



STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

OPAL OIL, INC

AI # 51401

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

- * Settlement Tracking No.
- * SA-WE-09-0043
- *
- * Judgment, 19th Judicial District Court
- * Docket No. 452,950
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SETTLEMENT

The following Settlement is hereby agreed to between Opal Oil, Inc (“Defendant”) 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

Defendant is a corporation that owns and/or operates numerous hydrocarbon production facilities in the Ora Oil Field in Union Parish, Louisiana (“the Facility[ies]”).

II

On March 19, 1991, the Department issued to Defendant a Penalty Assessment, Enforcement No. WE-P-90-0135, in the amount of \$110,000.00. The penalty assessment action stated that the penalty shall become effective, final and not subject to further review unless Defendant files no later than 20 calendar days after receipt of Enforcement Action No. WE-P-90-0135, a written request for a hearing.

The penalty assessment further stated that:

a. Failure to timely request a hearing as provided in Paragraph II above constitutes a waiver of Defendant's right to a hearing under the provisions of La. R.S. 30:2025 (E).

b. Upon failure to request a hearing as provided in Paragraph II above, Defendant must make payment in full of the civil penalty set herein no later than fifteen (15) days after the assessment becomes final.

c. Upon the penalty assessment becoming final because of Defendant's failure to timely file a request for a hearing, and upon Defendant's failure to pay the civil penalty assessed or to make arrangements satisfactory to the Department for such payment, this matter shall be referred to the Attorney General for collection of the penalty.

III

In response to the Penalty Assessment, Defendant filed a timely request for hearing.

IV

On October 7, 1992, the Division of Administrative Law issued a decision in favor of the Department upholding the imposition of the penalty and setting that penalty in the amount of One Hundred Three Thousand, One Hundred and No/100 Dollars (\$103,100.00). The decision was not appealed.

On August 24, 1998, Judge Curtis A. Calloway, 19th Judicial District Court, Parish of East Baton Rouge, Baton Rouge, Louisiana, issued judgment making the penalty assessed against the Defendant, Opal Oil, Inc., in the amount of One Hundred Three Thousand, One Hundred and No/100 Dollars (\$103,100.00) by Penalty Notice, Docket No. WE-P-90-0135 and the administrative law tribunal assessment as adopted by the LDEQ Secretary a judgment of the Court and made executory for all purposes provided by law, and ordered executed. Judgments are good for 10 years.

On July 16, 2008, an Order was issued reviving the Judgment issued on August 24, 1998,

making the judgment good for another 10 years. The judgment was then made executory in the 3rd Judicial District Court in Lincoln Parish, Louisiana, on March 16, 2009.

III

To date, the judgment against the Defendant, Opal Oil, Inc., has not been paid.

IV

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

V

Nonetheless, Defendant, 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 FIFTY-FIVE THOUSAND AND NO/100 DOLLARS (\$55,000.00), in settlement of the claims set forth in this agreement. The total amount of money expended by Defendant 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

Defendant further agrees that the Department may consider the inspection report(s), the Penalty Assessment and this Settlement for the purpose of determining compliance history in connection with any future enforcement or permitting action by the Department against Defendant, and in any such action Defendant shall be estopped from objecting to the above-referenced documents being considered as proving the violations alleged herein for the sole purpose of determining Defendant'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 Defendant 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 Defendant has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Union 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. Defendant 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

The amount of the settlement (\$55,000.00) is to be payable in 18 monthly installments – 17 installments of \$3,050.00 with the 18th installment payment of \$3,150. The first payment is due on or before the 15th of the month following notice of the Secretary's signature and payments being due on or before the 15th of each month thereafter until paid in full. If payment is not received within this timeframe, 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.

XIII

The Department agrees that upon completion of the payment obligations as outlined in Paragraph X that its representative will execute as Satisfaction of Judgment document which may be filed by the Defendant in the suit record of this lawsuit in either or both the Parish of East Baton Rouge, or the Parish of Lincoln.

OPAL OIL, INC.

BY: B Walker
(Signature)

BOB WALKER
(Print)

TITLE: PARTNER

THUS DONE AND SIGNED in duplicate original before me this 9th day of December, 2009, at Northlet, AR.



Linda Walker
NOTARY PUBLIC (ID # _____)

Linda Walker
(Print)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Harold Leggett, Ph.D., Secretary

BY: Paul Duffin
Peggy M. Hatch, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 26th day of April, 2010, at Baton Rouge, Louisiana.

Christopher A. Ratcliff
NOTARY PUBLIC (ID # 10419)

Christopher A. Ratcliff
(Print)

Approved: Peggy M. Hatch
Peggy M. Hatch, Assistant Secretary