

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

-----X

UNITED STATES OF AMERICA,
STATE OF NEW YORK and THOMAS
JORLING, New York State Commis-
sioner of Environmental Conser-
vation, as New York Trustee of
Natural Resources, STATE OF NEW
JERSEY and SCOTT WEINER, New
Jersey Commissioner of the
Department of Environmental
Protection, as New Jersey Trustee
of Natural Resources, and THE
CITY OF NEW YORK,

Plaintiffs,

-against-

EXXON CORPORATION,

Defendant.

-----X

CV-91-1003

91 CV KORMAN, J.

CONSENT ORDER

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WHEREAS, the parties to this Consent Order agree that settlement of the claims in this case against Exxon is in the public interest and that entry of this Consent Order is the most appropriate means to resolve the matters covered herein;

WHEREAS, Exxon Corporation ("Exxon"), through a division, Exxon Company, U.S.A., is the owner and operator of an Inter-Refinery Pipeline ("IRPL") for the transfer of petroleum and petroleum products between the Exxon Bayway Refinery ("Bayway"), located in Linden, New Jersey and the Exxon Bayonne Plant and Terminal ("Bayonne Plant"), located in Bayonne, New Jersey, which pipeline runs in part beneath the Arthur Kill, a body of water separating the State of New Jersey from the State of New York;

WHEREAS, a spill of No. 2 fuel oil ("Spill") occurred from the IRPL on or about January 1-2, 1990;

WHEREAS, No. 2 fuel oil from the Spill entered into the waters of the State of New Jersey and the State of New York and reached the shorelines of both states and property owned by the United States, the States of New York and New Jersey, the City of Elizabeth and the City of New York;

WHEREAS, the United States of America and the Department of Commerce through the National Oceanic and Atmospheric Administration ("NOAA"), and the Department of the Interior, the State of New Jersey and Scott Weiner, Commissioner of the Department of Environmental Protection (hereinafter referred to jointly as the "State of New Jersey"), the State of New York and Thomas C. Jorling, Commissioner of the New York State Department

of Environmental Conservation (hereinafter referred to jointly as the "State of New York") are trustees for, and the City of New York and the City of Elizabeth are owners of, certain natural resources damaged by the Spill;

WHEREAS, the United States of America on behalf of the Department of Commerce through the National Oceanic and Atmospheric Administration, and the Department of the Interior and the Environmental Protection Agency (hereinafter referred to jointly as the "United States") and the State of New York, the City of New York and the State of New Jersey filed a complaint on March 20, 1991, alleging that, by reason of the Spill, Exxon is responsible for the Spill and liable for all cleanup, removal and monitoring costs incurred, all costs of studying both the short-term and long-term effects upon the natural resources, and damages to the natural resources owned, controlled, managed by, held in trust by, appertaining to, or otherwise controlled by the Governments, and all penalties and fines pursuant to the Federal Water Pollution Control Act, the New York Navigation Law, the New York Environmental Conservation Law, the common law of nuisance, and other provisions of statutory and common law;

WHEREAS, the State of New Jersey has instituted a lawsuit entitled State of New Jersey, Department of Environmental Protection v. Exxon Corporation, a Corporation of the State of New Jersey, also d/b/a Exxon Company, U.S.A., Superior Court of New Jersey, Law Division, Union County, Docket No. UNN-L-0387-90, alleging that Exxon is responsible for the Spill and seeking all

cleanup, removal and monitoring costs incurred, all costs of studying both the short and long term effects to the natural resources and environment of the State of New Jersey and all environmental damage costs, including, but not limited to, restoring and/or replacing the State's damaged natural resources and all damages suffered by the citizens of New Jersey for loss of use of these resources;

