

Chevron, Salt Lake City and State Announce Proposed Agreement to Settle Oil Spill Claims

Pipe Line Company agrees to \$4.5 million payout

September 6, 2011

SALT LAKE CITY – Salt Lake City, the Utah Department of Environment Quality - Division of Water Quality and Chevron Pipe Line Company jointly announced today that an agreement has been proposed to settle claims resulting from the two crude oil spills which occurred in 2010.

Under the terms of the agreement, Chevron Pipe Line has agreed to the following payments:

- \$1,000,000 to Salt Lake City to settle “lost use” claims, which include environmental and social impacts
- \$500,000 to the State of Utah as a civil penalty arising from the two crude oil spills
- \$3,000,000, in lieu of a civil penalty, for mitigation projects to restore and enhance affected waterways that may have been impacted by the two crude oil spills

A 30-day comment period will be provided for the public to submit written comments to the State on the proposed settlement agreement.

While major cleanup of the spills has been completed, Chevron, Salt Lake City, the Utah Department of Environmental Quality and the Salt Lake Valley Health Department continue to assess the condition of the Red Butte Creek riparian corridor and the affected portion of the Jordan River corridor.

Water quality, creek sediment, creek bank soil and aquatic organisms will all continue to be monitored to determine if any other active measures need to be taken to complete the recovery and restoration process. Chevron will continue to bear responsibility to clean up oil hotspots if they become evident.

“After substantial negotiations between the three parties, we feel this is a fair and reasonable settlement and that the mitigation projects will preserve and protect Utah’s waterways,” said Utah Division of Water Quality Director Walt Baker.

“Salt Lake City’s position has remained constant since the date of the first spill: to hold Chevron accountable for damage to the health of our City’s residents and natural environment,” said Salt Lake City Mayor Ralph Becker. “I am hopeful that as the requirements of the settlement and agencies are met and the assessment of the affected areas is complete, the concerns of our residents will be satisfied and the repair and restoration of the damaged riparian corridors will be accomplished.”

Chevron Pipe Line Company President Randy Curry stated, “Chevron’s main focus during both these unfortunate incidents has been the safety of our community and response personnel. We have accepted responsibility for the cleanup and restoration activities associated with both events and are working with the State and City on those efforts. This agreement further demonstrates our commitment to the Salt Lake community to complete restoration activities and comply with all applicable regulatory requirements.”

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