



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4
61 FORSYTH ST S.W. ATLANTA, GEORGIA 30303-8960
EXPEDITED SPCC SETTLEMENT AGREEMENT

DOCKET NO. CWA-04-2007-7008

On: September 18, 2006 Time: 10:00
At: Warren Producers Football Field Facility, 910 Smith Court, Bowling Green, KY, owned and/or operated by Warren Producers (Respondent), an authorized representative of the United States Environmental Protection Agency (EPA) conducted an inspection to determine compliance with the Spill Prevention, Control and Countermeasures (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.

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.

This Expedited Settlement is binding on the parties signing below, and is effective upon the Regional Hearing Clerks signature. 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this Expedited Settlement as presented within 30 days of the date of its receipt, the proposed Expedited Settlement is withdrawn without prejudice to EPA's ability to file any other enforcement action for the noncompliance identified in the Form.

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 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.

APPROVED BY RESPONDENT:

Name (print): Terry Goff
Title Phes (print):

Signature: [Handwritten Signature] Date: _____

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 \$2,300.00. The Respondent consents to the assessment of this penalty.

APPROVED BY EPA:

Signature: [Handwritten Signature] Date: 3/17/08
Kelly Sisario, Chief
RCRA/OPA Enforcement & Compliance Branch

This Expedited Settlement is also 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 agrees to payment of the penalty upon written notice that Expedited Settlement has been executed and is effective. Do not enclose payment. EPA will provide instructions in writing on the procedures for making penalty payments to the "U.S. Environmental Agency.

IT IS SO ORDERED:

Signature: [Handwritten Signature] Date: March 17, 2008
Susan B. Schub, Regional Judicial Officer

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. 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.

HEARING CLERK
2008 MAR 17 AM 11:56
EPA REGION 4

Spill Prevention Control and Countermeasure Inspection 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 4 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 Warren Producers	Docket Number: CWA-04-2007-7008
Facility Name Football Field Facility	Date 9/18/2006
Address 910 Smith Court	Inspection Number KY0604-003
City: Bowling Green	Inspector: Art Smith, OSC
State: KY Zip Code: 42103	EPA Approving Official: Jacq Marie Jack
Contact: Terry Goff 270-535-1975	Enforcement Contacts: Mel Rechtman Phone 404-562-8745 Jacq Marie Jack Phone 404-562-8480

Summary of Findings - Oil Production Facilities (Onshore)

Section 112.3: Requirement to prepare and implement SPCC plan

- No Spill Prevention Control and Countermeasure Plan \$1,000.00
- Plan prepared prior to July 2002 not certified by a professional engineer \$300.00
- Plan not maintained on site \$100.00
- Plan not available for review \$300.00

Section 112.5: Amendment of SPCC plan by owners or operators

- No SPCC plan amendment(s) prior to July 2002 after the facility has had a change in: design, construction, operation, or maintenance, which affects the facility's discharge potential \$50.00
- No evidence of five-year review of plan by owner/operator \$50.00
- Technical amendment(s) prior to July 2002 not certified by a Professional Engineer (PE) \$100.00

Section 112.7: General requirements for Spill Prevention, Control, and Countermeasure Plan

- No management approval of plan with the authority to commit the necessary resources \$300.00
- Inadequate or no prediction of the direction, rate of flow, and total quantity of oil which could be discharged from facility due to equipment failures \$100.00
- Plan does not discuss appropriate containment and/or diversionary structures/equipment \$100.00
- Claiming installation of appropriate containment/diversionary structures is not practicable with:
 - No contingency plan or FRP (if FRP is applicable) \$100.00
 - and/or-
 - No evidence of tank/container integrity testing nor evidence of leak testing of valves and piping \$100.00

Section 112.7(e): Inspections, tests, and records:

- No written records of inspections and tests are available at facility \$50.00

Section 112.7(f): Personnel, training, and discharge prevention procedures:

- No discussion of training for oil-handling personnel on the operation and maintenance of equipment to prevent discharges \$50.00
- No designated person responsible for discharge prevention \$50.00

Section 112.7(h): Facility tank car and tank truck loading/unloading rack

- Rack drainage does not flow to catchment basin, treatment system, nor quick drainage system \$500.00
- Containment system does not hold at least the maximum capacity of the largest single compartment of any tank car or tank truck \$300.00
- There is no interlocked warning light, physical barrier system, or warning signs to prevent vehicular departure before complete disconnect from transfer lines \$200.00

Section 112.9(b): Oil Production Facility Drainage

- Drains for diked storage areas or drains for equivalent measures are not closed and sealed at all times except when draining uncontaminated rainwater \$300.00
- Prior to drainage, accumulated rainwater in diked areas is not inspected for the presence of oil before being drained \$300.00
- Field drainage systems (such as drainage ditches or road ditches), and oil traps, sumps, or skimmers, are not regularly inspected, and/or accumulations of oil are not removed \$200.00

Section 112.9(c): Oil Production Facility Bulk Storage Containers

- Material and construction of tanks not compatible to the material stored and the conditions of storage such as pressure and temperature \$300.00
- Secondary containment structures for all tank battery, separation, and treating facility installations are inadequate \$500.00
- Visual inspections for deterioration and maintenance of each container of oil (including foundations and supports) are not conducted periodically \$300.00
- Tank battery installations are not engineered with a least one of the following devices/structures:: \$300.00
- adequate container capacity to prevent container overflow
 - overflow equalizing lines between containers
 - vacuum protection to prevent container collapse
 - high level sensors to transmit alarm signal where facility is part of a computer production system

Section 112.9(d): Facility Transfer Operations, Oil Production Facility

- Aboveground valves and piping associated with transfer operations are not periodically inspected for general condition (includes items such as: flange joints, valve glands and bodies, drip pans, pipe supports, pumping well polish rod stuffing boxes, bleeder and gauge valves) \$300.00
- Brine disposal facilities are not inspected often \$300.00
- Inadequate or no flowline maintenance program \$300.00

TOTAL: \$2,300.00

**PART 22--CONSOLIDATED RULES OF PRACTICE GOVERNING THE
ADMINISTRATIVE ASSESSMENT OF CIVIL PENALTIES, ISSUANCE OF COMPLIANCE
OR CORRECTIVE ACTION ORDERS, AND THE REVOCATION, TERMINATION OR
SUSPENSION OF PERMITS**

Subpart A--General

Sec.

- 22.1 Scope of this part.
- 22.2 Use of number and gender.
- 22.3 Definitions.
- 22.4 Powers and duties of the Environmental Appeals Board, Regional Judicial Officer and Presiding Officer; disqualification, withdrawal, and reassignment.
- 22.5 Filing, service, and form of all filed documents; business confidentiality claims.
- 22.6 Filing and service of rulings, orders and decisions.
- 22.7 Computation and extension of time.
- 22.8 Ex parte discussion of proceeding.
- 22.9 Examination of documents filed.

Subpart B--Parties and Appearances

- 22.10 Appearances.
- 22.11 Intervention and non-party briefs.
- 22.12 Consolidation and severance.

Subpart C--Prehearing Procedures

- 22.13 Commencement of a proceeding.
- 22.14 Complaint.
- 22.15 Answer to the complaint.
- 22.16 Motions.
- 22.17 Default.
- 22.18 Quick resolution; settlement; alternative dispute resolution.
- 22.19 Prehearing information exchange; prehearing conference; other discovery.
- 22.20 Accelerated decision; decision to dismiss.

Subpart D--Hearing Procedures

- 22.21 Assignment of Presiding Officer; scheduling the hearing.
 - 22.22 Evidence.
 - 22.23 Objections and offers of proof.
 - 22.24 Burden of presentation; burden of persuasion; preponderance of the evidence standard.
 - 22.25 Filing the transcript.
 - 22.26 Proposed findings, conclusions, and order.
-

Subpart G--Final Order

22.31 Final order.

22.32 Motion to reconsider a final order.

Subpart H--Supplemental Rules

22.33 [Reserved]

22.34 Supplemental rules governing the administrative assessment of civil penalties under the Clean Air Act.

22.35 Supplemental rules governing the administrative assessment of civil penalties under the Federal Insecticide, Fungicide, and Rodenticide Act.

