

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-WE-10-0040
*
* Enforcement Tracking No(s).
* MM-CN-02-0015 – *water portion only*
* WE-CN-08-0410
*
* Docket No. 2009-9263-EQ
*

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 at 2500 East St. Bernard Highway in Meraux, St. Bernard Parish, Louisiana (“the Facility”).

II

A. 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:

1. On or about November 5, 2001, through November 30, 2001, a multi-media inspection of the Respondent’s facility was performed to determine the degree of compliance with the Act, Air Quality Regulations, Water Quality Regulations, and the Radiation Protection Regulations. The following violations were noted during the course of the inspection:

a. The Respondent caused and allowed the unauthorized discharges of pollutants to waters of the state. Specifically, quantifiable amounts of benzene, toluene, ethyl benzene, and xylene were found in the discharge samples taken at Outfall 001. The unauthorized discharge of nonpermitted pollutants to waters of the state is in violation of LPDES Permit LA0003646 (Part II, Section B and Part III, Section A.2), La. R.S. 30:2076 (A) (3), LAC 33:IX.501.A, LAC 33:IX.501.C, and LAC 33:IX.2701.A.

b. The Respondent was discharging stormwater runoff from locations not authorized in LPDES permit LA0003646. Specifically, Outfalls 005, 006, and 007 had multiple points instead of the designated points for Outfalls 005, 006, and 007. Discharging from points of discharge other than the ones specified in LPDES Permit LA0003646 is in violation of LPDES Permit LA0003646 (Part I, Page 9 or 10, Part III, Section A.2, and Section D.6.b), La. R.S. 30:2076 (A) (3), LAC 33:IX.501.A, and LAC 33:IX.2701.A and LAC 33:IX.2701.L.1.b. The Respondent submitted a written response indicating that the multiple discharge points would be eliminated.

c. The Respondent was discharging stormwater from an unpermitted outfall in an undeveloped area east of the inactive land farms. This unpermitted outfall discharges through a pipe into the Meraux Canal. Discharging from an unpermitted outfall is in violation of La. R.S. 30:2075, La R.S. 30:2076 (A) (1) (a), La R.S. 30:2076 (A) (3), and LAC 33:IX.501.A. On or about February 1, 2003, a permit modification was granted to include Outfall 021, the intermittent discharge of low potential contaminated storm water from a 2.5 acre undeveloped area adjacent to the east property line.

d. The Respondent was not determining flow correctly at Outfall 302. Specifically, on non sampling days the Respondent uses a strip chart to determine flow at Outfall 302 and on sampling days the Respondent uses both the totalizer and the strip chart readings to determine flow. This is in violation of LPDES Permit LA0003646 (Part I, Page 7 and Part III, Section A.2), La R.S. 30:2076 (A) (3), LAC 33:IX.501.A, and LAC 33:IX.2701.A.

e. The Respondent's pH 10 buffer used for calibration expired on June 30, 2000. Also, the pH 7 buffer used by the Respondent for calibration expired on June 30, 2001. The failure to use approved test procedures is in violation of LPDES permit LA0003646 (Part III, Sections A.2 and C.5.b), La. R.S. 30:2076 (A) (3), LAC 33:IX.501.A, LAC 33:IX.2701.A, and LAC 33:IX.2701.J.4. The failure to properly operate and maintain the facility and systems of treatment and control is in violation of LPDES permit LA0003646 (Part III, Sections A.2 and B.3.a), La. R.S. 30:2076 (A) (3), LAC 33:IX.501.A, LAC 33:IX.2701.A, and LAC 33:IX.2701.E.

f. The Respondent often exceeded the holding times for stormwater pH analysis. Specifically, on June 7, 2001, the sample holding times for Outfalls 015, 016, 017, 018, 019, and 020 were twenty-five minutes, twenty-five minutes, twenty-eight minutes, twenty-nine minutes, thirty-four minutes, and thirty-nine minutes respectively. The failure to follow approved methods is in violation of LPDES

Permit LA003646 (Part I, Page 8 of 10 and Part III, Section A.2), La. R.S. 30:2076 (A) (3), LAC 33:IX.501.A, LAC 33:IX.2701.A, and LAC 33:IX.2701.J.4.

