STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	**Settlement Tracking No.**
	*	**SA-WE-18-0032**
HELMER DIRECTIONAL DRILLING, INC.	*	
	*	**Enforcement Tracking No.**
AI # 42582	*	**WE-PP-16-00080**
	*	
PROCEEDINGS UNDER THE LOUISIANA	*	
ENVIRONMENTAL QUALITY ACT	*	
LA. R.S. 30:2001, ET SEQ.	*	

SETTLEMENT

The following Settlement is hereby agreed to between Helmer Directional Drilling, 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 an oil and gas drilling facility located in Lafayette Parish, Louisiana ("the Facility").

II

On October 20, 2016, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. WE-PP-16-00080, attached as Exhibit A.

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 THREE THOUSAND AND NO/100 DOLLARS ($3,000.00), of which Four Hundred Thirty-Seven and 60/100 Dollars ($437.60) 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)/permit record(s), the 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

As required by law, the Department has submitted this Settlement Agreement to the Louisiana Attorney General for approval or rejection. The Attorney General's concurrence is appended to this Settlement Agreement.

IX

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 and wording 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 B).

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.

Helmer Directional Drilling, Inc.

BY: _____
(Signature)

Richard Helmer
(Printed)

TITLE: President

THUS DONE AND SIGNED in duplicate original before me this 26 day of December, 20 18, at Lafayette, LA.

_____
NOTARY PUBLIC (ID # _____)

Gregory Norris
Notary # 61583

_____
(stamped or printed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Chuck Carr Brown, Ph.D., Secretary

BY: _____
Lourdes Iturralde, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 20th day of Feb, 20 19, at Baton Rouge, Louisiana.

_____
NOTARY PUBLIC (ID # 19181)

Perry Theriot
(stamped or printed)

Approved: _____
Lourdes Iturralde, Assistant Secretary

JOHN BEL EDWARDS
GOVERNOR

CHUCK CARR BROWN, PH.D.
SECRETARY

State of Louisiana

DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

October 20, 2016

CERTIFIED MAIL (7004 2510 0006 3852 7864)
RETURN RECEIPT REQUESTED

HELMER DIRECTIONAL DRILLING, INC.
c/o Lillian Andre
Agent for Service of Process
935 Gravier Street, Suite 1058
New Orleans, LA 70112

RE: NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. WE-PP-16-00080
AGENCY INTEREST NO. 42582

Dear Madam:

On or about December 8, 2015, an inspection, and subsequent file review on August 2, 2016, of **Helmer Directional Drilling, Inc.**, an oilfield service company, owned and/or operated by **HELMER DIRECTIONAL DRILLING, INC. (RESPONDENT)**, was performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Water Quality Regulations. The facility is located at 1801 Highway 89 in Youngsville, Lafayette Parish, Louisiana.

While the investigation by the Louisiana Department of Environmental Quality (the Department) is not yet complete, the following violations were noted during the course of the inspection and/or file review:

A. The Respondent failed to prepare and/or implement a Storm Water Pollution Prevention Plan (SWPPP). Specifically, a copy of the SWPPP could not be provided at the time of the inspection, and the facility representative stated that the Respondent had not implemented one. LPDES Permit LA0109509 was issued effective on September 1, 2010, and required that a SWPPP be prepared with six (6) months of the effective date. The failure to prepare and/or implement a SWPPP is a violation of LPDES Permit LA0109509 (Facility Requirement, Pg. 1 of 7, and Standard Conditions, Section A.2), La. R.S. 30.2076.(A)(3), and LAC 33:IX.2701.A. On March 4, 2016, the Respondent submitted correspondence regarding the inspection's findings, indicating that since the inspection a consultant (Etech) had been hired and a SWPPP dated March 3, 2016, had been prepared and implemented. A copy of the SWPPP was also submitted to the Department with the correspondence.

EXHIBIT A

B. The Respondent failed to sample as required by the permit. Specifically, a review of the Discharge Monitoring Reports (DMRs) from June 2013 – September 2015, indicated that no samples had been collected during this period. In addition, the DMRs for Outfall 101 were being improperly labeled as Outfall 003. The failure to sample is a violation of LPDES Permit LA0109509 (Effluent Limitations and Monitoring Requirements, Pgs 1 – 6 of 6 and Standard Conditions, Section A.2), La. R.S. 30.2076.(A)(3), and LAC 33:IX.501.A. On March 4, 2016, the Respondent submitted correspondence regarding the inspection's findings, indicating that since the inspection, an internal investigation determined that personnel changes coupled with an ownership change of the contracted sampling company, Sherry Labs, to Element Laboratories about two years ago was the reason for the absence of sampling and reporting. To ensure that this does not occur again, the Respondent hired Etech to assist with sampling and reporting. A copy of the most recent analyses and DMRs were submitted along with the correspondence, which also indicated that all previous DMR misunderstandings among personnel have been corrected. In addition, the Respondent has submitted a permit modification application which will eliminate internal Outfall 101 and reduce the monitoring frequency of Outfall 005. On May 23, 2016, and September 27, 2016, the Respondent submitted corrected DMRs for the current outfalls of 001, 101, 004, and 005 for the appropriate monitoring periods during October 2015 through April 2016.

Pursuant to La. R.S. 30:2050.3(B), you are hereby notified that the issuance of a penalty assessment is being considered for the violation(s) described herein. Written comments may be filed regarding the violation(s) and the contemplated penalty. If you elect to submit comments, it is requested that they be submitted within ten (10) days of receipt of this notice.

Prior to the issuance of any additional appropriate enforcement action, you may request a meeting with the Department to present any mitigating circumstances concerning the violation(s). If you would like to have such a meeting, please contact Scott B. Pierce at (225) 219-3723 within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.

The Department is required by La. R.S. 30:2025(E)(3)(a) to consider the gross revenues of the Respondent and the monetary benefits of noncompliance in order to determine whether a penalty will be assessed and the amount of such penalty. Please forward the Respondent's most current annual gross revenue statement along with a statement of the monetary benefits of noncompliance for the cited violations to the above named contact person within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**. Include with your statement of monetary benefits the method(s) you utilized to arrive at the sum. If you assert that no monetary benefits have been gained, you are to fully justify this statement.

For each violation described herein, the Department reserves the right to seek civil penalties and the right to seek compliance with its rules and regulations in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such penalties and compliance.

To reduce document handling, please refer to the Enforcement Tracking Number and Agency Interest Number on the front of this document on all correspondence in response to this action.

Sincerely,

Lourdes Iturralde
Assistant Secretary
Office of Environmental Compliance

LI/SBP/sbp
Alt ID No. LA0109509