

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

SUPERIOR ENERGY SERVICES, L.L.C.

AI # 25537

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

* Settlement Tracking No.
* SA-AE-14-0018
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* Enforcement Tracking No.
* AE-CN-12-01265
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SETTLEMENT

The following Settlement is hereby agreed to between Superior Energy Services, L.L.C. (“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 an oil and gas well workover, blowout, and completion operation at a facility located in Lafayette Parish, Louisiana (“the Facility”).

II

On May 28, 2013, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. **AE-CN-12-01265**, which was based upon the following findings of fact:

The Respondent owns and/or operates the Broussard Facility (facility) located at 5801 U.S. Highway 90 East in Broussard, Lafayette Parish, Louisiana. The facility conducts oil and gas well workover, blowout and completion activities. The facility was issued Minor Source Air Permit No.

1520-00113-00 on February 24, 2003. The facility currently operates under Minor Source Air Permit No. 1520-00113-01 issued on May 27, 2005.

On or about April 24, 2013, the Department conducted a file review for the facility to determine compliance with Minor Source Air Permit No. 1520-00113-01 and the Air Quality Regulations.

While the Department's investigation is not yet complete, the following violations were discovered during the course of the file review:

- A. On or about February 11, 2005, the Respondent submitted a 2004 Annual Usage Report to the Department. The report stated that there were the following throughput exceedances: 19,900 gallons of xylene with a permit limit of 10,000 gallons; 15,000 gallons of hexane with a permit limit of 10,000 gallons; and 3,679 gallons of fiberglass resin, gelcoat and acetone with a permit limit of 2,300 gallons. Each exceedance of the permit limits is a violation of Minor Source Air Permit No. 1520-00113-00, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2). Throughput was increased in Minor Source Air Permit No. 1520-00113-01 issued May 27, 2005.
- B. On or about January 25, 2012, the Respondent submitted a 2011 Fourth Quarter Usage Report with 2011 annual totals to the Department. The report stated that the facility used 9,316 gallons of paint, thinners and solvents with a permit limit of 3,900 gallons. This exceedance of the permit limits is a violation of Minor Source Air Permit No. 1520-00113-01, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- C. On or about January 17, 2013, the Respondent submitted a 2012 Fourth Quarter Usage Report with 2012 annual totals to the Department. The report stated that the facility used 7,735 gallons of paint, thinners and solvents with a permit limit of 3,900 gallons. This exceedance of the permit limits is a violation of Minor Source Air Permit No. 1520-00113-01, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 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 FIVE THOUSAND AND NO/100 DOLLARS (\$5,000.00), of which Five Hundred Eighty Nine and 97/100 Dollars (\$589.97) 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 & 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 La. 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 Lafayette 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).

XII

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

XIII

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.

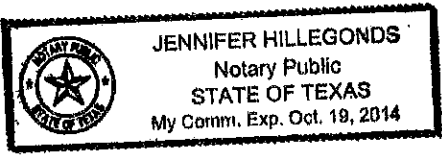
SUPERIOR ENERGY SERVICES, L.L.C.

BY: [Signature]
(Signature)

William B. Masters
(Printed)

TITLE: Executive Vice President & General Counsel

THUS DONE AND SIGNED in duplicate original before me this 13th day of May, 20 14, at Houston, Texas, USA.



[Signature]
NOTARY PUBLIC (ID # _____)

(stamped or printed)

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 1st day of Aug, 20 14, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 19181)

Perry Theriot
(stamped or printed)

Approved: [Signature]
Cheryl Sonnier Nolan, Assistant Secretary