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TRANSCRIPT OF A MEETING  
OF THE  
STATE OF NEVADA  
PETROLEUM BOARD TO REVIEW CLAIMS

Thursday, September 11, 2008  
1:30 p.m.  
Department of Conservation and Natural Resources  
The Bryan Building, 901 South Stewart Street  
2nd Floor, Tahoe Hearing Room  
Carson City, Nevada

With Videoconferencing From  
College of Southern Nevada  
3200 East Cheyenne Avenue, Room No. 2638  
Las Vegas, Nevada

**ORIGINAL**

REPORTED BY: SHANNON L. TAYLOR, CCR, CSR, RMR  
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A P P E A R A N C E S

Board Members Present in Carson City:

Mr. John Haycock, Chairman, Representing  
Independent Dealers of Petroleum  
Mr. Leo Drozdoff, Nevada Division of  
Environmental Protection (NDEP)  
Mr. Edgar Roberts, Department of Motor Vehicles  
(DMV)

Others Present in Carson City:

Mr. Bennett Kottler, NDEP, Bureau of Corrective  
Actions (BCA)  
Mr. Hayden Bridwell, NDEP-BCA  
Mr. Steve Fischenich, NDEP-BCA  
Ms. Teresa Larson, NDEP-BCA  
Ms. Victoria Joncas, NDEP-BCA  
Mr. Art Gravenstein, NDEP-BCA  
Mr. Jim Najima, NDEP-BCA  
Mr. Nick Florey, Washoe County Health District  
(WCHD)  
Mr. Mike Ezell, WCHD

Board Members Present via Videoconferencing from  
Las Vegas:

Ms. Joanne Blystone, Representing the General  
Public  
Mr. John Meeters, Representing Independent  
Retailers of Petroleum

Others Present via Videoconferencing from Las Vegas:

Ms. Rose Marie Reynolds, Attorney General's  
Office, Las Vegas, Deputy Attorney General  
Mr. James Dotchin, NDEP-BCA  
Ms. Marlene Huderski, NDEP, Las Vegas Office  
Mr. Rex Heppe, ATC Associates Inc.  
Mr. Kirk Stowers, Broadbent and Associates Inc.  
(BAI)  
Mr. John Wagner, Southern Nevada Health  
District (SNHD)  
Mr. Jason Patehett, SNHD  
Mr. Keith Stewart, Stewart Environmental Inc.  
Mr. Jim Kalekas, SavMor Rent A Car  
Mr. Mike Nibert, SavMor Rent A Car

1 CARSON CITY, NEVADA, SEPTEMBER 11, 2008, 1:30 P.M.

2 -oOo-

3 CHAIRMAN HAYCOCK: Okay. So it is 1:30. It's  
4 the appointed hour for the Nevada State Board to Review  
5 Claims to convene.

6 We would like to refer to the Agenda and call  
7 the meeting to order.

8 Have a roll call of Board members present in  
9 Las Vegas, please.

10 MS. JONCAS: Chairman Haycock, with your  
11 permission, the Recording Secretary would like to take  
12 roll call of the Board members.

13 CHAIRMAN HAYCOCK: Okay.

14 MS. JONCAS: Thank you.

15 However, before we get started, I would like to  
16 ask everyone to please speak loudly and clearly and,  
17 also, to turn off your cell phones.

18 MR. NAJIMA: Violators.

19 MS. JONCAS: I'll let you decide that, Jim.

20 At this time, I would like to take roll call.

21 Chairman Haycock?

22 CHAIRMAN HAYCOCK: Here.

23 MS. JONCAS: Joanne Blystone?

24 MS. BLYSTONE: Here.

25 MS. JONCAS: Edgar Roberts?

1 MR. ROBERTS: Here.

2 MS. JONCAS: Leo Drozdoff?

3 MR. DROZDOFF: Here.

4 MS. JONCAS: James Wright? Mr. James Wright?

5 Not present.

6 Mr. George Ross? Mr. George Ross? Not

7 present.

8 Mr. John Meeters?

9 MR. MEETERS: Here.

10 MS. JONCAS: Counsel from the A.G.'s Office,  
11 Ms. Rose Marie Reynolds?

12 MS. REYNOLDS: Present.

13 MS. JONCAS: Ms. Reynolds, would you like to  
14 establish if we have a quorum, please.

15 MS. REYNOLDS: Yes, you do.

16 MS. JONCAS: Thank you.

17 Chairman Haycock, you may proceed with the  
18 meeting.

19 CHAIRMAN HAYCOCK: Thank you.

20 Approval of the Agenda, which is the action  
21 item, I would entertain, the Chair would entertain a  
22 motion.

23 MR. ROBERTS: I move to approve the Agenda.

24 MR. DROZDOFF: Second.

25 CHAIRMAN HAYCOCK: The motion is made and

1 seconded. Is there a discussion?

2 MR. MEETERS: I second it, John Meeters.

3 CHAIRMAN HAYCOCK: We've got a second.

4 All in favor of the motion, say "aye."

5 (The members said "aye.")

6 CHAIRMAN HAYCOCK: Opposed?

7 The motion carries.

8 You can hear okay, can't you, John and Joanne?

9 MR. MEETERS: Yes.

10 MS. BLYSTONE: I can hear you. We didn't hear  
11 the second, though.

12 CHAIRMAN HAYCOCK: Okay. We'll speak up.

13 Referring to Agenda item number III, we would  
14 ask for action relative to the June 5th, 2008 Minutes.

15 MR. ROBERTS: This is Edgar Roberts. I move we  
16 approve the June 5th, 2008 Board Minutes.

17 CHAIRMAN HAYCOCK: We have a motion. Is there  
18 a second?

19 MS. BLYSTONE: I second it. Joanne.

20 CHAIRMAN HAYCOCK: Thank you, Ms. Blystone.

21 We have a motion and a second. Is there  
22 discussion of the motion?

23 All in favor, say "aye."

24 (The members said "aye.")

25 CHAIRMAN HAYCOCK: Opposed?

1           The motion carries.

2           Agenda item number IV, which would be the  
3 Public Forum, Discussion. Members of the public are  
4 invited to speak before the Board on any issue that is  
5 not included on the Agenda.

6           MS. BLYSTONE: No one down here, Mr. Haycock.

7           CHAIRMAN HAYCOCK: Thank you.

8           No one?

9           Okay. That being the case, we would ask for  
10 Agenda item number V, Status of the Fund, Discussion.  
11 Mr. Kottler.

12           MR. KOTTLER: Mr. Chairman, members of the  
13 Board, we began the new fiscal year, 2009, on July 1st,  
14 2008, and it will continue through June 30th, 2009.

15           We have a limited amount of data for this new  
16 year. But data available to us at this time shows a  
17 total revenue for the new fiscal year is 3 million,  
18 approximately \$3 million. However, revenue from the  
19 resumed collection of the three-quarter of a cent  
20 petroleum fees are not available to us at this time.  
21 And, essentially, all of that was balance forward from  
22 fiscal year 2008, and just under \$4,000 was some  
23 additional tank enrollment fees received for  
24 registration of tanks.

25           Total expenditures from the Fund for this new

1 fiscal year is just under \$42,000, of which \$38,000 was  
2 reimbursement of claims.

3 The remaining Fund balance at that time is  
4 approximately \$2.9 million.

5 Staff is recommending the approval of  
6 approximately \$2.6 million in reimbursement today. And  
7 if the Board approves all reimbursement recommendations,  
8 a balance of 0.3 million will remain in the Fund in  
9 addition to the revenue from the collection of the  
10 monthly Petroleum Fund fees. And, again, we don't have  
11 those data, because it just started July 1st. The first  
12 month is completed at the end of that.

13 And that's the status at this point.

14 CHAIRMAN HAYCOCK: All right. Are there any  
15 questions relative to the Status of the Fund?

16 All right. That being the case, we will move  
17 to Agenda item number VI, Determination of Fund Policy  
18 and Coverage. Number VI.A., Resolution Number 2008-04,  
19 to clarify the policy requiring source identification in  
20 coverage applications.

21 MR. KOTTLER: Mr. Chairman, members of the  
22 Board, I'd like to present a version of this resolution  
23 modified from the one that's in your Board packet. And  
24 you should all have a copy of a modified version of  
25 Resolution 2008-04.

1           The only change in the modified version is  
2 under the section "THEREFORE BE IT RESOLVED," item  
3 number 4. And I'll explain that provision and its  
4 modification in due course of presenting the resolution.

5           The reason why I'm presenting this policy  
6 resolution is to assist owners and operators and their  
7 consultants to better understand the policies and  
8 procedures that staff regularly follow to review  
9 coverage applications and make recommendations to the  
10 Board.

11           The preparation of a coverage application is  
12 perhaps the most difficult aspect of the Fund for owners  
13 and operators and their consultants to address. Fund  
14 staff note in particular information most commonly  
15 missing from a coverage application is identification of  
16 the release source.

17           Although Fund staff currently request release  
18 source information, this resolution is intended to  
19 formally clarify the policy for all prospective coverage  
20 applications received for review by Fund staff.

21           As I mentioned, as part of the review of a Fund  
22 coverage application, staff routinely requests  
23 information regarding the release source. Failure to  
24 partially or entirely identify the presence and source  
25 of a release leads staff to recommend reduction or

1 denial of coverage respectively.

2           The Fund requirement to identify the source of  
3 a release is based in three, three rationales, legal,  
4 technical, and financial rationales.

5           Beginning with the legal rationale for this  
6 requirement, Nevada Administrative Code 590.760(2)(a)  
7 states that a Fund coverage application must describe,  
8 quote, "where the discharge occurred," unquote. The  
9 Fund staff have interpreted this not to mean simply the  
10 facility where the discharge occurred or the UST system  
11 of several -- where the discharge occurred, but to mean  
12 the physical component of a specific underground storage  
13 tank system, quote, "where the discharge occurred,"  
14 which then released petroleum hydrocarbons into the  
15 environment.

