

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

OFFSHORE SPECIALTY
FABRICATORS, LLC
AI # 11131

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

* Settlement Tracking No.
* SA-WE-14-0022
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* Enforcement Tracking No.
* WE-CN-08-0602
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SETTLEMENT

The following Settlement is hereby agreed to between Offshore Specialty Fabricators, 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 an offshore petroleum structure and related item fabrication and repair facility located in Houma, Terrebonne Parish, Louisiana (“the Facility”).

II

On December 4, 2009, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. **WE-CN-08-0602**, which was based upon the following findings of fact:

The Respondent owns and/or operates an offshore petroleum structure and related item fabrication and repair shop located at 115 Menard Road in Houma, Terrebonne Parish, Louisiana. The Respondent was issued Louisiana Pollutant Discharge Elimination System (LPDES) permit LA0121525 on April 13, 2006, with an effective date of May 1, 2006, and an expiration date of April

30, 2011. Under the terms and conditions of LPDES permit LA0121525, the Respondent is authorized to discharge sanitary wastewater from outfalls 001, 002, 003, 004, 005, and 006; vehicle washwater from outfall 007; hydrostatic test wastewater from outfall 008; hydroblast wastewater from outfall 009; and maintenance ballast water from outfall 010. These discharges flow into local drainage ditches, thence into the Houma Navigational Canal, waters of the state.

An inspection conducted by the Department on or about June 30, 2008, and a subsequent file review conducted by the Department on or about November 9, 2009, revealed the Respondent exceeded the effluent limitations of the permit. These effluent exceedences, as reported by the Respondent on Discharge Monitoring Reports (DMRs), are summarized below:

| DATE | OUTFALL | PARAMETER | PERMIT LIMIT | SAMPLE VALUE |
|----------------------|----------------|----------------------------------|---------------------|---------------------|
| 04/01/09 to 06/30/09 | 001 | Fecal Coliform Monthly Average | 200 col/100ml | >6000 col/100ml |
| 04/01/09 to 06/30/09 | 001 | Fecal Coliform Weekly Average | 400 col/100ml | >6000 col/100ml |
| 04/01/09 to 06/30/09 | 002* | TSS Monthly Average | 30 mg/l | 35 mg/l |
| 04/01/09 to 06/30/09 | 005* | TSS Monthly Average | 30 mg/l | 32 mg/l |
| 04/01/09 to 06/30/09 | 005 | Fecal Coliform Monthly Average | 200 col/100ml | >6000 col/100ml |
| 04/01/09 to 06/30/09 | 005 | Fecal Coliform Weekly Average | 200 col/100ml | >6000 col/100ml |
| 01/01/09 to 03/31/09 | 001* | BOD ₅ Monthly Average | 30 mg/l | 34 mg/l |
| 01/01/09 to 03/31/09 | 001 | Fecal Coliform Monthly Average | 200 col/100ml | >6000 col/100ml |
| 01/01/09 to 03/31/09 | 001 | Fecal Coliform Weekly Average | 400 col/100ml | >6000 col/100ml |
| 01/01/09 to 03/31/09 | 003 | BOD ₅ Monthly Average | 30 mg/l | 323 mg/l |
| 01/01/09 to 03/31/09 | 003 | BOD ₅ Weekly Average | 45 mg/l | 323 mg/l |
| 01/01/09 to 03/31/09 | 003 | TSS Monthly Average | 30 mg/l | 1860 mg/l |
| 01/01/09 to 03/31/09 | 003 | TSS Weekly Average | 45 mg/l | 1860 mg/l |

