

PUBLIC NOTICE

U.S. Environmental Protection Agency
Region 4
Water Protection Division
Grants and Drinking Water Protection Branch
61 Forsyth Street, SW
Atlanta, Georgia 30303-8960
(404) 562-9424

Public Notice No.: SDWA-04-2016-1250

Date: May 5, 2016

Notice of Proposed Issuance of
Administrative Order

The U.S. Environmental Protection Agency (EPA), Region 4 intends to issue an Administrative Order (AO), Docket No. SDWA-04-2016-1250, to cease injection, to Sipple Oil Company (Respondent), with a business address of 215 New Virginia Ridge Road, Beattyville, Kentucky 41311, under the authority of Section 1423 of the Safe Drinking Water Act (SDWA), 42 U.S.C. § 300h-2. The EPA alleges that the Respondent violated regulatory and statutory requirements and the SDWA, by unauthorized construction of underground injection wells and unauthorized underground injection into the wells, shown below.

<u>Permit Application.</u>	<u>EPA ID No.</u>	<u>Wells</u>	<u>County</u>	<u>Status</u>
None	KYS1292161	Lat/long: 37.60518, -83.76218	Lee	Active
None	KYS1292160	Lat/long: 37.60118, -83.76494	Lee	Active

Any person wishing to comment on any aspect of the proposed AO, Docket No. SDWA-04-2016-1250, must submit such comments in writing to the Regional Hearing Clerk at U.S. EPA, Atlanta Federal Center, 61 Forsyth Street, S.W., Atlanta, Georgia, 30303. Comments must be submitted within 30 days of the date of this notice. Please include the Public Notice/Docket Number with any submitted comments.

The commenter must also provide his or her name and complete mailing address. All comments received during the public notice period will be made part of the public record for the AO and will be available for public review. After consideration of all timely written comments, the requirements and policies in the SDWA and appropriate regulations, the EPA will make a final determination regarding the issuance of an AO.

Interested parties may find out more information about this enforcement action by contacting Carol Chen at chen.carol@epa.gov.

Any person who comments will receive a copy of the proposed AO. Within 30 days of receipt of the AO, a commenter may petition the Regional Administrator to set aside the proposed AO on the basis that material evidence was not considered. Copies of the petition shall be served to the parties. Unless a petition is filed, an AO is deemed to have been issued 10 days after the close of the comment period. The AO becomes effective 30 days from issuance.

The public record including the draft AO and comments received is available for review and copying at 61 Forsyth Street, S.W., Atlanta, Georgia 30303-8960, between the hours of 8:15 a.m. and 4:30 p.m., Monday through Friday. Copies will be provided at a cost of 20 cents per page.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

APR 19 2016

CERTIFIED MAIL 7013 2630 0000 0292 3408
RETURN RECEIPT REQUESTED

James M. Sipple, President
Sipple Oil Company
215 New Virginia Ridge Run
P. O. Box 782
Beattyville, Kentucky 41311

Re: Notice of Proposed Issuance of Administrative Order to Cease Injection
Docket No. SDWA-04-2016-1250

Dear Mr. Sipple:

Enclosed is an Administrative Order (Order) which, in pertinent part, orders Sipple Oil Company (Sipple) to immediately cease injection into the wells identified in the Order. The U.S. Environmental Protection Agency Region 4, proposes issuing this Order under the authority of Section 1423 of the Safe Drinking Water Act (SDWA), 42 U.S.C. § 300h-2 and 40 C.F.R. § 144.1. In the Order, the EPA finds that you have violated the SDWA and its implementing regulations.

In accordance with the provisions of Section 1423(c)(3) of the SDWA, 42 U.S.C. § 300h-2(c)(3), Sipple has 30 days from your receipt of this Order to request a hearing before the Order is issued. Should Sipple disagree with the proposed issuance of this Order, a hearing would afford it the opportunity to be heard and to present evidence. During the 30 days prior to its issuance, the public will also be provided the opportunity to comment on the proposed Order. Any citizen who comments on the proposed Order shall be given notice of the issuance of any order and/or of any hearing and shall have reasonable opportunity to be heard and to present evidence at such hearing. If Sipple wishes to request a hearing, either Sipple or a designated representative for Sipple must contact the attorney handling this matter, by mail or phone, within 30 days of receipt of this letter and proposed Order, as follows:

Ms. Wilda Cobb, Associate Regional Counsel
U.S. EPA – Region 4
Atlanta Federal Center
61 Forsyth Street, SW
Atlanta, Georgia 30303
Phone: 404-562-9530

If Sipple does not timely request a hearing, the Order will be deemed to have been issued and will become effective 30 days following its issuance unless Sipple or anyone who commented on the proposed Order files an appeal in Federal District Court pursuant to Section 1423(c)(6) of the SDWA, 42 U.S.C. § 300h-2(c)(6). Should Sipple wish to challenge the Order at this stage, it may do so by filing an appeal in the appropriate Federal District Court within the 30 days immediately following its issuance. If Sipple does not either request a hearing within 30 days of receipt of this letter or file an appeal with the Federal District Court within 30 days of the issuance of the Order, the Order will automatically become effective, without further notice and be enforceable against Sipple.

Enclosed is a document titled *U.S. EPA Small Business Resources-Information Sheet* for use and to assist Sipple in understanding the compliance assistance resources and tools available. However, any decision to seek compliance assistance at this time does not relieve Sipple of its obligation to the EPA, does not create any new rights or defenses and will not affect whether or not the EPA decides to pursue enforcement action. In addition, the Securities and Exchange Commission (SEC) requires its registrants to periodically disclose environmental legal proceedings in statements filed with the SEC. To assist you, the EPA has also enclosed a document titled *Notice of Securities and Exchange Commission Registrants' Duty to Disclose Environmental Legal Proceedings*.

We urge your prompt attention to this matter. If you have any questions regarding this matter, contact Ms. Carol Chen, UIC Enforcement at (404) 562-9415. For any legal issues contact Ms. Wilda Cobb, Associate Regional Counsel at (404) 562-9530.

Sincerely,



James D. Giattina
Director
Water Protection Division

Enclosure

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4**

IN THE MATTER OF

**Sipple Oil Company
215 New Virginia Ridge Run
P.O. Box 782
Beattyville, Kentucky 41311**

Respondent

Cease Injection Order

Docket No. SDWA-04-2016-1250

STATUTORY AUTHORITY

1. The following findings are made and Administrative Order (Order) issued under the authority vested in the Administrator of the U.S. Environmental Protection Agency (EPA) by Section 1423(c) of the Safe Drinking Water Act (SDWA), 42 U.S.C. § 300h-2(c) and 40 C.F.R. § 144.1. The Administrator has delegated the authority to take these actions to the Regional Administrator for Region 4, who in turn has delegated them to the Water Protection Division Director of the EPA, Region 4.
2. Section 1450 of the SDWA, 42 U.S.C. § 300j-9 authorizes the Administrator to prescribe such regulations as are necessary or appropriate to carry out her functions under the SDWA. These regulations are found at 40 C.F.R. Parts 124, 144, 146, 147, and 148, and set forth requirements for the Underground Injection Control (UIC) program promulgated under Part C of the SDWA, 42 U.S.C. § 300h, et seq.
3. Injection well owners and operators are required to comply with the UIC program requirements. The UIC program for the Commonwealth of Kentucky, including all Indian lands, is administered by the EPA. See 40 C.F.R. § 147.901(a).

EPA FINDINGS OF FACT AND CONCLUSIONS OF LAW

The EPA hereby finds as follows:

4. Respondent is a corporation organized under the laws of Kentucky and doing business in the Commonwealth of Kentucky, with a principal business address of 215 New Virginia Ridge Run, Beattyville, Kentucky 41311.
5. Respondent is a "person" as that term is defined in Section 1401(12) of the SDWA, 42 U.S.C. § 300f(12), and 40 C.F.R. § 144.3.

6. Respondent is the owner and/or operator of the following underground injection wells (Subject Wells). The wells are a "facility" as that term is defined in 40 C.F.R. § 144.3:

<u>EPA Permit No.</u>	<u>EPA ID No.</u>	<u>Well</u>	<u>County</u>	<u>Status</u>
None	KYS1292161	Lat/long: 37.60518, -83.76218	Lee	Active
None	KYS1292160	Lat/long: 37.60118, -83.76494	Lee	Active

7. On January 6, 2015, during a routine inspection the EPA-authorized UIC field inspector found the Subject Wells were connected via an injection line to a tank farm that was marked with Division of Water Tank No. 1290090.

8. The tank farm consists of tanks plumbed together for the purpose of holding fluids brought to the site by trucks. The fluids are transferred from the trucks into the tanks at an unloading pad.

