

STEVENS, BALDO & FREEMAN

A REGISTERED LIMITED LIABILITY PARTNERSHIP

ATTORNEYS AT LAW
550 FANNIN, SUITE 400
BEAUMONT, TEXAS 77701

POST OFFICE BOX 4950
BEAUMONT, TEXAS 77704

TELEPHONE: (409) 835-5200
FACSIMILE: (409) 838-5638
e-mail: www.sbf-law.com

HOUSTON OFFICE:
1980 POST OAK BLVD., SUITE 1550
HOUSTON, TEXAS 77056
TELEPHONE: (713) 961-1520
FACSIMILE: (713) 961-1556

November 12, 2001

Joseph Compton
United States Environmental Protection Agency, Region 6
Superfund Division (6SF-DL)
1445 Ross Avenue, Suite 1200
Dallas, Texas 75202-2733

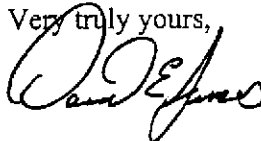
Re: United States Environmental Protection Agency; Palmer Barge Line Superfund Site

Dear Mr. Compton:

Enclosed you will find two affidavits that were executed by Higman Barge Line, Inc. employees in response to your request. The first affidavit was executed by Mr. John T. McMahan, Secretary for Higman Barge Line, Inc. The affidavit describes the transactions Higman Barge Line, Inc. had with the Palmer Barge Line Terminal and the cargoes aboard Higman vessels when they entered that facility. The second affidavit was executed by Mr. Randy Laughlin, Maintenance Superintendent for Higman Barge Line, Inc. During the times relevant to this action, Mr. Laughlin was responsible for overseeing the day to day maintenance that was performed by various contractors for Higman Barge Line, Inc., including work done by Palmer.

These affidavits and the materials submitted in response to the EPA's Information Request reveal that Higman Barge Line, Inc. placed Crude Oil and No. 6 Oil into the Palmer Barge Line Facility on twelve separate occasions. The remaining transaction involved small volume mixture of water, motor oil, and diesel taken from the bilge of a towboat owned by Higman Barge Line, Inc. Since these transactions clearly fall within the petroleum exclusion of 46 U.S.C. § 9601(14), Higman requests to be released from this action. I would appreciate a response in the coming days so that my client is spared the expense of traveling to Dallas on November 15 for the Potentially Responsible Party meeting.

Very truly yours,



David James

DJ/tfv
Enclosures

EXHIBIT 3

THE STATE OF TEXAS

COUNTY OF HARRIS

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KNOW ALL MEN BY THESE
PRESENTS

AFFIDAVIT OF JOHN T. MCMAHAN

BEFORE ME, the undersigned notary public, on this day personally appeared JOHN T. MCMAHAN, who, being first duly sworn by me according to law, on his oath, deposed and stated the following:

"My name is John T. McMahan, and I am above the age of eighteen (18) years and have never been convicted of a felony or crime involving moral turpitude. I am the Secretary of Higman Barge Lines, Inc. I am fully competent to make this affidavit. I have personal knowledge of the facts stated herein and they are all true and correct. I have been Secretary of Higman Barge Lines, Inc. since December 1986.

As Secretary of Higman Barge Lines, Inc., I am responsible for the records of the corporation. The records of Higman Barge Line show the following:

1. On March 14, 1993, the tank barge HTCO 2302 was taken to the Palmer Barge Facility in Port Arthur, Texas to be steamed. The barge was loaded with VGO.
2. On March 14, 1993, the tank barge HTCO 2301 was taken to the Palmer Barge Facility in Port Arthur, Texas to be steamed. The barge was loaded with VGO.
3. On March 26, 1993, the tank barge GDM 264 was taken to the Palmer Barge Facility in Port Arthur, Texas to be steamed. The barge was loaded with No. 6 Fuel Oil.
4. On March 26, 1993, the tank barge S 2512 was taken to the Palmer Barge Facility in Port Arthur, Texas to be steamed. The barge was loaded with No. 6 Fuel Oil.
5. On October 7, 1993, the tank barge S 2022 was taken to the Palmer Barge Facility in Port Arthur, Texas. The barge was empty at the time with its previous cargo being Crude Oil.
6. On October 23, 1993, the tank barge HTCO 2517 was taken to the Palmer Barge Facility in Port Arthur, Texas. The barge was empty at the time with its previous cargo being Crude Oil.

