

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

STALLION OILFIELD
CONSTRUCTION, LLC

AI # 33650

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

* Settlement Tracking No.
* SA-AE-10-0049
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* Enforcement Tracking No.
* AE-CN-08-0223
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SETTLEMENT

The following Settlement is hereby agreed to between Stallion Oilfield Construction, LLC (“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 limited liability company that owns and/or operates a portable air curtain destructor located near Louisiana Highway 343 in Abbeville, Vermilion Parish, Louisiana (“the Facility”).

II

On January 28, 2009, the Department issued to Respondent a Consolidated Compliance Order and Notice of Potential Penalty, Enforcement No. AE-CN-08-0223, which was based upon the following findings of fact:

The Respondent owns and/or operates a portable air curtain destructor located near Louisiana Highway 343 in Abbeville, Vermilion Parish, Louisiana. The portable air curtain destructor currently operates under Air Permit No. 7777-00259-00, issued on June 16, 1995.

On or about September 19, 2008, an inspection of the Respondent's facility was performed to determine the degree of compliance with the Act and the Air Quality Regulations.

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

- A. An inspection of the Respondent's facility was conducted on September 19, 2008, between the hours of 7:30 p.m. and 8:00 p.m. During the course of the inspection, the inspector noted smoke coming from the pit and several small fires in the pit. Specific Condition No. 8 of Air Permit No. 7777-00259-00 states all incineration shall be restricted to the time period from 8:00 a.m. to 5:00 p.m. each day. This is a violation of Specific Condition No. 8 of Air Permit No. 7777-00259-00, LAC 33:III.501.C.4, LAC 33:III.1109.D.6.e, and La. R.S. 30:2057(A)(2).

- B. Specific Condition No. 9 of Air Permit No. 7777-00259-00 states the Respondent shall comply with all applicable portions of LAC 33:III.1109. During the course of the inspection, the inspector noted a large pile of ash near the pit was still smoldering creating a public nuisance with the smoke. This is a violation of Specific Condition No. 9 of Air Permit No. 7777-00259-00, LAC 33:III.501.C.4, LAC 33:III.1109.D, and La. R.S. 30:2057(A)(2).

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 SEVEN HUNDRED FIFTY AND NO/100 DOLLARS (\$750.00), of which One Hundred Forty-Nine and 47/100 Dollars (\$149.47) 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).

V

Respondent further agrees that the Department may consider the inspection report(s), the Consolidated Compliance Order and 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 Vermilion 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.

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 or her respective party, and to legally bind such party to its terms and conditions.

STALLION OILFIELD CONSTRUCTION, LLC

BY: _____

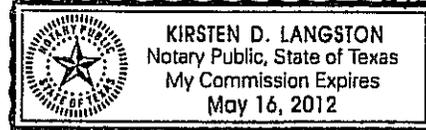
[Handwritten Signature]
(Signature)

ROBERT J. RYAN
ASSISTANT SECRETARY

TITLE: _____

THUS DONE AND SIGNED in duplicate original before me this 13th day of May, 20 11, at Houston, Texas.

Kirsten D. Langston
NOTARY PUBLIC (ID # N/A)



(stamped or printed)
KIRSTEN D. LANGSTON

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY

Peggy M. Hatch Secretary

BY: _____

[Handwritten Signature]

Cheryl Sonnier Nolan, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 25th day of August, 20 11, at Baton Rouge, Louisiana.

Diana King
NOTARY PUBLIC (ID # 20590)
Bar Roll # _____

Life Commission

Diana King
(stamped or printed)

Approved: _____

[Handwritten Signature]

Cheryl Sonnier Nolan, Assistant Secretary