16           The specificity required in the coverage  
17 application by this request ensures that the  
18 contamination originated from a UST system enrolled in  
19 the Fund rather than an off site or previous generation  
20 of system, neither of which may have been enrolled in  
21 the Fund.

22           And, secondly, it also ensures that liability  
23 for environmental clean-up is limited by focusing  
24 initial efforts on controlling the release source. And  
25 this is in keeping with the federal requirement to,

1 quote, "repair, replace or upgrade a UST and its  
2 associated components if tests of the UST system  
3 indicate that a leak exists."

4           Addition legal requirements are found in four  
5 Board resolutions that state that the costs associated  
6 with overfill and spill releases are not eligible for  
7 reimbursement. The only way that someone can determine  
8 that overfill and spill releases, which are ineligible  
9 for coverage, have occurred is to distinguish them from  
10 other releases which are eligible and to identify what  
11 the source was.

12           Lastly, I'd also like to point out that federal  
13 regulations specifically require owners and operators to  
14 consider, quote, "factors appropriate for identifying  
15 the presence and source of the release," end quote. And  
16 this is when both confirming that a new release did  
17 indeed occur and then, later on, when assessing the  
18 site, where a confirmed release occurred.

19           If there are no questions, I'd like to move on  
20 to a technical basis for also requiring the  
21 determination of the source of a release.

22           And that is that source identification and  
23 removal is recognized as an essential technique for  
24 assessing and remediating contaminated sources. Source  
25 identification is a standard practice in Nevada's

1 clean-up program. It's a standard practice in the  
2 national clean-up program. And, as I included in  
3 Attachment A, U.S. EPA expects that source control  
4 measures will be evaluated for all sites under  
5 consideration for any proposed remedy.

6 Thirdly, the American Society for Testing  
7 Materials, ASTM, also includes source identification as  
8 a standard practice and as one of the basic early  
9 actions for site remediation.

10 Finally, I'd like to point out that there's a  
11 financial basis to requiring source identification.  
12 It's my understanding that the Fund was designed to  
13 address costs associated with a limited subset of the  
14 universe of USTs and leaking USTs in the State of  
15 Nevada. The Fund was not designed to cover all the  
16 costs associated with USTs, such as operation, operation  
17 and maintenance, nor de minimis levels of contamination,  
18 nor all forms of pollution or even environmental issues.  
19 The limited purpose and thus the limited liability of  
20 the Fund are two of the many cost control measures that  
21 allows the Fund to remain fiscally sound, to the benefit  
22 of businesses and citizens across Nevada.

23 Therefore, staff are recommending the adoption  
24 of Resolution 2008-04, as proposed, clarifying the  
25 policy which requires the identification of release

1 sources in a Fund coverage application.

2           Firstly, noting under section "THEREFORE BE IT  
3 RESOLVED," "A source is defined as a physical component  
4 of a UST system which released petroleum hydrocarbons to  
5 the environment."

6           Secondly, as per NAC 590.760(2)(a), source  
7 identification of a release is required in a Fund  
8 application.

9           Thirdly, if a source is not identified, it  
10 cannot be verified that environmental contamination at a  
11 subject site resulted from a release eligible for Fund  
12 coverage and from a UST system which is enrolled in the  
13 Fund.

14           Despite the need to control the source of a  
15 release, if a source cannot be identified and repaired,  
16 then replacing the appropriate portions of a UST system  
17 is an acceptable means of source control.

18           And, lastly, under item 4, the item which was  
19 changed from the version you may have reviewed before  
20 the meeting, if this physical component that failed  
21 cannot be found, repaired or replaced and -- This is the  
22 part that was modified. I included clarification that  
23 ineligible releases must be ruled out. Then Fund staff  
24 will consider removal of the UST system as an acceptable  
25 substitute that effectively removed source.

1           The only other change was the very last  
2 sentence, last two sentences, I gave examples of  
3 ineligible releases, such as fill and overspill,  
4 releases that occur above the dispenser, vandalism,  
5 negligence, manufacturer defects, and the like.

6           That concludes the presentation.

7           CHAIRMAN HAYCOCK: Questions?

8           Staff recommendation is approval of this  
9 resolution as it is written in the handout today?

10          MR. KOTTLER: Correct, the modified version.

11          CHAIRMAN HAYCOCK: Okay.

12          MR. KOTTLER: That you received.

13          CHAIRMAN HAYCOCK: Are there any questions from  
14 the Board?

15          That being the case, the Chair would entertain  
16 any action relative to this Agenda item.

17          MS. BLYSTONE: Mr. Chairman, Joanne Blystone.  
18 I move adoption of Resolution Number 2008-04.

19          CHAIRMAN HAYCOCK: Do we have a second?

20          MR. DROZDOFF: Second.

21          CHAIRMAN HAYCOCK: We have a motion and a  
22 second.

23          Is there discussion of the motion?

24          All in favor of the motion, say "aye."

25          (The members said "aye.")

1 CHAIRMAN HAYCOCK: Opposed?

2 The motion carries.

3 Thank you, Bennett.

4 MR. KOTTLER: You're welcome.

5 CHAIRMAN HAYCOCK: Let's move to Agenda item  
6 number VI.B., Resolution 2008-05, which is a resolution  
7 to provide reduced Petroleum Fund coverage for Flamingo  
8 AM/PM No. 82153 in Las Vegas.

9 MR. BRIDWELL: Mr. Chairman, members of the  
10 Board, for the record, I'm Hayden Bridwell, on staff  
11 with the Petroleum Fund. I'll be presenting this  
12 resolution.

13 Staff is proposing that the subject facility  
14 receive reduced Fund coverage pursuant to violation of  
15 federal regulations regarding underground storage tank,  
16 or UST, system leak detection in the initial response to  
17 discovery of a release from that UST system.

18 I will present information and data that  
19 indicate that the owner of the facility, Big Daddy's  
20 Oil, who I will refer to as BDO, Big Daddy's Oil had not  
21 conducted leak detection of the subject UST system at  
22 the facility for several months prior to and after the  
23 date of release discovery.

24 Mr. John Wagner, UST compliance officer for the  
25 Southern Nevada Health District, or SNHD, has conducted

1 UST compliance inspections at the facility. And he's  
2 here today, in the Las Vegas location, to speak  
3 regarding these leak detection violations and to answer  
4 any questions you may have.

5 I will also provide information regarding BDO's  
6 lack of response to the Nevada Division of Environmental  
7 Protection's -- and, of course, that's NDEP -- leaking  
8 UST, and we're going to refer to that as LUST, the  
9 NDEP's LUST compliance officer's request for initial  
10 response and follow-up to the release at the facility.  
11 Mr. James Dotchin, the NDEP LUST case officer who  
12 requested this information from BDO, is here today in  
13 the Las Vegas venue, and he will speak regarding this  
14 issue, and he'll be happy to answer any questions you  
15 may have.

16 The reason that these issues are taken into  
17 account at this time is because BDO's failure to perform  
18 leak detection and to respond to Mr. Dotchin's request  
19 to investigate the release has exacerbated the extent of  
20 contamination of the site. The clean-up, therefore,  
21 will take longer than it should, and it will cost more  
22 money.

23 Now, this site, Flamingo AM/PM 82153, is an  
24 active gasoline station/convenience store that was  
25 purchased by BDO in calendar year 2000 from BP West,

1 otherwise known as BP. It was previously identified as  
2 Arco facility 1903.

3 In 1995, NDEP began providing Petroleum Fund  
4 reimbursement to BP for accidental release from their  
5 UST system at the site they had at that time.

6 On March 21st, 2007, the consultant working for  
7 BP discovered free petroleum product in two of the  
8 on-site wells that had been installed for monitoring of  
9 the earlier BP release.

10 Because free product was never identified as  
11 having been associated with this earlier BP release,  
12 NDEP considered the free product of release to be the  
13 responsibility of BDO.

14 The UST system at the site that BDO has been  
15 operating is the same as the one that was installed and  
16 previously operated by BP, and it consisted of four  
17 single-walled fiberglass USTs and associated product  
18 piping. BDO conducted UST system leak detention using  
19 monthly inventory reconciliation pursuant to daily  
20 product measurement of each tank.

21 This is referred to as stick readings. And you  
22 all probably remember seeing folks back in the days at  
23 gas stations running around with these big sticks that  
24 they would put down the tanks, and they would copy down  
25 data. And they were recording the inventory data.

1 MS. JONCAS: Hayden?

2 MR. BRIDWELL: Yes?

3 MS. JONCAS: I'm sorry to interrupt. Marlene's  
4 calling, she's saying they lost us. Okay.

5 (There was a period off the record, 1:50 to  
6 1:52 p.m.)

7 CHAIRMAN HAYCOCK: Okay. We're back. Are we  
8 back?

9 MS. BLYSTONE: Yes. Can you hear us?

10 SEVERAL VOICES: Yes. Yes, we can.

11 MS. BLYSTONE: Okay. Hi.

12 MR. BRIDWELL: Hi, Joanne.

13 CHAIRMAN HAYCOCK: Did you figure out at what  
14 point they lost us?

15 MR. BRIDWELL: Yes.

16 CHAIRMAN HAYCOCK: Okay.

17 MR. BRIDWELL: Okay. I understand that --

18 MS. BLYSTONE: You had -- barely had started,  
19 Hayden, when we lost you.

20 MR. BRIDWELL: Barely got started? Okay. I'm  
21 going to start over again.

22 MS. BLYSTONE: All right.

23 MR. BRIDWELL: Oh, boy. Here we go.

24 Okay. You already heard my introduction of  
25 myself. I'm going to start in on my introduction to the

1 resolution.