9. On September 9, 2015, during a follow-up inspection of the Subject Wells at the tank farm, the EPA-authorized UIC field inspector discovered fluids from the tank farm being actively injected into the Subject Wells.

10. The EPA's records revealed that no permit was issued for construction of the Subject Wells, nor any authorization given by the EPA for the injection of fluids into the Subject Wells.

11. The EPA's records also indicated that the Subject Wells were not rule authorized, as no inventory information for the Subject Wells had been submitted as required by 40 C.F.R. § 144.26 for rule authorization.

12. 40 C.F.R. § 144.11 prohibits any underground injection or construction of an underground injection well that is not authorized by rule or by an issued permit. Any violation of a UIC regulation also constitutes a violation of the SDWA, as provided in Part C of the SDWA, 42 U.S.C. § 300h, et seq.

13. Therefore, Respondent is in violation of Part C of the SDWA, 42 U.S.C. § 300h, et seq. and 40 C.F.R. § 144.11 for unauthorized construction of an underground injection well and unauthorized underground injection.

ORDER

14. Based on the foregoing findings, having taken into account: (1) the seriousness of Respondent's violation described above; (2) the potential for endangerment to human health or the environment; and (3) such other matters as justice may require, including the administrative record, and under the authority of Section 1423 of the SDWA, 42 U.S.C. § 300h-2, **THE DIRECTOR HEREBY ORDERS COMPLIANCE WITH THE PROVISIONS OF PARAGRAPH 15 BELOW:**

15. Respondent is hereby ordered to immediately cease injection into the Subject Wells and remove the injection lines, pursuant to the regulation at 40 CFR §144.11, which prohibits unauthorized underground injection and prohibits unauthorized construction of an underground injection well.

GENERAL PROVISIONS

16. The provisions of this Order shall apply to and be binding upon Respondent, its officers, directors, agents, employees, successors and assigns. Notice of this Order shall be given to any successors in interest prior to transfer of the ownership or operational control of the facility. Respondent shall require as a condition of transfer that the successor comply with all provisions of this Order. Action or inaction of any person, firm, contractor, employee, agent or corporation acting under, through or for Respondent, shall not excuse any failure to fully perform his obligations under this Order.
17. This Order does not constitute a waiver, suspension or modification of the terms and conditions of the SDWA, UIC regulations or conditions of any UIC permit. Issuance of this Order is not an election by the EPA to forego any civil or criminal action otherwise authorized under the SDWA.
18. Violation of the terms of this Order after its effective date or date of final judgment as described in Section 1423(c)(6) of the SDWA, 42 U.S.C. § 300h-2(c)(6), may subject Respondent to further enforcement action, including civil and/or criminal penalties.
19. The EPA shall have the authority, to the extent authorized by Part C of the SDWA, 42 U.S.C. § 300h, et seq., 40 C.F.R. § 144.51(i), to enter Respondent's facility and all related locations at reasonable times and upon reasonable notice. The EPA may request, for the purpose of examining and inspecting the facility, any and all records, logs, contracts or other documents which the EPA needs to assess compliance with this Order. The EPA shall be allowed to copy any such documents.
20. This Order is not and shall not be interpreted to be a permit for the injection of fluids under Section 1421 of the SDWA, 42 U.S.C. § 300h, nor shall it be construed to prevent or limit the EPA's right to obtain penalties or injunctive relief under Section 1423 of the SDWA, 42 U.S.C. § 300h-2, or other federal statutes and regulations.

ISSUANCE DATE AND EFFECTIVE DATE

21. Respondent may request a hearing on the Order pursuant to Section 1423(c)(3)(A) of the SDWA, 42 U.S.C. § 300h-2(c)(3)(A), within 30 days of Respondent's receipt of the notification of the EPA's proposal to issue the Order.
22. If Respondent does not request a hearing within 30 days of receipt of notification of the EPA's proposal to issue such Order; the Order will be deemed issued.
23. Pursuant to Section 1423(c)(6) of the SDWA, 42 U.S.C. § 300h-2(c)(6), within the 30 days immediately following the issuance of the Order, Respondent or any person who commented on the proposed order, may challenge the Order by filing an appeal in the appropriate Federal District Court.
24. If Respondent does not either request a hearing within 30 days of receipt of this Order or file an appeal with the Federal District Court within 30 days of the issuance of the Order, the Order will automatically become effective, without further notice, and be enforceable against Respondent.

