

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

MURPHY OIL USA, INC.

AI # 1238

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

* Settlement Tracking No.
* SA-AE-10-0057
*
* Enforcement Tracking No.
* MM-CN-02-0015 (*AIR ONLY*)
* AE-CN-08-0294
*
* Docket No. 2010-2555-EQ
* (AE-CN-08-0294)

SETTLEMENT

The following Settlement is hereby agreed to between Murphy Oil USA 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 petroleum refinery facility located at 2500 East St. Bernard Highway in Meraux, St. Bernard Parish, Louisiana ("the Facility").

II

On April 9, 2006, the Department issued to Respondent Consolidated Compliance Order & Notice of Potential Penalty Enforcement No. MM-CN-02-0015, which included the following findings of fact, among others:

On or about May 20, 2005, a file review of the Respondent's facility was performed to determine the degree of compliance with the Act and Air Quality Regulations.

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

- A. According to the 2003 Title V Annual Compliance Certification dated March 31, 2004, the Respondent stored naphtha in Tank 80-11 while the naphtha tanks, Tanks 80-1 and 80-2, were down for repairs. Tank 80-11 is included in a gasoline cap and is only authorized to store gasoline. This is a violation of General Condition III of Title V Permit Number 2500-00001-V1, LAC 33:III.501.C.4, and Sections 2057(A)(1) and 2057(A)(2) of the Act.
- B. Review of a letter dated January 22, 2003, revealed that on January 15, 2003, a release of an estimated 33,350 pounds of vaporized heavy hydrocarbon and an estimated 7,500 pounds of catalyst. The release was the result of a leaking flange at the No. 1 FCCU (11-72) regenerator slide valve. The refinery received 26 calls from neighbors concerning visible emissions or dust on vehicles. The Respondent's failure to prevent the unauthorized release is a violation of the Louisiana Air Quality Regulations, in particular LAC 33:III.905 which states "When facilities have been installed on a property, they shall be used and diligently maintained in proper working order whenever any emissions are being made which can be controlled by the facilities, even though the ambient air quality standards in affected areas are not exceeded." Control equipment as defined by LAC 33:III.111 is "any device or contrivance, operating procedure or abatement scheme used to prevent or reduce air pollution." This also constitutes a violation of Sections 2057(A)(1) and 2057(A)(2) of the Act.
- C. Review of a letter dated October 29, 2003, revealed that on October 23, 2003, a release of approximately 400 pounds of hydrogen, 25 pounds of naphtha, and less than one pound of hydrogen sulfide occurred. According to the Respondent, pressurized hydrogen was used to push material from the Hydrobon Charge Surge Drum to Tank 80-1. An operator inadvertently closed the incorrect valve sending pressurized hydrogen to Tank 80-1, resulting in a release. The refinery received two calls from neighbors concerning odor. The Respondent's failure to prevent the unauthorized release of a flammable gas is a violation of the Louisiana Air Quality Regulations, in particular LAC 33:III.905 which states "When facilities have been installed on a property, they shall be used and diligently maintained in proper working order whenever any emissions are being made which can be controlled by the facilities, even though the ambient air quality standards in affected areas are not exceeded." Control equipment as defined by LAC 33:III.111 is "any device or contrivance, operating procedure or abatement scheme used to prevent or reduce air pollution." This also constitutes a violation of Sections 2057(A)(1) and 2057(A)(2) of the Act.
- D. According to the Respondent's annual Title V report for emission caps, dated February 1, 2005, the naphtha emissions for the 12-month period ending in January were 2.24 tons per year, which exceed the limit of 1.58 tons per year. This is a violation of Part 70 Specific Condition Number 1, LAC 33:III.501.C.4, and Sections 2057(A)(1) and 2057(A)(2) of the Act.
- E. According to the 2004 Title V Annual Compliance Certification dated March 31, 2005, the Respondent stored naphtha in Tank 80-11 while the naphtha

tanks, Tanks 80-1 and 80-2, were down for repairs. Tank 80-11 is included in a gasoline cap and is only authorized to store gasoline. This is a violation of General Condition III of Title V Permit Number 2500-00001-V1, LAC 33:III.501.C.4, and Sections 2057(A)(1) and 2057(A)(2) of the Act.

