11/2011 (name change only)	11/14/2011	LAG480394 (12/6/2011)
Pressure Pumping	27193	7/11/2011	10/31/2011	LAG531819 (11/22/2011)
Oilfield Completion Fluids Plant	42734	7/11/2011	12/9/2011	LA0124249 (1/27/2012)

Specifically, LPDES General Water Permits were not transferred within forty-five (45) days of the ownership change. Therefore, the Respondent did not have permit coverage from the ownership change date of July 11, 2011, until the permit transfer date listed above in the table. The Respondent submitted DMRs for the months of July 2011 through December 2011, which indicated that unauthorized discharges occurred after the ownership change. Each unauthorized discharge is a violation of La. R.S. 30:2075."

On July 24, 2013, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. **AE-PP-12-00400**, which was based upon the following findings of fact:

"On or about May 6, 2013, file reviews of four (4) cement blending and storage facilities, owned and/or operated by Baker Hughes Oilfield Operations, Inc. (RESPONDENT), were performed

to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Air Quality Regulations. The facilities and their corresponding locations are listed below:

Facility	AI. No.	Permit No.	Location
Venice Bulk Plant	952	2240-00191-00	238 McDermott Road in Venice, Plaquemines Parish
Dulac Bulk Plant	8879	2880-00131-00	9292 Grand Caillou Road in Dulac, Terrebonne Parish
Abbeville Bulk Plant	33231	2940-00043-00	12354 Offshore Road in Abbeville, Vermilion Parish
Berwick Bulk Plant	85440	2660-00237-00	1050 River Road in Berwick, St. Mary Parish

While the investigation by the Louisiana Department of Environmental Quality (the Department) is not yet complete, the following violations were noted during the course of the file reviews:

A. According to the Name/Ownership/Operator Change Forms (NOC-1 Forms) submitted to the Department on December 9, 2011; February 25, 2012; and July 21, 2012, the Respondent became the owner and/or operator of the aforementioned facilities on July 11, 2011. The permit transfer dates for the facilities were as follows:

Facility	AI. No.	Permit No.	Transfer Date
Venice Bulk Plant	952	2240-00191-00	March 21, 2012
Dulac Bulk Plant	8879	2880-00131-00	March 21, 2012
Abbeville Bulk Plant	33231	2940-00043-00	August 9, 2012
Berwick Bulk Plant	85440	2660-00237-00	January 27, 2012

Each failure to submit a complete NOC-1 form to the Department within 45 days after the ownership change is a violation of LAC 33:I.1907.B, LAC 33:III.517.G, and La. R.S. 30:2057(A)(2).

B. According to the NOC-1 Forms submitted to the Department on December 9, 2011; February 25, 2012; and July 21, 2012, the Respondent became the owner and/or operator of the aforementioned facilities on July 11, 2011 The permit transfer dates for the facilities were as follows:

Facility	AI. No.	Permit No.	Transfer Date
Venice Bulk Plant	952	2240-00191-00	March 21, 2012
Dulac Bulk Plant	8879	2880-00131-00	March 21, 2012
Abbeville Bulk Plant	33231	2940-00043-00	August 9, 2012
Berwick Bulk Plant	85440	2660-00237-00	January 27, 2012

The unauthorized operation of each facility from July 11, 2011, to the respective permit transfer date, is a violation of LAC 33:III.501.C.2 and La. R.S. 30:2057(A)(1) and La. R.S. 30:2057(A)(2)."

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 TWELVE THOUSAND SEVEN HUNDRED FORTY-FOUR AND NO/100 DOLLARS ($12,744.00), of which Seven Hundred Ten and No/100 Dollars ($710.00) represents the Department's enforcement costs, in settlement of the claims set forth in this 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), the Notices of Potential Penalty and this Settlement 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 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 agreement in any action by the Department to enforce this agreement.

VII

This settlement 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, the Department considered the factors for issuing civil penalties set forth in La. R. S. 30:2025(E) of the Act.

VIII

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Plaquemines, Terrebonne, Lafayette, Acadia, Vermilion and St. Mary Parishes, Louisiana. The advertisement, in form, wording, and size approved by the Department, announced the availability of this settlement 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 from the newspaper of each affected parish to the Department and, as of the date this Settlement is executed on behalf of the Department, more than forty-five (45) days have elapsed since publication of the notice.

IX

Payment is to be made within ten (10) days from notice of the Secretary's signature. If payment is not received within that time, this Agreement is voidable at the option of the Department. Payments are to be made by check, payable to the Department of Environmental Quality, and mailed or delivered to the attention of Accountant Administrator, Financial Services Division, Department of Environmental Quality, Post Office Box 4303, Baton Rouge, Louisiana, 70821-4303. Each payment shall be accompanied by a completed Settlement Payment Form (Exhibit A).

X

In consideration of the above, any claims for penalties are hereby compromised and settled in accordance with the terms of this Settlement.

XI

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.

BAKER HUGHES OILFIELD OPERATIONS, INC.

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
Peggy M. Hatch, Secretary

BY: _____
Cheryl Sonnier Nolan, 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: _____
Cheryl Sonnier Nolan, Assistant Secretary