



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 9  
75 HAWTHORNE STREET, SAN FRANCISCO, CALIFORNIA 94105  
EXPEDITED SPCC SETTLEMENT AGREEMENT**

DOCKET NO.: SPCC-09-~~2007-0020~~ <sup>2008-0001</sup>

On: July 12, 2007

At: NY Oil, Inc.  
Alexander and Orradre Leases  
San Ardo, CA 93450

Owned or operated by: NY Oil, Inc. (Respondent)

However, EPA does not waive any rights to take any enforcement action for any other past, present, or future violations by the Respondent of the SPCC regulations or of any other federal statute or regulations.

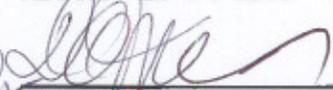
Upon signing and returning this Expedited Settlement to EPA, Respondent waives the opportunity for a hearing or appeal pursuant to Section 311 of the Act, and consents to EPA's approval of the Expedited Settlement without further notice.

An authorized representative of the United States Environmental Protection Agency ("EPA") conducted an inspection to determine compliance with the Oil Pollution Prevention ("SPCC") regulations promulgated at 40 CFR Part 112 under Section 311(j) of the Clean Water Act, 33 U.S.C. § 1321(j), (the "Act"), and found that Respondent had failed to comply with the SPCC regulations as noted on the attached SPCC INSPECTION FINDINGS, ALLEGED VIOLATIONS AND PROPOSED PENALTY FORM ("Form"), which is hereby incorporated by reference. By its first signature below, EPA ratifies the Inspection findings and Alleged Violations set forth in the Form.

This Expedited Settlement is binding on the parties signing below, and is effective immediately on the date filed with the Regional Hearing Clerk. If Respondent does not sign and return this Expedited Settlement as presented within 30 days of the date of its receipt, the proposed Expedited Settlement is withdrawn without prejudice to EPA's ability to file any other enforcement action for the noncompliance identified in the Form.

**APPROVED BY EPA:**

EPA finds the Respondent is subject to the SPCC regulations and has violated the SPCC regulations as further described in the Form. The Respondent admits to being subject to 40 CFR § 112 and that EPA has jurisdiction over the Respondent and the Respondent's conduct as described in the Form. Respondent does not contest the Inspection Findings, and waives any objections Respondent may have to EPA's jurisdiction.

 Date: 11-13-07  
Keith Takata, Director  
Superfund Division

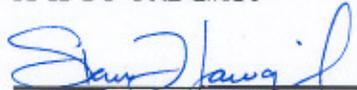
EPA is authorized to enter into this Expedited Settlement under the authority vested in the Administrator of EPA by Section 311(b)(6)(B)(i) of the Act, 33 U.S.C. § 1321(b)(6)(B)(i), as amended by the Oil Pollution Act of 1990, and by 40 CFR § 22.13(b). The parties enter into this Expedited Settlement in order to settle the civil violations described in the Form for a penalty of \$1400.00. The Respondent consents to the assessment of this penalty.

**APPROVED BY RESPONDENT:**

Name (print): Evelyn Fowler  
Title (print): Office Manager  
 Date: 9/1/07  
Signature

This Expedited Settlement also is subject to the following terms and conditions: Respondent certifies, subject to civil and criminal penalties for making a false submission to the United States Government, that the violations have been corrected and Respondent has sent a certified check in the amount of \$1400.00, payable to the "Environmental Protection Agency," with the notation "Spill Fund - 311" and the Docket Number stated above.

**IT IS SO ORDERED:**

 Date: 11/16/07  
Steven Jawgiel  
Regional Judicial Officer

This Expedited Settlement must be returned by certified mail to: OPA Enforcement Coordinator, U.S. Environmental Protection Agency, Region 9 (SFD-9-4), 75 Hawthorne Street, San Francisco, California 94105-3901. The certified check for payment must be sent by certified mail to: U.S. Environmental Protection Agency, P.O. Box 371099M, Pittsburgh, PA 15251.

After this Expedited Settlement becomes effective, EPA will take no further action against the Respondent for the violations of the SPCC regulations described in the Form.

R9 REV. 11/3/2003  
**FILED**  
2007 NOV 16 AM 8:46  
U.S. EPA REGION IX  
REGIONAL HEARING CLERK

## Findings, Alleged Violations, and Proposed Penalty Form

(Note: Do not use this form if there is no secondary containment)

These Findings, Alleged Violations and Penalties are issued by EPA Region 9 under the authority vested in the Administrator of EPA by Section 311(b)(6)(B)(I) of the Clean Water Act, as amended by the Oil Pollution Act of 1990.



