

**STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY**

In the Matter of Remedial Action at:

Lilyblad Petroleum Inc.
2244 Port of Tacoma Road
Tacoma, WA 98401

ENFORCEMENT ORDER
No. 4515

TO: Lilyblad Petroleum Inc.
2244 Port of Tacoma Road
P.O. Box 1556
Tacoma, WA 98401-1556

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Exhibit A: Cleanup Action Plan

I. INTRODUCTION

On February 28, 2006, under the authority of Section V, Paragraph 12 and Section VI.4 of Agreed Order No. DE95HS-S292, First Amendment, the Department of Ecology ("Ecology") directed Lilyblad Petroleum Inc. ("Lilyblad") to discontinue interim remedial actions at the Lilyblad Petroleum Inc., facility ("Site") pursuant to Lilyblad's Continued Operations Plan. This Order requires Lilyblad to implement the Cleanup Action Plan and institutional controls at the Site.

This Order does not supplant or alter any obligation under Agreed Order No. DE95HS-S292, First and Second Amendments.

II. JURISDICTION

This Enforcement Order is issued pursuant to the authority of the Model Toxics Control Act (MTCA), RCW 70.105D.050(1).

III. DEFINITIONS

Ecology incorporates by reference the Definitions set forth in Section III, Agreed Order No. DE95HS-S292, First Amendment. Unless otherwise specified, the definitions set forth in Chapter 70.105D RCW and Chapter 173-340 WAC shall control the meanings of the terms used in this Order.

IV. FINDINGS OF FACT

Without any express or implied admissions of such facts by Lilyblad, Ecology incorporates by reference herein the Findings of Fact set forth in Agreed Order No. DE95HS-S292, First Amendment. In addition, Ecology makes the following findings of fact:

(1) Agreed Order No. DE95HS-S292 was amended on October 10, 2000, requiring Lilyblad to submit an interim action work plan for the interception and treatment of contaminated groundwater flowing from the Lilyblad property to adjacent properties. The amendment also included the substantive provisions of Lilyblad's NPDES water quality permit.

(2) Interim actions were conducted at the Site in 2001 by Camp Dresser & McKee (CDM). CDM installed and operated extraction equipment and two groundwater interception trenches at the north and south corner of the Lilyblad property with routine water monitoring. A

multiphase extraction system (MPE) at the PW Eagle property was installed as required by the terms of a Settlement Agreement signed by Lilyblad and PW Eagle on August 16, 1999.

(3) On May 2, 2003, Ecology approved Terra Vac's *Work Plan for In-situ Chemical Treatment Pilot Test*. The work plan included the shut down of the interception trenches during the pilot study. From September 15, 2003 to March 17, 2004, Terra Vac conducted a six-month pilot test using in-situ treatment on focused areas on the Lilyblad property. The interception trenches have not operated since September 19, 2003.

(4) On March 17, 2004, Lilyblad proposed the continuation of Terra Vac's pilot test system until July 2004. Ecology approved the proposal on March 22, 2004 and did not direct Lilyblad to discontinue the pilot test system after July 2004. Lilyblad continued to operate the pilot system until February 2006.

(5) The *Supplemental Remedial Investigation Report* prepared by CH2M Hill, submitted to Ecology in October 2004, determined the contaminants of concerns and the extent of soil and groundwater contamination.

(6) On June 27, 2005, Ecology approved Terra Vac's Continued Operation Plan for the continued operation of the pilot system. The plan included the operations of the groundwater treatment system and in-situ treatment in Area 1 and 6 on Lilyblad property and the MPE area on PW Eagle property. Terra Vac had been performing remedial actions on the MPE area since May 2004.

(7) In December 2005, Terra Vac conducted the interim soil and groundwater sampling. Ecology observed the event and took split samples of the soil and groundwater. The sampling results demonstrated treatment of contaminants on the Lilyblad and PW Eagle property.

