

SETTLEMENT AGREEMENT

WHEREAS, the Marine Shale Processors Site (AI No. 5414) (the "Site") consists of approximately 48 acres and is located at 9828 Louisiana Highway 182 East approximately 1.5 miles west of Amelia, St. Mary Parish, Louisiana, and is bordered by Louisiana Highway 90 to the north, industrial properties to the northwest and to the southeast, and Bayou Boeuf to the southwest; and

WHEREAS, Marine Shale Processors, Inc. ("MSP") purchased the Site in 1984 and converted it into a waste processing and treatment facility for non-hazardous oil field wastes, but in 1985, MSP began to incinerate hazardous wastes, including a wide variety of organic and inorganic hazardous substances; and

WHEREAS, as many as over 1,000 entities, including the signatories hereto, are alleged to have arranged for the treatment, storage, or disposal of hazardous substances and wastes at the Site, and the "nexus" of such entities with the Site is documented in hazardous waste manifest records in the possession of the Louisiana Department of Environmental Quality ("LDEQ") and/or the United States Environmental Protection Agency ("USEPA"); and

WHEREAS, MSP ceased operating the facility in 1996 but left behind storage tanks and bins containing incinerated waste residues and untreated waste, on-site stockpiles of incinerated waste and untreated waste, and fill material composed of incinerated waste material; and

WHEREAS, the USEPA and the LDEQ have issued demand letters to forty-six (46) entities who allegedly arranged for the treatment, storage, or disposal of waste at the Site, advising them that they should enter into an agreement to undertake a remedial investigation and corrective action study and remedial action at the Site, and providing such parties with information as to the other potentially responsible parties ("PRPs") with a "nexus" to the Site, including the signatories hereto; and

WHEREAS, seventeen (17) of the PRPs have entered into an agreement to (1) devote their resources to efficiently address any claims that may be asserted by the United States, the State of Louisiana, or other parties in connection with the Site, (2) allocate among themselves common legal, technical, administrative, and other costs incurred in connection with this matter, and (3) cooperate among themselves in this effort (the "Marine Shale Processors Site Joint Defense and PRP Agreement") and, pursuant thereto, have organized and constitute themselves when acting collectively under the terms of Marine Shale Processors Site Joint Defense and PRP Agreement as the "MSP Site PRP Group"; and

WHEREAS, the MSP Site PRP Group has established committees in an effort to, *inter alia*, coordinate, negotiate, and manage the investigation and remedial actions at the Site and seeks to try to avoid the costs of litigation with the LDEQ and USEPA, as well as litigation by and amongst the PRPs in related contribution actions; and

WHEREAS, the MSP Site PRP Group has retained consultants to carry out necessary actions to proceed with the remedial investigation and corrective action study, as well as other activities that may be approved by the MSP Site PRP Group; and

WHEREAS, in accordance with the Cooperative Agreement for Site Investigation and Remediation executed by the MSP Site PRP Group and the LDEQ, a remedial investigation and corrective action study are being conducted at the Site in accordance with applicable statutory and regulatory requirements; and

WHEREAS, the MSP Site PRP Group has reviewed the "waste-in" volumetric quantity information provided by the United States Department of Justice which was prepared from hazardous waste manifest documents and has determined that approximately 1,100 PRPs should be afforded the early opportunity, based upon the relatively small volume of wastes they shipped to the Site, to "cash-out" in this matter at a "de minimis" payment amount, and thereby avoid transaction or litigation expenses; and

WHEREAS, the MSP Site PRP Group has considered the matter, has determined that the cash-out amounts represent a reasonable contribution by the de minimis cash-out parties for their fair share of costs incurred and to be incurred by the MSP Site PRP Group, and has voted to approve a "cash-out" settlement to be offered to the PRPs, and to so advise the State of Louisiana of such settlement effort; and

WHEREAS, the MSP Site PRP Group has and will continue to incur significant costs in the investigation of the Site, as well as in negotiations with state and federal officials, etc.; and

WHEREAS, the PRPs to whom an early "cash-out" opportunity is being extended are not members of the MSP Site PRP Group, and have, to date, been able to avoid costs and expenses associated with the Site, and are not being asked to pay a "participation fee" to the MSP Site PRP Group or to accept any future liability risk associated with costs of the implementation of investigation and remediation activities at the Site; and

WHEREAS, the MSP Site PRP Group members have agreed to compromise, release, and waive any claims under state or federal laws that the MSP Site PRP Group and its members have, or may have, arising from the release or threat of release of hazardous substances at, on, or from the Site, against such of the PRPs that accept this early "de minimis" cash-out settlement opportunity.