g. The Respondent's in-house laboratory failed to calibrate the reference thermometer on a yearly basis. Specifically, a review of the laboratory's calibration records for the reference thermometer revealed that the last calibration performed was on November 16, 1995. The calibration records also indicated that the next calibration was due on November 16, 1996. The failure to use approved test procedures is in violation of LPDES permit LA003646 (Part III, Sections A.2 and C.5.b), La. R.S. 30:2076 (A) (3), LAC 33:IX.501.A, LAC 33:IX.2355.A, and LAC 33:IX.2355.J.4. Each failure to properly operate and maintain the facility and systems of treatment and control is in violation of LPDES permit LA003646 (Part III, Sections A.2 and B.3.a), La. R.S. 30:2076 (A) (3), LAC 33:IX.501.A, LAC 33:IX.2701.A, and LAC 33:IX.2701.E.

h. The Respondent had all of the drain valves for Outfalls 005 – 014 in the open position and the related drain hoses were below the level of their respective impoundments. The inspector's review of the facility's LPDES stormwater discharge reports revealed that the last discharge from these outfalls occurred October 13, 2001, with the operator documenting that the hoses had been raised (drain closed) on October 15, 2001, for Outfalls 004 – 011 and October 14, 2001, for Outfalls 012 – 014. This deficiency in operations and maintenance is in violation of LPDES Permit LA0003646 (Part III, Sections A.2 and B.3), La. R.S. 30:2076 (A) (3), LAC 33:IX.501.A, LAC 33:IX.2355.A, and LAC 33:IX.2355.E. This deficiency in recordkeeping is in violation of LPDES Permit LA0003646 (Part I, Page 10 of 10, and Part III, Section A.2), La. R. S. 30:2076 (A) (3), LAC 33:IX.501.A, LAC 33:IX.2701.A, and LAC 33:IX.2701.J.3.

i. The Respondent did not have adequate secondary containment as required by its Spill Prevention and Control Plan (SPC) for bulk storage tank areas 1, 3, 4, 5, 6, 7, 8, 9, 11, 12, 13, 16, 18, and 19. Specifically, the Respondent's SPC plan states bulk storage areas should be surrounded by earthen secondary containment dikes that are designed to detain the volume of the largest tank within the containment, plus allow adequate freeboard for precipitation. The Respondent's failure to implement an adequate SPC plan is in violation of LPDES Permit LA0003646 (Part III, Sections A.2 and B.3), La. R.S. 30:2076 (A) (3), LAC 33:IX.501.A, LAC 33:IX.907.D.1, LAC 33:IX.907.F.1, LAC 33:IX.2701.A, and LAC 33:IX.2701.E.

j. The Respondent was not following their own SPC Plan when draining diked areas. In November of 2001, plant personnel did not indicate the presence or absence of oil in the discharge of Outfalls 005 – 010, Outfall 013, or 014. Also, there was no documentation of date, time of drain opening, or operator for the discharge of Outfalls 011 and 012. This deficiency in operations and maintenance is in violation of LPDES Permit LA0003646 (Part III, Sections A.2 and B.3), La. R.S. 30:2076 (A) (3), LAC 33:IX.501.A, LAC 33:IX.2701.A, and LAC 33:IX.2701.E.

k. The Respondent was not collecting samples properly at Outfall 001. Specifically, the Respondent was collecting grab samples instead of 24-hr. composite samples for the TOC intake sample at Outfall 001. The failure to properly sample Outfalls 001 is in violation of LPDES Permit LA0003646 (Part I, Page 2 and 7, Part II, Section F and Part III, Sections A.2 and C.2), La. R.S. 30:2076 (A) (3), LAC 33:IX.501.A, and LAC 33:IX.2701.A

l. The Respondent's west property line ditch which drains to Outfall 015 had trash present in it.