On January 9, 2009, the Department issued to Respondent Consolidated Compliance Order & Notice of Potential Penalty. Enforcement No. AE-CN-08-0294, which included the following findings of fact, among others:

On or about December 15, 2008, a file review of the Respondent's facility was performed to determine the degree of compliance with the Act and the Air Quality Regulations. While the Department's investigation is not yet complete, the following violations were noted during the course of the review:

- A. According to a written report dated October 31, 2003, on October 26, 2003, "the refinery experienced a spill of crude at [Crude Oil] Tank 200-4 [Emission Point 200-4]. The spill involved approximately ten barrels of crude, with five barrels impacting the soil around the tank and five barrels remaining on the floating roof." The report further states that, "Essentially all of the material was recovered with the exception of 90 pounds in evaporated volatile organic compounds." Title V Permit No. 2500-00001-V1, which was issued on February 8, 2002, permits Emission Point 200-4 to emit a maximum of 1.28 pounds of volatile organic compounds (VOC) per hour. During the course of this incident, Emission Point 200-4 emitted an average of 6 pounds of VOC per hour. The exceedance of the maximum pound per hour emission limit is a violation of Part 70 General Condition C of Title V Permit No. 2500-00001-V1, LAC 33:III.501.C.4, LAC 33:III.905, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- B. According to a written report dated November 12, 2003, on November 5, 2003, "The refinery experienced a spill of naphtha at Tank 80-2 Naphtha [Emission Point 80-2]". The spill involved approximately three barrels of naphtha and was limited to the ground within the spill containment area around the tank. The spill was the result of a hole in the tank, probably in the floor. The report further states that, "Essentially all of the material was recovered with the exception of 73 pounds in evaporated volatile organic compounds." Title V Permit No. 2500-00001-V1 permits Emission Point 80-2 to emit a maximum of 0.31 pounds of volatile organic compounds (VOC) per hour. During the course of this incident, Emission Point 80-2 emitted an average of 3.04 pounds of VOC per hour. The exceedance of the maximum pound per hour emission limit is a violation of Part 70 General Condition C

of Title V Permit No. 2500-00001-V1, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

- C. According to a written report dated December 12, 2003, on December 7, 2003, a small amount of dimethyl sulfide liquid was, “inadvertently introduced into the facility’s sewer system, contaminating the sewer and the on-site wastewater treatment plant.” The Respondent was unable to conclusively determine how the dimethyl sulfide was introduced into the refinery’s sewer system and reported that an indeterminate quantity of dimethyl sulfide was emitted into the air. This is a violation of LAC 33:2113.A, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- D. According to a written report dated January 7, 2004, on December 31, 2003, “the refinery vented overhead components from the Crude tower to the North Flare [Emission Point 20-72] in order to relieve a sudden pressure increase in the unit. This pressure increase occurred shortly after the refinery switched crude oil feedstock which contained an unexpected quantity of water. The event lasted approximately 25 minutes and resulted in a large smoking flare for approximately 10 minutes.” This is a violation of 40 CFR 60.18(c)(1), which language has been adopted as a Louisiana regulation at LAC 33:III.3003; 40 CFR 63.11(b)(4) which language has been adopted as a Louisiana regulation in LAC 33:III.5122; LAC 33:III.1311.C; LAC 33:III.501.C.4; La. R.S. 30:2057(A)(1); and 30:2057(A)(2).
- E. According to a written report dated May 17, 2004, on May 10, 2004, “the refinery engaged a process safety valve (SP-PSV-020) to relieve a sudden pressure surge from the C3/C4 Splitter unit to the North Flare,” that was caused when a turbine was taken offline for scheduled maintenance. As a corrective action, “the refinery is researching engineering and administrative controls to improve the refinery steam balance to reduce sensitivity to minor process changes.” The emissions for the event are summarized in the table below:

Emmission Point	Pollutant	Actual Emissions		Permit Limit
		Total (lbs)	Average Rate (lbs/hr)	Maximum Rate (lbs/hr)
North Flare, 20-72	VOC	1581	2108	3.84

The exceedance of the maximum pound per hour emission limit is a violation of Part 70 General Condition C of Title V Permit No. 2500-00001-V1, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

The following violations, although not cited in the foregoing enforcement actions nor included in any other enforcement actions issued to the Respondent, are included within the scope of the settlement herein.

1. On or about October 1, 2005, gasoline spilled from Tank 200-1 to the secondary containment area surrounding the tank due to a failure of a roof drain. This spill caused emissions in excess of the reportable quantity (RQ) for volatile organic compounds (VOC). The failure to operate and diligently maintain control equipment is a violation of LAC 33:III.501.C.4, LAC 33:III.905, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2).
2. On or about December 19, 2005 the Respondent discovered that Tanks 200-1 and 200-3 had vapor-mounted primary seals. These tanks are Group 1 storage vessels subject to 40 CFR 63 Subpart CC, and LAC 33:III. Chapter 51. Both standards require primary seals to be either mechanical shoe or liquid-mounted foam seals. The failure to equip Tanks 200-1 and 200-3 with either a mechanical shoe or liquid-mounted primary seal is a violation of 40 CFR 63.646(a), which language has been adopted as a Louisiana regulation in LAC 33:III.5122; Part 70 General Condition C of Title V Permit No. 2500-00001-V1; LAC 33:III.501.C.4; LAC 33:III.5109.A; and La. R.S. 30:2057(A)(2).
3. Respondent exceeded the permitted annual VOC limit for the Gasoline Tank Cap (CAP-GASOLINE) in 2005. This is a violation of Part 70 General Condition C of Title V Permit No. 2500-00001-V1, LAC 33:III.501.C.4, LAC 33:III.905; La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2).
4. On or about December 19, 2005 the Respondent discovered that Tanks 200-4 and 200-5 were equipped with vapor-mounted primary seals. However, the VOC emission limits contained in Title V Permit No. 2500-00001-V1 were based on these tanks having mechanical shoe primary seals. The failure to equip Tanks 200-4 and 200-5 with mechanical shoe primary seals is a violation of General Condition I of Title V Permit No. 2500-00001-V1, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
5. Respondent exceeded the permitted annual VOC limit for the Crude Tank Cap (CAP-CRUDE) in 2005. This is a violation of Part 70 General Condition C of Title V Permit No. 2500-00001-V1, LAC 33:III.501.C.4, LAC 33:III.905; La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2).
6. Respondent failed to comply with the recordkeeping requirements for startups, shutdowns, and/or malfunctions of Sulfur Recovery Unit Incinerator No. 2 (Emission Point 1-93) that occurred on June 20, July 6, July 8, July 11, and July 27, 2005. This is a violation of 40 CFR 60.7(b), which language has been adopted as a Louisiana regulation in LAC 33:III.3003; 40 CFR 63.1576(a)(2), which language has been adopted as a Louisiana regulation in LAC 33:III.5122; Part 70 General Conditions C and S of Title V Permit No. 2500-00001-V1; LAC 33:III.501.C.4; and La. R.S. 30:2057(A)(2).