| DATE | OUTFALL | PARAMETER | PERMIT LIMIT | SAMPLE VALUE |
|----------------------|---------|----------------------------------|---------------|-----------------|
| 01/01/09 to 03/31/09 | 004 | Fecal Coliform Monthly Average | 200 col/100ml | >6000 col/100ml |
| 01/01/09 to 03/31/09 | 004 | Fecal Coliform Weekly Average | 400 col/100ml | >6000 col/100ml |
| 01/01/09 to 03/31/09 | 005 | BOD ₅ Monthly Average | 30 mg/l | >176 mg/l |
| 01/01/09 to 03/31/09 | 005 | BOD ₅ Weekly Average | 45 mg/l | >176 mg/l |
| 01/01/09 to 03/31/09 | 005 | TSS Monthly Average | 30 mg/l | 132 mg/l |
| 01/01/09 to 03/31/09 | 005 | TSS Weekly Average | 45 mg/l | 132 mg/l |
| 01/01/09 to 03/31/09 | 005 | Fecal Coliform Monthly Average | 200 col/100ml | >6000 col/100ml |
| 01/01/09 to 03/31/09 | 005 | Fecal Coliform Weekly Average | 400 col/100ml | >6000 col/100ml |
| 01/01/09 to 03/31/09 | 006 | TSS Monthly Average | 30 mg/l | 63 mg/l |
| 01/01/09 to 03/31/09 | 006 | TSS Weekly Average | 45 mg/l | 63 mg/l |
| 01/01/09 to 03/31/09 | 007 | TSS Daily Maximum | 45 mg/l | 70 mg/l |
| 10/01/08 to 12/31/08 | 001 | Fecal Coliform Monthly Average | 200 col/100ml | >600 col/100ml |
| 10/01/08 to 12/31/08 | 001 | Fecal Coliform Weekly Average | 400 col/100ml | >600 col/100ml |
| 10/01/08 to 12/31/08 | 005 | Fecal Coliform Monthly Average | 200 col/100ml | >600 col/100ml |
| 10/01/08 to 12/31/08 | 005 | Fecal Coliform Weekly Average | 400 col/100ml | >600 col/100ml |
| 07/01/08 to 09/30/08 | 001 | Fecal Coliform Monthly Average | 200 col/100ml | >6000 col/100ml |
| 07/01/08 to 09/30/08 | 001 | Fecal Coliform Weekly Average | 400 col/100ml | >6000 col/100ml |
| 07/01/08 to 09/30/08 | 003* | TSS Monthly Average | 30 mg/l | 41 mg/l |
| 07/01/08 to 09/30/08 | 003 | Fecal Coliform Monthly Average | 200 col/100ml | >6000 col/100ml |
| 07/01/08 to 09/30/08 | 003 | Fecal Coliform Weekly Average | 400 col/100ml | >6000 col/100ml |
| 07/01/08 to 09/30/08 | 005* | TSS Monthly Average | 30 mg/L | 37 mg/L |
| 07/01/08 to 09/30/08 | 005 | Fecal Coliform Monthly Average | 200 col/100ml | >6000 col/100ml |

| DATE | OUTFALL | PARAMETER | PERMIT LIMIT | SAMPLE VALUE |
|-------------------------|---------|-----------------------------------|---------------|-----------------|
| 07/01/08 to 09/30/08 | 005 | Fecal Coliform Weekly Average | 400 col/100ml | >6000 col/100ml |
| 07/01/08 to 09/30/08 | 006* | TSS Monthly Average | 30 mg/l | 38 mg/l |
| 04/01/08 to 06/30/08 | 001* | TSS Monthly Average | 30 mg/l | 32 mg/l |
| 04/01/08 to 06/30/08 | 003 | Fecal Coliform Monthly Average | 200 col/100ml | >6000 col/100ml |
| 04/01/08 to 06/30/08 | 003 | Fecal Coliform Weekly Average | 400 col/100ml | >6000 col/100ml |
| 04/01/08 to 06/30/08 | 005* | BOD ₅ Monthly Average | 30 mg/l | 34 mg/l |
| 04/01/08 to 06/30/08 | 005 | Fecal Coliform Monthly Average | 200 col/100ml | >6000 col/100ml |
| 04/01/08 to 06/30/08 | 005 | Fecal Coliform Weekly Average | 400 col/100ml | >6000 col/100ml |
| 04/01/08 to 06/30/08 | 006* | TSS Monthly Average | 30 mg/l | 43 mg/l |
| 01/01/08 to 03/31/08 | 001 | Fecal Coliform Monthly Average | 200 col/100ml | 650 col/100ml |
| 01/01/08 to 03/31/08 | 001 | Fecal Coliform Weekly Average | 400 col/100ml | 650 col/100ml |
| 01/01/08 to 03/31/08 | 002 | Fecal Coliform Monthly Average | 200 col/100ml | 1150 col/100ml |
| 01/01/08 to 03/31/08 | 002 | Fecal Coliform Weekly Average | 400 col/100ml | 1150 col/100ml |
| 01/01/08 to 03/31/08 | 003 | BOD ₅ Monthly Average | 30 mg/l | 75 mg/l |
| 01/01/08 to 03/31/08 | 003 | BOD ₅ Weekly Average | 45 mg/l | 75 mg/l |
| 01/01/08 to 03/31/08 | 003 | TSS Monthly Average | 30 mg/l | 169 mg/l |
| 01/01/08 to 03/31/08 | 003 | TSS Weekly Average | 45 mg/l | 169 mg/l |
| 01/01/08 to 03/31/08 | 003 | Fecal Coliform Monthly Average | 200 col/100ml | 1220 col/100ml |
| 01/01/08 to 03/31/08 | 003 | Fecal Coliform Weekly Average | 400 col/100ml | 1220 col/100ml |
| 01/01/08 to 03/31/08 | 004 | TSS Monthly Average | 30 mg/l | 47 mg/l |
| 01/01/08 to 03/31/08 | 004 | TSS Weekly Average | 45 mg/l | 47 mg/l |
| 01/01/08 to 03/31/08 | 005 | BOD ₅ Monthly Average | 30 mg/l | 112 mg/l |