U.S. ENVIRONMENTAL PROTECTION AGENCY

Date 4/19/16


James D. Giattina, Director
Water Protection Division

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served a true and correct copy of the foregoing Cease Injection, in the Matter of: Sipple Oil Company; Docket Number SDWA-04-2016-1250, on the parties listed below in the manner indicated:

Carol Chen

Via EPA Internal Mail

Wilda Cobb

Via EPA Internal Mail

**James M. Sipple, President
Sipple Oil Company
215 New Virginia Ridge Run
P. O. Box 782
Beattyville, Kentucky 41311**

Via Certified Mail/ Return Receipt
Requested

Date APR 19 2016

Carol Chen
Carol Chen
United States EPA - Region 4
Atlanta Federal Center
61 Forsyth Street, SW
Atlanta, GA 30303-8960
(404) 562-9415



U.S. EPA Small Business Resources Information Sheet

The United States Environmental Protection Agency provides an array of resources to help small businesses understand and comply with federal and state environmental laws. In addition to helping small businesses understand their environmental obligations and improve compliance, these resources will also help such businesses find cost-effective ways to comply through pollution prevention techniques and innovative technologies.

Small Business Programs

www.epa.gov/smallbusiness
EPA's Office of Small Business Programs (OSBP) advocates and fosters opportunities for direct and indirect partnerships, contracts, and sub-agreements for small businesses and socio-economically disadvantaged businesses.

EPA's Asbestos Small Business Ombudsman

www.epa.gov/sbo or 1-800-368-5888
The EPA Asbestos and Small Business Ombudsman (ASBO) serves as a conduit for small businesses to access EPA and facilitates communications between the small business community and the Agency.

EPA's Compliance Assistance Homepage

www2.epa.gov/compliance
This page is a gateway industry and statute-specific environmental resources, from extensive web-based information to hotlines and compliance assistance specialists.

EPA's Compliance Assistance Centers

www.assistancecenters.net
EPA's Compliance Assistance Centers provide information targeted to industries with many small businesses. They were developed in partnership with industry, universities and other federal and state agencies.

Agriculture

www.epa.gov/agriculture/

Automotive Recycling

www.ecarcenter.org

Automotive Service and Repair
ccar-greenlink.org/ or 1-888-GRN-LINK

Chemical Manufacturing
www.chemalliance.org

Construction
www.cicacenter.org or 1-734-995-4911

Education
www.campuserc.org

Food Processing
www.fpeac.org

Healthcare
www.hercenter.org

Local Government
www.lgean.org

Metal Finishing
www.nmfrc.org

Paints and Coatings
www.paintcenter.org

Printing
www.pneac.org

Ports
www.portcompliance.org

Transportation
www.tercenter.org

U.S. Border Compliance and Import/Export Issues
www.bordercenter.org

EPA Hotlines, Helplines and Clearinghouses

www2.epa.gov/home/epa-hotlines
EPA sponsors many free hotlines and clearinghouses that provide convenient assistance regarding environmental requirements. Some examples are:

Clean Air Technology Center (CATC) Info-line
www.epa.gov/ttn/catc or 1-919-541-0800

Superfund, TRI, EPCRA, RMP and Oil Information Center
www.epa.gov/superfund/contacts/infocenter/index.htm or 1-800-424-9346

EPA Imported Vehicles and Engines Public Helpline
www.epa.gov/otaq/imports or 734-214-4100

National Pesticide Information Center
www.npic.orst.edu/ or 1-800-858-7378

National Response Center Hotline to report oil and hazardous substance spills - www.nrc.uscg.mil or 1-800-424-8802

Pollution Prevention Information Clearinghouse (PPIC) - www.epa.gov/opptintr/ppic or 1-202-566-0799

Safe Drinking Water Hotline - www.epa.gov/drink/hotline/index.cfm or 1-800-426-4791

Stratospheric Ozone Protection Hotline

www.epa.gov/ozone/comments.htm or 1-800-296-1996

Toxic Substances Control Act (TSCA) Hotline

tsc-hotline@epa.gov or 1-202-554-1404

Small Entity Compliance Guides

<http://www.epa.gov/sbrefa/compliance-guides.html>

EPA publishes a Small Entity Compliance Guide (SECG) for every rule for which the Agency has prepared a final regulatory flexibility analysis, in accordance with Section 604 of the Regulatory Flexibility Act (RFA).

