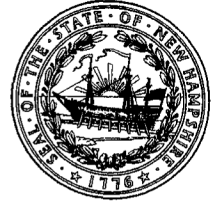




The State of New Hampshire
Department of Environmental Services



Michael P. Nolin
Commissioner

April 26, 2005

Amerada Hess Corporation
Attn: Jim Howard
1 Hess Plaza
Woodbridge, NJ 07095

Re: Docket Nos. AF 04-027 thru AF 04-031

Dear Mr. Howard:

Enclosed for your records is a copy of the Motion to Accept Settlement Agreement in the above-captioned matter executed by Anthony P. Giunta, P.G., Director of the Waste Management Division, and accepted by Commissioner Michael P. Nolin on April 21, 2005.

On behalf of the Department of Environmental Services, thank you for your cooperation in resolving this matter.

Sincerely,
COPY
Michael P. Scialfani,
Legal Assistant

cc: Anthony P. Giunta, P.G., Director, Waste Management Division
Gretchen R. Hamel, Administrator, DES Legal Unit
Kerry D. Barnsley, Compliance Attorney, DES Legal Unit
James Martin, DES Public Information Officer
Lynn A. Woodard, DES WMDT
Thomas R. Beaulieu, DES WMD
Tammy Calligandes, DES WMD

Amerada Hess Corporation
Attn: Jim Howard
1 Hess Plaza
Woodbridge, NJ 07095

ADMINISTRATIVE FINE
Nos. AF 04-027 thru AF 04-031

MOTION TO ACCEPT SETTLEMENT AGREEMENT

NOW COME the Department of Environmental Services, Waste Management Division (“the Division”) and Amerada Hess Corporation, parties to the above-captioned matter, and stipulate to the following:

1. The Department of Environmental Services, Waste Management Division, is an administrative agency of the State of New Hampshire, having its principal office at 29 Hazen Drive, Concord, NH 03302
2. Amerada Hess Corporation (“Hess”) is a corporation registered to do business in New Hampshire having a mailing address of 1 Hess Plaza, Woodbridge, NJ 07095.
3. RSA 146-C authorizes the Department of Environmental Services (“DES”) to regulate the installation, maintenance, operation, and closure of underground storage facilities. Pursuant to RSA 146-C:9, the Commissioner of DES has adopted New Hampshire Administrative 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.”
4. RSA 146-C:10-a authorizes the Commissioner of DES 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.
5. Hess is the registered facility owner of three underground storage tanks (“USTs”) at the Hess 29304 facility, located on real property at 254 Daniel Webster Highway, Merrimack, NH, (“the Merrimack Property”)
6. On August 27, 2004, the Division issued Notice of Proposed Administrative Fine No. AF 04-027 to Hess, seeking fines pursuant to Env-C 607 totaling \$1,700 for violations of Env-Wm 1401.21(i), Env-Wm 1401.25(d), and Env-Wm 1401.31 on the Merrimack Property.
7. Hess is the registered facility owner of four USTs at the Hess 29300 facility, located on real property at 15 Hall Street, Concord, NH (“the Concord Hall Street Property”).
8. In On August 27, 2004, the Division issued Notice of Proposed Administrative Fine No. AF 04-028 to Hess, seeking fines pursuant to Env-C 607 totaling \$5,600 for violations of Env-Wm

1401.25(d), Env-Wm 1401.25(e), and Env-Wm 1401.31 on the Concord Hall Street Property.

9. Hess is the registered facility owner of five USTs at the Hess 29500 facility, located on real property at 175 North Main Street, Concord, NH ("the Concord Main Street Property").

10. On August 27, 2004, the Division issued Notice of Proposed Administrative Fine No. AF 04-029 to Hess, seeking fines pursuant to Env-C 607 totaling \$1,500 for violations of Env-Wm 1401.07(c), Env-Wm 1401.25(d), Env-Wm 1401.25(e), and Env-Wm 1401.31(a) on the Concord Main Street Property.

11. Hess is the registered facility owner of six USTs at the Hess 29501 facility, located on real property at 311 Queen City Avenue, Manchester, NH ("the Manchester Queen City Avenue Property").

12. On August 27, 2004, the Division issued Notice of Proposed Administrative Fine No. AF 04-030 to Hess, seeking fines pursuant to Env-C 607 totaling \$700 for violations of Env-Wm 1401.21(i), and Env-Wm 1401.25(d) on the Manchester Queen City Avenue Property.