2. An inspection conducted by the Department on or about February 11, 2002, in response to a self-reported spill, indicated that on or about February 8, 2002, the Respondent did cause and/or allow an estimated 2 barrels of naphtha and approximately 207 pounds of benzene to be released via Outfall 001 into the Mississippi River, waters of the state. The Respondent submitted a written response on or about February 15, 2002, indicating that the spill was caused by a leak in the facility's cooling water exchanger (#GC-E-005). The written response also indicated that the Respondent hired two Oil Spill Response Organizations to remediate the spill and final recovery was completed on February 13, 2002. This unauthorized discharge is in violation of La. R. S. 30:2075, La. R. S. 30: 2076 (A)(1)(a), La. R.S. 30:2076(A)(3), LAC 33:IX.501.A, LAC 33:IX.501.C, LAC 33:IX.501.D, and LAC 33:IX.2701.A.

3. The Respondent was issued Warning Letter MM-L-02-0015 on or about May 8, 2002, for areas of concern noted in the multimedia inspection conducted on or about November 5, 2001, through November 30, 2001. The Respondent submitted a written response informing the Department of the corrective actions that were taking place to correct the deficiencies noted during the inspection.

4. An inspection conducted by the Department on or about August 9, 2002, in response to a self-reported spill, indicated that on or about August 8, 2002, the Respondent did cause or allow the release of approximately 0.5 barrels of crude oil into the Mississippi River,

waters of the state. The spill occurred as a result of an overflowing of the slop oil sump at the dock. The Respondent submitted a written response on or about August 9, 2002, indicating that the crude oil was contained with spill booms and recovered via a vacuum pump and sorbent pads. This unauthorized discharge of oil is in violation of La. R. S. 30:2075, La. R. S. 30: 2076 (A)(1)(a), La. R.S. 30:2076(A)(3), LAC 33:IX.501.A, LAC 33:IX.501.C, LAC 33:IX.501.D, LAC 33:IX.1701.B, and LAC 33:IX.1901.A.

5. An inspection conducted by the Department on or about March 20, 2003, revealed the Respondent did not have adequate secondary containment as required by its SPC plan for bulk storage tank areas 1 and 3. However, the Respondent was in the process of raising the dikes to the appropriate height for bulk storage areas 1 and 3. The failure to implement an adequate Spill Prevention and Control (SPC) plan by failing to provide appropriate containment and/or diversionary structures or equipment to prevent a spilled substance from reaching waters of the state is in violation of La. R. S. 30:2076 (A) (3), LAC 33:IX.501.A, and LAC 33:IX.907.D, LAC 33:IX.907.F.1, and LAC 33:IX.2701.A.

6. An inspection conducted by the Department on or about December 12, 2003, revealed the tank farm containment construction project to raise the secondary containment dikes for the bulk storage tank areas was nearing completion and the remaining bulk storage tank area to be raised was the secondary containment dike for tank 250-3. At the time of the inspection, a facility representative indicated that this containment dike would be surveyed and certified as soon as the containment dike was raised. The inspection also revealed that the Respondent's SPC plan was currently being reviewed and was last updated on July 8, 2002. Furthermore, the inspection also revealed the Respondent maintained a Stormwater Pollution Prevention plan which incorporated the tank farm containment construction project at the facility.

7. A file review conducted by the Department on or about September 10, 2004, revealed the Respondent failed to conduct biomonitoring at Outfalls 001 and 002 for the monitoring period of June 2002 to May 2003 as required by LPDES permit LA0003646. Failure to monitor the effluent is in violation of LPDES permit LA0003646 (Part II, Section P and Part III, Section A.2), La. R.S. 30:2076 (A) (3), LAC 33:IX.501.A, and LAC 33:IX.2701.A.

8. A file review conducted by the Department on or about September 10, 2004, revealed the Respondent was not properly operating and maintaining all facilities and systems of treatment and control as required by LPDES permit LA0003646. On or about July 27, 2004, the Respondent submitted a revised Discharge Monitoring Report (DMR) for Outfall 001 for the monitoring period of January 2003 which indicated that the pen for the continuous pH recorder lost contact with the strip chart paper from 14:45 hrs. on January 28th until 12:30 hrs. on January 29th and again from 20:30 hrs. on January 30th until 16:30 hrs. on January 31st. The Respondent reported on the revised DMR that the pH probe was discovered to be faulty and was replaced on January 28, 2003. The failure to properly operate and maintain all facilities and systems of treatment and control is in violation of LPDES permit LA0003646 (Part III, Sections A.2 and B.3.a), La. R.S. 30:2076 (A) (3), LAC 33:IX.501.A, and LAC 33:IX.2701.A. and LAC 33:IX.2701.E.

