

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

M-I L.L.C.

AI # 3267

PROCEEDINGS UNDER THE LOUISIANA ENVIRONMENTAL QUALITY ACT LA. R.S. 30:2001, ET SEQ.

* Settlement Tracking No. SA-AE-07-0037 * Enforcement Tracking No. AE-PP-04-0321 * * * * *

SETTLEMENT

The following Settlement is hereby agreed to between M-I L.L.C. ("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 operates an oil field service facility at Cameron, Cameron Parish, Louisiana ("the Facility").

II

On March 14, 2007, the Department issued a Notice of Potential Penalty, Enforcement No. AE-PP-04-0321, to Respondent, which was based upon the following findings of fact:

On August 17, 2004, an inspection of M-I SWACO Cameron Shore Base Facility, owned and/or operated by Respondent, was performed to determine the degree of compliance with the Act. The facility is located at 224 Carter Road in Cameron, Cameron Parish, Louisiana. The facility operated under Air Permit No. 056-00061-00 issued on June 14, 1990. The facility

currently operates under Air Permit No. 0560-00061-01 issued on July 26, 2005.

The following violations were noted during the course of the inspection:

During the inspection, the inspector noted that the Respondent commenced modifications to the facility by adding five (5) storage tanks, seven (7) mixing pits, and three (3) dust collector vents without the Department's approval. No construction, modification, or operation of a facility which ultimately may result in an initiation or increase in emission of air contaminants shall commence until approval has been issued by the permitting authority. The facility's emission points of concern are shown in the following table:

Emission Point No.	Description
T-1VC*	Tank No.1 Versaclean 42,000 gallons (Tanks A0541656)
T-1VD*	Tank No. 1 Versadrill 63,000 gallons (Tank A0541629)
T-NP3 (Emission Point No. in current permit)	Synthetic Fluid Tank 63,000 gallons (Tank A0541627)
T-NP4 (Emission Point No. in current permit)	Synthetic Fluid Tank 63,000 gallons (Tank A0541628)
T-NPB1 (Emission Point No. in current permit)	Synthetic oil storage tank 21,000 gallons (Tank A0542639)
N/A	Mixing pit 21,000 gallons. Associated with tanks T-1VC thru T-5VC (2 pits)
N/A	Mixing pit 21,000 gallons. Associated with tanks T- 1VC thru T-5VC (2 pits)
M-1 (Emission Point No. in current permit)	Mixing pit 21,000 gallons. Associated with tanks T-1VD thru T-4VD.
M-2 (Emission Point No. in current permit)	Mixing pit 21,000 gallons. Associated with tanks T-5VD and T-6VD and two additional 63,000 gallon synthetic fluid tanks.
N/A	Mixing pit associated with completion fluid tanks 21,000 gallons (3 pits)
N/A	Mixing pit associated with completion fluid tanks 21,000 gallons (3 pits)

Emission Point No.	Description
N/A	Mixing pit associated with completion fluid tanks 4,200 gallons (3 pits)
N/A	Dust collector vent associated with bulk barite operation 1,700 sacks.
N/A	Dust collector vent associated with bulk barite operation 1,500 sacks.
N/A	Dust collector vent associated with bulk barite operation 100 sacks (portable).

Each failure to obtain approval from the permitting authority prior to construction and/or operation of the facility is a violation of LAC 33:III.501.C.2, and Sections 2057(A)(1) and 2057(A)(2) of the Act. In addition for Emission Point Nos. marked with an asterisk in the table above, each failure to operate in accordance with all terms and conditions of Air Permit No 0560-00061-00 is a violation of LAC 33:501.C.4, and Sections 2057(A)(1) and 2057(A)(2) of the Act.

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 SIX THOUSAND SIX HUNDRED SIXTY AND NO/100 DOLLARS (\$6,660.00), of which One Hundred Twenty-seven and 49/100 Dollars (\$127.49) represents DEQ'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 DEQ 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 Cameron 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 a proof-of-publication affidavit 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/her respective party, and to legally bind such party to its terms and conditions.

M-I L.L.C.

BY: _____
(Signature)

(Print)

TITLE: _____

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

NOTARY PUBLIC (ID # _____)

(Print)

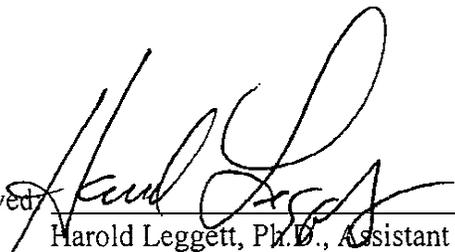
LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Mike D. McDaniel, Ph.D., Secretary

BY: _____
Harold Leggett, Ph.D., 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: 

Harold Leggett, Ph.D., Assistant Secretary