The State of New Hampshire

Department of Environmental Services

Michael P. Nolin
Commissioner

ExxonMobil Oil Corporation
800 Bell Street Room 2441Q
Houston, TX 77002

Re: Mobil #01-PEF, 96 Broad Street
Nashua, NH UST # 0-112069

NOTICE OF PROPOSED ADMINISTRATIVE FINE AND LICENSE ACTION
NO. AF 05-066

July 18, 2005

I. INTRODUCTION

This Notice of Proposed Administrative Fine and License Action is issued by the Department of Environmental Services, Waste Management Division to ExxonMobil Oil Corporation. Pursuant to RSA 146-C:10-a and NH Admin. Rule Env-C 600, the Division is proposing that fines totaling **$4,000** be imposed against ExxonMobil Oil Corporation for the violations alleged below. Also, pursuant to RSA 541-A:30, RSA 146-C:4, and Env-Wm 1401.09, the Division is proposing that DES suspend the permit to operate an underground storage facility held by ExxonMobil Oil Corporation, based on the violations alleged below. **This notice contains important procedural information. Please read the entire notice carefully.**

II. PARTIES

1. The Department of Environmental Services, Waste Management Division ("the Division"), is an administrative agency of the State of New Hampshire, having its principal office at 29 Hazen Drive, Concord, NH 03302-0095.

2. ExxonMobil Oil Corporation ("ExxonMobil") is a corporation registered to do business in New Hampshire having a mailing address of 800 Bell Street Room 2441Q, Houston, TX 77002.

III. SUMMARY OF FACTS AND LAW SUPPORTING CLAIMS

1. RSA 146-C authorizes the Department of Environmental Services ("DES") to regulate the installation, maintenance, operation, licensing and closure of underground storage facilities. Pursuant to RSA 146-C:9, the Commissioner of DES has adopted N.H. Admin. Rules Env-Wm 1401 to set forth the requirements for underground storage facilities by "establishing criteria for registration and permitting, and standards for design, installation, operation, maintenance, and monitoring of such facilities."

2. RSA 146-C:10-a authorizes the Commissioner to impose administrative fines of up to $2,000 per offense upon any person who violates any provision of RSA 146-C or any rule adopted under the provisions of this chapter. Pursuant to RSA 146-C:10-a, the Commissioner has adopted Env-C 607 to establish the schedule of fines for such violations.

3. RSA 146-C:4 prohibits the operation of an underground storage facility in New Hampshire without a permit. The permit to operate is issued by, and may be revoked by DES in accordance with RSA 541-A:30 for just cause, including, but not limited to, the operation or ownership of an underground storage facility in violation of DES's rules. Pursuant to RSA 146-C:9, the Commissioner has adopted Env-Wm 1401 regarding the ownership, registration and operation of underground storage tanks and facilities including criteria for issuing, renewing and revoking a permit to operate an underground storage tank or facility in New Hampshire.

4. ExxonMobil Oil Corporation is the registered facility owner of four underground storage tanks ("UST") at the Mobil # 01-PEF facility ("the Facility"), further identified as UST #0-112069, located on real property at 96 Broad Street, Nashua, NH ("the Property"). DES issued permit to operate No. 0-112069 dated May 1, 2001 ("the Permit") to ExxonMobil Oil Corp., to allow the operation of the USTs at the Facility.

5. The UST systems are subject to the requirements of RSA 146-C and Env-Wm 1401.

6. On October 13, 2003, a Division inspector conducted a compliance inspection at the Facility and noted compliance deficiencies which were identified in a report (the "Report") issued to the Facility representative at the time of the inspection.

7. The Report notified the Facility that compliance was to be achieved within 30 days of the date of the inspection and verification of compliance submitted to the Division within 45 days of the date of the inspection.

8. The Report also included a UST Facility Summary of Deficiencies identified at the time of the inspection. Among those deficiencies identified, the Division was not notified that the following was corrected within 45 days after the inspection was performed:

a. The two sensors in the intermediate sumps in the fibertrench secondary containment for the piping of the four 10,000-gallon gasoline UST systems (Tanks 6 – 9) are not operational.

9. Env-Wm 1401.27(d) requires the interstitial space of the double wall piping or the annular space between the primary piping and the secondary containment system to be continuously monitored to detect the presence of both water and the regulated substance, or water and vapors of the regulated substance.

IV. VIOLATIONS ALLEGED, PROPOSED LICENSE ACTION, AND ADMINISTRATIVE FINES

1. ExxonMobil has violated Env-Wm 1401.27(d) by failing to continuously monitor the annular space between the primary piping and the secondary containment systems for Tanks 6 - 9. For this violation Env-C 607.03(l) specifies a fine of $1,000 per requirement not met or $4,000 for the Facility.

2. Based on the violation identified above, the Division proposes that DES revoke the permit to operate.

The total fine being sought is $4,000.

V. Required Response, Opportunity for Hearing

Pursuant to Env-C 601.06, ExxonMobil is required to respond to this notice. Please respond no later than August 26, 2005 using the enclosed colored form.