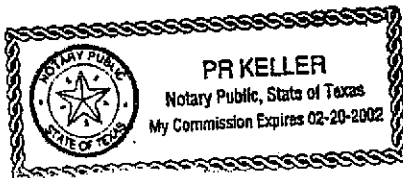
7. On November 30, 1993, the tank barge S 2018 was taken to the Palmer Barge Facility in Port Arthur, Texas. The barge was empty at the time with its previous cargo being Crude Oil.
8. On December 1, 1993, the M/V JOE M. POWELL was taken to the Palmer Barge Facility in Port Arthur, Texas.
9. On December 27, 1993, the tank barge HTCO 3006 was taken to the Palmer Barge Facility in Port Arthur, Texas. The barge was empty at the time with its previous cargo being Crude Oil.
10. On December 27, 1993, the tank barge HTCO 3007 was taken to the Palmer Barge Facility in Port Arthur, Texas. The barge was empty at the time with its previous cargo being Crude Oil.
11. On February 14, 1994, the tank barge HTCO 2201 was taken to the Palmer Barge Facility in Port Arthur, Texas. The barge was empty at the time with its previous cargo being Crude Oil.
12. On March 1, 1994, the tank barge HTCO 2010 was taken to the Palmer Barge Facility in Port Arthur, Texas. The barge was empty at the time with its previous cargo being Crude Oil.
13. On March 6, 1994, the tank barge HTCO 2302 was taken to the Palmer Barge Facility in Port Arthur, Texas. The barge was empty at the time with its previous cargo being No. 6 Fuel Oil.
14. On March 25, 1994, the tank barge S 2018 was taken to the Palmer Barge Facility in Port Arthur, Texas. The barge was empty at the time.
15. On March 25, 1994, the tank barge S 2017 was taken to the Palmer Barge Facility in Port Arthur, Texas. The barge was empty at the time.
16. On March 6, 1994, the tank barge HTCO 2516 was taken to the Palmer Barge Facility in Port Arthur, Texas. The barge was empty at the time with its previous cargo being Crude Oil.
17. On May 5, 1994, the tank barge HTCO 3007 was taken to the Palmer Barge Facility in Port Arthur, Texas. The barge was empty at the time with its previous cargo being Crude Oil.
18. On July 15, 1996, the M/V MARRIANNE was taken to the Palmer Barge Facility in Port Arthur, Texas to have a steering arm welded.

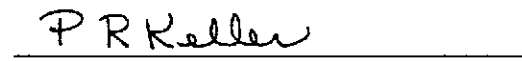
19. On July 25, 1996, the tank barge S 2018 was taken to the Palmer Barge Facility in Port Arthur, Texas. The barge was empty with its previous cargo being crude oil.
20. On August 3, 1995, the tank barge HTCO 2201 was taken to the Palmer Barge Facility in Port Arthur, Texas. The barge was empty at the time with its previous cargo being Crude Oil.

Further, the affiant saith not."


JOHN T. MCMAHAN

SUBSCRIBED AND SWORN to by the said JOHN T. MCMAHAN on this the 31ST day
of OCTOBER, 2001, to certify which witness my hand and official seal.




NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS

COUNTY OF HARRIS

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KNOW ALL MEN BY THESE
PRESENTS

AFFIDAVIT OF RANDY LAUGHLIN

BEFORE ME, the undersigned notary public, on this day personally appeared RANDY LAUGHLIN, who, being first duly sworn by me according to law, on his oath, deposed and stated the following:

"My name is Randy Laughlin, and I am above the age of eighteen (18) years and have never been convicted of a felony or crime involving moral turpitude. I am a Maintenance Superintendent with Higman Barge Lines, Inc. I am fully competent to make this affidavit. I have personal knowledge of the facts stated herein and they are all true and correct. I have been employed with Higman Barge Lines, Inc. since January 1, 1982.