| DATE | OUTFALL | PARAMETER | PERMIT LIMIT | SAMPLE VALUE |
|-------------------------|---------|-----------------------------------|---------------|-----------------|
| 01/01/08 to 03/31/08 | 005 | BOD ₅ Weekly Average | 45 mg/l | 112 mg/l |
| 01/01/08 to 03/31/08 | 005 | Fecal Coliform Monthly Average | 200 col/100ml | >6000 col/100ml |
| 01/01/08 to 03/31/08 | 005 | Fecal Coliform Weekly Average | 400 col/100ml | >6000 col/100ml |
| 01/01/08 to 03/31/08 | 006 * | TSS Monthly Average | 30 mg/l | 48 mg/l |
| 01/01/08 to 03/31/08 | 006* | TSS Weekly Average | 45 mg/l | 48 mg/l |
| 10/01/07 to 12/31/07 | 001* | BOD ₅ Monthly Average | 30 mg/l | 34 mg/l |
| 10/01/07 to 12/31/07 | 003 | TSS Monthly Average | 30 mg/l | 92 mg/l |
| 10/01/07 to 12/31/07 | 003 | TSS Weekly Average | 45 mg/l | 92 mg/l |
| 10/01/07 to 12/31/07 | 004* | BOD ₅ Monthly Average | 30 mg/l | 33 mg/l |
| 10/01/07 to 12/31/07 | 004* | TSS Monthly Average | 30 mg/l | 44 mg/l |
| 10/01/07 to 12/31/07 | 005* | BOD Monthly Average | 30 mg/l | 43 mg/l |
| 10/01/07 to 12/31/07 | 005* | TSS Monthly Average | 30 mg/l | 40 mg/l |
| 10/01/07 to 12/31/07 | 006 | TSS Monthly Average | 30 mg/l | 78 mg/l |
| 10/01/07 to 12/31/07 | 006 | TSS Weekly Average | 45 mg/l | 78 mg/l |
| 07/01/07 to 09/30/07 | 001 | Fecal Coliform Monthly Average | 200 col/100ml | 800 col/100ml |
| 07/01/07 to 09/30/07 | 001 | Fecal Coliform Weekly Average | 400 col/100ml | 800 col/100ml |
| 07/01/07 to 09/30/07 | 002 | Fecal Coliform Monthly Average | 200 col/100ml | 420 col/100ml |
| 07/01/07 to 09/30/07 | 002 | Fecal Coliform Weekly Average | 400 col/100ml | 420 col/100ml |
| 07/01/07 to 09/30/07 | 003 | TSS Monthly Average | 30 mg/l | 86 mg/l |
| 07/01/07 to 09/30/07 | 003 | TSS Weekly Average | 45 mg/l | 86 mg/l |
| 07/01/07 to 09/30/07 | 005 | BOD Monthly Average | 30 mg/l | 52 mg/l |
| 07/01/07 to 09/30/07 | 005 | BOD Weekly Average | 45 mg/l | 52 mg/l |

