

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

BAKER HUGHES OILFIELD OPERATIONS
LLC

AI # 186587

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

* Settlement Tracking No.
* SA-AE-21-0005
*
* Enforcement Tracking No.
* AE-PP-17-00654
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SETTLEMENT

The following Settlement is hereby agreed to between Baker Hughes Oilfield Operations 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 owned and/or operated an oilfield services, storage and supply facility located in Bossier City, Bossier Parish, Louisiana (“the Facility”).

II

On July 24, 2018, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. AE-PP-17-00654 (Exhibit 1).

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 THIRTY-EIGHT THOUSAND AND NO/100 DOLLARS (\$38,000.00), of which Three Hundred Eighty-Two and 46/100 Dollars (\$382.46) 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 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 Bossier 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 thirty (30) 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.

**BAKER HUGHES OILFIELD
OPERATIONS LLC**

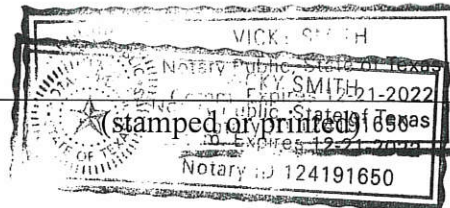
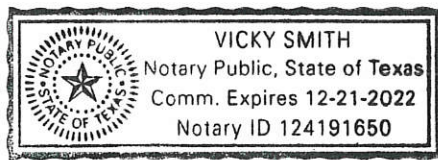
BY: [Signature]
(Signature)

Jim Sessions
(Printed)

TITLE: VP of OFS CWI

THUS DONE AND SIGNED in duplicate original before me this 19th day of October, 20 21, at 1:53 PM CT.

[Signature]
NOTARY PUBLIC (ID # 124191650)

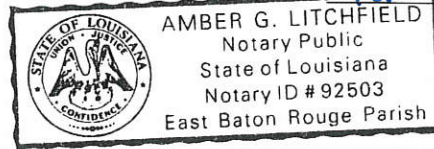


**LOUISIANA DEPARTMENT OF
ENVIRONMENTAL QUALITY**
Chuck Carr Brown, Ph.D., Secretary

BY: [Signature]
Celena J. Cuge, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 9th day of August, 20 22, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 92503)



(stamped or printed)

Approved: [Signature]

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



July 24, 2018

CERTIFIED MAIL (7016 2140 0000 5132 9601)
RETURN RECEIPT REQUESTED

BAKER HUGHES OILFIELD OPERATIONS LLC
c/o C T Corporation System
Agent for Service of Process
3867 Plaza Tower Drive
Baton Rouge, LA 70816

**RE: NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-PP-17-00654
AGENCY INTEREST NO. 186587**

Dear Sir:

On or about June 25, 2018, a file review of **BAKER HUGHES BOSSIER FACILITY** (the facility), an oilfield services, storage and supply facility, owned and/or operated by **BAKER HUGHES OILFIELD OPERATIONS LLC (RESPONDENT)**, was performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Air Quality Regulations. The facility is located at 4907 Hazel Jones Road in Bossier City, Bossier Parish, Louisiana. The Respondent submitted an initial Minor Source Permit application dated July 24, 2017. Minor Source Air Permit No. 0400-00768-00 was issued on December 5, 2017, and will expire on December 5, 2027.

While the investigation by the Louisiana Department of Environmental Quality (the Department) is not yet complete, the following violation(s) were noted during the course of the file review:

- A. On or about July 24, 2017, the Department received the Respondent's initial Minor Source Permit Application also dated July 24, 2017. In correspondence dated October 11, 2017, the Respondent stated the facility was constructed in the late 1970s-1980s. According to the Respondent, several different operations for each of the different product lines have occurred at the facility. The Respondent's failure to submit a permit application to the permitting authority prior to construction, reconstruction, or modification of the facility is a violation of LAC 33:III.501.C.1 and La. R.S. 30:2057(A)(2).
- B. On or about July 24, 2017, the Department received the Respondent's initial Minor Source Permit Application also dated July 24, 2017. In correspondence dated

Baker Hughes Oilfield Operations LLC

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October 11, 2017, the Respondent stated the facility has been in operation since the 1980s. According to the Respondent, several different product lines have been in operation at the facility. In 2012, two (2) additional product lines began moving onto the property to consolidate operations. In 2016, one (1) product line was removed from the facility. The unauthorized operation of the facility is a violation of LAC 33:III.501.C.2 and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