In my capacity as a Maintenance Superintendent with Higman Barge Lines, Inc., I liased with representatives of the Palmer Barge Terminal concerning work being done for my employer.

At all times relevant hereto, the Palmer Barge Terminal engaged in a recycling operation where crude oil and petroleum taken from Higman Barge Lines, Inc. tank barges were placed into storage tanks to be resold.

On several occasions, I spoke with representatives of the Palmer Barge Terminal regarding their disposal and recycling methodology. Representatives of the Palmer Barge Terminal informed me that all materials not recycled were properly disposed of at offsite disposal facilities.

To my knowledge, all materials taken from Higman Barge Lines, Inc. tank barges were either recycled or properly disposed of at offsite disposal facilities. I have no knowledge of materials being disposed of at the Palmer Barge Terminal Site.

I periodically supervised the following jobs on barges owned and/or operated by my employer:

1. On December 1, 1993, I visited the Palmer Facility when the No. 1 Starboard cargo tank of the tank barge S 2018 was stripped, mucked, butterworthed, washed, and dried by Palmer. I supervised the work being performed by Palmer Barge Terminal for my employer, including the removal of materials from the S 2018. I witnessed crude oil being stripped from this barge and being placed in storage for recycling. I witnessed Palmer Barge Terminal Personnel placing the remaining materials from this barge in fifty-five gallon drums for offsite disposal.

2. On February 14, 1994, I visited the Palmer Facility when the No. 6 Port and Starboard cargo tanks of the tank barge HTCO 2201 were stripped, butterworthed, washed, and dried. I supervised the work being performed by Palmer Barge Terminal for my employer, including the removal of No. 6 Oil from the HTCO 2201. I witnessed No. 6 Oil being stripped from this barge and being placed in storage for recycling.
3. On March 1, 1994, I visited the Palmer Facility when the No. 2 Port cargo tank of the tank barge GDM 264 was stripped, mucked, butterworthed, washed, and dried by Palmer. I supervised the work being performed by Palmer Barge Terminal for my employer, including the removal of materials from the GDM 264. I witnessed crude oil being stripped from this barge and being placed in storage for recycling. I witnessed Palmer Barge Terminal Personnel placing the remaining materials from this barge in fifty-five gallon drums for offsite disposal.
4. On March 1, 1994, I visited the Palmer Facility when the No. 1 Starboard cargo tank and No. 2 Port cargo tank and pipeline of the tank barge HTCO 2010 were stripped by Palmer. I supervised the work being performed by Palmer Barge Terminal for my employer, including the removal of Crude Oil from the HTCO 2010. I witnessed Crude Oil being stripped from this barge and being placed in storage for recycling.
5. On March 4, 1994, I visited the Palmer Facility when the No. 1 Starboard cargo tank of the tank barge HTCO 2302 was stripped, butterworthed, mucked, washed, and dried by Palmer. I supervised the work being performed by Palmer Barge Terminal for my employer, including the removal of No. 6 Oil from the HTCO 2302. I witnessed No. 6 Oil being stripped from this barge and being placed in storage for recycling. I witnessed Palmer Barge Terminal Personnel placing the remaining materials from this barge in fifty-five gallon drums for offsite disposal.
6. On May 13, 1994, I visited the Palmer Facility when the No. 1 Starboard cargo tank of the tank barge HTCO 3007 was stripped, butterworthed, mucked, washed, and dried by Palmer. I supervised the work being performed by Palmer Barge Terminal for my employer, including the removal of Crude Oil from the HTCO 2302. I witnessed Crude Oil being stripped from this barge and being placed in storage for recycling. I witnessed Palmer Barge Terminal Personnel placing the remaining materials from this barge in fifty-five gallon drums for offsite disposal.
7. On August 3, 1995, I visited the Palmer Facility when the No. 3 and No. 4 cargo tanks of the tank barge HTCO 2201 were stripped and washed by Palmer. I supervised the work being performed by Palmer Barge Terminal for my employer, including the removal of Crude Oil from the HTCO 2201. I witnessed Crude Oil being stripped from this barge and being placed in storage for recycling.