WHEREAS, the City of Elizabeth has also instituted a lawsuit entitled City of Elizabeth, a Municipal Corporation of the State of New Jersey v. Exxon Corporation, a Corporation of the State of New Jersey, d/b/a Exxon Company, U.S.A., Superior Court of New Jersey, Law Division, Union County, Docket No. UNN-L-0560-90, alleging that Exxon is responsible for the Spill and seeking judgment for damages, indemnification for costs of future economic and environmental treatment and surveillance and keeping open claims which may arise by virtue of future economic and environmental conditions resulting from the Spill, which suit has been consolidated into the action entitled State of New Jersey, Department of Environmental Protection v. Exxon Corporation, a Corporation of the State of New Jersey, also d/b/a Exxon Company, U.S.A. and City of Elizabeth, a Municipal Corporation of the State of New Jersey v. Exxon Corporation, a Corporation of the State of New Jersey, also d/b/a Exxon Company, U.S.A., Superior Court of New Jersey, Law Division, Union County, Docket No. UNN-L-0387-90;

WHEREAS, pursuant to the Order of Judge Edward W. Beglin, Jr., Superior Court of New Jersey, dated October 10, 1990, a mediator, Eric R. Max, has been appointed to facilitate a settlement of the consolidated action;

WHEREAS, the City of New York has instituted an action in the Supreme Court of the State of New York, Richmond County, entitled The City of New York and Carlos M. Rivera, as Fire Commissioner of the City of New York v. Exxon Corporation, Index No. 0398/90, alleging that Exxon is responsible pursuant to the New York State Navigation Law, the New York City Hazardous Substance Emergency Response Law, the New York City Fire Code and common law theories of fraud, nuisance, negligence and trespass for the Spill and injury caused by it and is seeking cleanup, removal, and monitoring costs, economic, consequential, property and punitive damages, penalties and injunctive relief arising out of the Spill;

WHEREAS, pursuant to the Order dated September 18, 1990 of Justice Louis Sangiorgio, Supreme Court, Richmond County, the same mediator has been appointed to facilitate a settlement of the aforesaid litigation commenced by the City of New York;

WHEREAS, the United States of America, acting through the Department of Justice, the Office of the United States Attorney for the Eastern District of New York, NOAA, the Department of the Interior, and the Environmental Protection Agency, and the State of New York, acting through the office of the State Attorney General and the New York State Department of Environmental

Conservation ("NYSDEC"), have attended and participated in mediation sessions conducted pursuant to the mediation orders;

WHEREAS, it is understood that prior to any reopening of the IRPL, Exxon shall obtain from the City of New York a revocable consent to maintain and use certain tunnels and pipelines in Staten Island, identified in a revocable consent given on or about July 19, 1973 to Exxon Corporation;

WHEREAS, Exxon participated in the Bi-State Oil Industry Working Group and, as a member of the audit subcommittee, among others, has agreed that internal audits as reviewed by outside auditors of individual facilities' petroleum transfer operations, including Bayway's, may occur and the facility specific report which results therefrom should be made available to the Governments through NJDEP and NYSDEC.

WHEREAS, Exxon certifies that on March 2, 1990, Exxon voluntarily suspended its tanker and barge operations at Bayway and the Bayonne Plant pending a comprehensive evaluation of marine operations at those facilities; on March 3, 1990, a team drawn from Exxon's worldwide technical resources, supplemented by outside consultants, began a Marine Operations Study (the "MOS") to develop recommendations which, when implemented, would promote the interests of safety and environmental protection; the scope of the MOS included all marine and related terminaling operations from the beginning of inbound maneuvering of tankers and barges to the conclusion of outbound maneuvering; and based on the MOS recommendations, Exxon has voluntarily undertaken the specific

action steps, among others, which are identified in Exhibit A hereto, an update of which will be furnished to the Governments one year after entry of the Consent Order; and normal marine operations resumed at Bayway and the Bayonne Plant on June 11, 1990;

WHEREAS, Exxon certifies that to date it has incurred total costs of approximately ten million dollars (\$10,000,000) in conducting the MOS and implementing its recommendations; and for 1991, Exxon anticipates additional costs in excess of fifteen million dollars (\$15,000,000) resulting from implementation of the MOS, including capital expenditures of at least six million dollars (\$6,000,000) for continued work on capital projects being undertaken as a result of the MOS recommendations;