2           Staff is proposing that the subject facility  
3 receive reduced Fund coverage pursuant to violation of  
4 federal regulations regarding both underground storage  
5 tank, or UST, system leak detection and to the initial  
6 response to discovery of a release from that UST system.

7           I will present information and data that  
8 indicate the owner of the facility, Big Daddy's Oil, who  
9 will be referred to as BDO, had not conducted leak  
10 detection at the subject -- of the subject UST system at  
11 the facility for several months prior to and after the  
12 date of release discovery.

13           Mr. John Wagner, a UST compliance officer for  
14 the Southern Nevada Health District, or SNHD, has  
15 conducted UST compliance inspections at the facility,  
16 and he is here today to speak regarding these issues and  
17 to answer any questions you may have.

18           I will also provide information regarding BDO's  
19 lack of response to the Nevada Division of Environmental  
20 Protection, or NDEP, our leaking UST, or LUST,  
21 compliance officer's request for initial response and  
22 follow-up to the release.

23           And Mr. James Dotchin, who was the NDEP LUST  
24 compliance officer at that time, he's here today, in the  
25 Las Vegas venue, along with Mr. Wagner. Mr. Dotchin

1 will speak on these issues, and he'll be happy to answer  
2 any questions you may have.

3           The reason these issues are being taken into  
4 account at this time is because BDO's failure to perform  
5 leak detection and to respond to NDEP's LUST case  
6 officer's request to investigate the release has  
7 exacerbated the extent of contamination from this  
8 release. The clean-up, therefore, will take longer than  
9 it should, and it will cost additional money.

10           The site is an active gasoline station and  
11 convenience store that was purchased by BDO in calendar  
12 year 2000 from BP West, otherwise known as BP, and was  
13 previously identified as Arco facility number 1903.

14           In 1995, NDEP began providing Fund  
15 reimbursement to BP for an accidental release from their  
16 UST system at the site at that time.

17           On March 21st, 2007, the consultant working for  
18 BP discovered free petroleum product in two of the  
19 on-site wells that had been installed for monitoring of  
20 the earlier BP release.

21           Because free product was never identified as  
22 having been associated with this earlier BP release,  
23 NDEP considered this free product release to be the  
24 responsibility of the BDO.

25           The UST system at the site was the same one

1 that was installed and previously operated by BP, and it  
2 consisted of four single-walled fiberglass USTs and  
3 associated product piping. BDO conducted UST leak --  
4 excuse me -- UST system leak detection using monthly  
5 inventory reconciliation, pursuant to daily product  
6 measurements of each tank.

7           These are called stick readings. And everybody  
8 here has probably seen, particularly a few years ago,  
9 people at gas stations running around with these long  
10 sticks, putting them down the USTs and then recording  
11 data. This was a common way to do leak detection back  
12 in the days before electronic leak detection  
13 methodologies took over. There are still a few  
14 facilities that stick their tanks in such a manner. And  
15 this was one of them.

16           Now, these daily product measurements are  
17 reconciled on a monthly basis and forwarded to a vender  
18 to perform what's called statistical inventory  
19 reconciliation, otherwise known as SIR. In order for  
20 this method of leak detection to be accurate, the daily  
21 stick readings must be recorded very carefully to the  
22 nearest one-eighth of an inch. And then the reconciled  
23 data must be forwarded to the SIR vender for further  
24 evaluation on a monthly basis.

25           In February 2006, pursuant to an inspection

1 conducted by SNHD UST compliance personnel, BDO was  
2 informed that their daily inventory stick readings were  
3 not being recorded to the nearest eighth inch, and that  
4 their inventory stick was faulty and that they should  
5 not be using it and it should be replaced.

6 SNHD requested that this issue be resolved no  
7 later than May 26th of 2006. However, in October of  
8 2007, SNHD performed another UST compliance inspection  
9 at the site and discovered that these issues had not  
10 been corrected.

11 SNHD subsequently informed BDO that leak  
12 detection data generated using the faulty inventory  
13 stick would not be accepted by them. So, in other  
14 words, they informed them that, "You are not doing an  
15 acceptable method of leak detection," at that time.

16 Additionally, NDEP has reviewed monthly SIR  
17 data for the facility calendar year 2007. And review of  
18 these data reveal that UST system monthly inventory  
19 reconciliation data were not forwarded to the SIR vender  
20 monthly, as required. BDO, therefore, had not conducted  
21 leak detection of their UST system for at lease two  
22 months prior to the date of release discovery. BDO  
23 continued to operate the UST system until late October  
24 2007 without conducting leak detection.

25 I would like to bring to your attention at this

1 point to Attachment A of this resolution, which provides  
2 a written brief prepared by SNHD UST compliance  
3 personnel regarding this issue.

4           Additionally, Attachment B of this resolution  
5 provides copies of calendar year 2007 monthly SIR data.  
6 Review of these -- Excuse me. Review of these SIR  
7 reports indicate that they were all produced on either  
8 January 28th or 29th, 2008, providing evidence that BDO  
9 did not provide their UST inventory data to their SIR  
10 vender on a monthly basis as required.

11           In the months leading up to the date of release  
12 discovery, not only was BDO using a faulty inventory  
13 stick, but they were not submitting the data to the SIR  
14 vender, either.

15           At this time, I would like to offer the podium  
16 in Las Vegas to Mr. John Wagner, UST compliance officer  
17 with SNHD.

18           Is John present?

19           MR. WAGNER: I am.

20           MR. BRIDWELL: Hey, John.

21           MR. WAGNER: Okay. My name John Wagner. I'm  
22 an underground storage tank inspector for the Southern  
23 Nevada Health District. I was assigned to Big Daddy's  
24 Oil, Flamingo AM/PM store number 85153, located at 290  
25 East Flamingo Road. I am familiar with its compliance

1 history.

2           The Southern Nevada Health District, as noted  
3 in the August 19th letter to the State Board to Review  
4 Claims, found significant violations in federal and  
5 state regulations, which may have contributed to the  
6 failure to detect petroleum release for which coverage  
7 that is now sought.

8           Furthermore, it should be noted that Big  
9 Daddy's Oil failed to respond to our letters,  
10 instructions and orders in a timely manner and was not  
11 compliant with our standards from May 7th of 2006 until  
12 the UST system was demolished in December of 2007.

13           I'm available to answer any questions the Board  
14 may have.

15           CHAIRMAN HAYCOCK: Questions?

16           Thank you, Mr. Wagner.

17           MR. BRIDWELL: No questions here, either. I'm  
18 going to move on.

19           Thank you, Mr. Wagner.

20           As mentioned previously, pursuant to the  
21 March 2007 discovery of free product at the site, NDEP  
22 informed BDO that they must investigate and provide a  
23 report detailing the release.

24           Specifically, on May 3rd of 2007, NDEP's LUST  
25 compliance officer, Mr. James Dotchin, forwarded BDO a

1 letter requesting information regarding the release, as  
2 required by federal regulations. BDO's deadline to  
3 provide a response to NDEP was June 15th, 2007. NDEP's  
4 compliance staff did not receive a response to this  
5 request until August 16th, 2007, two months following  
6 the response deadline.

7 Attachment C of this resolution provides a  
8 brief prepared by NDEP's current LUST compliance officer  
9 for the site, Mr. Jason Reed, regarding this issue.  
10 Mr. Dotchin was the LUST regulatory case officer for the  
11 site until August of 2007, at which time Mr. Reed took  
12 it over.

13 Additionally, please note that Mr. Reed's brief  
14 incorrectly refers to this resolution as 2008.04.  
15 That's a typo. Please accept our apologies.

16 At this time, I would like to offer the podium  
17 to Mr. Dotchin.

18 MR. DOTCHIN: Good afternoon. This is James  
19 Dotchin, representing the NDEP, Bureau of Corrective  
20 Actions. I was the case officer in question at time the  
21 release occurred back in 2006. I'd like to give you my  
22 time line and answer any questions the Board may have of  
23 me.

24 Mr. Bridwell's correct in that BDO, Big Daddy's  
25 Oil, did not timely respond to letters asking questions

1 about the new release of the subject property. And I  
2 can get in detail, if you would like, on the dates and  
3 times and correspondence with BDO and the NDEP.

4 If there are any questions of the Board, I'd be  
5 happy to answer.

6 CHAIRMAN HAYCOCK: Questions?

7 MR. ROBERTS: No questions.

8 MR. BRIDWELL: There are no questions here,  
9 Mr. Dotchin. Thank you.

10 MR. DOTCHIN: Thank you.

11 MR. BRIDWELL: Now, as I mentioned earlier, BDO  
12 continued to operate the UST system until late October  
13 2007.

14 On December 21st, 2007, all four UST systems at  
15 the site were removed from the ground. And at that  
16 time, penetrations were identified in two of the removed  
17 USTs. The penetrations were located, ironically enough,  
18 just below -- in the bottom of the tank, just below the  
19 fill ports. And what had happened was the striker  
20 plates that are on the bottom of the USTs to protect the  
21 UST from the stick had become dislodged and were  
22 missing. And that allowed the inventory sticks to come  
23 into direct contact with the tank shells and, over time,  
24 actually created holes.

25 40 CFR 280.40 through 280.45 requires owners

1 and operators of regulated UST systems to perform leak  
2 detection. As summarized previously, SNHD UST  
3 compliance personnel have determined that at the time of  
4 release discovery, BDO had not been conducting release  
5 detection and was noncompliant with 40 CFR 280.43.