Company Name NY Oil, Inc.	Docket Number: SPCC-09-2007-20
Lease Name Alexander and Orradre Leases	Date July 12, 2007
Address Sargent Canyon Rd.	Inspection Number 07-4074
City: San Ardo	Inspectors Name: Elizabeth Cox
State: CA      Zip Code: 93450	EPA Approving Official: Keith Takata
Contact: Mr. Thomas Fowler	Enforcement Contacts: Mark Samolis    Phone Number: (415) 947-4273

### Summary of Inspection Findings

#### (Onshore Oil Production Facilities)

**GENERAL TOPICS: 112.3(a), (d), (e); 112.5(a), (b), (c); 112.7 (a), (b), (c), (d), (j)**  
 (When the SPCC Plan review penalty exceeds \$1,000.00 enter only the minimum allowable of \$1,000.00.)

- |                                     |  |            |
|-------------------------------------|--|------------|
| <input checked="" type="checkbox"/> | No Spill Prevention Control and Countermeasure Plan- 112.3 .....   | \$1,000.00 |
| <input type="checkbox"/>            | Plan not certified by a professional engineer- 112.3(d) .....  | 400.00     |
| <input type="checkbox"/>            | No management approval of plan- 112.7 .....  | 300.00     |
| <input type="checkbox"/>            | Plan not maintained on site (applies if facility is manned at least four (4) hours per day)- 112.3(e)(1) .....   | 100.00     |
| <input type="checkbox"/>            | Plan not available for review- 112.3(e)(1) .....   | 300.00     |
| <input type="checkbox"/>            | No evidence of five-year review of plan by owner/operator- 112.5(b) .....  | 50.00      |
| <input type="checkbox"/>            | No plan amendment(s) if the facility has had a change in: design, construction, operation, or maintenance which affects the facility's discharge potential- 112.5(a) ..... | 50.00      |
| <input type="checkbox"/>            | Amendment(s) not certified by a professional engineer- 112.5(c) .....  | 100.00     |

- Plan does not follow sequence of the rule and/or cross-reference not provided- 112.7 ..... 100.00
- Plan does not discuss additional procedures/methods/equipment not yet fully operational- 112.7 ..... 50.00
- Plan does not discuss conformance with SPCC requirement- 112.7(a)(1) ..... 50.00
- Plan does not discuss alternative environmental protection to SPCC requirements- 112.7(a)(2) ..... 50.00**
- Plan has inadequate or no facility diagram- 112.7(a)(3) ..... 50.00**
- Plan has inadequate or no description of the physical layout of the facility- 112.7(a)(3)(i-vi) ..... 100.00**
- Plan has inadequate or no information and procedures for reporting a discharge- 112.7(a)(4) ..... 100.00**
- Plan has inadequate or no description and procedures to use when a discharge may occur- 112.7(a)(5) ..... 100.00
- Inadequate or no prediction of equipment failure which could result in discharges- 112.7(b) ..... 100.00
- Plan does not discuss appropriate containment/diversionary structures/equipment- 112.7(c) ..... 100.00
- Claiming installation of appropriate containment/diversionary structures is impractical but:
- Impracticability has not been clearly denoted & demonstrated- 112.7(d) ..... 400.00
- No contingency plan- 112.7(d)(1) ..... 100.00
- No written commitment of manpower, equipment, and materials- 112.7(d)(2) ..... 100.00
- Plan has inadequate or no discussion of conformance with SPCC rules or applicable State rules, regulations and guidelines- 112.7(j) ..... 50.00

**WRITTEN PROCEDURES AND INSPECTION RECORDS 112.7(e)**

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- Inspections and tests required by 40 CFR Part 112 are not in accordance with written procedures developed for the facility- 112.7(e) ..... 50.00
- Written procedures and/or a record of inspections and/or customary business records:
- Are not signed by appropriate supervisor or inspector- 112.7(e) ..... 50.00
- Are not kept with the plan- 112.7(e) ..... 50.00
- Are not maintained for three years- 112.7(e) ..... 50.00

**PERSONNEL TRAINING AND DISCHARGE PREVENTION PROCEDURES 112.7(f)**

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- No training on the operation and maintenance of equipment to prevent discharges- 112.7(f)(1) ..... 50.00
- No training on discharge procedure protocols- 112.7(f)(1) ..... 50.00**
- No training on the applicable pollution control laws, rules, and regulations- 112.7(f)(1) ..... 50.00

- No training on general facility operations- 112.7(f)(1) ..... 50.00
- No training on the contents of the SPCC Plan- 112.7(f)(1) ..... 50.00
- No designated person accountable for spill prevention- 112.7(f)(2) ..... 50.00
- Spill prevention briefings are not scheduled and conducted periodically- 112.7(f)(3) ..... 50.00
- Plan has inadequate or no discussion of personnel and spill prevention procedures ..... 50.00