WHEREAS, Exxon has complied with the New Jersey Spill Compensation and Control Act directive and paid \$661,250.00 to the Governments to conduct a study by the Governments of the effects of the Spill;

WHEREAS, Exxon has undertaken clean-up activities under United States Coast Guard supervision, which activities Exxon certifies cost approximately eighteen million dollars (\$18,000,000), and has undertaken and will undertake, through participation with the Governments as set forth in the attached Memorandum of Agreement and this Consent Order, appropriate actions necessary to restore and replace the natural resources which have been damaged as a result of the Spill;

WHEREAS, Exxon intends to enter a plea of guilty to a crime of negligent violation under Section 309(c)(1) of the Federal Water Pollution Control Act, 33 U.S.C. Section 1319(c)(1) in the United States District Court for the District of New Jersey and make payments totalling five million dollars (\$5,000,000) as specified in the agreements connected with that action;

NOW THEREFORE, it is hereby ordered, adjudged and decreed, and agreed among the parties:

I. JURISDICTION

The Court has jurisdiction over the subject matter and over the parties to this action pursuant to 28 U.S.C. Sections 1331, 1332, 1345, 1367 and 33 U.S.C. Sections 1319 and 1321. This Court also has jurisdiction over the subject matter of the pendent State law claims in this action. Venue is proper in this Court pursuant to 28 U.S.C. Sections 1391(b) and (c).

II. DEFINITIONS

A. "Natural Resources" shall have the meaning provided in Section 101(16) of the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), 42 U.S.C. § 9601(16).

B. "Governments" shall mean the United States, the State of New York, the City of New York, the State of New Jersey, and the City of Elizabeth.

III. PARTIES BOUND

This Consent Order shall apply to and be binding upon and inure to the benefit of the signatories, their present and former officers, directors, trustees, shareholders, agents,

representatives, employees, subsidiaries and affiliates, as well as their heirs, executors, administrators, successors and assigns. Unless otherwise expressly provided elsewhere herein, upon approval and entry of this Consent Order by the Court, the Consent Order shall become effective and constitute a final judgment between and among the Governments and Exxon.

IV. PAYMENT

A. Upon entry of this Consent Order, Exxon shall be obligated to pay the sum of Ten Million Dollars (\$10,000,000) as follows:

1. \$1,500,000 on entry of this Consent Order; of which no more than two hundred fifty thousand (\$250,000) (the precise amount to be verified by an accounting) is to be paid directly to the City of Elizabeth for its response costs and no more than two hundred thousand (\$200,000) (the precise amount to be verified by an accounting), is to be paid directly to the City of New York for its response costs;
2. \$3,000,000 on the first anniversary of the lodging of this Consent Order; three hundred thousand dollars (\$300,000) of which will be paid directly to the City of Elizabeth for improvements to its waterfront park area;
3. \$3,000,000 on the second anniversary of the lodging of this Consent Order;

2. 4. \$833,333 on the third anniversary of the lodging of this Consent Order;
2. 5. \$833,333 on the fourth anniversary of the lodging of this Consent Order; and
2. 6. \$833,334 on the fifth anniversary of the lodging of this Consent Order.

B. The above payments, except as otherwise specified above, shall be used by the Governments for (i) the acquisition of fee title of, or conservation easements on, lands or other property interests including tidal and intertidal wetlands within the New York/New Jersey Harbor and related ecosystems including the Arthur Kill in restoration or replacement of natural resources that have been damaged as a result of the Spill; (ii) the restoration (including the establishment, maintenance and provision of public access) and protection of lands including tidal and intertidal wetlands acquired with such payments, and adjacent lands and wetlands, impacted by the Spill, and other lands including tidal and intertidal wetlands in the New York/New Jersey Harbor and related ecosystems including the Arthur Kill; and (iii) performance of studies in the New York/New Jersey Harbor and related ecosystems including the Arthur Kill.