NOW, THEREFORE, in consideration of the mutual promises, representations, and warranties contained herein, and for other good and valuable consideration, the MSP Site PRP Group and the undersigned "de minimis" party signatories (hereinafter, individually, "cash-out party" and collectively, "cash-out parties") agree as follows:

AGREEMENT

1. Each cash-out party shall pay the MSP Site PRP Group the sum of \$8,000.00. The payment shall be made no later than 5 business days after the cash-out party's execution of this Settlement Agreement. The payment shall be made payable to the KEAN MILLER TRUST ACCOUNT (Federal Tax ID Number 72-0376776).
2. Each cash-out party represents and warrants that it has no information in its possession or in the possession of any of its representatives or agents that reflects total shipments of waste by that cash-out party to the Site in excess of 5 tons. The MSP Site PRP Group relies upon such warranty and representation and reserves all of its rights to re-open this matter and pursue any and all claims against the cash-out party that it and its members may have in the event that such warranty and representation is not accurate. Each cash-out party also represents and warrants that it will not alter, destroy, or otherwise dispose of any records, documents, or other information that reflects shipments of waste by the cash-out party to the Site or the cash-out party's potential liability regarding the Site, and that it has not done so after receiving the settlement packet provided to cash-out parties.
3. The cash-out parties shall have no obligation to the MSP Site PRP Group to undertake or pay for any investigation or remediation of any kind, or for any other cost of response, past or present, at the Site.
4. The MSP Site PRP Group, upon the receipt of a cash-out party's properly executed Settlement Agreement and payment, shall execute and issue a general release to that cash-out party in the form set forth in Attachment E to the settlement packet provided to cash-out parties.
5. The MSP Site PRP Group shall advise the LDEQ of the payment by the cash-out party, will confirm that the payment is fair and reasonable, and, without warranty, will attempt to have the cash-out party named as a participating PRP in any agreement or consent order with the LDEQ, so that the cash-out party shall be entitled to receive any and all liability protections afforded by such agreement or consent order.
6. Upon its execution by the MSP Site PRP Group and a cash-out party, this Settlement Agreement shall be a contract and may be enforced as such. Except to the extent necessary to seek a remedy for any breach of this Settlement Agreement, this Settlement Agreement is not and shall not be offered or deemed as an admission of-fact, law, or liability of any party. This Settlement Agreement shall be governed by and interpreted in accordance with the laws of Louisiana and constitutes the entire agreement among the parties. This Settlement Agreement shall be binding on all signatories and their successors and assigns.

7. This Settlement Agreement may be executed in multiple counterparts, each of which may be deemed an original, but all of which shall be deemed one and the same Settlement Agreement.

Marine Shale Processors Site PRP Group

Cash-Out Party:

Jon Jewett
Chairman, Steering Committee

Company Name: _____

Date: _____

By: _____

Title: _____

Date: _____

TIN: _____

Thus sworn and signed before me on this the
____ day of _____, 2012.

NOTARY PUBLIC

My commission expires: _____

GENERAL RELEASE

The Marine Shale Processors Site PRP Group ("MSP Site PRP Group") and its members, for and in consideration of the sum of Eight Thousand and No/100 (\$8,000.00) Dollars lawful money of the United States of America paid to the MSP Site PRP Group, the receipt whereof is hereby acknowledged, hereby release and forever discharge the said _____ and its successors and assigns, of and from all, and all manner of, action and actions, cause and causes of action, suits, controversies, claims, and demands whatsoever, in law and equity, (a) with regard to the investigation and remediation of the Marine Shale Processors Site (AI No. 5414), 9828 Louisiana Hwy 182 East, Amelia, Louisiana ("MSP Site") and other response costs of any description arising at or from the MSP Site, and/or (b) arising from the release or threatened release of hazardous substances at, on, or from the MSP Site, which the MSP Site PRP Group and its members ever had, now have, or hereafter can, shall, or may have stemming from the detection of hazardous substances or any other environmental contaminants at, on, or from the MSP Site, arising under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. §9601, et seq. and/or Louisiana Revised Statutes 30:2271, et seq.

IN WITNESS WHEREOF, the MSP Site PRP Group has caused this General Release to be executed on the ____ day of _____, 2012.

Marine Shale Processors Site PRP Group

Jon Jewett
Chairman, Steering Committee