- C. On or about August 23, 2017, the Respondent submitted a test notification and protocol to the Department for the initial 40 CFR 63 Subpart ZZZZ emission test for Engine Nos. 1-3. According to the initial Minor Source Permit Application dated July 24, 2017, the engines have the following specifications: diesel generated engines with a horsepower rating of 844 HP with a 48.3 L displacement, constructed (or modified) June 4, 1999. Per 40 CFR 63.6595(a), an existing stationary compression ignition (CI) reciprocating internal combustion engines (RICE) located at an area source of hazardous air pollutants (HAP) emissions must comply with applicable emission limitations, operating limitations, and other requirements no later than May 3, 2013. Each failure to conduct the initial performance test within 180 days after the May 3, 2013 compliance date is a violation of 40 CFR 63.6612(a). On or about August 23, 2017, the Department received the Respondent's test notification and protocol for initial 40 CFR 63 Subpart ZZZZ emission test for Engines Nos. 1-3. The scheduled testing period is August 29-30, 2017. In correspondence dated October 11, 2017, the Respondent stated the performance tests were conducted on September 27-28, 2017. The performance tests demonstrated two of the three engines did not meet the required carbon monoxide (CO) percent reduction; the noncompliance is attributed to an issue with the catalyst.

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 Antoinette Cobb at (225) 219-3072 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. If the Respondent chooses not to submit the requested most current annual gross revenues statement within ten (10) days, it will be viewed by the Department as an admission that the Respondent has the ability to pay the statutory maximum penalty as outlined in La. R.S. 30:2025.

Baker Hughes Oilfield Operations LLC

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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.

The Department assesses civil penalties based on LAC 33:I.Subpart1.Chapter7. To expedite closure of this **NOTICE OF POTENTIAL PENALTY**, the Respondent may offer a settlement amount to resolve any claim for civil penalties for the violation(s) described herein. The Respondent may offer a settlement amount, but the Department is under no obligation to enter into settlement negotiations. The decision to proceed with a settlement is at the discretion of the Department. The settlement offer amount may be entered on the attached "**NOTICE OF POTENTIAL PENALTY REQUEST TO SETTLE**" form. The Respondent must include a justification of the offer. **DO NOT** submit payment of the offer amount with the form. The Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.

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/AFC/afc
Alt ID No. NA

c: Baker Hughes Oilfield Operations LLC
c/o Mr. Daniel Bembenick, HSE Specialist
4907 Hazel Jones Road
Bossier City, LA 71111

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
 OFFICE OF ENVIRONMENTAL COMPLIANCE
 ENFORCEMENT DIVISION
 POST OFFICE BOX 4312
 BATON ROUGE, LOUISIANA 70821-4312

**NOTICE OF POTENTIAL PENALTY
 REQUEST TO SETTLE (OPTIONAL)**



Enforcement Tracking No.	AE-PP-17-00654	Contact Name	Antoinette Cobb
Agency Interest (AI) No.	186587	Contact Phone No.	(225) 219-3072
Alternate ID No.	NA		
Respondent:	Baker Hughes Oilfield Operations LLC	Facility Name:	Baker Hughes Bossier Facility
	c/o C T Corporation System Agent for Service of Process	Physical Location:	4907 Hazel Jones Road
	3867 Plaza Tower Drive	City, State, Zip:	Bossier City, LA 71111
	Baton Rouge, LA 70816	Parish:	Bossier

SETTLEMENT OFFER (OPTIONAL)

(check the applicable option)

_____ The Respondent is not interested in entering into settlement negotiations with the Department with the understanding that the Department has the right to assess civil penalties based on LAC 33:1.Subpart1.Chapter7.

_____ In order to resolve any claim for civil penalties for the violations in **NOTICE OF POTENTIAL PENALTY** (AE-PP-17-00654), the Respondent is interested in entering into settlement negotiations with the Department and would like to set up a meeting to discuss settlement procedures.

_____ In order to resolve any claim for civil penalties for the violations in **NOTICE OF POTENTIAL PENALTY** (AE-PP-17-00654), the Respondent is interested in entering into settlement negotiations with the Department and offers to pay \$ _____ which shall include LDEQ enforcement costs and any monetary benefit of non-compliance.

- Monetary component = \$ _____
- Beneficial Environmental Project (BEP) component (optional)= \$ _____
- **DO NOT SUBMIT PAYMENT OF THE OFFER WITH THIS FORM-** the Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.

_____ The Respondent has reviewed the violations noted in **NOTICE OF POTENTIAL PENALTY** (AE-PP-17-00654) and has attached a justification of its offer and a description of any BEPs if included in settlement offer.

CERTIFICATION STATEMENT

I certify, under provisions in Louisiana and United States law that provide criminal penalties for false statements, that based on information and belief formed after reasonable inquiry, the statements and information attached and the compliance statement above, are true, accurate, and complete. I also certify that I do not owe outstanding fees or penalties to the Department for this facility or any other facility I own or operate. I further certify that I am either the Respondent or an authorized representative of the Respondent.

Respondent's Signature	Respondent's Printed Name	Respondent's Title
Respondent's Physical Address	Respondent's Phone #	Date

MAIL COMPLETED DOCUMENT TO THE ADDRESS BELOW:

Louisiana Department of Environmental Quality
 Office of Environmental Compliance
 Enforcement Division
 P.O. Box 4312
 Baton Rouge, LA 70821
 Attn: Antoinette Cobb