22.36 [Reserved]

22.37 Supplemental rules governing administrative proceedings under the Solid Waste Disposal Act.

22.38 Supplemental rules of practice governing the administrative assessment of civil penalties under the Clean Water Act.

22.39 Supplemental rules governing the administrative assessment of civil penalties under section 109 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended.

22.40 [Reserved]

22.41 Supplemental rules governing the administrative assessment of civil penalties under Title II of the Toxic Substance Control Act, enacted as section 2 of the Asbestos Hazard Emergency Response Act (AHERA).

22.42 Supplemental rules governing the administrative assessment of civil penalties for violations of compliance orders issued to owners or operators of public water systems under part B of the Safe Drinking Water Act.

22.43 Supplemental rules governing the administrative assessment of civil penalties against a federal agency under the Safe Drinking Water Act.

22.44 [Reserved]

22.45 Supplemental rules governing public notice and comment in proceedings under sections 309(g) and 311(b)(6)(B)(ii) of the Clean Water Act and section 1423(c) of the Safe Drinking Water Act. 22.46-22.49 [Reserved]

Subpart I--Administrative Proceedings Not Governed by Section 554 of the Administrative

Procedure Act

22.50 Scope of this subpart.

22.51 Presiding Officer.

22.52 Information exchange and discovery.

Authority: 7 U.S.C. 1361; 15 U.S.C. 2610(c), 2615(a) and 2647; 33 U.S.C. 1319(g), 1321(b)(6), 1342(a), 1415(a) and (f) and 1418; 42 U.S.C. 300g-3(g)(3)(B), 300h-2(c), 300j-6(a), 6912, 6925, 6928, 6945(c)(2), 6961, 6991b, 6991e, 7413(d), 7524(c), 7545(d), 7547(d), 7601, 7607(a), 9609, 11045, and 14304.

Subpart A--General

Sec. 22.1 Scope of this part.

(a) These Consolidated Rules of Practice govern all administrative adjudicatory proceedings for:

(1) The assessment of any administrative civil penalty under section 14(a) of the Federal Insecticide, Fungicide, and Rodenticide Act as amended (7 U.S.C. 1361(a));

(2) The assessment of any administrative civil penalty under sections 113(d), 205(c), 211(d) and 213(d) of the Clean Air Act, as amended (42 U.S.C. 7413(d), 7524(c), 7545(d) and 7547(d));

(3) The assessment of any administrative civil penalty or for the revocation or suspension of any permit under section 105(a) and (f) of the Marine Protection, Research, and Sanctuaries Act as amended (33 U.S.C. 1415(a) and (f));

(4)(i) The issuance of a compliance order pursuant to section 3008(a), section 4005(c)(2), section 6001(b), or section 9006(a) of the Solid Waste Disposal Act ("SWDA") (42 U.S.C. 6925(d) & (e), 6928(a), 6945(c)(2), 6961(b), or 6991e(a)); or the assessment of any administrative civil penalty under sections 3008, 4005(c)(2), 6001(b), and 9006 of the SWDA (42 U.S.C. 6928, 6945(c)(2), 6961(b), and 6991e), except as provided in 40 CFR parts 24 and 124.

(ii) The issuance of corrective action orders under section 3008(h) of the SWDA only when such orders are contained within an administrative order which:

(A) Includes claims under section 3008(a) of the SWDA; or

(B) Includes a suspension or revocation of authorization to operate under section 3005(e) of the SWDA; or

(C) Seeks penalties under section 3008(h)(2) of the SWDA for non-compliance with a order issued pursuant to section 3008(h).