ExxonMobil has the right to a hearing to contest these allegations before the proposed license action is taken or any administrative fine is imposed. The hearing would be a formal adjudicative proceeding pursuant to RSA 541-A:31, at which ExxonMobil and any witnesses ExxonMobil may call would have the opportunity to present testimony and evidence as to why the proposed action should not be taken. All testimony at the hearing would be under oath and would be subject to cross examination. If ExxonMobil wishes to have a hearing, one will be scheduled promptly.

RSA 541-A:31, III(e) provides that ExxonMobil has the right to have an attorney present to represent ExxonMobil at ExxonMobil's expense. ExxonMobil is not required to be represented by an attorney. If ExxonMobil chooses to be represented by an attorney, the attorney must file an appearance and comply with NH Admin. Rule Env-C 200.

1. If ExxonMobil would like to have a hearing, please have an authorized representative sign the appearance section of the colored form (upper portion), check the appropriate line requesting a **formal hearing** and return it to the DES Legal Unit, at the address noted on the form.

2. If ExxonMobil wishes to discuss the possibility of settling the case, please have an authorized representative sign the appearance form, check the appropriate line indicating a desire to **meet informally** and return it to the DES Legal Unit.

3. If ExxonMobil chooses to waive the hearing, relinquish the permit to operate and/or pay the proposed fine, please have an authorized representative sign the waiver (lower portion) and return it **with payment of the fine** to the DES Legal Unit.

VI. Determination of Liability for Administrative Fines

Pursuant to Env-C 601.09, in order for any fine to be imposed after a hearing, the Division must prove, by a preponderance of the evidence, that ExxonMobil committed the violations alleged and that the total amount of fines sought is the appropriate amount under the applicable statute and rules. Proving something by a preponderance of the evidence means that it is **more likely than not** that the thing sought to be proved is true.

If the Division proves that ExxonMobil committed the violations and that the total amount of fines sought is the appropriate amount under the applicable statute and rules, then the fine sought will be imposed, subject to the following:

* Pursuant to Env-C 601.09(c), the fine will be **reduced by 10%** for each of the circumstances listed below **that ExxonMobil proves, by a preponderance of the evidence,** applies in this

case:

1. The violation was a one-time or non-continuing violation, **and** ExxonMobil did not know about the requirement when the violation occurred, **and** the violation has not continued or reoccurred as of the time of the hearing, **and** any environmental harm or threat of harm has been corrected, **and** ExxonMobil did not benefit financially, whether directly or indirectly, from the violation.

2. At the time the violation was committed, ExxonMobil was making a good faith effort to comply with the requirement that was violated.

3. ExxonMobil has no history of non-compliance with the statutes or rules implemented by DES or with any permit issued by DES or contract entered into with DES.

4. Other information exists which is favorable to ExxonMobil's case which was not known to the Division at the time the fine was proposed.

*****IMPORTANT NOTICE*****

An administrative hearing is a formal hearing. All hearings will be recorded, and all witnesses will testify under oath or affirmation. At the hearing, the Division will present testimony and evidence to try to prove that ExxonMobil committed the violation(s) alleged above, that the proposed license action be taken and proposed fine(s) be imposed. **The hearing is ExxonMobil's opportunity to present testimony and evidence that ExxonMobil did not commit the violation(s), that the proposed license action should not be taken and/or that the fine(s) should not be imposed, or that the fine(s) sought should be reduced.** If ExxonMobil has any evidence, such as photographs, business records or other documents, that ExxonMobil believes show that ExxonMobil did not commit the violation(s) or that otherwise support ExxonMobil's position, then ExxonMobil should bring the evidence to the hearing. ExxonMobil may also bring witnesses (other people) to the hearing to testify on ExxonMobil's behalf.

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Information regarding this proposed license action and fine may be made available to the public via the DES Web page (*www.des.nh.gov*). If ExxonMobil has any questions about this matter, please contact the DES Legal Unit, at (603) 271-7509.

COPY

Anthony P. Giunta, P.G.
Director
DES Waste Management Division

Enclosure *(NHDES Fact Sheet #CO-2002)*

ec: Michael J. Walls, DES Assistant Commissioner
Jennifer J. Patterson, Sr. Asst. Attorney General, NHDOJ/EPB
James Martin, DES Public Information Officer
Kerry D. Barnsley, Compliance Attorney, DES Legal Unit
Lynn A. Woodard, P.E., WMD UST Supervisor
Thomas R. Beaulieu, WMD UST Chief
Susan L. Hanamoto, WMD
cc: Prentice-Hall Corporation System Inc. (registered agent)
ExxonMobil Fuels Marketing, 3225 Gallows Road, Fairfax, VA 22037
Gilbarco Inc, Veeder-Root Co, Attn: Paul Mendelssohn
12265 West Bayaud Ave, Ste 300, Lakewood, CO 80228

***** RETURN THIS PAGE ONLY *****

EXXONMOBIL OIL CORPORATION IS REQUIRED BY LAW TO RESPOND TO THIS NOTICE.