**FACILITY TANK CAR AND TANK TRUCK LOADING/UNLOADING RACK 112.7(h)**

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- Inadequate secondary containment, and/or rack drainage does not flow to catchment basin, treatment system, or quick drainage system- 112.7(h)(1). ..... 500.00
- Containment system does not hold at least the maximum capacity of the largest single compartment of any tank car or tank truck- 112.7(h)(1). ..... 300.00
- There are no interlocked warning lights, or physical barrier system, or warning signs, or vehicle brake interlock system to prevent vehicular departure before complete disconnect from transfer lines- 112.7(h)(2). .. 200.00
- There is no inspection of lowermost drains and all outlets prior to filling and departure of any tank car or tank truck- 112.7(h)(3). ..... 100.00
- Plan has inadequate or no discussion of facility tank car and tank truck loading/unloading rack. .... 50.00

**OIL PRODUCTION FACILITY DRAINAGE 112.9(b)**

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- Drains for the secondary containment systems at tank batteries **and** separation **and** central treating areas are not closed and sealed at all times except when uncontaminated rainwater is being drained- 112.9(b)(1) .... 400.00
- Prior to drainage of diked areas, rainwater is not inspected, valves opened and resealed under responsible supervision and records kept of such events- 112.9(b)(1) ..... 300.00
- Accumulated oil on the rainwater is not removed and returned to storage or disposed of in accordance with legally approved methods- 112.9(b)(1) ..... 200.00
- Field drainage system (drainage ditches and road ditches), oil traps, sumps and/or skimmers are not regularly inspected and/or oil is not promptly removed- 112.9(b)(2) ..... 200.00

**OIL PRODUCTION FACILITY BULK STORAGE CONTAINERS 112.9(c)**

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- Plan has inadequate or no risk analysis and/or evaluation of field-constructed aboveground tanks for brittle fracture- 112.7(i) ..... 50.00**
- Container material and construction are not compatible with the oil stored and the conditions of storage- 112.9(c)(1) ..... 300.00
- Size of secondary containment appears to be inadequate for containers and treating facilities- 112.9(c)(2) .... 500.00
- The integrity of the earthen berm containment system is eroded and has low areas- 112.9(c)(2) ..... 200.00

- Drainage from undiked areas is not confined in a catchment basin or holding pond- 112.9(c)(2) ..... 400.00
- Visual inspections of containers, foundation and supports are not conducted periodically for deterioration and maintenance needs- 112.9(c)(3) ..... 300.00
- Tank battery installations are not in accordance with good engineering practice because none of the following are present- 112.9(c)(4) ..... 300.00
  - (1) Adequate tank capacity to prevent tank overflow- 112.9(c)(4)(i), **or**
  - (2) Overflow equalizing lines between the tanks- 112.9(c)(4)(ii), **or**
  - (3) Vacuum protection to prevent tank collapse- 112.9(c)(4)(ii), **or**
  - (4) High level alarms to generate and transmit an alarm signal where facilities are part of a computer control system- 112.9(c)(4)(iv).

**FACILITY TRANSFER OPERATIONS, OIL PRODUCTION FACILITY 112.9(d)**

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- Above ground valves and pipelines are not examined periodically on a scheduled basis for general condition (includes items, such as: flange joints, valve glands 2<sup>nd</sup> bodies, drip pans, pipeline supports, bleeder and gauge valves, polish rods/stuffing box.)- 112.9(d)(1) ..... 300.00
  - Brine and saltwater disposal facilities are not examined often- 112.9(d)(2) ..... 300.00
  - Inadequate or no flowline maintenance program (includes: examination, corrosion protection, flowline replacement)- 112.9(d)(3) ..... 300.00
  - Plan has inadequate or no discussion of oil production facilities ..... 50.00

**TOTAL \$ 1400.00**

**CERTIFICATION OF SERVICE**

I certify that the original and the foregoing Expedited SPCC Settlement Agreement in the matter of NY Oil, Inc., SPCC-09-~~2007-0020~~<sup>2008-0001</sup> has been filed with the Region 9 Hearing Clerk and that copies were sent return receipt requested to the following:

Mr. Tom Fowler  
NY Oil, Inc.  
P.O. Box 451  
San Ardo, CA 93450

Certified Mail No.:  
7005 2570 0001 6436 7782

Date: 11-20-07

Danielle E. Carr

Danielle Carr  
Regional Hearing Clerk  
U.S. Environmental Protection Agency  
Region IX  
75 Hawthorne Street  
San Francisco, CA 94105