7. Respondent failed to comply with the recordkeeping requirements for startups, shutdowns, and/or malfunctions of Sulfur Recovery Unit Incinerator No. 3 (Emission Point 5-00) that occurred on June 21, July 3, July 6, and July 18, 2005. This is a violation of 40 CFR 60.7(b), which language has been adopted as a Louisiana regulation in LAC 33:III.3003; 40 CFR 63.1576(a)(2), which language has been adopted as a Louisiana regulation in LAC 33:III.5122; Part 70 General Conditions C and S of Title V Permit No. 2500-00001-V1; LAC 33:III.501.C.4; and La. R.S. 30:2057(A)(2).
8. Respondent failed to comply with the recordkeeping requirements for startups, shutdowns, and/or malfunctions of No. 2 FCC Stack (Emission Point 2-77) that occurred on May 27, June 26, June 30, July 6, July 8, July 13, July 14, July 21, and July 22, 2005. This is a violation of 40 CFR 60.7(b), which language has been adopted as a Louisiana regulation in LAC 33:III.3003; 40 CFR 63.1576(a)(2), which language has been adopted as a Louisiana regulation in LAC 33:III.5122; Part 70 General Conditions C and S of Title V Permit No. 2500-00001-V1; LAC 33:III.501.C.4; and La. R.S. 30:2057(A)(2).
9. Respondent failed to timely submit written unauthorized discharge reports for Incidents T89141, T89284, and T91207. This is a violation of LAC 33:I.3925.A and La. R.S. 30:2057(A)(2).
10. On or about September 12, 2006, approximately 4 barrels of a slop oil and stormwater mixture spilled from Tank 80-14 to the secondary containment area surrounding the tank due to tank overfill during heavy rains. Tank 80-14 did not have a functioning manual side level gauge or high level alarm. This spill caused emissions in excess of the RQ for VOC. The failure to operate and diligently maintain control equipment is a violation of LAC 33:III.501.C.4, LAC 33:III.905, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2).
11. Respondent submitted an incomplete written report for Incident T89102 as allowed by LAC 33:I.3925.A.3. However, Respondent failed to update its written report for Incident T89102 within 60 days after the original submittal. This is a violation of LAC 33:I.3925.A.3 and La. R.S. 30:2057(A)(2).
12. Respondent submitted an incomplete written report for Incident T89257 as allowed by LAC 33:I.3925.A.3. However, Respondent failed to update its written report for Incident T89257 within 60 days after the original submittal. This is a violation of LAC 33:I.3925.A.3 and La. R.S. 30:2057(A)(2).
13. Respondent failed to visually inspect the internal floating roof, the seal, gaskets, slotted membranes, and sleeve seals of Tank 5-3 at least once every ten (10) years. This is a violation of 40 CFR 60.113b(a)(4), which language

has been adopted as a Louisiana regulation in LAC 33:III.3003; 40 CFR 63.120(a)(1) as required by 40 CFR 63.646(a) and which language has been adopted as a Louisiana regulation in LAC 33:III.5122; Part 70 General Condition C of Title V Permit No. 2500-00001-V1; Specific Requirement 844 of Title V Permit No. 2500-00001-V2; LAC 33:III.501.C.4; and La. R.S. 30:2057(A)(2).

14. On or about September 9, 2007, Respondent discovered that Tank 80-9 was storing wastewater with a benzene concentration of 29 parts per million. Title V Permit No. 2500-00001-V1 did not permit Tank 80-9 to store benzene waste streams. This is a violation of General Condition I of Title V Permit No. 2500-00001-V1, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
15. Respondent stored naphtha in Tank 80-11 from January 1, 2007, until February 6, 2007, and from July 29, 2007, until September 12, 2007. Title V Permit No. 2500-00001-V1 did not permit Tank 80-11 to store naphtha. This is a violation of General Condition I of Title V Permit No. 2500-00001-V1, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
16. Respondent failed to record results of hourly inspections of the North and South Flare IR monitor status from June 1, 2006, through January 27, 2007. This is a violation of 40 CFR 60.7(f), which language has been adopted as a Louisiana regulation in LAC 33:III.3003; 40 CFR 63.11(b), which language has been adopted as a Louisiana regulation in LAC 33:III.5122; Part 70 General Condition J of Title V Permit No. 2500-00001-V1; LAC 33:III.501.C.4; and La. R.S. 30:2057(A)(2).
17. Respondent failed to continuously purge a Closed Vent System to the API Separator Flare for 6.5 hours on July 3, 2007. This is a violation of 40 CFR 60.692-5(e)(2), which language has been adopted as a Louisiana regulation in LAC 33:III.3003; Part 70 General Condition C of Title V Permit No. 2500-00001-V1; LAC 33:III.501.C.4; LAC 33:III.905; and La. R.S. 30:2057(A)(2).
18. Respondent failed to continuously purge a Closed Vent System to the API Separator Flare for 2.2 hours on October 29, 2007. This is a violation of 40 CFR 60.692-5(e)(2), which language has been adopted as a Louisiana regulation in LAC 33:III.3003; Part 70 General Condition C of Title V Permit No. 2500-00001-V1; LAC 33:III.501.C.4; LAC 33:III.905; and La. R.S. 30:2057(A)(2).
19. Respondent used Tank 80-15 (EQT066) to store sour water with a layer of naphtha from September 17, 2007, until June 1, 2008, without obtaining prior approval from the Department. This is a violation of General Condition I of Title V Permit Nos. 2500-00001-V1 and 2500-00001-V2, LAC 33:III.501.C.2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

