

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

<b>IN THE MATTER OF:</b>	*	<b>Settlement Tracking No.</b>
	*	<b>SA-AE-09-0042</b>
<b>BAKER HUGHES OILFIELD OPERATIONS, INC.</b>	*	
	*	
<b>AI # 1050</b>	*	<b>Enforcement Tracking No.</b>
	*	<b>AE-PP-08-0062</b>
	*	
<b>PROCEEDINGS UNDER THE LOUISIANA ENVIRONMENTAL QUALITY ACT</b>	*	
<b>LA. R.S. 30:2001, <u>ET SEQ.</u></b>	*	

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 a hydrochloric acid storage and blending facility located in Broussard, Lafayette Parish, Louisiana ("the Facility").

II

On November 21, 2008, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. AE-PP-08-0062, which was based upon the following findings of fact:

On or about August 6, 2008, a file review of Lafayette Acid Plant (Facility), 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 Air Quality Regulations. The facility is located at 219 Bernard Road in Broussard, Lafayette Parish, Louisiana.

On or about February 13, 2007, the Department received the facility's Air Permit Application dated February 7, 2007. The facility currently operates under Air Permit No. 0620-00350-00, issued on April 3, 2008.

The following violation was noted during the course of the file review:

- A. According to an email from the Respondent's representative dated August 6, 2008, the estimated date construction commenced at the facility was during the fall of the 1973 calendar year. The Respondent failed to receive approval from the permitting authority prior to constructing the facility. This is a violation of LAC 33:III.501.C.1 and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- B. According to an email from the Respondent's representative dated August 6, 2008, the estimated date operation commenced at the facility was during the fall of 1973 calendar year. The facility's Air Permit No. 0620-00350-00 was approved on April 3, 2008. Operating the facility between the fall of 1973 and April 3, 2008, without an air permit is a violation of LAC 33:III.501.C.2 and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

### III

Respondent neither admits nor denies it committed any violations and denies that it is liable for any fines, forfeitures and/or penalties.

### IV

Nonetheless, Respondent, without making any admission of facts or liability under state or federal statute or regulation, agrees to pay, and the Department agrees to accept, a payment in the amount of TEN THOUSAND AND NO/100 DOLLARS (\$10,000.00), of which Two Hundred Fifty-Eight and 53/100 Dollars (\$258.53) 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 Notice 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 LSA- 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 Lafayette Parish, 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 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). On July 27, 2009, the Respondent paid the full settlement amount of \$10,000.00 sent directly to the Department's Financial Services Division by Electronic Funds Transfer.

#### 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)

\_\_\_\_\_  
(Print)

TITLE: \_\_\_\_\_

THUS DONE AND SIGNED in duplicate original before me this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_, at \_\_\_\_\_.

\_\_\_\_\_  
NOTARY PUBLIC (ID # \_\_\_\_\_)

\_\_\_\_\_  
(Print)

**LOUISIANA DEPARTMENT OF  
ENVIRONMENTAL QUALITY**  
Peggy M. Hatch, Secretary

BY: \_\_\_\_\_  
Paul D. Miller, 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 # \_\_\_\_\_)

\_\_\_\_\_  
(Print)

Approved:   
\_\_\_\_\_  
Paul M. Miller, P.E., Assistant Secretary