6 Further, 40 CFR 280.63 requires that owners and  
7 operators, and I'm quoting now, "must assemble  
8 information about the site and the nature of the  
9 releases, including information gained while confirming  
10 the release or completing the initial abatement  
11 measures." This regulation requires that such  
12 information is submitted to the regulatory agency within  
13 45 days of release confirmation or another reasonable  
14 period of time agreed upon by all parties involved.

15 As summarized previously, this information was  
16 requested by Mr. Dotchin from BDO on May 3rd, 2007, with  
17 a response deadline of June 15th, 2007. NDEP did not  
18 receive BDO's response until August 16th, 2007, two  
19 months following the reply deadline and over four months  
20 following the date of release discovery. BDO's late  
21 submittal constitutes violation of 40 CFR 280.63.

22 In conclusion, pursuant to Board Resolution  
23 Number 94-023, which is provided to you as Attachment D  
24 in this resolution, NDEP is required to recommend  
25 reductions in reimbursement pursuant to violations of

1 UST and LUST compliance regulations. The subject  
2 resolution requires a recommendation of a 20 percent  
3 reimbursement reduction for violation of federal leak  
4 detection regulations and a 40 percent reduction for  
5 violation of federal release reporting regulations.

6 Resolution 94-023, however, prohibits the  
7 recommendation of a reduction based on the sum of  
8 multiple regulatory violations.

9 Staff, therefore, is recommending that the  
10 subject facility receives Fund coverage with a 40  
11 percent reduction.

12 That concludes my presentation.

13 CHAIRMAN HAYCOCK: Thank you.

14 Are there any questions for Mr. Bridwell?

15 Members of the Board in the south?

16 MR. BRIDWELL: I'll be happy to answer any  
17 questions.

18 CHAIRMAN HAYCOCK: Okay. Is there anyone who  
19 was here to speak on behalf of Big Daddy's Oil,  
20 claimant?

21 MR. STEWART: Yes. For the record, Keith  
22 Stewart from Stewart Environmental here in Las Vegas.  
23 Mr. Alvandi, the owner of Big Daddy's Oil, could not be  
24 present. His wife became ill in California. So he  
25 could not make the trip.

1           We're -- Just to make this thing brief, we've  
2 agreed with all the 20 percent reductions and the  
3 violations. We conceded those to NDEP some time back,  
4 have no issue with that.

5           You know, you sit there and hear all these  
6 violations, and you say, "Wow, there must be 10 feet of  
7 free product out there." There isn't.

8           The real issue here and the concern that we  
9 have is they have alluded to the fact that it was an  
10 Arco station. Arco was in the process of a remediation  
11 and a monitoring program when this release was detected,  
12 ironically, by the consultant for Arco, because they  
13 were out there doing ongoing monitoring.

14           So Big Daddy's Oil had purchased the site.  
15 They were able to purchase the site without having any  
16 financial responsibility for the Arco release.

17           So the fuel's discovered. It's monitored. It  
18 was removed by Arco's consultant and tested for  
19 approximately five months. So the letter went out to  
20 Big Daddy's Oil. And Big Daddy's Oil gave it to Arco,  
21 because Arco was in the process of assessing, monitoring  
22 and remediating this release.

23           So upon discovery of the free product, Big  
24 Daddy's Oil had a tank test performed. And all four  
25 tanks passed. That was in April of '07. Again, in June

1 of '07, at the request of the various parties, they had  
2 the tanks tested again. And they passed again.

3 So there may have been discussion going on  
4 between Big Daddy's Oil and Arco; but the bottom line is  
5 Arco continued to report, assess, monitor and remediate  
6 the free product.

7 Upon discovery, somewhere close to August, that  
8 the fuel was not part of Arco's original release, we're  
9 getting to this August date that they're starting to  
10 talk about, August 16th, there was a meeting held with  
11 NDEP, Arco and Arco's consultant and others, where it  
12 was determined that from that day on, Big Daddy's Oil  
13 would become responsible for this release, and Arco  
14 would be, essentially, let off the hook.

15 So the contention is that there was no  
16 reporting or, say, assessment or anything. There was  
17 constant action taken by the original responsible party  
18 until it was handed off to Big Daddy's Oil about four or  
19 five months later.

20 And since that point in August, the free  
21 product's removed. We have a ventilation installed,  
22 permitted. And, actually, we think the project will go  
23 faster because of the response actions that are taken.

24 So the real basis of our argument here is that  
25 it's not so much that there was no reporting. It was

1 being reported by the current responsible partly at that  
2 time. And until NDEP and the others agreed in August  
3 that Big Daddy's would take over, that's when they did  
4 submit a response letter.

5 So that's really the issue that we have, that  
6 the responsible party was not decided, or NDEP had not  
7 dictated. I mean you could send a letter to all parties  
8 that Arco had taken responsibility of this release  
9 through August.

10 So we would request the Board to remove the 40  
11 percent reduction and vote on a 20 percent reduction  
12 based on that discussion.

13 And it wasn't -- In this scenario, if you were  
14 listening, you would think nothing happened for five  
15 months. But, ironically, Arco's consultants stayed on  
16 the project through September. So there was, there was  
17 no loss of work, time lapse. Everything was taken care  
18 of.

19 CHAIRMAN HAYCOCK: Are there any questions for  
20 Mr. Stewart?

21 Are there any questions for Mr. Bridwell?

22 MR. DROZDOFF: I guess, I do.

23 CHAIRMAN HAYCOCK: Okay.

24 MR. DROZDOFF: So it says in the -- This is Leo  
25 Drozdoff. It says in the write-up that there was a

1 letter sent to BDO on May 3rd, with a deadline of June  
2 15th, 2007.

3           So am I correct, did I hear you, Keith, that  
4 you just, or BDO just handed that letter to Arco and  
5 said, "That's it"; or did anybody from BDO contact NDEP  
6 and say, "We think this is Arco's. We're handing it off  
7 to them. What do you think?"

8           MR. STEWART: I can't answer to that. But I'm  
9 going to assume that the BDO did not respond. But they  
10 responded to Arco, is what I'm understanding.

11           Also, through this process, Big Daddy's Oil  
12 removed their managers. Obviously, you heard about the  
13 other violations. Their managers have been fired, and  
14 the owner of the company has taken control of these  
15 types of actions now.

16           So, no, I do not believe that they set anything  
17 in writing. But Arco was the responsible party at that  
18 point.

19           MR. ROBERTS: I have a follow-up question  
20 direct, I think, to Leo's. And didn't we have staff  
21 state that the reporting was all done on two days?

22           MR. BRIDWELL: What I would like to do, if it's  
23 okay with the Board, is I'd like to invite Mr. Dotchin  
24 back to the podium. And he can speak for how NDEP, you  
25 know, handled the situation. He can present a time

1 line.

2 MR. ROBERTS: Right.

3 MR. BRIDWELL: And answer some very specific  
4 issues.

5 Mr. Dotchin?

6 MR. DOTCHIN: If I can -- This is James Dotchin  
7 again, for the record.

8 If I can clear up the time line and when, who  
9 knew what and when, this report was called in after  
10 release was discovered back in May of -- May 2 of 2007.  
11 May 3rd of '07, my letter went out to Big Daddy Oil,  
12 addressed to them, with a report date of June 15th.

13 On May the 4th, I'm sorry, May the 2nd, myself,  
14 Mr. John Wagner of the health district, representative  
15 from Big Daddy Oil, representative from Arco, who was  
16 their consultant at the time, Broadbent, met at the  
17 station to discuss the new release. At that time, it  
18 was directed towards Big Daddy Oil due to the fact there  
19 was three feet of product in the monitoring wells by the  
20 station, by the tanks, which previously had not been  
21 there.

22 I was the case officer for the last year before  
23 that, where there was no free products, then nor in the  
24 past, at that station, gave us the determination that it  
25 was indeed theirs.

1 I had a conversation with Mr. Alvandi, the  
2 actual owner, the day before that, on the 1st; and he  
3 agreed that it was indeed his and to contact his  
4 manager, Bernard Omrani, to discuss what needed to be  
5 done.

6 At that time, Broadbent, through Arco, BP Arco,  
7 agreed to stay on to mitigate the free product, as at  
8 the time Big Daddy Oil had no consultant and did not  
9 want this to exacerbate. And the fact they were still  
10 selling their brand of gasoline, they wanted to be  
11 helpful and stay on until such time where they could be  
12 taken off consult once a consultant was hired. It was  
13 the determination they would hire one very soon.

14 It was until June 15th of 2007, after several  
15 conversations with Ben, the manager at Big Daddy Oil, to  
16 encourage him again and again to hire a certified  
17 environmental manager, or CEM, to conduct the proper  
18 assessment work and respond to my letter.

19 Terracon was hired as the CEM in June of '07,  
20 did not get the authorization to submit any work to the  
21 NDEP until August 16th of 2007. I'm not clear if that  
22 was a money issue or other. That was submitted, and it  
23 did respond to my questions in my letter. That was in  
24 August, the 16th.

25 So there was a -- they did take ownership of

1 the release by hiring a CEM to investigate. This was  
2 back in June and July.

3 I don't believe Mr. Stewart, Keith, from  
4 Stewart Environmental, is accurate in that, because they  
5 did investigate partially and take responsibility, at  
6 least partially, in the investigational phase of the  
7 project.

8 It wasn't until August of '0 -- August 20th of  
9 2007 where BP finally stopped filling the free product.  
10 And we consequently forced Big Daddy to hire someone to  
11 pump out these wells and to mitigate the free product,  
12 which at this time had migrated to three different  
13 wells, depths from one foot to three feet of product, of  
14 fresh gasoline.

15 So I don't think it's accurate that Arco took  
16 responsibility. They just did not want their vendor's  
17 gasoline to propagate the groundwater, and wanted to be  
18 proactive and assist the NDEP with the matter until a  
19 consultant was hired.