| DATE | OUTFALL | PARAMETER | PERMIT LIMIT | SAMPLE VALUE |
|-------------------------|---------|-----------------------------------|---------------|-----------------|
| 07/01/07 to 09/30/07 | 005 | TSS Monthly Average | 30 mg/l | 88 mg/l |
| 07/01/07 to 09/30/07 | 005 | TSS Weekly Average | 45 mg/l | 88 mg/l |
| 07/01/07 to 09/30/07 | 005 | Fecal Coliform Monthly Average | 200 col/100ml | 7100 col/100ml |
| 07/01/07 to 09/30/07 | 005 | Fecal Coliform Weekly Average | 400 col/100ml | 7100 col/100ml |
| 07/01/07 to 09/30/07 | 006* | TSS Monthly Average | 30 mg/l | 40 mg/l |
| 03/01/07 to 06/30/07 | 001 | Fecal Coliform Monthly Average | 200 col/100ml | 650 col/100ml |
| 03/01/07 to 06/30/07 | 001 | Fecal Coliform Weekly Average | 400 col/100ml | 650 col/100ml |
| 03/01/07 to 06/30/07 | 002 | Fecal Coliform Monthly Average | 200 col/100ml | 23300 col/100ml |
| 03/01/07 to 06/30/07 | 002 | Fecal Coliform Weekly Average | 400 col/100ml | 23300 col/100ml |
| 03/01/07 to 06/30/07 | 003* | BOD Monthly Average | 30 mg/l | 34 mg/l |
| 03/01/07 to 06/30/07 | 003 | TSS Monthly Average | 30 mg/l | 142 mg/l |
| 03/01/07 to 06/30/07 | 003 | TSS Weekly Average | 45 mg/l | 142 mg/l |
| 03/01/07 to 06/30/07 | 005 | BOD Monthly Average | 30 mg/l | 69 mg/l |
| 03/01/07 to 06/30/07 | 005 | BOD Weekly Average | 45 mg/l | 69 mg/l |
| 03/01/07 to 06/30/07 | 005 | TSS Monthly Average | 30 mg/l | 79 mg/l |
| 03/01/07 to 06/30/07 | 005 | TSS Weekly Average | 45 mg/l | 79 mg/l |
| 03/01/07 to 06/30/07 | 005 | Fecal Coliform Monthly Average | 200 col/100ml | 3900 col/100ml |
| 03/01/07 to 06/30/07 | 005 | Fecal Coliform Weekly Average | 400 col/100ml | 3900 col/100ml |
| 03/01/07 to 06/30/07 | 006 | TSS Monthly Average | 30 mg/l | 84 mg/l |
| 03/01/07 to 06/30/07 | 006 | TSS Weekly Average | 45 mg/l | 84 mg/l |
| 03/01/07 to 06/30/07 | 007 | TSS Daily Maximum | 45 mg/l | 62 mg/l |
| 01/01/07 to 03/31/07 | 002 | Fecal Coliform Monthly Average | 200 col/100ml | 700 col/100ml |