Additionally, Tank 80-15 is a fixed roof tank that is typically used to store heavy oil. While in sour water service, Tank 80-15 became a Group 1 Storage Vessel due to the layer of naphtha that Respondent added to aid in odor control. In order to comply with the Group 1 fixed roof storage vessel requirements of 40 CFR 63 Subpart G (the HON), Respondent installed a closed vent system with a carbon canister control device. However, Respondent failed to conduct either a design evaluation or a performance test of the closed vent system and carbon canister used to control emissions from Tank 80-15. This is a violation of 40 CFR 63.120(d), which language has been adopted as a Louisiana regulation in LAC 33:III.5122; Part 70 General Condition S of Title V Permit Nos. 2500-00001-V1 and 2500-00001-V2; LAC 33:III.501.C.4; and La. R.S. 30:2057(A)(2).

20. Respondent failed to submit a 7-day written Unauthorized Discharge Notification letter to the Department regarding a shutdown of the #2 Sulfur Recovery Unit on September 28, 2007. This is a violation of Part 70 General Condition R of Title V Permit No. 2500-00001-V1, LAC 33:III.501.C.4, LAC 33:I.3925.A and La. R.S. 30:2057(A)(2).
21. Respondent failed to timely develop a written startup, shutdown, and malfunction plan for the Platformer Charge Heater (EQT0028). This is a violation of Specific Requirement 246 of Title V Permit No. 2500-00001-V2; 40 CFR 63.1570(d), which language has been adopted as a Louisiana regulation in LAC 33:III.5122; LAC 33:III.501.C.4; and La. R.S. 30:2057(A)(2).
22. Respondent failed to timely submit the semiannual Standards of Performance for VOC Emissions from Petroleum Refinery Wastewater Systems (40 CFR 60 Subpart QQQ) report for the period encompassing January through June 2007. This is a violation of 40 CFR 60.698(c), which language has been adopted as a Louisiana regulation in LAC 33:III.3003; Part 70 General Condition C of Title V Permit No. 2500-00001-V1; LAC 33:III.501.C.4; and La. R.S. 30:2057(A)(2).
23. Respondent exceeded the authorized amount of paint usage in 2007 as set forth in the General Condition XVII Activities List of Title V Permit No. 2500-00001-V1. This is a violation of Part 70 General Condition C of Title V Permit No. 2500-00001-V1, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
24. Respondent exceeded the Facility Fugitive Emissions (FUG001) annual limits for naphthalene and n-hexane during 2008. This is a violation of Part 70 General Condition C of Title V Permit No. 2500-00001-V2, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2).