(iii) The issuance of corrective action orders under section 9003(h)(4) of the SWDA only when such orders are contained within administrative orders which include claims under section 9006 of the SWDA;

(5) The assessment of any administrative civil penalty under sections 16(a) and 207 of the Toxic Substances Control Act (15 U.S.C. 2615(a) and 2647);

(6) The assessment of any administrative civil penalty under sections 309(g) and 311(b)(6) of the Clean Water Act (33 U.S.C. 1319(g) and 1321(b)(6));

(7) The assessment of any administrative civil penalty under section 109 of the Comprehensive

UNITED STATES BANKRUPTCY COURT
FOR THE
WESTERN DISTRICT OF KENTUCKY

IN RE:)
)
WARREN PRODUCERS, INC.) CASE NO. 05-13339
)
Debtor) CHAPTER 11
)
_____)

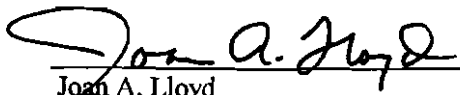
**ORDER AUTHORIZING USE OF PROPERTY OF THE ESTATE
OUTSIDE OF THE ORDINARY COURSE OF BUSINESS AND
DEBTOR'S ENTRY INTO SETTLEMENT AGREEMENT WITH THE EPA**

This matter having come before the Court on the debtor's Motion to Use Property of the Estate Outside of the Ordinary Course of Business and Enter into EPA Settlement Agreement, the Court having reviewed the record herein, and the Court being otherwise sufficiently advised;

IT IS HEREBY ORDERED, that the Debtor may, pursuant to 11 U.S.C. § 363(b)(1), enter into an Expedited SPCC Settlement Agreement with the United States Environmental Protection Agency and use \$2,300.00 pursuant to such proposed settlement agreement in order to resolve Docket No. CWA-04-2007-7008 currently pending with the United States Environmental Protection Agency.

Tendered by:

/s/ Scott A. Bachert
Scott A. Bachert
HARNED, BACHERT & DENTON, LLP
324 East 10th Street
Bowling Green, KY 42101
Telephone: (270) 782-3938


Joan A. Lloyd
United States Bankruptcy Judge
Dated: February 22, 2008



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

3 2007

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Scott Bachert, Esquire
P.O. Box 1270
Bowling Green, Kentucky 42102-1270

Re: Expedited SPCC Settlement Agreement
Docket No. CWA-04-2007-7008
Terry Goff dba Warren Producers
Football Field Facility
Bowling Green, Kentucky

Dear Mr. Bachert:

On September 18, 2006, the subject facility was inspected by the Environmental Protection Agency (EPA). During the inspection, violations of the Spill Prevention, Control and Countermeasures (SPCC) regulations were found. The specific violations are identified in the enclosed SPCC Inspection Findings, Alleged Violations and Proposed Penalty Form (Penalty Form). EPA has authority under Section 311 of the Clean Water Act to pursue civil penalties for violations of the SPCC regulations. EPA encourages the expedited settlement of easily verifiable violations of SPCC requirements, such as the violations cited in the Expedited SPCC Settlement Agreement (Settlement Agreement). The enclosed Expedited Settlement Agreement has been issued in accordance with 40 C.F.R. Part 22, "Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, Issuance of Compliance or Corrective Action Orders, and the Revocation, Termination or Suspension of Permits" (copy enclosed).

You may resolve the cited violations quickly by correcting the cited violations and agreeing to payment of the penalty assessed by signing and returning the original Settlement Agreement within thirty (30) days of your receipt of this letter. As previously stated, as a condition of the settlement, you must correct the violations within 30 days of your receipt of this letter. EPA, at its discretion, may grant one 30-day extension to come into compliance if you demonstrate that it is technically infeasible or impractical to achieve compliance within 30 days. A request for a 30-day extension should be sent to the Enforcement Coordinator at the address given on page 2 of this letter.