Regional Small Business Liaisons

<http://www.epa.gov/sbo/rsbl.htm>

The U.S. Environmental Protection Agency (EPA) Regional Small Business Liaison (RSBL) is the primary regional contact and often the expert on small business assistance, advocacy, and outreach. The RSBL is the regional voice for the EPA Asbestos and Small Business Ombudsman (ASBO).

State Resource Locators

www.envcap.org/statetools

The Locators provide state-specific contacts, regulations and resources covering the major environmental laws.

State Small Business Environmental Assistance Programs (SBEAPs)

www.epa.gov/sbo/507program.htm

State SBEAPs help small businesses and assistance providers understand environmental requirements and sustainable business practices through workshops, trainings and site visits.

EPA's Tribal Portal

www.epa.gov/tribalportal/

The Portal provides access to information on environmental issues, laws, and resources related to federally recognized tribes.

EPA Compliance Incentives

EPA provides incentives for environmental compliance. By participating in compliance assistance programs or voluntarily disclosing and promptly correcting violations before an enforcement action has been initiated, businesses may be eligible for penalty waivers or reductions. EPA has two such policies that may apply to small businesses:

EPA's Small Business Compliance Policy

www2.epa.gov/enforcement/small-businesses-and-enforcement

This Policy offers small businesses special incentives to come into compliance voluntarily.

EPA's Audit Policy

www2.epa.gov/compliance/epas-audit-policy

The Policy provides incentives to all businesses that voluntarily discover, promptly disclose and expeditiously correct their noncompliance.

Commenting on Federal Enforcement Actions and Compliance Activities

The Small Business Regulatory Enforcement Fairness Act (SBREFA) established a SBREFA Ombudsman and 10 Regional Fairness Boards to receive comments from small businesses about federal agency enforcement actions. If you believe that you fall within the Small Business Administration's definition of a small business (based on your North American Industry Classification System designation, number of employees or annual receipts, as defined at 13 C.F.R. 121.201; in most cases this means a business with 500 or fewer employees), and wish to comment on federal enforcement and compliance activities, call the SBREFA Ombudsman's toll-free number at 1-888-REG-FAIR (1-888-734-3247).

Every small business that is the subject of an enforcement or compliance action is entitled to comment on the Agency's action without fear of retaliation. EPA employees are prohibited from using enforcement or any other means of retaliation against any member of the regulated community in response to comments made under SBREFA.

Your Duty to Comply

If you receive compliance assistance or submit a comment to the SBREFA Ombudsman or Regional Fairness Boards, you still have the duty to comply with the law, including providing timely responses to EPA information requests, administrative or civil complaints, other enforcement actions or communications. The assistance information and comment processes do not give you any new rights or defenses in any enforcement action. These processes also do not affect EPA's obligation to protect public health or the environment under any of the environmental statutes it enforces, including the right to take emergency remedial or emergency response actions when appropriate. Those decisions will be based on the facts in each situation. The SBREFA Ombudsman and Fairness Boards do not participate in resolving EPA's enforcement actions. Also remember that to preserve your rights, you need to comply with all rules governing the enforcement process.

EPA is disseminating this information to you without making a determination that your business or organization is a small business as defined by Section 222 of the Small Business Regulatory Enforcement Fairness Act or related provisions.

[Code of Federal Regulations]
[Title 17, Volume 2, Parts 200 to 239]
[Revised as of April 1, 1999]
From the U.S. Government Printing Office via GPO Access
[CITE: 17CFR229.103]

[Page 349]

TITLE 17--COMMODITY AND SECURITIES EXCHANGES

CHAPTER II--SECURITIES AND EXCHANGE COMMISSION

PART 229--STANDARD INSTRUCTIONS FOR FILING FORMS UNDER SECURITIES ACT OF 1933,
SECURITIES EXCHANGE ACT OF 1934 AND ENERGY POLICY AND CONSERVATION ACT OF 1975--
REGULATION S-K--Table of Contents

Subpart 229.100--Business

Sec. 229.103 (Item 103) Legal proceedings.

Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the registrant or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

Instructions to Item 103:

1. If the business ordinarily results in actions for negligence or other claims, no such action or claim need be described unless it departs from the normal kind of such actions.
2. No information need be given with respect to any proceeding that involves primarily a claim for damages if the amount involved, exclusive of interest and costs, does not exceed 10 percent of the current assets of the registrant and its subsidiaries on a consolidated basis. However, if any proceeding presents in large degree the same legal and factual issues as other proceedings pending or known to be contemplated, the amount involved in such other proceedings shall be included in computing such percentage.
3. Notwithstanding Instructions 1 and 2, any material bankruptcy, receivership, or similar proceeding with respect to the registrant or any of its significant subsidiaries shall be described.
4. Any material proceedings to which any director, officer or affiliate of the registrant, any owner of record or beneficially of more than five percent of any class of voting securities of the registrant, or any associate of any such director, officer, affiliate of the registrant, or security holder is a party adverse to the registrant or any of its subsidiaries or has a material interest adverse to the registrant or any of its subsidiaries also shall be described.
5. Notwithstanding the foregoing, an administrative or judicial proceeding (including, for purposes of A and B of this Instruction, proceedings which present in large degree the same issues) arising under any Federal, State or local provisions that have been enacted or adopted regulating the discharge of materials into the environment or primary for the purpose of protecting the environment shall not be deemed "ordinary routine litigation incidental to the business" and shall be described if:
 - A. Such proceeding is material to the business or financial condition of the registrant;
 - B. Such proceeding involves primarily a claim for damages, or involves potential monetary sanctions, capital expenditures, deferred charges or charges to income and the amount involved, exclusive of interest and costs, exceeds 10 percent of the current assets of the registrant and its subsidiaries on a consolidated basis; or
 - C. A governmental authority is a party to such proceeding and such proceeding involves potential monetary sanctions, unless the registrant reasonably believes that such proceeding will result in no monetary sanctions, or in monetary sanctions, exclusive of interest and costs, of less than \$100,000; provided, however, that such proceedings which are similar in nature may be grouped and described generically.

NOTICE OF SECURITIES AND EXCHANGE COMMISSION REGISTRANTS' DUTY TO DISCLOSE ENVIRONMENTAL LEGAL PROCEEDINGS

Securities and Exchange Commission regulations require companies registered with the SEC (e.g., publicly traded companies) to disclose, on at least a quarterly basis, the existence of certain administrative or judicial proceedings taken against them arising under Federal, State or local provisions that have the primary purpose of protecting the environment. Instruction 5 to Item 103 of the SEC's Regulation S-K (17 CFR 229.103) requires disclosure of these environmental legal proceedings. For those SEC registrants that use the SEC's "small business issuer" reporting system, Instructions 1-4 to Item 103 of the SEC's Regulation S-B (17 CFR 228.103) requires disclosure of these environmental legal proceedings.

If you are an SEC registrant, you have a duty to disclose the existence of pending or known to be contemplated environmental legal proceedings that meet any of the following criteria (17 CFR 229.103(5)(A)-(C)):

- A. Such proceeding is material to the business or financial condition of the registrant;
- B. Such proceeding involves primarily a claim for damages, or involves potential monetary sanctions, capital expenditures, deferred charges or charges to income and the amount involved, exclusive of interest and costs, exceeds 10 percent of the current assets of the registrant and its subsidiaries on a consolidated basis; or
- C. A governmental authority is a party to such proceeding and such proceeding involves potential monetary sanctions, unless the registrant reasonably believes that such proceeding will result in no monetary sanctions, or in monetary sanctions, exclusive of interest and costs, of less than \$100,000; provided, however, that such proceedings which are similar in nature may be grouped and described generically.

Specific information regarding the environmental legal proceedings that must be disclosed is set forth in Item 103 of Regulation S-K or, for registrants using the "small business issuer" reporting system, Item 103(a)-(b) of Regulation S-B. If disclosure is required, it must briefly describe the proceeding, "including the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceedings and the relief sought."

You have been identified as a party to an environmental legal proceeding to which the United States government is, or was, a party. If you are an SEC registrant, this environmental legal proceeding may trigger, or may already have triggered, the disclosure obligation under the SEC regulations described above.

This notice is being provided to inform you of SEC registrants' duty to disclose any relevant environmental legal proceedings to the SEC. This notice does not create, modify or interpret any existing legal obligations, it is not intended to be an exhaustive description of the legally applicable requirements and it is not a substitute for regulations published in the Code of Federal Regulations. This notice has been issued to you for information purposes only. No determination of the applicability of this reporting requirement to your company has been made by any governmental entity. You should seek competent counsel in determining the applicability of these and other SEC requirements to the environmental legal proceeding at issue, as well as any other proceedings known to be contemplated by governmental authorities.

If you have any questions about the SEC's environmental disclosure requirements, please contact the SEC Office of the Special Senior Counsel for Disclosure Operations at (202) 942-1888.