| DATE | OUTFALL | PARAMETER | PERMIT LIMIT | SAMPLE VALUE |
|----------------------|---------|--------------------------------|---------------|---------------|
| 01/01/07 to 03/31/07 | 002 | Fecal Coliform Weekly Average | 400 col/100ml | 700 col/100ml |
| 01/01/07 to 03/31/07 | 003 | BOD Monthly Average | 30 mg/l | 53 mg/l |
| 01/01/07 to 03/31/07 | 003 | BOD Weekly Average | 45 mg/l | 53 mg/l |
| 01/01/07 to 03/31/07 | 003 | TSS Monthly Average | 30 mg/l | 65 mg/l |
| 01/01/07 to 03/31/07 | 003 | TSS Weekly Average | 45 mg/l | 65 mg/l |
| 01/01/07 to 03/31/07 | 004* | BOD Monthly Average | 30 mg/l | 31 mg/l |
| 01/01/07 to 03/31/07 | 005* | BOD Monthly Average | 30 mg/l | 45 mg/l |
| 01/01/07 to 03/31/07 | 005* | TSS Monthly Average | 30 mg/l | 34 mg/l |
| 01/01/07 to 03/31/07 | 005 | Fecal Coliform Monthly Average | 200 col/100ml | TNTC |
| 01/01/07 to 03/31/07 | 005 | Fecal Coliform Weekly Average | 400 col/100ml | TNTC |
| 01/01/07 to 03/31/07 | 006* | BOD Monthly Average | 30 mg/l | 34 mg/l |
| 01/01/07 to 03/31/07 | 006 | TSS Monthly Average | 30 mg/l | 48 mg/l |
| 01/01/07 to 03/31/07 | 006 | TSS Weekly Average | 45 mg/l | 48 mg/l |
| 01/01/07 to 03/31/07 | 007 | TSS Daily Maximum | 45 mg/l | 50 mg/l |
| 10/01/06 to 12/31/06 | 001* | BOD Monthly Average | 30 mg/l | 39 mg/l |
| 01/01/07 to 03/31/07 | 001 | Fecal Coliform Monthly Average | 200 col/100ml | 790 col/100ml |
| 01/01/07 to 03/31/07 | 001 | Fecal Coliform Weekly Average | 400 col/100ml | 790 col/100ml |
| 10/01/06 to 12/31/06 | 002* | BOD Monthly Average | 30 mg/l | 40 mg/l |
| 10/01/06 to 12/31/06 | 003* | BOD Monthly Average | 30 mg/l | 41 mg/l |
| 10/01/06 to 12/31/06 | 005 | BOD Monthly Average | 30 mg/l | 50 mg/l |
| 10/01/06 to 12/31/06 | 005 | BOD Weekly Average | 45 mg/l | 50 mg/l |
| 10/01/06 to 12/31/06 | 005 | Fecal Coliform Monthly Average | 200 col/100ml | 590 col/100ml |

| DATE | OUTFALL | PARAMETER | PERMIT LIMIT | SAMPLE VALUE |
|-------------------------|---------|-----------------------------------|---------------|----------------|
| 10/01/06 to 12/31/06 | 005 | Fecal Coliform Weekly Average | 400 col/100ml | 590 col/100ml |
| 10/01/06 to 12/31/06 | 006* | BOD Monthly Average | 30 mg/l | 34 mg/l |
| 10/01/06 to 12/31/06 | 006 | TSS Monthly Average | 30 mg/l | 56 mg/l |
| 10/01/06 to 12/31/06 | 006 | TSS Weekly Average | 45 mg/l | 56 mg/l |
| 07/01/06 to 09/30/06 | 003 | BOD Monthly Average | 30 mg/l | 52 mg/l |
| 07/01/06 to 09/30/06 | 003 | BOD Weekly Average | 45 mg/l | 52 mg/l |
| 07/01/06 to 09/30/06 | 003 | TSS Monthly Average | 30 mg/l | 57 mg/l |
| 07/01/06 to 09/30/06 | 003 | TSS Weekly Average | 45 mg/l | 57 mg/l |
| 07/01/06 to 09/30/06 | 004* | BOD Monthly Average | 30 mg/l | 36 mg/l |
| 07/01/06 to 09/30/06 | 004 | TSS Monthly Average | 30 mg/l | 92 mg/l |
| 07/01/06 to 09/30/06 | 004 | TSS Weekly Average | 45 mg/l | 92 mg/l |
| 07/01/06 to 09/30/06 | 005* | TSS Monthly Average | 30 mg/l | 64 mg/l |
| 07/01/06 to 09/30/06 | 005* | TSS Weekly Average | 45 mg/l | 64 mg/l |
| 07/01/06 to 09/30/06 | 006* | TSS Monthly Average | 30 mg/l | 46 mg/l |
| 07/01/06 to 09/30/06 | 006* | TSS Weekly Average | 45 mg/l | 46 mg/l |
| 04/01/06 to 06/30/06 | 001* | BOD Monthly Average | 30 mg/l | 43 mg/l |
| 04/01/06 to 06/30/06 | 001 | TSS Monthly Average | 30 mg/l | 74 mg/l |
| 04/01/06 to 06/30/06 | 001 | TSS Weekly Average | 45 mg/l | 74 mg/l |
| 04/01/06 to 06/30/06 | 001 | Fecal Coliform Monthly Average | 200 col/100ml | TNTC |
| 04/01/06 to 06/30/06 | 001 | Fecal Coliform Weekly Average | 400 col/100ml | TNTC |
| 04/01/06 to 06/30/06 | 002 | Fecal Coliform Monthly Average | 200 col/100ml | 1200 col/100ml |
| 04/01/06 to 06/30/06 | 002 | Fecal Coliform Weekly Average | 400 col/100ml | 1200 col/100ml |