The Settlement Agreement, when executed by both parties, is binding upon EPA and you. Upon receipt of the signed document, EPA will take no further action against you for the violations cited in the Settlement Agreement. EPA will neither accept nor approve the Settlement Agreement if returned more than 30 days after the date of your receipt of this letter unless an extension has been granted by EPA.

If you do not return the Settlement Agreement within 30 days of receipt and pay the penalty within seven days of EPA's written notification of the execution of the Settlement Agreement, the Settlement Agreement will be automatically withdrawn, without prejudice to EPA's ability to file an enforcement action for the cited violations.

Internet Address (URL) • <http://www.epa.gov>

Recycled/Recyclable • Printed with Vegetable Oil Based Inks on Recycled Paper (Minimum 30% Postconsumer)

Exhibit A

Failure to sign and return the Settlement Agreement and pay the penalty within the approved time does not relieve you of the responsibility to comply fully with the SPCC regulations, including correcting the violations that have been specifically identified in the Penalty Form. If you decide not to sign and return the Settlement Agreement and pay the penalty, EPA can pursue more formal enforcement measures to correct the violation(s) and seek penalties of up to \$11,000 per violation up to a maximum penalty of \$32,500.

You are required in the Settlement Agreement to certify that you have corrected the violations and agree to payment of the penalty. The payment for the penalty amount must be in the form of a certified check payable to the "Oil Spill Liability Trust fund", with the docket number of the Settlement Agreement on the check. The docket number is located at the top of the left column of the Settlement Agreement. **Do not submit the penalty amount assessed until you receive written notice from EPA that the Settlement Agreement has been executed and is effective.**

You will return to EPA Region 4 the signed Settlement Agreement, a copy of which should be retained by you, sent via certified mail to:

Mr. Mel Rechtman
RCRA/OPA Enforcement & Compliance Branch
U.S. Environmental Protection Agency Region 4
61 Forsyth Street S.W.
Atlanta, Georgia 30303-8960

By terms of the Settlement Agreement, and upon EPA's receipt of the signed Settlement Agreement, you waive your opportunity for a hearing pursuant to Section 311 of the Clean Water Act. EPA will treat any response to the proposed Settlement Agreement, other than acceptance of the settlement offer, as an indication that the recipient is not interested in pursuing this expedited settlement procedure.

If you have any questions, please contact Mel Rechtman at (404) 562-8745.

Sincerely,



Kelly Sfsario, Chief
RCRA/OPA Enforcement & Compliance Branch

Enclosures (4)



HARNED BACHERT & DENTON LLP

324 East 10th Avenue P.O. Box 1270
Bowling Green, Kentucky 42101-1270
PHONE: (270) 782-3938
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Joy D. Denton
Stephanie L. McGehee-Shacklette
W. Greg Harvey
William F. Codell

MAR 17 2008

Bachert@hbd-law.com

March 12, 2008

Mel Rechtman
Environmental Protection Agency
RCRA/OPA Enforcement & Comp. Branch
61 Forsyth Street SW
Atlanta, GA 30303-8960

RE: Expedited SPCC Settlement Agreement; Docket No. CWA-04-2007-7008
Terry Goff dba Warren Producers

Dear Mr. Rechtman:

Enclosed please find a copy of the proposed Settlement Agreement as well as Warren Producer's check for \$2,300.00, as proposed in the Settlement. You will also find enclosed for your records a copy of the Court's Order approving the settlement.

If you have any questions, or need anything further, please let me know.

Very truly yours,

HARNED, BACHERT & DENTON, LLP

Scott A. Bachert

SAB/sgs
Enclosures

WARREN PRODUCERS, INC.
DEBTOR IN POSSESSION
CASE #05-13339
910 SMITH COURT
BOWLING GREEN, KY 42103

21-13-030 3113

date 3/10/08

Pay to the order of KPA
Two thousand three hundred & 00/100 dollars \$ 2300.00

CHASE
JPMorgan Chase Bank, N.A.
Louisville, Kentucky 40202
www.Chase.com

for Cathy King

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