

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

SHAW PIPELINE SERVICES INC.

AI # 126446

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

* Settlement Tracking No.
* SA-RE-10-0033
*
* Enforcement Tracking No.
* RE-P-09-0025
*
*
* Docket No. 2009-10351-EQ
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SETTLEMENT

The following Settlement is hereby agreed to between Shaw Pipeline Services 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 temporary industrial radiography jobsite facility, Cheniere Creole Trail Pipeline, located near Turps, Beauregard Parish, Louisiana (“the Facility”).

II

On October 20, 2009, the Department issued to Respondent a Penalty Assessment, Enforcement No. RE-P-09-0025, in the amount of \$15,279.56, which was based upon the following findings of fact:

The Respondent owns and/or operates an industrial radiography company with their office located at 5435 South 101st East Avenue in Tulsa, Oklahoma. The Respondent operated in the state of Louisiana under reciprocity approval for the use of X-ray device(s) and radioactive material issued

by the Department on July 19, 2007, and June 15, 2007, respectively. The Respondent currently operates under reciprocity approval for the use of X-ray devices and radioactive material issued by the Department on February 15, 2009, and June 15, 2009, respectively.

On or about December 7, 2007, a reciprocity field inspection was conducted of the Respondent's industrial radiography operations at Cheniere Creole Trail Pipeline, a temporary jobsite, in order to determine the degree of compliance with the Radiation Protection Regulations and the Act. The temporary jobsite was located along the Cheniere Creole Trail Pipeline near Turps, Beauregard Parish, Louisiana.

The following violations were noted at the time of the inspection:

- A. The Respondent's employee(s) engaged in deliberate misconduct by including fabricated information on the survey reports, prior to the end of the shift, which could not be genuinely obtained until the shift was completed, in violation of LAC 33:XV.302.A.1.
- B. The Respondent's employee filled in a final pocket dosimeter reading on the daily survey report prior to the conclusion of the shift, in violation of LAC 33:XV.577.D.
- C. The final storage surveys were already filled in on the daily survey reports prior to the conclusion of the shift, when the exposure devices had not yet been placed in storage, in violation of LAC 33:XV.587.D.
- D. The Respondent's employee could not produce a sealed source leak test record that had been performed within the last six months, in violation of LAC 33:XV.588.A.6.
- E. The Respondent's employee failed to have a copy of his industrial radiography trainee card on site, in violation of LAC 33:XV.588.A.7.
- F. The Respondent's employee failed to have an operable alarm rate meter which met the requirements specified in LAC 33:XV.577.H, in violation of LAC 33:XV.590.A.4.
- G. The Respondent failed to post a copy of the certificate of registration for the x-ray devices on site, in violation of LAC 33:XV.1011.A.2.

On January 29, 2008, a Notice of Potential Penalty (NOPP), Enforcement Tracking No. RE-PP-07-0037, was issued to the Respondent.

A penalty in the amount of \$15,279.56 was assessed together with legal interest as allowed by law and all costs of bringing and prosecuting the enforcement action accruing after the date of issuance.

III

In response to the Penalty Assessment, Respondent made a timely request 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 SEVEN THOUSAND FOUR HUNDRED NINE AND 56/100 DOLLARS (\$7,409.56), of which One Thousand Two Hundred Nineteen and 56/100 Dollars (\$1,219.56) 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 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 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 Beauregard 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.

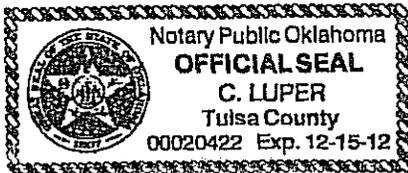
SHAW PIPELINE SERVICES INC.

BY: *John G. Peters*
(Signature)

JOHNNY G. PETERS
(Print)

TITLE: GENERAL MANAGER

THUS DONE AND SIGNED in duplicate original before me this 7th day of SEPTEMBER, 20 10, at TULSA, OK.



C. Luper
NOTARY PUBLIC (ID # 60020422)
C Luper
(Print)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Peggy M. Hatch, Secretary

BY: *Cheryl Sonnier Nolan*
Cheryl Sonnier Nolan, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 18th day of February, 20 11, at Baton Rouge, Louisiana.

Christopher A. Ratcliff
NOTARY PUBLIC (ID # _____)

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

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