PLEASE RESPOND NO LATER THAN August 26, 2005

Please check the appropriate line and fill in the requested information below.
APPEARANCE On behalf of ExxonMobil Oil Corporation:

_____ I request to have a **formal hearing** scheduled in this matter.

_____ I would like to **meet informally** to discuss the issues in this matter.

WAIVER OF HEARING On behalf of ExxonMobil Oil Corporation:

_____ I certify that I understand the right to a hearing regarding the imposition of the proposed license action and that I hereby waive those rights and relinquish UST permit to operate No. 0-112069.

_____ I certify that I understand the right to a hearing regarding the imposition of the proposed administrative fine(s) and that I hereby waive those rights. The fine payment in the amount of $4,000 paid to "Treasurer, State of New Hampshire" is enclosed.*

* *If payment is made by a check, draft, or money order that is returned due to insufficient funds, pursuant to NH RSA 6:11-a, DES may charge a fee in the amount of 5% of the face amount of the original check draft, or money order or $25.00, whichever is greater, plus all protest and bank fees, in addition to collecting the amount of the original check draft, or money order.*

Pursuant to Env-C 203.05 please provide the following information:

_____ _____
Signature Date

Name (please print or type):_____

Title:_____

Phone:_____

RETURN THIS PAGE ONLY AND ANY PAYMENT TO:
DES Legal Unit
Attn: Michael Sclafani, Legal Assistant
P.O. Box 95
Concord, NH 03302-0095

ENVIRONMENTAL
Fact Sheet

NEW HAMPSHIRE DEPARTMENT OF Environmental Services

29 Hazen Drive, Concord, New Hampshire 03301 • (603) 271-3503 • www.des.nh.gov

CO-2 2002

Administrative Fines of the Department of Environmental Services

The Commissioner of the Department of Environmental Services (DES) is authorized by several statutes to impose administrative fines for certain violations of those statutes. In order to implement this authority, the Commissioner has adopted rules which specify the procedures for notifying people that a fine is being proposed and which specify the fine amount for any given violation. These rules are identified as Chapter Env-C 600.

Administrative fine proceedings follow a defined path. The first step is for a Division of DES to issue a Notice of Proposed Fine. The Notice will inform you of the violations the Division believes you have committed, together with the dollar amount of the fine that is being proposed. At this point, a final decision as to whether to impose the fine **has not been made** ... the Notice simply initiates the proceeding. The Notice will also inform you that you have a right to have a hearing before a final decision will be made, and may give a date and time for the hearing.

The Notice you receive will have a page attached to it on which you can indicate whether you will attend a hearing or whether you are waiving your right to a hearing and paying the fine which has been proposed. YOU MUST COMPLETE AND RETURN THIS FORM. The worst thing you can do if you receive a Notice is to ignore it! Under the rules which have been adopted, the case can proceed even if you don't respond. In order to achieve the best result, you must participate in the process.

When you receive a Notice of Proposed Fine, if you are interested in trying to settle the case without going to a formal hearing you should contact the person identified in the Notice. Many fine cases are settled in this way, often with a lower fine, a payment schedule, and/or a suspended fine. The negotiations need to start soon after the Notice is received, though. Don't wait until the day scheduled for the hearing to ask about settling the case.

If the case proceeds to a hearing, the Commissioner will designate a person to serve as a hearing officer to preside at the formal hearing. The hearing officer will not have prior knowledge of the Division's allegations, and will be neutral insofar as the outcome of the case is concerned. At the hearing, the Division will be required to prove that the violation(s) occurred and that the proposed fine is warranted. You will have an opportunity to ask questions of (cross-examine) the Division staff, and also present your own evidence, including testimony of witnesses if you wish, to show why the fine should not be imposed.

(over)

After the hearing is over, the hearing officer will compile the record (i.e. all of the information that was received at the hearing) and will make a recommendation to the Commissioner as to whether or not the fine should be imposed. The Commissioner will make a decision based on the evidence and testimony, and the decision issued by the Commissioner will specifically state the reasons for the decision.

The rules adopted by the Commissioner require the proposed fine to be reduced in certain circumstances, which are listed at Env-C 601.09. These include that you have not previously violated a law or rule implemented by DES, or that you acted in good faith. The Commissioner also has the discretion to allow you to pay a fine on a payment schedule, and/or to suspend all or a portion of the fine conditional upon remedying the underlying violation or staying in compliance with DES requirements for a specified period of time.

Sometimes people are concerned that the findings and rulings made by the Commissioner might be used against them in a separate proceeding (for instance, if their neighbor sues them for damages arising out of the same violation(s) for which they are being fined). In such a case, DES has accepted payment of the fine with a specific denial of liability. This is like pleading "no contest" to a traffic ticket: you pay the fine assessed, but are not admitting that you did anything wrong.

This fact sheet is intended as a basic source of information concerning DES administrative fines. It is not intended to replace the laws and rules regarding administrative fines, but merely to provide a summary of them.

For more information contact the DES Legal Unit, PO Box 95, Concord, NH 03302-0095, (603) 271-6072.