Oil companies pay U.S. EPA to settle Santa Monica MTBE cleanup costs

Release date: 2/16/2005

Contact Information: Paula Bruin, (415) 947-4270 (after 2/16/05, contact Francisco Arcaute, (213) 244-1815)

Companies will pay $1.5 million; Charnock Sub-Basin cleanup still in progress

LOS ANGELES - Under the terms of a settlement filed today in federal court, several oil companies will pay $1.5 million to the U.S. Environmental Protection Agency for costs it incurred while directing the investigation and cleanup of methyl tertiary butyl ether or MTBE, a gasoline additive, from a groundwater basin formerly used for drinking water by the City of Santa Monica.

"The EPA welcomes this settlement as one more step in resolving the issues associated with the Santa Monica MTBE contamination problem," said Wayne Nastri, the U.S. EPA's regional administrator for the Pacific Southwest. "The EPA is committed to working closely with our state and local government partners to assure that sites are cleaned up and responsible parties are held accountable."

The money from this settlement will go into the U.S. government's Leaking Underground Storage Tank Fund, which finances investigations, cleanups and enforcement actions at leaking underground storage tank sites.

"The agreed settlement is another reminder of our continued efforts to hold parties financially responsible for polluting the environment," stated Thomas L. Sansonetti, Assistant Attorney General for the U.S. Justice Department's Environment and Natural Resources Division. "Placing the financial responsibility on the shoulders of those who cause contamination ensures future funding to address contaminated sites throughout the country."

The EPA has been working with the City of Santa Monica and the Regional Water Quality Control Board to require cleanup of the MTBE contamination since 1996.

"Santa Monica thanks the EPA for stepping up to the plate early on in our MTBE crisis and assisting us in a settlement that will ensure long-term water security for our citizens," said Craig Perkins, Director, Department of Environmental & Public Works Management, City of Santa Monica.

"The Regional Board is pleased to continue working with all parties to oversee the cleanup at the source sites and regional groundwater monitoring within the Charnock Sub-Basin. This oversight and regulation will continue until the drinking water aquifer is restored to its full beneficial use as a drinking water supply for the City of Santa Monica," said, Susan Cloke, Chair, Los Angeles Regional Water Quality Control Board.

The agreement between the EPA and the oil companies follows eight years of investigation and cleanup under the federal Resource Conservation and Recovery Act and California's Porter Cologne Act. The MTBE contamination in the vicinity of Santa Monica's drinking water wells came from at least 25 possible sources, most of which were gas...
stations in the Charnock Sub-Basin.

Under orders from the EPA and the Los Angeles Regional Water Quality Control Board, the oil companies have extracted more than 346 million gallons of contaminated groundwater and removed over 4,000 cubic yards of contaminated soil. Approximately 6,000 pounds of MTBE have been recovered.

Including past costs, the oil companies are expected to spend in excess of $200 million to address the contamination.

Banned in California since 2004, MTBE is a gasoline additive and potential carcinogen that is highly soluble in water. MTBE was first introduced in 1979 to make gasoline burn more cleanly; it became a problem due to leaks into groundwater.

Santa Monica’s Charnock Sub-Basin public drinking water supply wells have been shut down since 1996 when MTBE contamination was first discovered. The wells formally provided more than six million gallons per day of local water, approximately half of Santa Monica’s daily water demand. In addition to directing the cleanup, the EPA and the Los Angeles Regional Water Quality Control Board have required the oil companies to supply replacement water to Santa Monica at a cost of more than $3 million a year.

In 2003, Shell Oil Co., ChevronTexaco Corp. and ExxonMobil Corp. signed an agreement with Santa Monica, which required that the oil companies build treatment systems for Charnock water supply wells to remove the MTBE that had spread beyond source sites. This will eventually allow Santa Monica to restore use of the Charnock drinking water supply. No water from the Charnock Sub-Basin is currently being used for drinking water.

The companies named in this settlement are:

- Shell Oil Co.
- Shell Oil Products Co. LLC (as successor in interest to Shell Oil Products Company),
- Equilon Enterprises LLC,
- Shell Pipeline Company LP (for itself and as successor in interest to Equilon Pipeline Company),
- TMR Company (formerly known as Texaco Refining and Marketing Company),
- ChevronTexaco Corp.,
- Chevron USA Inc.,
- Exxon Mobil Corp.,
- Mobil Oil Corp.,
- ExxonMobil Oil Corp.,
- Thrifty Oil Co. and,
- Best California Gas, Ltd.

For more information on the Charnock site, please visit:

http://www.epa.gov/region09/charnock/