9. An inspection conducted by the Department on or about March 8, 2005, revealed the Respondent's SPC plan was satisfactory and was last revised in June 2004. Furthermore, all tank farm containment levees were upgraded to comply with the SPC regulations contained in the Environmental Regulatory Code under Title 33, Chapter IX.

10. On or about March 6, 2006, a file review conducted by the Department revealed the following LPDES permit excursions, as reported by the Respondent on Discharge

Monitoring Reports (DMRs):

Date	Outfall	Parameter	Permit Limit	Sample Value
10/2003	001	TOC (Daily Maximum)	5 mg/L	5.66 mg/L
10/2004	302	Ammonia (Daily Maximum)	1570 lbs/day	2054 lbs/day
3/2005	302	BOD5 (Daily Maximum)	2440 lbs/day	2610 lbs/day
6/2005	302	BOD5 (Monthly Average)	1355 lbs/day	2556 lbs/day
6/2005	302	BOD5 (Daily Maximum)	2440 lbs/day	7443 lbs/day
1/2006	001	pH (number of events > 60 minutes)	0 events	1 event *
1/2006	002	pH (number of events > 60 minutes)	0 events	1 event **
1/2006	002	pH (number of minutes)	446 minutes	3662 minutes **
1/2006	302	TSS (Monthly Average)	1085 lbs/day	1976 lbs/day
1/2006	302	TSS (Daily Maximum)	1701 lbs/day	7607 lbs/day
1/2006	302	Total Sulfide (Daily Maximum)	15.5 lbs/day	53.1 lbs/day
1/2006	302	Oil and Grease (Daily Maximum)	741 lbs/day	3643 lbs/day

* The Respondent reported a minimum pH value of 5.6 S.U. and a maximum pH value of 8.3 S.U. for this month.

** The Respondent reported a minimum pH value of 0.3 S.U. and a maximum pH value of 9.2 S.U. for this month.

Each permit violation constitutes a violation of LPDES permit LA0003646 (Part I, Page 2 and 8; Part III, Section A.1), La. R.S. 30:2076(A)(1), La. R.S. 30:2076(A)(3), LAC 33:IX.501.A, LAC 33:IX.501.D, and LAC 33:IX.2701.A.”

B. On August 27, 2008, the Department issued to Respondent Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. WE-CN-08-0410, which was based upon the following findings of fact:

1. The Respondent was issued Louisiana Pollutant Discharge Elimination System (LPDES) permit LA0003646 effective on June 1, 1999, which expired May 31, 2004. A modification to LPDES permit LA0003646 was effective November 1, 2001, and another modification became effective on February 1, 2003. On or about November 25, 2003, an extension for submission of an LPDES permit renewal application was granted. The Respondent submitted an LPDES permit renewal application timely and LPDES permit LA0003646 was

reissued with an effective date of October 1, 2004, and shall expire September 30, 2009. A minor modification to LPDES permit became effective December 1, 2004, and another minor modification became effective November 1, 2005. LPDES permit LA0003646 authorizes the Respondent to discharge treated process wastewater and process area stormwater, utility wastewater, treated sanitary wastewater and low contamination potential stormwater runoff to the Mississippi River (Outfalls 001 and 002), stormwater and hydrostatic test wastewater to Twenty Arpent Canal (Outfalls 003, 004, 015-019), and stormwater and hydrostatic test wastewater to Twenty Arpent Canal via Meraux Canal (Outfall 020), waters of the state.