| DATE | OUTFALL | PARAMETER | PERMIT LIMIT | SAMPLE VALUE |
|-------------------------|---------|-----------------------------------|---------------|--------------|
| 04/01/06 to 06/30/06 | 003 | TSS Monthly Average | 30 mg/l | 58 mg/l |
| 04/01/06 to 06/30/06 | 003 | TSS Weekly Average | 45 mg/l | 58 mg/l |
| 04/01/06 to 06/30/06 | 005 | TSS Monthly Average | 30 mg/l | 56 mg/l |
| 04/01/06 to 06/30/06 | 005 | TSS Weekly Average | 45 mg/l | 56 mg/l |
| 04/01/06 to 06/30/06 | 005 | Fecal Coliform Monthly Average | 200 col/100ml | TNTC |
| 04/01/06 to 06/30/06 | 005 | Fecal Coliform Weekly Average | 400 col/100ml | TNTC |

**Failed to submit a noncompliance report.*

Each effluent exceedence is a violation of LPDES permit LA0121525 (Part I and Part III, Section A.2), La. R.S. 30:2076 (A) (1), La. R.S. 30:2076 (A) (3), LAC 33:IX.501.A, LAC 33:IX.501.D, and LAC 33:IX.2701.A.

A file review conducted by the Department on or about November 9, 2009, revealed that the Respondent failed to submit noncompliance reports (NCRs) for the aforementioned effluent violations. Each failure to submit a noncompliance report is a violation of LPDES permit LA0121525 (Part III, Sections A.2 and D.7), La. R.S. 30:2076 (A) (3), LAC 33:IX.501.A, LAC 33:IX.2701.A, and LAC 33:IX.2701.L.7.

A file review conducted by the Department on or about November 9, 2009, revealed that the Respondent failed to submit complete and accurate NCRs. Specifically, the Respondent failed to report the cause of the exceedence, the duration or anticipated duration of the exceedence, and the steps being taken to reduce, eliminate, and prevent recurrence of the exceedence on each NCR submitted. Each failure to submit a properly completed NCR is a violation of LPDES permit LA0121525 (Part III, Sections A.2 and D.7), La. R.S. 30:2076 (A) (3), LAC 33:IX.501.A, LAC 33:IX.2701.A, and LAC 33:IX.2701.L.7.

A file review conducted by the Department on or about November 9, 2009, revealed that the Respondent failed to report flow for Outfall 006 on the quarterly DMRs for the third quarter of 2006 through the second quarter of 2009. Each failure to report flow is a violation of LPDES permit LA0121525 (Part I, page 2 of 7 and Part III, Sections A.2 and C.6), La. R.S. 30:2076 (A) (3), LAC 33:IX.501.A, and LAC 33:IX.2701.A.

An inspection conducted by the Department on or about June 30, 2008, and a subsequent file review conducted by the Department on or about November 9, 2009, revealed the Respondent failed to monitor the effluent in accordance with approved test procedures. Specifically, the Respondent exceeded the maximum holding times for pH samples. The dates of the violations and the outfalls involved, as reported by the Respondent on laboratory effluent analysis reports, are summarized below:

| DATE | OUTFALLS | DATE | OUTFALLS |
|-------------|--------------------------------------|-------------|--------------------------------------|
| 9/2008 | 001,002,003,004,005,006,007, and 008 | 6/2007 | 001,002,003,004,005,006, and 007 |
| 6/2008 | 001,002,003,004,005,006,007, and 008 | 3/2007 | 001,002,003,004,005,006,007, and 008 |
| 3/2008 | 001,002,003,004,005,006, and 007 | 3/2006 | 001,002,003,004,005,006, and 007 |
| 9/2007 | 001,002,003,004,005,006, and 007 | | |

The Respondent's failure to monitor in accordance with approved test procedures is a violation of LPDES permit LA0121525 (Part III, Sections A.2, and C.5) La. R.S. 30:2076 (A) (3), LAC 33:IX.501.A, LAC 33:IX.2701.A, and LAC 33:IX.2701.J.4.

