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NEWS RELEASE

For Immediate Release

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Re: Complaint and Settlement

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**DA BRAZELTON ANNOUNCES SETTLEMENT IN ENVIRONMENTAL CASE
FOR LEAKING TANKS AT ARCO GAS STATIONS**

Modesto, California - Stanislaus County District Attorney Jim Brazelton announced today that the Atlantic Richfield Company (ARCO) has agreed to pay \$350,000.00 in penalties and costs in an environmental action filed last Friday by the Stanislaus County District Attorney's Office. (*People v. Atlantic Richfield Company, et al.*, Stanislaus Superior Court No. 312020). ARCO and Prestige Stations, Inc. (PSI), have agreed to resolve the case in a Stipulated Judgment filed with the Stanislaus County Superior Court and have agreed to pay a total of \$300,000.00 in civil penalties and \$50,000.00 in costs to the County of Stanislaus. The agreement is awaiting judicial approval and final order.

The civil enforcement action filed by the District Attorney alleged that ARCO and PSI owned and operated gas stations in violation of the California Health and Safety Code and the Unfair Business Practices Act. The alleged violations address leak prevention and monitoring standards that apply to underground storage tanks containing petroleum products and which were located at gasoline service stations throughout Stanislaus County.

Pursuant to California environmental statutes and regulations, all owners and operators of underground storage tank systems were required to upgrade any unprotected steel underground storage tanks by December 28, 1998. These corrodible steel tanks were to be replaced or upgraded with tanks constructed of corrosion-resistant material in order to prevent leaks of hazardous materials. Tank owners and operators also

were required to perform certain monitoring, testing, and reporting activities to demonstrate that the underground storage tanks were not leaking, discharging, or causing any disposal into state waters or into subsurface soils.

In the action filed by the District Attorney, the People alleged that ARCO and PSI violated the Health and Safety Code by failing to upgrade or repair the underground storage tank systems at two service stations in Stanislaus County, and failed to maintain and submit the required testing information for the underground storage tank systems at nine service stations. While ARCO and PSI do not admit any violations, they have agreed to be subject to a Permanent Injunction prohibiting any further violations of these environmental statutes.

District Attorney Brazelton said he was satisfied that the major violations have been corrected and that future compliance by ARCO will be addressed by the Injunction. "Protecting public health and the environment by stopping the violation is our first priority in these cases. We cannot tolerate any corporate activity that threatens Stanislaus County's quality of life," added Brazelton.

This action arose after Stanislaus County investigators became aware of a San Joaquin County investigation that indicated that ARCO had falsely certified compliance with the tank upgrade requirements in that county. In resolving this Stanislaus County action, Brazelton ensured that all of the penalties and costs would remain in Stanislaus County as required by statute in these cases. This action involved coordinated efforts with investigators and attorneys conducting a statewide investigation that has resulted in a separate state action filed in San Francisco by Attorney General Bill Lockyer.