20 If I missed anything, or you want to revisit  
21 anything I've said, at this time, I'm available to  
22 answer any questions.

23 CHAIRMAN HAYCOCK: Questions for Mr. Dotchin?

24 MR. DROZDOFF: Yes. Mr. Dotchin, Leo Drozdoff.  
25 So on May 3rd, you wrote a letter to BDO. Did you write

1 the -- a similar letter to Arco or BP, or did you  
2 basically just write BDO and somehow -- Well, what did  
3 you do?

4 MR. DOTCHIN: I wrote BDO, via the letter in  
5 question, on May 3rd. I did not write a letter to BP  
6 Arco, as BDO, Big Daddy Oil, was the responsible party  
7 in the eyes of the NDEP. Arco was copied or cc'd on  
8 that letter. And that's the extent.

9 MR. DROZDOFF: Is it fair to say that the --  
10 that there was concern about a nonresponse until BP  
11 Arco, basically, stayed on site to mitigate the problem,  
12 not take ownership?

13 MR. DOTCHIN: That is correct.

14 MR. DROZDOFF: Okay. That's all I had.

15 MR. ROBERTS: That's it.

16 CHAIRMAN HAYCOCK: Any questions?

17 MR. ROBERTS: That's it.

18 CHAIRMAN HAYCOCK: Well, Mr. Stewart, could I  
19 ask you one or two more questions, please?

20 MR. STEWART: Yes.

21 CHAIRMAN HAYCOCK: You referenced a meeting  
22 held between Arco and Big Daddy Oil in which the outcome  
23 was that the responsibility for the mitigation and  
24 clean-up was handed to Big Daddy Oil. What -- When did  
25 that meeting take place?

1 MR. STEWART: My understanding, it was August.

2 One thing that's ironic --

3 CHAIRMAN HAYCOCK: August of what?

4 MR. STEWART: Most -- Well, excuse me.

5 CHAIRMAN HAYCOCK: August --

6 MR. STEWART: Talking about -- Go ahead.

7 Sorry.

8 CHAIRMAN HAYCOCK: I just wanted to -- August  
9 of what year?

10 MR. STEWART: Of '07.

11 CHAIRMAN HAYCOCK: Of '07.

12 MR. STEWART: Yeah. One comment I had, for  
13 those of us in the fuel business, it's pretty odd for  
14 one responsible party just to say, "Hey, I'm going to  
15 stick around and help out." Ironically, if that was the  
16 case, there would be a financial claim from Arco to Big  
17 Daddy's. We're not aware of one.

18 So, I mean in today's environment, you know,  
19 economic climate, people typically don't work for five  
20 months and say, you know, "Hey, that was just for free.  
21 We're done here."

22 So that's the concern I have is, yeah, they did  
23 stick around; there's not a financial claim to us for  
24 our Petroleum Fund or anything from BP's involvement for  
25 five months for something supposedly that wasn't their

1 problem. So I mean it's pretty rare that an RP would  
2 say, "We'll just stay on until maybe you get your stuff  
3 together. And we're not going to charge you. It's all  
4 for free."

5 CHAIRMAN HAYCOCK: Okay.

6 MR. STEWART: So I mean that's part of my  
7 comment there.

8 CHAIRMAN HAYCOCK: Okay. Point well-made.  
9 You had something to add, Mr. Bridwell?

10 MR. BRIDWELL: Yes. I can speak to that from  
11 the Petroleum Fund stance. There has been a  
12 not-to-exceed proposal forwarded to NDEP from Arco for  
13 the work that they did. NDEP is holding off on  
14 processing anything of this nature until such time as we  
15 resolve this issue.

16 CHAIRMAN HAYCOCK: Okay. So Arco is actually  
17 making a claim for --

18 MR. BRIDWELL: Arco will be making -- Arco  
19 plans to either make a claim -- Well, they do plan to  
20 make a claim for NDEP for the work they did.

21 CHAIRMAN HAYCOCK: Is that even within the  
22 statute?

23 MR. BRIDWELL: Well, like I said, we've not  
24 made a determination on exactly how we're going to  
25 handle this issue.

1 CHAIRMAN HAYCOCK: Okay.

2 MR. BRIDWELL: At this time.

3 CHAIRMAN HAYCOCK: Okay. Okay. Do you have  
4 any questions, members of the Board in the south?

5 I take that as a no.

6 MR. STEWART: Yes, one last question,  
7 Mr. Haycock.

8 Hayden, is that claim made against Arco or  
9 against Big Daddy's Oil, the big -- if they're --

10 MR. BRIDWELL: Mr. Dotchin received an NT --  
11 excuse me -- a not-to-exceed cost proposal from Arco for  
12 the work that we are talking about, their mitigation of  
13 the release in the early stages.

14 CHAIRMAN HAYCOCK: It's not made against  
15 anybody. It's made in favor of them working for the  
16 state.

17 MR. STEWART: Okay.

18 MR. BRIDWELL: It's an Arco NTEP. But the  
19 Petroleum Fund does not --

20 MR. STEWART: That's my point. I didn't think  
21 it was against Big Daddy's Oil. Okay.

22 CHAIRMAN HAYCOCK: Okay. Can I just bring a  
23 little bit of clarity maybe in some form of synopsis?

24 It seems to me that there are essentially two  
25 violations here. One is a violation, detection

1 violation. And the other is a delinquent response  
2 violation. Speaking strictly economically, the  
3 delinquent response becomes somewhat irrelevant, because  
4 it's a 20 percent deduction. And the 40 percent  
5 detection violation is essentially --

6 MR. BRIDWELL: Excuse me, Mr. Chairman.

7 CHAIRMAN HAYCOCK: Yes?

8 MR. BRIDWELL: You actually have that reversed.  
9 The 40 percent is the reduction for not responding to  
10 the release, not responding to Mr. Dotchin's request.

11 CHAIRMAN HAYCOCK: Okay.

12 MR. BRIDWELL: The 20 percent reduction is for  
13 the lack of performing leak detection. And those are  
14 pursuant to Resolution 94-023.

15 CHAIRMAN HAYCOCK: Okay. I do have those.

16 All right. So, then, I guess, I was backward  
17 on that. I'm not sure where I picked that up from. I  
18 thought I saw that in here.

19 Then it becomes much more relevant to  
20 Mr. Stewart's argument relative to the reasons why they  
21 didn't respond in time, since that's the 40 percent  
22 deduction. Correct?

23 MR. BRIDWELL: Yes, sir.

24 CHAIRMAN HAYCOCK: Okay. Just one second. I  
25 wanted to reread part of this letter that was just

1 handed to us before the case.

2 So. So a fairly large variable is when, in  
3 fact, Arco was responsible and when, in fact, Big Daddy  
4 Oil was responsible?

5 MR. BRIDWELL: When --

6 CHAIRMAN HAYCOCK: And that seems to be a  
7 little bit of a gray area between --

8 MR. BRIDWELL: Correct.

9 CHAIRMAN HAYCOCK: -- the claimant and the  
10 State.

11 MR. BRIDWELL: I believe, when Broadbent was on  
12 the site in March of '07 doing the monitoring for Arco,  
13 they were in the early processes of doing  
14 postremediation monitoring, heading towards site  
15 closure. But, of course, Mr. Dotchin could speak more  
16 detail on that issue.

17 CHAIRMAN HAYCOCK: Are there other questions?  
18 Do you have anything to add in the south?

19 MS. BLYSTONE: No, Chairman, thank you, not.

20 CHAIRMAN HAYCOCK: Okay. So it is staff's  
21 recommendation to apply 40 percent deduction. It is the  
22 argument of Stewart Environmental, in representing the  
23 claimant, that there were circumstances which caused his  
24 client not to respond timely. I think, we've kind of  
25 summed that up.

1           If there are no more questions, the Chair would  
2 be open to any action from my member of the Board.

3           MR. DROZDOFF: I'll make a motion that we  
4 accept staff recommendation to provide coverage with a  
5 40 percent reimbursement in deduction.

6           CHAIRMAN HAYCOCK: We have a motion. Is there  
7 a second to the motion?

8           MR. ROBERTS: I'll second that. This is Edgar  
9 Roberts. I'll second that.

10          CHAIRMAN HAYCOCK: There is a motion and a  
11 second. Is there discussion of the motion?

12          All in favor of the motion, say "aye."

13          (The members said "aye.")

14          CHAIRMAN HAYCOCK: Opposed?

15          The motion carries.

16          Thank you. Thank you for your input.

17          Let's move on the Agenda to item number VI.C.,  
18 which is a Resolution to provide reduced Petroleum Fund  
19 coverage to SavMor Rent A Car in Las Vegas.

20          MR. FISCHENICH: Chairman, members of the  
21 Board, for the record, my name is Steve Fischenich, and  
22 I work for the Petroleum Fund. And today I am  
23 presenting item number VI.C., which is a Resolution to  
24 provide reduced coverage for the SavMor Rent A Car  
25 facility that's located at 5101 Rent A Car Road in

1 Las Vegas.

2 We'll discuss one coverage issue regarding the  
3 site, the failure of SavMor to test their cathodic  
4 protection system as required. SavMor used a cathodic  
5 protection system to protect their steel product piping  
6 from corrosion.

7 Petroleum Fund staff is recommending a 10  
8 percent reduction for failure to comply with federal  
9 regulations requiring this testing.

10 First, some background on cathodic protection.  
11 Cathodic protection is required to protect the metal  
12 components of the tank systems from corrosion. There  
13 are two methods that are generally used. The first one  
14 uses an impressed current system with a sacrificial  
15 anode. The second method, a galvanic protection system,  
16 as used by SavMor, also uses a sacrificial anode but  
17 without the impressed current.