C. Funds to Be Paid to Court Registry

1. Because the Governments' jurisdiction of the injured natural resources is overlapping and the monies recovered are jointly held by the Governments, except as otherwise set forth in Paragraph IV. A, above, no

determination has been made as to the expenditures of monies by any individual government. Accordingly, payments made by Exxon, except as otherwise provided, shall be deposited in the Registry of the Court, United States District Court for the Eastern District of New York.

2. Except as otherwise provided herein in Paragraph IV. A and B, each payment required by this Consent Order shall be made to the Clerk, United States District Court for the Eastern District of New York. Each such payment shall include on its face a statement that it is a payment pursuant to the Consent Order in 91 CV _____. Exxon shall cause copies of each such payment and of any transmittal letter accompanying such payments to be sent to the Governments at the addresses set out in Paragraph XV.

3. The Registry of the Court shall receive and hold payments in interest-bearing instruments or in an interest bearing account or in such other manner as the Court shall order. All funds and all interest accrued thereon in the Registry Account shall be held in the name of the "Clerk, United States District Court" for the benefit of the Governments. Upon application by the Governments, as provided for in the Memorandum of Agreement appended hereto as Exhibit B, monies in the

Registry Account shall be disbursed by further order of this Court.

D. Interest and Penalties for Late Payments

1. If any payment required of Exxon by Paragraph IV of this Consent Order is not made by the specified date, Exxon shall be liable to the Governments for interest on the overdue amount from the time payment was due until full payment is made at the higher of (a) the rate established by the United States Department of the Treasury under 31 U.S.C. section 3717 and 4 C.F.R. section 102.13 or (b) the prime rate plus 4 percent.

2. If any payment is not made by the date specified, Exxon shall also pay to the Registry Account stipulated penalties in the following amounts for each day the payment is late:

<u>DAY(S) OF DELAY</u>	<u>PENALTY</u>
1-5	\$1,500 per day
6-30	\$3,000 per day
Beyond 31 days	\$5,000 per day

3. Interest and penalties under this paragraph shall be in addition to any other remedies or sanctions that may be available to the Governments on account of Exxon's failure to comply with the terms of this Consent Order.

V. REOPENING THE IRPL

A. Should Exxon determine to reopen the IRPL, Exxon shall undertake a study or studies to determine the extent of any work that may be required to reopen the IRPL or to modify procedures or equipment prior to the recommencement of IRPL operations. Within thirty (30) days of completion of any report of such study prepared by or on behalf of Exxon which addresses findings and/or recommendations of said study concerning the IRPL, Exxon shall send a copy of the report by certified mail to each of the Governments at the addresses designated in Paragraph XV hereof.

B. If Exxon decides to reopen the IRPL, it shall provide written notice by certified mail to the Governments not less than 90 days prior to reopening. Said notice shall state the date Exxon plans to reopen the IRPL and shall specify that portion(s) of the IRPL to be reopened.

C. Not later than thirty (30) days prior to any reopening of the IRPL, Exxon shall: (1) provide the Governments with a written description of the IRPL and its location, sizes, service (i.e. product carried), flow rates, and pressure (the "Major Operating Characteristics"), including a description of the leak detection system, operating and maintenance procedures, and measures taken to reduce the risk of future external damage to the IRPL; (2) provide the Governments with a copy of any application for operation of the IRPL which has been or will be submitted to the United States Department of Transportation ("DOT"); (3) provide a reasonable opportunity for a tour of the

IRPL facilities for a total of not more than 25 representatives from the Governments during which operation of the IRPL and leak detection equipment and procedures will be explained; and (4) send to each of the Governments a notice designating the position, location and telephone number of an employee of Exxon to be available to respond to inquiries from the Governments concerning the IRPL. Exxon shall timely notify the Governments of any change in the position, location or telephone number of said designated employee.

D. Exxon will inform the Governments in writing of any significant change in the Major Operating Characteristics within thirty (30) days of the institution of such change.

