STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	**Settlement Tracking No.**
	*	**SA-AE-10-0011**
CONOCOPHILLIPS COMPANY	*	
	*	**Enforcement Tracking No.**
AI # 156468	*	**AE-CN-08-0293**
	*	
PROCEEDINGS UNDER THE LOUISIANA ENVIRONMENTAL QUALITY ACT LA. R.S. 30:2001, ET SEQ.	* * *	

SETTLEMENT

The following Settlement is hereby agreed to between ConocoPhillips Company ("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 crude oil and natural gas production facility located 4.5 miles southeast of Dubberly in Webster Parish, Louisiana. ("the Facility").

II

On February 9, 2009, the Department issued to Respondent a Consolidated Compliance Order and Notice of Potential Penalty, Enforcement No. AE-CN-08-0293, which was based upon the following findings of fact:

On or about December 30, 2008, a file review of the Respondent's facility 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 4.5 miles southeast of Dubberly in Webster Parish, Louisiana. The facility currently operates under a modification to Standard Oil and Gas Air (SOGA) Permit No. 3080-00448-00, issued on December 3, 2008.

The following violations were noted during the course of the file review conducted by the Department:

According to a letter dated September 4, 2008, the Respondent reported emissions in excess of permit requirements. An email from the Respondent's representative dated December 2, 2008, reported the following emissions from an oil storage tank (Emission Point No. 2a-08-OST-CV):

Date of Reported Exceedance	Volatile Organic Compound (VOC) (lbs/hr)		Benzene (lbs/hr)		n-Hexane (lbs/hr)		Toluene (lbs/hr)	
	Permit Limit (lbs/hr)		Permit Limit (lbs/hr)		Permit Limit (lbs/hr)		Permit Limit (lbs/hr)	
	Avg 3.47	Max 25.64	Avg 0.00	Max 0.02	Avg 0.12	Max 0.78	Avg 0.00	Max 0.02
09/04/2008	68.67 *		0.045 *		2.39 *		0.045 *	
10/02/2008	34.68 *		0.023 *		1.21 *		0.023 *	
10/03/2008	33.98 *		0.0225 *		1.19 *		0.0225 *	
10/16/2008	25.66 *		0.017		0.89 *		0.017	
10/17/2008	25.66 *		0.017		0.89 *		0.017	

* Denotes an exceedance of a permit limit.

Each exceedence of a permitted emission limit of each pollutant is a violation of SOGA Permit No. 3080-00448-00, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1) and 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 TWO THOUSAND SEVEN HUNDRED AND NO/100 DOLLARS ($2,700.00), of which Two

Hundred and Seventy-One and 72/100 Dollars ($271.72) represents the Department's enforcement costs, in settlement of the claims set forth in this agreement.

V

Respondent further agrees that the Department may consider the Consolidated Compliance Order and 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 Webster 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).

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.

CONOCOPHILLIPS COMPANY

BY: K. Craig McPherson
(Signature)

K. Craig McPherson
(Print)

TITLE: General Manager, GCBU

THUS DONE AND SIGNED in duplicate original before me this 11th day of October, 20 10, at Houston, Texas.

LINDA J. TYRONE-WILLIAMS
My Commission Expires
February 10, 2011

Linda J. Tyrone-Williams
NOTARY PUBLIC (ID #00537893-1)

LINDA J. Tyrone-Williams
(Print)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Peggy M. Hatch, Secretary

BY: _____
Beau James Brock, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 19th day of January, 20 11, at Baton Rouge, Louisiana.

Christopher A. Ratcliff
NOTARY PUBLIC (ID # _____)

CHRISTOPHER A. RATCLIFF
Notary Public
State of Louisiana
Notary ID # 10149
My Commission is for Life

_____
(Print)

Approved: Paul D. Miller
Paul D. Miller, P.E., Assistant Secretary