18 The cathodic protection survey or test is  
19 required every three years. The testing determines if  
20 the cathodic protection system is operating as designed.  
21 Operation of the system assures that the steel  
22 components of the UST system are protected, do not  
23 corrode, and do not release product to the environment.

24 The most recent cathodic protection survey  
25 conducted at SavMor was in June of 2003.

1           In September of 2006, Clark County Health  
2 District issued a letter to SavMor, as indicated in  
3 Attachment A of your resolution, requesting cathodic  
4 survey documentation by October 9th, 2006. This request  
5 was not addressed. And the tanks were eventually  
6 removed in June of 2007. At the time of the tank  
7 removal, soil contamination above the state action level  
8 was discovered underlying the piping.

9           Title 40 of the Code of Federal Regulations  
10 requires that all cathodic protection systems must be  
11 tested within six months of installation and at least  
12 every three years thereafter or according to another  
13 reasonable time frame established by the implementing  
14 agency.

15           As determined by Mr. Mike Cabble of the NDEP  
16 Underground Storage Tank Compliance Branch, in  
17 Attachment B, the SavMor UST system was in violation of  
18 federal regulations. They were in violation from June  
19 of 2006 until the tanks no longer contained product in  
20 May of 2007. It's about 11 months.

21           Board Resolution Number 94-023 requires NDEP  
22 staff to recommend reductions in coverage to the Board  
23 pursuant to noncompliance with the federal UST and  
24 leaking UST regulations. For noncompliance with federal  
25 cathodic testing requirements, this resolution requires

1 staff to recommend a 10 percent reduction in coverage.

2 And in conclusion, NDEP staff's formal  
3 recommendation to the Board is the adoption of  
4 Resolution 2008-06, as proposed, granting Fund coverage  
5 to the subject site with a reduction of 10 percent in  
6 addition to the 10 percent copayment. And that's for  
7 failure to test their cathodic protection system in  
8 accordance with federal regulations.

9 And one more thing. Please note that there is  
10 a claim associated with this resolution as a nonconsent  
11 item. The current recommended amount requests the  
12 reduction is the 10 percent reduction as proposed. But,  
13 of course, Board staff is prepared to adjust the  
14 recommended amount as needed.

15 Will there be any questions on this resolution?

16 CHAIRMAN HAYCOCK: Are there any questions?

17 MR. DROZDOFF: I do.

18 Mr. Fischenich, can you just kind of tell me,  
19 just do the quick math for me in the THEREFORE BE IT  
20 RESOLVED case, where you go from a million down to 810  
21 with the various deductions? Can you just walk me  
22 through?

23 MR. FISCHENICH: Sure. It's regarding -- There  
24 is a 10 percent reduction for this, as regarding this  
25 resolution. In addition, there's a 10 percent

1 copayment.

2 MR. DROZDOFF: Right. So let's do the first  
3 one. So the 10 percent reduction, it's 10 percent  
4 reduction from a million, brings you to 900,000.

5 MR. FISCHENICH: 900,000.

6 MR. DROZDOFF: Okay. And then you take another  
7 10 percent?

8 MR. FISCHENICH: Yes.

9 MR. DROZDOFF: Of the 900,000. That brings you  
10 to 810?

11 MR. FISCHENICH: Yes.

12 MR. DROZDOFF: Okay. I guess, I'm fine with  
13 that. I now have a -- I now have a question, though,  
14 on -- I guess, I now have a question back on VI.B. But  
15 I'm fine with this one.

16 CHAIRMAN HAYCOCK: Okay. Any other questions?

17 Is there anyone here to speak on behalf of  
18 SavMor Rent A Car?

19 MR. KALEKAS: Yes, please.

20 I'm Jim Kalekas, General Manager and one of the  
21 family-owned operators of SavMor Rent A Car. And just a  
22 quick note in regards to the reduction of SavMor  
23 Rent A Car referenced by the Petroleum Fund.

24 If nothing else on this Board meeting, I just  
25 want to get it clear that SavMor would never

1 intentionally pump fuel out of compliance.

2           The normal course of action when I received a  
3 letter from the health -- county health district was to  
4 fax it to John Sharbles with the Silver State Petroleum,  
5 and he would then conduct the appropriate detection --  
6 whatever, whatever you guys recommended that we had to  
7 do for -- to get it, to get it into compliance.

8           I know at that time the automatic leak line  
9 detector was requested. And that was performed by  
10 Silver State Petroleum.

11           Somewhere, somehow the cathodic protection  
12 survey did not get completed. And I take ownership for  
13 that. And, yes, we are out of compliance for a short  
14 period of time, under a year. You know, we will take  
15 ownership to that. However, we were in compliance for  
16 the better part of 25 years with the Petroleum Fund, at  
17 that same physical location.

18           In regards to the letter sent to us, you know,  
19 we say the mail system was a hundred percent. I never  
20 received this letter dated September 7th, 2006. And it  
21 could be the misspelling of my name on it, or the 5101  
22 South Rent A Car Road, which normally ended up at Dollar  
23 Rent A Car, because of the South. We are just 5101  
24 Rent A Car Road. If -- You know, this definitely would  
25 have been a certified letter. I believe, this was a

1 certified letter. If it was, we would have definitely  
2 performed the noted compliance test.

3 Other than that, I'll gladly answer any  
4 questions from the Board.

5 CHAIRMAN HAYCOCK: Does the Board have any  
6 questions?

7 If I might say, Mr. Kalekas, I think there's a  
8 lot of value to what you say. And I think the record  
9 should reflect the fact that there was no ill-intent.  
10 I'm not sure it's going to save you any money, but I do  
11 think it was -- I appreciate you saying that, and I am  
12 sure, absolutely sure that that is the case.

13 One of the things, and I probably said this  
14 before, nobody, whoever comes in front of this Board,  
15 ever does it because they want to. They do because they  
16 have to. These underground problems are new to most  
17 people who have to deal with them. And for sure, it's  
18 not what they do for a living, and they don't know very  
19 much about it. I mean, unfortunately, Mr. Kalekas, I  
20 think you're that victim.

21 And I apologize on behalf of the Department if  
22 we sent the letter to the wrong address. I don't know  
23 if that -- like you, I don't know if that was the reason  
24 that it didn't get to you or not.

25 Anyway, all that said, it is a 10 percent

1 proposed deduction that staff is recommending. And the  
2 Chair will entertain a motion relative to this agenda  
3 item.

4 MR. ROBERTS: This is Edgar Roberts. I'd move  
5 that we adopt the Resolution Number 2008-06, as proposed  
6 by staff, with the 10 percent reduction.

7 CHAIRMAN HAYCOCK: Motion to adopt the  
8 resolution as written?

9 MR. ROBERTS: As written.

10 CHAIRMAN HAYCOCK: Is there a second?

11 MR. MEETERS: John Meeters. I second it.

12 CHAIRMAN HAYCOCK: There's a motion and a  
13 second. Is there discussion of the motion?

14 There being no discussion of the motion, all in  
15 favor of the motion, say "aye."

16 (The members said "aye.")

17 CHAIRMAN HAYCOCK: Opposed?

18 The motion carries.

19 Thank you very much.

20 We will now --

21 MR. DROZDOFF: Can I get a -- I apologize for  
22 this. Can we get a question on VI.B.?

23 CHAIRMAN HAYCOCK: Yes, sir. You are on the  
24 Board. You can do anything you want.

25 MR. DROZDOFF: This is Leo Drozdoff. I should

1 have asked this question before, but it didn't really  
2 dawn on me completely until I read the write-up in VI.C.

3 But if you look at the resolution that we  
4 approved, and maybe Mr. Bridwell will -- you could just  
5 walk me through it. Page three, there's a discussion on  
6 page three, item 10, where it says "The maximum  
7 reimbursable amount is 1,080,000," which reflects a  
8 million dollars in Fund coverage.

9 So is that just because there's four -- How do  
10 you get from --

11 MR. BRIDWELL: Okay. Yes.

12 MR. DROZDOFF: How do you get from, you know, a  
13 million to a million 80; is that because of the number  
14 of tanks?

15 MR. BRIDWELL: Yeah. There are two tanks.

16 MR. DROZDOFF: Okay. Got it. Okay. I'm good.

17 MR. BRIDWELL: You're good with that?

18 CHAIRMAN HAYCOCK: Did that answer the  
19 question?

20 MR. DROZDOFF: Yep.

21 MR. BRIDWELL: Okay. All right.

22 CHAIRMAN HAYCOCK: Okay. Let's see. Let's go  
23 back to the Agenda. We will turn our attention to  
24 Agenda item number VII, Adoption of Consent Items.

25 ///

1 VII. ADOPTION OF CONSENT ITEMS (ACTION)

2 The Board will review all items marked with a single  
 3 asterisk (\*) as a consent item, unless a member of the  
 public wishes to speak in regard to a certain issue.

4 A dagger (†) indicates previously disallowed monies have  
 5 been appealed where the "Requested Amount" is less than  
 the "Recommended Amount".