A file review conducted by the Department on or about November 9, 2009, revealed that the Respondent failed to submit complete and accurate DMRs since issuance of the permit. Specifically, the Respondent did not report a value in the number of exceedences column for any of its outfalls. The failure to submit a complete and accurate DMR is in violation of LPDES permit LA0121525 (Part III, Section A.2), La. R.S. 30:2076 (A) (3), LAC 33:IX.501.A, LAC 33:IX.2701.A, and LAC 33:IX.2701.L.4.d.

The following violations, although not cited in the foregoing enforcement action(s), are included within the scope of this settlement.

A file review conducted by the Department on or about June 13, 2013, revealed the Respondent exceeded the effluent limitations of the permit. These effluent exceedances, as reported by the Respondent on Discharge Monitoring Reports (DMRs) and noncompliance reports (NCRs), are summarized below:

| DATE | OUTFALL | PARAMETER | PERMIT LIMIT | SAMPLE VALUE |
|----------------------|----------------|----------------------------------|---------------------|---------------------|
| 07/01/09 to 09/30/09 | 006 | TSS Monthly Average | 30 mg/L | 46 mg/L* |
| 07/01/09 to 09/30/09 | 006 | TSS Weekly Average | 45 mg/L | 46 mg/L* |
| 10/01/09 to 12/31/09 | 005 | TSS Monthly Average | 30 mg/L | 49 mg/L* |
| 10/01/09 to 12/31/09 | 005 | TSS Weekly Average | 45 mg/L | 49 mg/L* |
| 10/01/09 to 12/31/09 | 006 | Fecal Coliform Monthly Average | 200 col/100ml | 1,100 col/100ml* |
| 10/01/09 to 12/31/09 | 006 | Fecal Coliform Weekly Average | 400 col/100ml | 1,100 col/100ml* |
| 01/01/10 to 03/31/10 | 005 | BOD ₅ Monthly Average | 30 mg/L | 42 mg/L* |
| 01/01/10 to 03/31/10 | 005 | TSS Monthly Average | 30 mg/L | 57 mg/L |
| 01/01/10 to 03/31/10 | 005 | TSS Weekly Average | 45 mg/L | 56 mg/L |
| 01/01/10 to 03/31/10 | 005 | TSS Weekly Average | 45 mg/L | 58 mg/L |
| 01/01/10 to 03/31/10 | 005 | Fecal Coliform Weekly Average | 400 col/100ml | >6,000 col/100ml |
| 01/01/10 to 03/31/10 | 006 | TSS Monthly Average | 30 mg/L | 311 mg/L |
| 01/01/10 to 03/31/10 | 006 | TSS Weekly Average | 45 mg/L | 308 mg/L |
| 01/01/10 to 03/31/10 | 006 | TSS Weekly Average | 45 mg/L | 314 mg/L |
| 04/01/10 to 06/30/10 | 005 | BOD ₅ Monthly Average | 30 mg/L | 83 mg/L |
| 04/01/10 to 06/30/10 | 005 | BOD ₅ Weekly Average | 45 mg/L | 83 mg/L |