25. On or about July 7 and 8, 2006, gasoline spilled to the roof of Tank 200-2 due to a failure of the external floating roof. This spill caused emissions in excess of the RQ for VOC. The failure to maintain this tank with the roof floating on the liquid is a violation of 40 CFR 60.112b(a)(2)(iii), which language has been adopted as a Louisiana regulation in LAC 33:III.3003; Part 70 General Condition C of Title V Permit No. 2500-00001-V1; LAC 33:III.501.C.4, LAC 33:III.5109.A; La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2).
26. On or about July 14 and 15, 2006, crude oil spilled to the roof of Tank 450-1 due to a failure of a roof drain and heavy rains. This spill caused emissions in excess of the RQ for VOC. The failure to operate and diligently maintain control equipment is a violation of LAC 33:III.501.C.4, LAC 33:III.905, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2).
27. Respondent exceeded the maximum carbon monoxide emission rate for the No. 2 Alky Reboiler (Emission Point 1-77) during a stack test performed on February 18, 2004. This is a violation of Part 70 General Condition C of Title V Permit No. 2500-00001-V1, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2).
28. On or about August 19, 2006, process wastewater bypassed the Wastewater Treatment Plant API Separator due to failures of both charge pumps. This bypass resulted in the release of approximately 452 pounds of VOC from the Storm Surge Basin. The failure to operate and diligently maintain control equipment is a violation of LAC 33:III.501.C.4, LAC 33:III.905, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2).
29. Respondent failed to notify the Department within 24 hours after learning of a reportable discharge (Incident T119342) on October 14, 2009. Respondent verbally notified the Department on November 6, 2009, or 23 days after discovery. The failure to promptly notify the Department within 24 hours after learning of an unauthorized discharge that exceeded a reportable quantity specified in LAC 33:III.3931 is a violation of Part 70 General Condition R of Title V Permit No. 2500-00001-V2, LAC 33:III.501.C.4, LAC 33:I.3917.A, and La. R.S. 30:2057(A)(2).
30. Respondent failed to operate its API Separator Flare (Emission Point 1-94) for 31 hours between October 30 and 31, 2007. This is a violation of 40 CFR 60.18(e), which language has been adopted as a Louisiana regulation in LAC 33:III.3003; 40 CFR 61.349(a)(2)(iii), which language has been adopted as a Louisiana regulation in LAC 33:III.5116; 40 CFR 63.11(b)(3) as required by 40 CFR 63.643(a)(1) and which language has been adopted as a Louisiana regulation in LAC 33:III.5122; LAC 33:III.501.C.4; LAC 33:III.905; LAC 33:III.5109.A; and La. R.S. 30:2057(A)(2).

31. On or about July 28, 2005, a kerosene fire occurred in the Distillate Hydrotreater Unit due to failed tubing to a pressure gauge on a charge line. This fire resulted in the release of excess particulate matter and VOC emissions. This is a violation of LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2).

III

In response to Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. MM-CN-02-0015, and Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-08-0294, Respondent made timely requests for a hearing.

IV

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

V

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 ONE HUNDRED THIRTY-ONE THOUSAND FOUR HUNDRED AND NO/100 (\$131,400.00), of which Seven Thousand Forty-Two and 13/100 Dollars (\$7,042.13) 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).

VI

Respondent further agrees that the Department may consider the inspection report(s), the Consolidated Compliance Orders & Notices of Potential Penalties 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.

VII

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.

VIII

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.

IX

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in St. Bernard 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.

X

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).

XI

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

XII

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.

MURPHY OIL USA, INC.

BY: [Signature]
(Signature)

Jeffrey K. Waermann
(Print)

TITLE: Refinery Manager

THUS DONE AND SIGNED in duplicate original before me this 15th day of December, 20 10, at Meraux, LA.

[Signature]
NOTARY PUBLIC (ID # 78119)

Karen R. Fernandez
(Print)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Peggy M. Hatch, Secretary

BY: [Signature]

Cheryl Sonnier Nolan, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 29th day of March, 20 11, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 55881)

Roger K. Ward
(Print)

Preliminary Approval: [Signature]
Beau James Brock, Assistant Secretary