6 STATE BOARD TO REVIEW CLAIMS  
 7 REQUESTED/RECOMMENDED AMOUNTS - SEPTEMBER 11, 2008

8	<u>HEATING OIL</u>	<u>REQUESTED†</u>	<u>RECOMMENDED</u>
9	1.* 1992000102H		
	Lyon County School District:		
10	Yerington Elementary	\$5,467.34	\$6,052.34
	2.* 1999000232H		
11	Dan Anderson: Former Springer		
	Residence	\$5,637.69	\$5,637.69
12	3.* 2006000020H		
	Bruno Benna: Benna Residence	\$16,737.01	\$16,724.51
13	4.* 2007000013H		
	Churchill County School		
14	District: Bus Barn	\$24,663.62	\$24,663.62
	5.* 2009000004H		
15	Shopper's Square: Shopper's		
	Square	\$100,031.23	\$98,711.86
16			
17	HEATING OIL SUBTOTAL:	<u>\$152,536.89</u>	<u>\$151,790.02</u>

18	<u>NEW CASES, OTHER PRODUCTS</u>	<u>REQUESTED†</u>	<u>RECOMMENDED</u>
19	1.* 2007000023		
20	7-Eleven, Inc.: 7-Eleven		
	#29643	\$43,015.41	\$29,866.88
21	2.* 2008000011		
	Ken Isaac: Cave Rock Country		
22	Store	\$213,766.17	\$172,816.75
	3. 2008000012		
23	Ardmore Leasing Corporation:		
	SavMor Rent A Car	\$74,159.36	\$60,069.09
24	4.* 2008000018		
	Berry-Hinckley dba Terrible's:		
25	Terrible's Store #830	\$38,378.66	\$33,114.20

PETROLEUM BOARD TO REVIEW CLAIMS MEETING, 09-11-08

1	5.* 2008000023		
	Jacksons Food Stores, Inc.:		
2	Jacksons Food Store #27	\$26,661.97	\$22,597.03
3	NEW CASES, OTHER PRODUCTS		
4	SUBTOTAL:	<u>\$395,981.57</u>	<u>\$318,463.95</u>
5	<u>ONGOING CASES/OTHER PRODUCTS</u>	<u>REQUESTED†</u>	<u>RECOMMENDED</u>
6	1.* 1992000014		
	BP West Coast Products, LLC:		
7	ARCO #6068	\$5,084.67	\$5,189.33
8	2.* 1992000034		
	PDQ Food Stores, Inc.:		
9	PDQ #508	\$14,686.00	\$14,686.00
10	3.* 1992000087		
	Anderson Dairy, Inc.:		
11	Anderson Dairy	\$6,291.95	\$6,255.43
12	4.* 1993000010		
	7-Eleven, Inc.: 7-Eleven		
13	#20687	\$4,560.95	\$4,104.85
14	5.* 1993000051		
	BP West Coast Products LLC:		
15	ARCO #4950	\$7,014.24	\$7,007.76
16	6.* 1993000102		
17	Rebel Oil Company: Rebel #8	\$24,930.13	\$24,930.13
18	7.* 1993000103		
	Russell Yardley: Charlie		
19	Brown Construction	\$5,343.01	\$6,325.18
20	8.* 1993000115		
	City of Fallon: Former		
21	Bootlegger Texaco	\$14,822.83	\$14,816.33
22	9.* 1994000003		
	Allied Washoe: Allied		
23	Petroleum	\$8,457.94	\$8,452.94
24	10.* 1994000028		
	7-Eleven, Inc., 7-Eleven		
25	#20084	\$6,299.50	\$5,465.90
	11.* 1994000029		
	7-Eleven, Inc., 7-Eleven		
	#20826	\$20,798.79	\$15,599.09
	12.* 1994000065		
	Avis Rent A Car Systems:		
	Former Avis Rent A Car	\$28,331.50	\$26,520.50
	13.* 1994000067		
	Peppermill, Inc.: Former		
	Peppermill Truck Stop	\$27,393.83	\$27,334.25

PETROLEUM BOARD TO REVIEW CLAIMS MEETING, 09-11-08

1	14.* 1994000086		
	Falconi Motors, Inc.:		
2	Falconi's Tropicana Honda	\$50,676.50	\$48,725.46
	15.* 1994000113		
3	Pilot Travel Centers, LLC:		
	Frmr Unocal Truck Stop	\$33,415.04	\$31,695.29
4	16.* 1994000120		
	Conoco Phillips Company:		
5	Union 76 #3846	\$30,191.89	\$27,172.70
	17.* 1994000122		
6	Ron or Gary Michelsen: Mike's		
	Gas-A-Mart	\$30,905.86	\$30,905.86
7	18.* 1994000125		
	Conoco Phillips Company:		
8	Union 76 #5558	\$5,352.91	\$5,352.91
	19.* 1995000012		
9	Model T Casino: Parker's		
	Model T	\$219,884.44	\$197,849.42
10	20.* 1995000028		
	Gita Corporation: Gita		
11	Corporation Facility	\$5,124.68	\$4,612.21
	21.* 1995000029		
12	BP West Coast Products, LLC:		
	ARCO #1903	\$1,931.48	\$1,738.33
13	22.* 1995000042		
	FBF, Inc.: Fayeghi Texaco	\$28,651.88	\$25,786.69
14	23.* 1995000074		
	Vera Hester: Glendale Service		
15	Facility	\$262,109.20	\$234,692.28
	24.* 1995000105		
16	Redman Petroleum Corp.:		
	Redman Petroleum	\$8,551.09	\$7,695.98
17	25.* 1995000112		
	Chevron USA Products Company:		
18	Chevron #563	\$87,615.84	\$42,814.52
	26.* 1996000026		
19	Moapa Valley Credit Union:		
	Former Russ Auto	\$6,305.71	\$4,540.11
20	27.* 1996000063		
	Joan Pennachio: V&V		
21	Automotive	\$6,828.51	\$6,145.65
	28.* 1996000064		
22	H&A Esslinger Trust: Red Rock		
	Mini Mart	\$6,324.50	\$5,324.67
23	29.* 1996000101		
	Conoco Phillips Company:		
24	Circle K #695	\$20,536.19	\$18,482.58
25			

PETROLEUM BOARD TO REVIEW CLAIMS MEETING, 09-11-08

1	30.* 1997000008		
2	Ewing Brothers, Inc.: Ewing		
	Brothers Facility	\$4,220.00	\$3,798.00
3	31.* 1997000024		
	BP West Coast Products, LLC:		
	ARCO #399	\$14,970.32	\$10,405.65
4	32.* 1997000093		
	Conoco Phillips Company:		
	Union 76 #5257	\$6,987.08	\$3,773.02
5	33.* 1998000046		
	Willdens Automotive Holdings:		
	Allstate Rent A Car	\$22,094.70	\$17,860.23
6	34.* 1998000068		
	Conoco Phillips Company:		
	Conoco #28003	\$66,849.51	\$60,164.56
7	35.* 1998000073		
	City of Reno: City of Reno		
	Police Station	\$22,282.34	\$22,872.34
8	36.* 1998000075		
	Anne Dufurrena: McDermitt		
	Service Motel	\$3,302.38	\$3,044.15
9	37.* 1998000080		
	Seven Crown Resorts: Echo Bay		
	Resort	\$22,003.62	\$19,792.09
10	38.* 1999000007		
	7-Eleven, Inc.: 7-Eleven		
	#21850	\$7,043.85	\$6,339.47
11	39.* 1999000011		
	Terrible Herbst Oil Company:		
	Terrible Herbst #133	\$12,153.68	\$10,555.00
12	40.* 1999000012		
	BP West Coast Products LLC:		
	ARCO #5319	\$9,602.16	\$5,185.08
13	41.* 1999000015		
	Terrible Herbst Oil Company:		
	Terrible Herbst #144	\$14,818.92	\$13,337.03
14	42.* 1999000017		
	Reed, Inc.: Reed R-Place		
	Shell	\$57,840.66	\$52,290.78
15	43.* 1999000022		
	Terrible Herbst Oil Company:		
	Terrible Herbst #129	\$21,834.63	\$19,651.17
16	44.* 1999000029		
	Terrible Herbst Oil Company:		
	Terrible Herbst #136	\$14,408.30	\$12,904.47
17	45.* 1999000048		
	Estate of Robert Cowan:		
	Former Lightning Lube	\$98,974.18	\$84,860.18
18			
19			
20			
21			
22			
23			
24			
25			

PETROLEUM BOARD TO REVIEW CLAIMS MEETING, 09-11-08

1	46.* 1999000061		
2	Rich Sorani: Former Rich's		
	Unocal	\$50,825.30	\$50,742.71
3	47.* 1999000066		
	HP Management, LLC: Former		
	Haycock Petroleum	\$10,392.74	\$9,353.46
4	48.* 1999000086		
	Terrible Herbst Oil Company:		
	Terrible Herbst #126	\$37,502.80	\$33,563.45
5	49.* 1999000090		
6	HP Management, LLC: Former		
	Haycock Petroleum	\$14,107.14	\$12,696.43
7	50.* 1999000104		
	Terrible Herbst Oil Company:		
	Terrible Herbst #118	\$48,589.15	\$43,415.23
8	51.* 1999000108		
9	Gold Ranch Casino: Gold Ranch		
	Casino	\$8,911.24	\$8,020.12
10	52.* 1999000127		
	Bobby Putney Enterprises:		
	Denio Junction	\$7,354.43	\$3,411.59
11	53.* 1999000135		
12	Terrible Herbst Oil Company:		
	Terrible Herbst #106	\$15,812.76	\$14,105.49
13	54.* 1999000137		
	Terrible Herbst Oil Company:		
	Terrible Herbst #152	\$12,209.25	\$10,988.33
14	55.* 1999000155		
15	Varney Padgett: Old Washoe		
	Station	\$4,096.46	\$3,686.81
16	56.* 1999000162		
	Terrible Herbst Oil Company:		
	Terrible Herbst #159	\$10,887.21	\$9,748.99
17	57.* 1999000167		
18	City of Las Vegas: Fire		
	Station #1	\$67,056.44	\$67,028.44
19	58.* 1999000186		
	Gloria Pilger: Former D&G Oil		
	Facility	\$23,156.69	\$20,607.12
20	59.* 1999000199		
21	Mary Ann Ferguson: Lakeshore		
	Orbit Station	\$59,471.57	\$53,522.21
22	60.* 1999000204		
	Berry-Hinckley Industries:		
	Trailside General Store	\$3,272.77	\$2,945.49
23	61.* 1999000243		
24	7-Eleven, Inc., 7-Eleven		
	#27607	\$94,638.75	\$51,074.30
25			

