

Marine Shale Processors Site PRP Group

9828 Louisiana Hwy 182 East, Amelia, Louisiana

Louisiana Department of Environmental Quality AI No. 5414

FOR SETTLEMENT PURPOSES ONLY - TIME SENSITIVE MATERIAL OFFER OF SETTLEMENT AND GENERAL RELEASE

TO: Marine Shale Processors Site Potentially Responsible Parties ("PRPs")

FROM: Marine Shale Processors Site PRP Group ("MSP Site PRP Group")

RE: Offer of Early "De Minimis" Settlement

DATE: March 22, 2013

Greetings and Please Take Notice:

This memo is to provide NOTICE to you of a demand by the United States Environmental Protection Agency ("USEPA") and the Louisiana Department of Environmental Quality ("LDEQ") for remediation of the Marine Shale Processors Site located in Amelia, Louisiana ("Site") and the on-going efforts of the MSP Site PRP Group to resolve the matter with the State of Louisiana and to inform you of the opportunity to enter into a "de minimis cash-out settlement" described below. This matter arises under the strict, retroactive, joint and several liability provisions of the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. §9601, et seq. and Louisiana Revised Statutes 30:2271, et seq. **This letter shall be considered a demand letter sent pursuant to Louisiana Revised Statutes 30:2276(G).**

Attached to this cover memorandum is a Settlement Agreement (Attachment A) that reviews some of the relevant history and status of this matter. As a potentially responsible party ("PRP") at the Site, you are encouraged to review the enclosed materials.

The current goals of the MSP Site PRP Group include:

- Conducting a Remedial Investigation ("RI") and Corrective Action Study ("CAS") at the request of LDEQ;
- Developing a cost-effective remedial action program acceptable to the LDEQ;
- Taking necessary measures to raise funds from all the PRPs, based upon documentary evidence including LDEQ Annual Hazardous Waste Reports, sufficient to fund the implementation of a cost-effective and final remedial action program at the Site.
- Entering into an agreement with the LDEQ that provides an appropriate Covenant Not to Sue and Contribution Protection to the participating PRPs; and
- Reaching a settlement with "de minimis" PRPs that allows them to exit the case and thereby avoid the costs associated with investigation, negotiation, and litigation, and all other expenses relating to the resolution of liability associated with the Site, in exchange for a cash payment to the MSP Site PRP Group.

THIS MEMORANDUM REQUESTS ACTION ON YOUR PART

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. The basis of the demand letters is the strict, retroactive, joint and several liability provisions of CERCLA and Louisiana Revised Statutes 30:2271, et seq. In response to the demand letters, seventeen (17) entities formed the MSP Site PRP Group to address the demands of the USEPA and the LDEQ so as to avoid unnecessary and costly litigation to bring closure to this Site. The members of the MSP Site PRP Group are listed in Attachment B.

As a result of the on-going effort by the MSP Site PRP Group, a Cooperative Agreement for Site Investigation and Remediation, dated March 18, 2009, was entered into with LDEQ. The agreement requires the MSP Site PRP Group to conduct a remedial investigation and corrective action study. The MSP Site PRP Group has retained consultants to carry out necessary actions to proceed with the remedial investigation and corrective action study. The agreement also allows for the possibility of interim remedial measures. As such, the MSP Site PRP Group has incurred significant costs in the investigation of the Site, as well as in negotiations with state and federal officials. A copy of the Cooperative Agreement for Site Investigation and Remediation entered into with LDEQ may be accessed at the MSP web site maintained by its Administrative Coordinator, TLI Solutions, Inc., at www.tlisolutions.com/MSP

The MSP Site PRP Group has determined that you are eligible for an early "de minimis cash-out settlement" that provides you with the opportunity to contribute a small amount to the investigation and remediation of the Site in exchange for a general release and avoidance of any further involvement in the Site. The determination to provide you with an early "de minimis cash-out" settlement opportunity is based upon LDEQ Annual Hazardous Waste Reports set forth in Attachment C that reflect that you were a generator of a relatively small amount of waste that was disposed at the Site. The MSP Site PRP Group is offering to those generators who contributed a total of 0.200 tons or less of waste to the Site a de minimis cash-out settlement opportunity. **The de minimis cash-out settlement amount is \$2,000.00.** Enclosed with this memorandum you will find:

- (i) A Settlement Agreement (Attachment A);
- (ii) A list of the members of the MSP Site PRP Group (Attachment B);
- (iii) LDEQ Documents setting forth Facility Annual Hazardous Waste Report information that establishes your "nexus" to the Site (Attachment C);
- (iv) An invoice with regard to the de minimis monetary payment that must be made by you to receive the liability protection (Attachment D); and
- (v) A General Release (Attachment E).