I am familiar with the work that was performed on the following vessels owned and/or operated by Higman Barge Lines, Inc.:

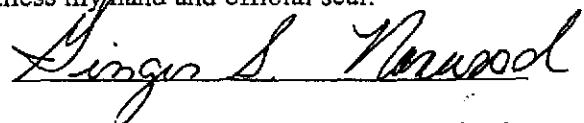
1. On March 14, 1993, the tank barge HTCO 2302 was taken to the Palmer Barge Facility in Port Arthur, Texas to be steamed. The barge was loaded with VGO. Steaming of this barge would not result in cargo being removed from the barge into the Palmer facility.
2. On March 14, 1993, the tank barge HTCO 2301 was taken to the Palmer Barge Facility in Port Arthur, Texas to be steamed. The barge was loaded with VGO. Steaming of this barge would not result in cargo being removed from the barge into the Palmer facility.
3. On March 26, 1993, the tank barge GDM 264 was taken to the Palmer Barge Facility in Port Arthur, Texas to be steamed. The barge was loaded with No. 6 Fuel Oil. Steaming of this barge would not result in cargo being removed from the barge into the Palmer facility.
4. On March 26, 1993, the tank barge S 2512 was taken to the Palmer Barge Facility in Port Arthur, Texas to be steamed. The barge was loaded with No. 6 Fuel Oil. Steaming of this barge would not result in cargo being removed from the barge into the Palmer facility.
5. On October 7, 1993, the tank barge S 2022 was taken to the Palmer Barge Facility in Port Arthur, Texas to have the No. 2 Starboard cargo tank stripped, butterworthed, washed, and dried. The barge was empty at the time with its previous cargo being Crude Oil. This operation would only result in Crude Oil being removed from the barge.
6. On October 23, 1993, the tank barge HTCO 2517 was taken to the Palmer Barge Facility in Port Arthur, Texas to have the No. 2 Starboard cargo tank stripped, butterworthed, washed, and dried. This operation would only result in Crude Oil being removed from the barge.
7. On December 1, 1993, the M/V JOE M. POWELL was taken to the Palmer Barge Facility in Port Arthur, Texas to have the bilges on the boat pressure washed and stripped. The bilge contained approximately 95% water with less than 5% being motor oil and diesel oil.
8. On December 27, 1993, the tank barge HTCO 3006 was taken to the Palmer Barge Facility in Port Arthur, Texas to have the steam coils tested for leaks and flushed. The barge was empty at the time with its previous cargo being Crude Oil. No cargo was removed from the barge into the Palmer facility. Testing and flushing of the steam coils on this barge would not result in cargo being removed from the barge into the Palmer facility.

9. On December 27, 1993, the tank barge HTCO 3007 was taken to the Palmer Barge Facility in Port Arthur, Texas to have the steam coils tested for leaks and flushed. The barge was empty at the time with its previous cargo being Crude Oil. No cargo was removed from the barge into the Palmer facility. Testing and flushing of the steam coils on this barge would not result in cargo being removed from the barge into the Palmer facility.
10. On March 25, 1994, the tank barge S 2017 was taken to the Palmer Barge Facility in Port Arthur, Texas to have the pipeline and cargo pump well stripped. The barge was empty at the time. This operation would only result in Crude Oil being removed from the barge.
11. On July 15, 1996, the M/V MARRIANNE was taken to the Palmer Barge Facility in Port Arthur, Texas to have a steering arm welded. This repair would not result in cargo being removed from the barge into the Palmer facility.
12. On July 25, 1996, the tank barge S 2018 was taken to the Palmer Barge Facility in Port Arthur, Texas to have a check valve repaired and replaced. This repair would not result in cargo being removed from the barge into the Palmer facility.
13. On August 3, 1995, the tank barge HTCO 2201 was taken to the Palmer Barge Facility in Port Arthur, Texas to have the No. 3 and No. 4 cargo tanks stripped and washed. The barge was empty at the time with its previous cargo being Crude Oil. This operation would only result in Crude Oil being removed from the barge.

Further, the affiant saith not."


RANDY LAUGHLIN

SUBSCRIBED AND SWORN to by the said RANDY LAUGHLIN on this the 8th day
of November, 2001, to certify which witness my hand and official seal.


NOTARY PUBLIC, STATE OF TEXAS