PETROLEUM BOARD TO REVIEW CLAIMS MEETING, 09-11-08

1	62.* 1999000257		
	University of Nevada:		
2	Newlands Agriculture	\$21,393.08	\$21,174.08
	63.* 1999000273		
3	V.K. Leavitt: The Waterhole	\$14,725.37	\$7,951.70
	64.* 1999000275		
4	Conoco Phillips Company:		
	Circle K #1248	\$31,185.23	\$25,260.04
5	65.* 1999000276		
	Robert Harris: Pecos Station		
6	Texaco	\$8,853.54	\$7,931.29
	66.* 2004000011		
7	William Rodriguez: Four Way		
	Truck Stop	\$56,745.00	\$39,419.93
8	67.* 2004000013		
	Jesse Jhawar: Nevada Nanak		
9	Petroleum	\$2,719.80	\$1,452.49
	68.* 2004000014		
10	BP West Coast Products LLC:		
	ARCO #437	\$62,789.78	\$56,158.72
11	69.* 2004000027		
	BP West Coast Products LLC:		
12	ARCO #5309	\$2,753.40	\$2,478.06
	70.* 2004000029		
13	V-R Property Management:		
	Gas-N-Save	\$69,802.74	\$62,822.46
14	71.* 2004000039		
	Clark Co. Dept. of Aviation:		
15	Former Ntl. Car Rental	\$48,223.70	\$43,379.45
	72.* 2005000002		
16	Carson Valley Oil Co., Inc.:		
	Carson Valley Oil	\$20,697.76	\$18,627.99
17	73.* 2005000010		
	Great Basin College Foundation:		
18	Frmr Fallon Shell	\$10,418.38	\$9,376.54
	74.* 2005000018		
19	BP West Coast Products LLC:		
	ARCO #1718	\$40,695.58	\$49,095.52
20	75.* 2005000021		
	Berry-Hinckley Industries:		
21	Berry-Hinckley #95	\$29,917.29	\$26,925.56
	76.* 2005000025		
22	Bordertown, Inc.: Winner's		
	Corner	\$26,523.12	\$23,870.81
23	77.* 2005000039		
	Petrosun Fuel, Inc.: Taylor		
24	Street Market	\$18,975.79	\$16,799.21
25			

PETROLEUM BOARD TO REVIEW CLAIMS MEETING, 09-11-08

1	78.* 2005000044		
	Ewing Brothers, Inc.:		
2	Ewing Brothers Facility	\$101,591.17	\$82,288.84
	79.* 2007000002		
3	Consolidated Nevada Corp.:		
	Berry-Hinckley #201	\$31,913.23	\$28,721.91
4	80.* 2007000003		
	7-Eleven, Inc.: 7-Eleven		
5	#29648	\$2,363.75	\$1,276.42
	81.* 2007000004		
6	7-Eleven, Inc., 7-Eleven		
	#29660	\$3,736.50	\$2,690.28
7	82.* 2007000014		
	Ace Cab Company: Ace Cab		
8	Company	\$51,730.69	\$47,122.81
	83.* 2007000016		
9	TOC Holdings Company: Former		
	Time Oil #6-100	\$6,733.72	\$6,060.35
10	84.* 2007000024		
	Western Energetix, LLC:		
11	Western Energetix #214	\$10,125.37	\$3,545.66
12	ON GOING CASES/OTHER PRODUCTS		
	SUBTOTAL:	<u>\$2,520,706.08</u>	<u>2,186,395.86</u>

13			
14		<u>REQUESTED</u>	<u>RECOMMENDED</u>
15	CLAIMS TOTAL:	\$3,069,224.54	\$2,656,649.83

17 CHAIRMAN HAYCOCK: The Chair would entertain a  
18 motion relative to those Consent Items.

19 MR. ROBERTS: This is Edgar Roberts, for the  
20 record. I move that we adopt number VII, Consent Items,  
21 under Heating Oil, 1 through 5; New Cases, 1 through 5;  
22 Ongoing Cases, 1 through 84.

23 MR. DROZDOFF: I'll second that.

24 CHAIRMAN HAYCOCK: We have a motion and a  
25 second. Is there discussion of the motion?

1 I would like to say for the record, under the  
2 category Ongoing Cases, Other Products, items 47 and 49,  
3 HP Management, LLC: Former Haycock Petroleum Company, I  
4 am the managing partner of HP Management, LLC, and would  
5 abstain from those two items.

6 Is there any other discussion?

7 Call for the question. All in favor of the  
8 motion, say "aye."

9 (The members said "aye.")

10 CHAIRMAN HAYCOCK: Opposed?

11 The motion carries.

12 Agenda item number VIII, which is the Executive  
13 Summary. Mr. Kottler.

14 MR. KOTTLER: Mr. Chairman, members of the  
15 Board, for the record, my name is Bennett Kottler.

16 For fiscal year 2009, and please note in your  
17 write-up the correction, typographical error that needs  
18 to be corrected, that began July 1st, 2008. And NDEP  
19 has received 8 new cases for evaluation of Petroleum  
20 Fund coverage. And since the inception of the Fund,  
21 1,313 cases have been evaluated for reimbursement. We  
22 have 180 active remediation sites expected to continue  
23 to request for reimbursement, 965 cases that have been  
24 closed. 111 have been denied coverage. And 44 cases  
25 expired where the initial claim was not submitted within

1 12 months discovery date, and there was no appeal. 13  
2 cases are in pending status where they're awaiting  
3 submittal of a different -- additional information or  
4 initial staff evaluation for coverage.

5 Not counting this Board meeting's  
6 authorizations, \$142 million have been reimbursed from  
7 Petroleum Fund to date. Including today's reimbursement  
8 recommendations, we have approximately 144.9 million  
9 which have been reimbursed from the Petroleum Fund to  
10 date.

11 And in your write-up, fifth line from the  
12 bottom, you may want to correct that number to 144.9. I  
13 prepared this write-up, and staff was furiously  
14 reviewing claims to get them into the meeting. So the  
15 amount is somewhat higher than written.

16 Invoicing for tank enrollment into the Fund for  
17 the new fiscal year, 2009, which begins October 1st,  
18 however, we commence enrollment in August at some point,  
19 and that began August 20th, 2008. And because we only  
20 have about two weeks of information, I'd like to provide  
21 some final information regarding the previous tank  
22 enrollment year.

23 And at the end of fiscal year 2008, we had  
24 1,433 facilities invoice at \$100 per petroleum tank  
25 system. And as of that August 20th, 2008 date, nearly

1 98 percent of the facilities paid.

2 CHAIRMAN HAYCOCK: Very good.

3 MR. KOTTLER: M-hm (affirmative).

4 CHAIRMAN HAYCOCK: Are there questions for  
5 Mr. Kottler?

6 Okay. There being no questions, we will move  
7 to Agenda item number IX, which is confirmation of the  
8 next Board meeting. The date of December 4th has been  
9 set.

10 Is that a problem for anyone?

11 I do have a question. This is an afternoon  
12 meeting, which probably works out fine. But does the  
13 Board have an opinion as to which they prefer, or does  
14 staff?

15 MR. KOTTLER: Speaking on behalf of staff, the  
16 reason why we had an afternoon meeting was we had  
17 tentatively planned an informational session. However,  
18 Mr. Ross could not attend, and neither could Mr. Wright.  
19 So we postponed it. And, actually, hopefully, we would  
20 be able to hold that, if Mr. Ross will be well enough,  
21 that could attend a December meeting.

22 So we would tentatively propose another  
23 afternoon session with an informational session in the  
24 morning.

25 MR. ROBERTS: That's fine.

1           CHAIRMAN HAYCOCK: All right. Are there any  
2 other questions or comments from the members of the  
3 Board?

4           From the general public?

5           That being the case, the meeting stands --

6           MS. BLYSTONE: None here.

7           MR. ROBERTS: There might be a question.

8           CHAIRMAN HAYCOCK: Yes?

9           MS. BLYSTONE: I said none down here.

10          CHAIRMAN HAYCOCK: Thank you, Ms. Blystone.

11          The meeting stands adjourned.

12                           \* \* \* \* \*

13                   (The meeting adjourned at 2:45 p.m.)

14                           -oOo-

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REPORTER'S CERTIFICATE

I, SHANNON L. TAYLOR, a Nevada Certified Court Reporter, Nevada CCR #322, do hereby certify:

That I was present at the Department of Conservation and Natural Resources, The Bryan Building, 901 South Stewart Street, 2nd Floor, Tahoe Hearing Room, Carson City, Nevada, on Thursday, September 11, 2008, and commencing at 1:30 p.m. took stenotype notes of a meeting of the State of Nevada, Petroleum Board to Review Claims;

That I thereafter transcribed the aforementioned stenotype notes into typewriting as herein appears, and that the foregoing transcript, consisting of pages 1 through 61, is a full, true, and correct transcription of said stenotype notes of said meeting;

That the Item VII. Adoption of Consent Items, which includes a list of items, has been inserted into this transcript, beginning on page 50, line 1, and ending on page 56, line 15, at the request of the Bureau of Corrective Actions, Department of Conservation & Natural Resources, Nevada Division of Environmental Protection, and is not a part of the verbatim portion of this transcript but is included for reference purposes;

I further certify that I am not an attorney or counsel for any of the parties, not a relative or employee of any attorney or counsel connected with the actions, nor financially interested in the actions.

DATED: At Carson City, Nevada, this 17th day of October, 2008.

*Shannon L. Taylor*

SHANNON L. TAYLOR  
Nevada CCR #322, RMR

**ORIGINAL**