E. It is understood that any reopening of the IRPL shall be subject to such regulation by DOT as may be provided for by the Hazardous Liquid Pipeline Safety Act of 1979, 49 U.S.C. App. §§ 2001-2014, or regulations promulgated pursuant thereto. However, neither this Consent Order nor any proceeding taken hereunder shall be construed as or deemed to be evidence or an admission or concession by Exxon of any jurisdiction of any of the Governments over the IRPL or of any authority of any of the Governments to restrict, regulate or authorize use of the IRPL, which is expressly denied by Exxon. None of the provisions of this Consent Order, nor evidence of any negotiations or proceedings in furtherance of the compromise and settlement herein, shall be offered or received in any action or proceeding as an admission or concession that any of the Governments has or

lacks any jurisdiction over, or any authority to restrict, regulate or authorize use of, the IRPL.

F. Until such time as DOT issues an order governing the operation of the IRPL, Exxon agrees that, prior to the reopening of the IRPL, it will (1) develop a new written IRPL operation and maintenance manual, which will include procedures for monitoring pressure during start-up, transfer and shutdown, and for responding to potential leaks during any part of the IRPL operation; (2) develop a formal training program for all IRPL operators and linewalkers consistent with the foregoing operation and maintenance manual; (3) to ensure reliable leak detection of the IRPL, repair or replace the existing leak detection system; (4) develop measures to reduce the risk of future external damage to the IRPL; (5) pressure test the IRPL consistent with any applicable regulation and governmental requirements. Upon the issuance of a DOT order, these requirements will be superseded by the terms of such order.

VI. MARINE OPERATIONS TRAINING

A. Exxon shall, within one year of the entry of the Consent Order, at its sole expense, provide one-day training sessions concerning its marine operations, including without limitation, lightering and dockside transfer operations, communication system use and marine operation spill prevention, to four groups consisting of twenty-five (25) persons each, to be designated by the Governments. The training shall be at times and places mutually agreed to by Exxon and the Governments.

B. Exxon shall provide one, one-day training session annually for five years, to a group of twenty-five (25) persons to be jointly designated by the Governments in the care and handling of waterfowl and other birds exposed to petroleum spills.

VII. DATA DISCLOSURE

Exxon and the appropriate agencies of the Governments shall exchange scientific data as set forth in Exhibit C with respect to the Spill, to promote scientific study of the environment, subject to any agreement between a party and its consultant regarding the consultant's right of initial publication. The data disclosed shall be made available as soon as practicable. Such data, at the discretion of the producing party, shall not include any material which would disclose opinion work product or communications between the client and counsel or advice of counsel. No data made available by any Government or by Exxon pursuant to this paragraph shall be admissible in evidence against the party making available that data, or otherwise used against the party making available that data, in any lawsuit or other proceeding; however, any Government or Exxon shall not be precluded from using the same data for any purpose if it is obtained through other means, including but not limited to discovery or court order. The data disclosed by Exxon and the Governments pursuant to this paragraph is subject to claims of attorney work product and other privileges. Disclosure of data pursuant to this paragraph by Exxon or the Governments shall not

be deemed a waiver of attorney work product or any other privilege. The Governments and Exxon agree not to assert or otherwise allege in any litigation or proceeding that the Governments or Exxon waived the work product or any other privilege as a result of the disclosure of data pursuant to this paragraph.

VIII. PUBLIC COMMENT

There will be a thirty (30) day public comment period consistent with the procedures set forth in 28 C.F.R. section 50.7, prior to moving the Court to enter this Consent Order.

IX. EFFECTIVENESS OF CONSENT ORDER

If this Consent Order does not become effective for any reason, this Consent Order shall be null and void for all purposes and of no further force and effect, and any and all sums paid by Exxon hereunder shall be refunded to Exxon forthwith together with all interest thereon.