2. An inspection conducted by the Department on or about June 26, 2007, and a subsequent file review conducted by the Department on or about July 9, 2008, revealed the Respondent did cause an unauthorized discharge of Fluid Catalytic Cracking (FCC) slurry oil through Outfall 001, thence into the Mississippi River, waters of the state. On or about July 6, 2007, the Respondent submitted a correspondence to the Department indicating that on June 26, 2007, approximately fifteen (15) gallons of FCC slurry oil discharged through Outfall 001, thence into the Mississippi River. The leak was discovered by a visual inspection of the cooling water return pond. The Respondent indicated that the cause of the release was from a leak in the # 2 FCC slurry cooler during unit startup, following a thirty (30) day maintenance shutdown. At the time the release was discovered, the slurry cooler had been removed from service and isolated. The Respondent also indicated in the correspondence that absorbent booms were used to minimize the impacts into the Mississippi River, and that there was no adverse impact observed to the wildlife in the area. This unauthorized discharge of FCC slurry oil through Outfall 001 is a violation of LPDES permit LA0003646 (Part I, and Part III, Sections A.2), La. R.S. 30:2076 (A) (3), LAC 33:IX.501.A, LAC 33:IX.501.C, LAC 33:IX.501.D and LAC

33:IX.2701.A.

3. An inspection conducted by the Department on or about June 26, 2007, and a subsequent file review conducted by the Department on or about July 9, 2008, revealed the Respondent submitted incomplete Discharge Monitoring Reports for Outfall 302. Specifically, a review of the Respondent's analytical data for Outfall 302 revealed the monthly average loadings for the BOD₅, COD, TSS, Ammonia, and the Oil and Grease parameters were inconsistent with the data reported on the DMRs for the monitoring period of June 2006. The Respondent's failure to submit complete DMRs is a violation of LPDES permit LA0003646 (Part III, Section D.4), La. R.S. 30:2076 (A) (3), LAC 33:IX.501.A, LAC 33:IX.2701.A, and LAC 33:IX.2701.L.4.b.

4. An inspection conducted by the Department on or about December 12, 2007, revealed the Respondent was not maintaining an adequate Stormwater Pollution Prevention Plan (SWP3). Specifically, at the time of the inspection, the Respondent's SWP3 did not contain a summary reports of the visual inspections. LPDES permit LA0003646 requires visual inspections to be conducted and summarized in an annual report and attached to the SWP3 and made available to the Department upon request. Subsequent to the inspection, the Respondent provided the 2007 annual inspection report to the Department; however, previous annual inspections reports were not available to the Department. The Respondent's failure to maintain an adequate SWP3 is a violation of LPDES permit LA0003646 (Part II, Section O.4.a, Part III, Sections A.2 and C.3), La. R.S. 30:2076 (A) (3), LAC 33:IX.501.A, and LAC 33:IX.2701.A.

5. Inspections conducted by the Department on or about June 26, 2007 and December 12, 2007, and a subsequent file review conducted on or about June 30, 2008, revealed the following permit exceedances, as reported by the Respondent on Discharge Monitoring

Reports (DMRs) and/or monthly effluent spreadsheets:

Date	Outfall	Parameter	Permit Limit	Sample Value
1/11/2006	302A	TSS Daily Max *	1701 lbs/day	2398.1 lbs/day
1/20/2006	302A	TSS Daily Max *	1701 lbs/day	2998.8 lbs/day
2/28/06	001A	pH Excursions >60 Minutes	0 occurrences	1 occurrences
		pH Excursions Total Minutes	446 minutes	507 minutes
6/18/2006	302A	Sulfide Daily Max *	15.5 lbs/day	17.8 lbs/day
6/20/2006	302A	BOD Daily Max *	2440 lbs/day	4586.2 lbs/day
6/21/2006	302A	BOD Daily Max *	2440 lbs/day	4892. lbs/day
6/20/2006	302A	Total Phenolics Daily Max *	18.2 lbs/day	20.9 lbs/day
6/30/06	302A	BOD Monthly Average	1355 lbs/day	1516 lbs/day
		BOD Daily Max	2440 lbs/day	5051 lbs/day
		Sulfide Daily Max	15.5 lbs/day	32 lbs/day
		Total Phenolics Daily Max	18.2 lbs/day	28 lbs/day
7/31/06	302A	BOD Monthly Average	1355 lbs/day	1627 lbs/day
		BOD Daily Max	2440 lbs/day	3129 lbs/day
7/5/06	302A	BOD Daily Max *	2440 lbs/day	3124.7 lbs/day
10/31/06	302A	BOD Daily Max	2440 lbs/day	4888 lbs/day
7/31/07	302A	BOD Daily Max	2440 lbs/day	3587 lbs/day
12/31/07	003Q	Oil & Grease Daily Max **	15 mg/L	24 mg/L
3/31/08	003Q	Oil & Grease Daily Max **	15 mg/L	22 mg/L

* Effluent exceedances revealed during the June 26, 2007 inspection and reported on the Respondent's monthly effluent spreadsheet.