(9) By letter of February 28, 2006, Ecology directed LPI to discontinue Terra Vac's Continued Operations Plan and develop and submit a semi-annual groundwater monitoring plan. LPI submitted the required Groundwater Monitoring Plan on April 1, 2006. Based on the rate of migration of contaminated groundwater in the past, Ecology has determined that the shut down of the current remedial actions at the Site and groundwater monitoring will not create

immediate threats to human health and the environment while Ecology's cleanup action decision is pending.

(10) Ecology issued the enforcement order to LPI on May 26, 2006. The enforcement order required LPI to submit a revised semi-annual groundwater monitoring plan. The plan includes groundwater level monitoring at eleven wells specified by Ecology to determine the direction of groundwater flow at the Site. The plan also contains a hydraulic control, which will be implemented under Ecology's direction.

(11) Ecology amended Agreed Order No. DE95HS-S292 on August 15, 2006 to reassign the preparation of the Feasibility Study (FS) and Cleanup Action Plan (CAP) to Ecology or its contractor. LPI agreed to reimburse Ecology for the cost of the FS and CAP.

(12) Ecology's contractor, Hart Crowser, completed the *Focused Feasibility Study: Lilyblad Site* in January 2007. The *Focused Feasibility Study* evaluates the effectiveness and cost of cleanup alternatives for the Site.

(13) Ecology prepared and issued the draft Cleanup Action Plan on July 2, 2007, based on the evaluation in the *Focused Feasibility Study*. The Cleanup Action Plan selects in-situ treatment as the cleanup remedy.

V. ECOLOGY DETERMINATIONS

Ecology incorporates by reference the Ecology Determinations set forth in Section IV, Agreed Order No. DE95HS-S292, First Amendment.

VI. WORK TO BE PERFORMED

Based on the Findings of Fact and Ecology Determinations, it is hereby ordered that the PLP take the following action(s) at the Site and that these actions be conducted in accordance with Chapter 173-340 WAC unless otherwise specifically provided for herein:

1. Implement the Cleanup Action Plan (Exhibit A), at the Site. The CAP requires Lilyblad to submit the following:

(a) Work Plan for the installation, construction, and operation of the remedial action. The Work Plan will include engineering design report, construction plans and specifications, and operations and maintenance plan in accordance with Chapter 173-340-400 WAC.

(b) Compliance Monitoring Plan, including QA/QC plan.

(c) Health and Safety Plan for short and long term protection of site workers.

2. Provide for institutional controls, including a restrictive covenant, at the Site with 10 days after the completion of the remedial action.

3. If, at any time, Ecology determines that insufficient progress is being made in the preparation of any of the deliverables required by this section, Ecology may complete and issue the final deliverable.

VII. TERMS AND CONDITIONS OF ORDER

Ecology incorporates by reference the Terms and Conditions of Order set forth in Section VI, Agreed Order No. DE95HS-S292, First Amendment.

VIII. SATISFACTION OF ORDER

The provisions of this Order shall be deemed satisfied upon Lilyblad's receipt of written notification from Ecology that Lilyblad has completed the activity required by this Order, as amended by any modifications, and that Lilyblad has complied with all other provisions of this Agreed Order.

IX. ENFORCEMENT

Pursuant to RCW 70.105D.050, this Order may be enforced as follows:

1. The Attorney General may bring an action to enforce this Order in a state or federal court.

2. The Attorney General may seek, by filing an action, if necessary, to recover amounts spent by Ecology for actions and orders related to the Site.

3. In the event Lilyblad refuses, without sufficient cause, to comply with any term of this Order, Lilyblad will be liable for:


(a) Up to three (3) times the amount of any costs incurred by the State of Washington as a result of its refusal to comply; and

(b) Civil penalties of up to \$25,000 per day for each day it refuses to comply.

4. This Order is not appealable to the Washington Pollution Control Hearings Board. This Order may be reviewed only as provided under RCW 70.105D.060.

Effective date of this Order: June 29, 2007

**STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY**



Merley F. McCall
Section Manager
Department of Ecology - Industrial Section
(360) 407-6929