| DATE | OUTFALL | PARAMETER | PERMIT LIMIT | SAMPLE VALUE |
|----------------------|---------|--------------------------------|---------------|------------------|
| 04/01/10 to 06/30/10 | 005 | TSS Monthly Average | 30 mg/L | 165 mg/L |
| 04/01/10 to 06/30/10 | 005 | TSS Weekly Average | 45 mg/L | 165 mg/L |
| 04/01/10 to 06/30/10 | 005 | Fecal Coliform Monthly Average | 200 col/100ml | >6,000 col/100ml |
| 04/01/10 to 06/30/10 | 005 | Fecal Coliform Weekly Average | 400 col/100ml | >6,000 col/100ml |
| 07/01/10 to 09/30/10 | 006 | TSS Monthly Average | 30 mg/L | 52 mg/L |
| 07/01/10 to 09/30/10 | 006 | TSS Weekly Average | 45 mg/L | 52 mg/L |
| 10/01/10 to 12/31/10 | 005 | TSS Monthly Average | 30 mg/L | 44 mg/L |
| 01/01/11 to 03/31/11 | 005 | TSS Monthly Average | 30 mg/L | 34 mg/L |
| 01/01/11 to 03/31/11 | 005 | Fecal Coliform Monthly Average | 200 col/100ml | 4,950 col/100ml |
| 01/01/11 to 03/31/11 | 005 | Fecal Coliform Weekly Average | 400 col/100ml | 4,200 col/100ml |
| 01/01/11 to 03/31/11 | 005 | Fecal Coliform Weekly Average | 400 col/100ml | 5,700 col/100ml |

* Failed to submit an NCR.

Each effluent exceedance is a violation of LPDES permit LA0121525 (Part I and Part III, Section A.2), La. R.S. 30:2076 (A) (3), and LAC 33:IX.501.A.

A file review conducted by the Department on or about June 13, 2013, revealed that the Respondent failed to submit NCRs for the effluent exceedances marked with an asterisk (*) in the table above. Each failure to submit an NCR is a violation of LPDES permit LA0121525 (Part III, Sections A.2 and D.7), La. R.S. 30:2076 (A) (3), and LAC 33:IX.2701.L.7.

A file review conducted by the Department on or about June 13, 2013, revealed that the Respondent did cause and/or allow the unauthorized discharge of sanitary wastewater to the Houma Navigational Canal, waters of the state. Specifically, the Respondent stated in correspondence dated March 1, 2010, an internal investigation conducted on December 18, 2009, revealed an unpermitted

sanitary wastewater treatment plant at the facility. The Respondent submitted a permit modification request dated March 11, 2010, and LPDES permit LA0121525 was reissued on August 1, 2011, with the additional treatment plant authorized as Outfall 011. The Respondent reported discharges from the unpermitted treatment plant on multiple DMRs from March 2010 to August 2011. The unauthorized discharge of sanitary wastewater to waters of the state is a violation of La. R.S. 30:2075.

A file review conducted by the Department on or about June 13, 2013, revealed that the Respondent failed to properly report a Fecal Coliform sample value on the Outfall 005 DMR for the first quarter of 2010 monitoring period. The Fecal Coliform Monthly Average permit limit is 200 col/100ml. However, the Respondent reported the sample value as <3,005 col/100ml. The failure to properly report a sample value is a violation of LPDES permit LA0121525 (Part III, Sections A.2 and D.4), La. R.S. 30:2076 (A) (3), and LAC 33:IX.2701.L.4.d.

A file review conducted by the Department on or about June 13, 2013, revealed that the Respondent failed to submit the Outfall 003 DMR for the second quarter of 2011 monitoring period. The failure to submit a DMR is a violation of LPDES permit LA0121525 (Part II, Section Q and Part III, Sections A.2 and D.7), La. R.S. 30:2076 (A) (3), and LAC 33:IX.2701.L.4.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 TWO HUNDRED TWENTY FIVE THOUSAND AND NO/100 DOLLARS (\$225,000.00), of

which Seven Hundred Sixty-Nine and 39/100 Dollars (\$769.39) 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 Terrebonne 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.

OFFSHORE SPECIALTY FABRICATORS, LLC

BY: [Signature]
(Signature)

Keith Martinez
(Printed)

TITLE: Director of Administration

THUS DONE AND SIGNED in duplicate original before me this 25th day of June, 20 14, at Houma, LA.

[Signature]
NOTARY PUBLIC (ID # 14860)

(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 26th day of July, 20 14, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 19181)

Perry Theriot
(stamped or printed)

Approved: [Signature]
Cheryl Sonnier Nolan, Assistant Secretary