WHAT YOU ARE REQUESTED TO DO

You are advised to review the enclosed documents. You may also wish to go to the LDEQ website (www.deq.louisiana.gov) and access the Electronic Document Management System (EDMS) to search for information on the Site (AI No. 5414). If you have any questions regarding this notification, please contact Sabine Fischer Warren at TLI Solutions, Inc., by e-mail at swarren@tlisolutions.com, or by phone: 703-818-3250.

Because this early "de minimis cash-out" settlement opportunity is for such a small payment, the MSP Site PRP Group will not negotiate the amount of the required payment. The decision to accept this "de minimis cash-out" settlement opportunity or to remain a nonparticipating PRP is solely up to you. **This will be your only opportunity to take advantage of an early "cash-out" and avoid further involvement in this matter and associated costs.** The MSP Site PRP Group requests that you inform us of your decision by no later than May 31, 2013. If you have not properly accepted this offer at that time, this de minimis cash-out settlement offer shall be automatically withdrawn, void, and of no further effect.

PLEASE NOTE: Even if you do not accept this opportunity for an early de minimis cash-out settlement, you are still invited to join the MSP Site PRP Group by making a participation contribution of \$17,500 plus your percentage share (to be determined by the MSP Site PRP Group) of costs incurred to date and costs that will be incurred in the future. By joining the MSP Site PRP Group, you may participate in any of the committees and participate in future allocation discussions and decisions.

To take advantage of this "de minimis cash-out" settlement opportunity, you must do the following:

1. You must enter your name and Taxpayer Identification Number (TIN), sign, date, and have your signature notarized at the end of the Settlement Agreement (Attachment A). Upon your proper execution and delivery to the MSP Site PRP Group of the completed Settlement Agreement, coupled with your payment of the de minimis cash-out settlement amount, the General Release (Attachment E), signed by the Chairman of the MSP Site PRP Group, will be delivered to you. The Settlement Agreement becomes binding upon the MSP Site PRP Group's receipt from you of the properly executed Settlement Agreement and de minimis cash-out settlement payment.
2. Please make the de minimis cash-out settlement payment per the enclosed invoice (Attachment D). Please fill in the proper return address for the General Release.

PLEASE MAIL THE PROPERLY EXECUTED SETTLEMENT AGREEMENT (original and 1 copy), THE COMPLETED INVOICE, AND THE DE MINIMIS CASH-OUT SETTLEMENT PAYMENT (check made payable to **KEAN MILLER TRUST ACCOUNT) TO:**

Marine Shale Processors Site PRP Group
Attn: Sabine Fischer Warren
TLI Solutions Inc.
14500 Avion Parkway, Suite 301
Chantilly, VA 20151

The MSP Site PRP Group intends to retain the original Settlement Agreements. Once your check has cleared, the General Release will be signed and mailed to you together with a copy of the countersigned Agreement. If you do not receive the General Release and countersigned Agreement within 10 business days of sending in your properly executed Settlement Agreement and payment, please call the above

contact, Sabine Fischer Warren, at 703-818-3250, or via e-mail at swarren@tliolutions.com, and advise that documents have not yet been received, and they will be mailed to you.

We have advised the LDEQ of this de minimis settlement process. If you decide to participate in this de minimis cash-out settlement opportunity, you will not hear from the MSP Site PRP Group again, other than receiving the General Release.

To avoid any confusion, you are being asked to do 4 things:

1. **Read this memo and the enclosures;**
2. **Execute the Settlement Agreement (if you choose to participate);**
3. **Issue a check in the amount of \$2,000.00 and fill in your company address on the invoice; and**
4. **Mail the properly executed Settlement Agreement (original and one copy), the completed invoice, and the payment to the address set forth above.**

Thank you for your prompt attention to this matter.

Enclosures: Attachment A – Settlement Agreement
Attachment B – PRP Group Member List
Attachment C – LDEQ Annual Hazardous Waste
Report Information
Attachment D – Invoice with amount of payment due
Attachment E – General Release