13. Hess is the registered facility owner of three USTs at the Hess 29502 facility, located on real property at 89 Bridge Street, Manchester, NH ("the Manchester Bridge Street Property").

14. On August 27, 2004, the Division issued Notice of Proposed Administrative Fine No. AF 04-031 to Hess, seeking fines pursuant to Env-C 607 totaling \$1,000 for violations of Env-Wm 1401.31(a) on the Manchester Bridge Street Property.

15. The total fines sought by the Division in all five cases noted herein are \$10,500.

16. In order to settle this matter, the Division and Hess have agreed to the terms of this Settlement Agreement ("Agreement"), as set forth herein.

17. Of the proposed fines in the amount of \$10,500, \$5,000 shall be suspended due to Hess's agreement to tightness test the spill buckets at all of their UST facilities in New Hampshire, and report the results to DES on or before June 1, 2005. Further, Hess shall conduct a spill bucket tightness test demonstration for DES UST inspectors to witness on or before May 15, 2005.

18. The suspended portion of the proposed fines, in the amount of \$5,000 is contingent upon Hess maintaining compliance with Env-Wm 1401, at these facilities, for a period of two years from the date of execution of this document, and fulfilling their commitment pursuant to Paragraph #17. If Hess fails to maintain compliance during the two-year period, or fails to fulfill their agreement commitment, the suspended portion of the proposed fines, in the amount of \$5,000, shall become due and payable immediately. If Hess maintains compliance for the prescribed period, and fulfills their agreement, the suspended portion of the fines shall be waived.

19. Hess agrees to pay the remaining \$5,500 upon execution of this Agreement by an authorized representative of Hess.

20. Payment under Paragraph #19 and any payment that becomes due pursuant to Paragraph #18 shall be paid by certified check made payable to: "Treasurer, State of New Hampshire" and mailed to:

DES Legal Unit
Attention: Michael Sclafani, Legal Assistant
P.O. Box 95
Concord, NH 03302-0095

21. If any payment made by check or money order is returned due to insufficient funds, pursuant to NH RSA 6:11-a, Department of Environmental Services (DES) may charge a fee in the amount of 5% of the face amount of the check or money order or \$25.00, whichever is greater, plus all protest and bank fees, in addition to the amount of the check or money order, to cover the costs of collection.

22. The parties have entered into this Agreement to avoid the time and cost of litigation. Except as described in this paragraph, this Agreement shall not constitute, be construed as, or operate as: (i) an admission of liability by Hess; (ii) an admission by Hess or evidence that it violated any law, rule, regulation, policy or regulatory interpretation; or (iii) a waiver of any defense Hess might raise in any third party proceeding.

By executing this Agreement, Hess waives its right to a hearing on, or any appeal of, the administrative fines identified above, and agrees that this Agreement may be entered into and enforced by a court of competent jurisdiction. Hess shall not challenge the validity of the violations alleged herein in the context of any future proceeding by DES assessing the compliance history of Hess and alleging violations of the New Hampshire Code of Administrative Rules or statutes, or in any proceeding before DES to enforce this Agreement.

By executing this Agreement, Hess waives its right to a hearing on or any appeal of the administrative fines identified in the Notice, and agrees that this Agreement may be entered into and enforced by a court of competent jurisdiction.

23. The effective date of this Agreement will be upon signature by an authorized representative of Hess, the Director of the Waste Management Division, and the Commissioner of DES. After that date, this Agreement may be amended only by written agreement signed by both parties and the Commissioner. Any such amendment will become effective on the date on which it has been accepted by the Commissioner.

24. No failure by DES to enforce any provision of this Agreement after any breach or default will be deemed as a waiver of its rights with regard to that breach or default, nor will such failures be construed as a waiver of the right to enforce each and all provisions of this Agreement on any further breach or default.

WHEREFORE, the parties respectfully request the Commissioner to accept the terms of this Agreement by granting this Motion.

Respectfully submitted,
Amerada Hess Corporation

4/16/05
Date

COPY
[Signature]

Duly Authorized

DES Waste Management Division

4/21/05
Date

COPY
[Signature]

Anthony P. Giunta, P.G., Director

This Motion to Accept Settlement agreement is granted this 21st day of APRIL, 2005.

COPY
[Signature]

Michael P. Nolin, Commissioner
Department of Environmental Services