** Noncompliance Reports (NCR) not submitted.

Each permit exceedance constitutes a violation of LPDES permit LA0003646 (Part I, Part III, Section A.1), La. R.S. 30:2076(A)(1)(a), La. R.S. 30:2076(A)(3), LAC 33:IX.501.A, LAC 33:IX.501.D, and LAC 33:IX.2701.A. Each failure to submit a NCR is a violation of LPDES permit LA0003646 (Part III, Sections A.2 and D.7), La R.S. 30:2076(A)(3), LAC 33:IX.501.A, LAC 33:IX.2701.A, and LAC 33:IX.2701.L.7.

6. A file review conducted by the Department on or about July 9, 2008, revealed the Respondent failed to continuously monitor pH at Outfall 001A for the monitoring period of January 2006 and February 2006 and at Outfall 002A for the monitoring period of January 2006. Specifically, the Respondent reported on Outfall 001A Discharge Monitoring Reports (DMRs) that continuous monitoring for pH was unavailable due to instrument malfunctions from January

10, 18, 20, 24, 27, 28, 29, 30, and 31 and from February 1st through February 11th and February 23, 2008. Additionally, the Respondent reported on Outfall 002A DMRs that continuous monitoring for pH was unavailable due to instrument malfunctions from January 10, 18, 19, 20, 21, 23, 24, 27, 28, 29, 30 and 31. This is a violation of LPDES permit LA0003646 (Part I, and Part III, Sections A.2 and B.3.a), La. R.S. 30:2076 (A) (3), LAC 33:IX.501.A, and LAC 33:IX.2701.A. and LAC 33:IX.2701.E.

7. A file review conducted by the Department on or about July 9, 2008, also revealed an unauthorized discharge into waters of the state. Specifically, on August 1, 2007, approximately thirty (30) gallons of gasoline was allowed to discharge into the Mississippi River, waters of the state. This unauthorized discharge occurred at the Respondent's dock during preventative maintenance pressure testing of a transfer line. This unauthorized discharge is a violation of LPDES permit LA0003646 (Part I, and Part III, Sections A.2), La. R.S. 30:2076 (A) (3), LAC 33:IX.501.A, LAC 33:IX.501.C, LAC 33:IX.501.D and LAC 33:IX.2701.A.

III.

In response to the Consolidated Compliance Order & Notice of Potential Penalty, Enforcement Number MM-CN-02-0015, and to the Consolidated Compliance Order & Notice of Potential Penalty, Enforcement Number WE-CN-08-0410, 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 FIFTY-THREE THOUSAND ONE HUNDRED SEVENTY-SEVEN AND NO/100 DOLLARS (\$153,177.00), of which Two Thousand Five Hundred Eighty-Four and 32/100 Dollars (\$2,584.32) 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 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.

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 thirty (30) 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.

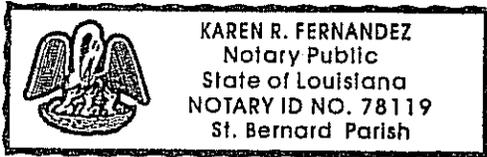
MURPHY OIL USA, INC.

BY: [Signature]
(Signature)

JEFFREY K. WARIMANN
(Print)

TITLE: REFINERY Manager

THUS DONE AND SIGNED in duplicate original before me this 30th day of July, 20 10, at Meroux, LA.



Karen R. Fernandez
NOTARY PUBLIC (ID # 78119)

Karen R. Fernandez
(Print)

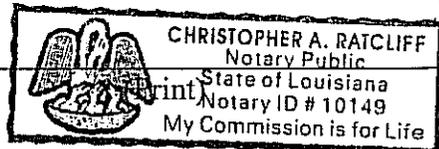
LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY

Peggy M. Hatch, Secretary

BY: [Signature]
Beau James Brock, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 29th day of December, 20 10, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # _____)



Approved: [Signature]
Paul D. Miller, P.E, Assistant Secretary