X. RELEASE OF CLAIMS

A. Effective upon entry of this Consent Order, each of the Governments releases Exxon, its present and former officers, directors, trustees, shareholders, agents, representatives, employees, subsidiaries and affiliates, as well as the heirs, executors, administrators, successors and assigns of any of them, from any and all claims by the Governments, whether legal, equitable or statutory, including without limitation any and all claims under the Federal Water Pollution Act, 33 U.S.C. §§1251 et seq.; the New York Navigation Law; the New York City Fire Code,

N.Y.C. Admin. Code; the New Jersey Spill Compensation and Control Act, N.J.S.A. 58:10-23.11 et seq.; and the Municipal Code of the City of Elizabeth; and all implementing regulations, and under common law, that arise out of or are based on, or could in the future arise out of or be based on: (i) any of the matters alleged in the Complaints served or filed in this action and each of the state court actions described above; (ii) any matter, except verified outstanding obligations to the Coast Guard to pay for equipment, personnel, and materiel, relating to the Spill; and (iii) any matter relating to the operation of the IRPL, in connection with the Spill, including its leak detection system. As more particularly set forth in Paragraph V.E, this Release of Claims does not limit or waive any right the Governments may have to seek to enjoin operation of the IRPL nor is this Release of Claims a concession by Exxon that the Governments have any jurisdiction over or any right to enjoin the operation of the IRPL.

B. Notwithstanding any other provision of this Consent Order, the release of claims shall not apply to failure by Exxon to satisfy the requirements of this Consent Order.

C. Effective upon entry of this Consent Order, Exxon releases each of the Governments, their agencies, employees and agents from any and all claims by Exxon whether legal, equitable or statutory, including without limitation any and all claims under common law, that arise out of or are based on, or could in

the future arise out of or be based on any matter relating to the Spill.

XI. DISMISSAL OF ACTIONS WITH PREJUDICE

Upon entry of this Consent Order, each of the claims for relief in this action is, and each of the causes of action in each of the state court actions described shall be dismissed with prejudice and without costs or disbursements to any party. The Signatories agree that they will enter into and execute all Stipulations of Dismissal, with prejudice, necessary to implement the resolution of all controversies between them arising out of the Spill.

XII. DISCLAIMER OF LIABILITY

A. Neither entry of this Consent Order nor any action in accordance with this Consent Order shall constitute an admission of liability under any federal, state or local statute, regulation, ordinance, or common law for any fines, penalties, response costs, damages or claims or an admission of any issue of fact or law or of responsibility for the Spill by Exxon, its present or former officers, directors, trustees, shareholders, agents, representatives, employees, subsidiaries or affiliates.

B. The parties further agree that none of the provisions of this Consent Order, nor evidence of any negotiations or proceedings in pursuance thereof, shall be offered or received in evidence in this action or any other action or proceeding by any party for any purpose, except for enforcement of this Consent Order.

XIII. RESERVATION OF RIGHTS

Notwithstanding any other provisions of this Consent Order:

A. This Consent Order is not intended to in any way affect the interpretation or enforcement of, or modify or supersede any existing or future license or consent Exxon may now have or in the future obtain to install or operate the IRPL on lands owned or held in trust for the people by the Governments.

B. The Governments reserve all rights they may have to regulate the IRPL and Exxon's oil transfer operations. This Consent Order shall in no way limit those rights and in no way limits any rights the Governments may have to require or impose conditions upon Exxon's installation or operation of the IRPL on lands owned or held in trust for the people by the Governments.

C. This Consent Order does not constitute a settlement or waiver of any right acquired by subrogation or implied indemnification by any oil spill compensation fund which entitles any such fund to bring an action for reimbursement of claims arising from the Spill which such fund has acquired. Exxon may assert all defenses and remedies available to it, including failure by the Governments to comply with requirements of the applicable statutes and regulations in any forum. The Governments represent that, to their knowledge, after diligent inquiry, no claims arising out of or related to the Spill have been made by any person upon any oil spill compensation fund as of the date of the execution of this Consent Order.

D. Nothing in this Consent Order shall constitute or be construed as a release by Exxon of any claim or cause of action against any person or other entity not a signatory to this Consent Order for any liability it may have arising out of or relating to the spill.

XIV. RETENTION OF JURISDICTION BY THE COURT

The Court shall retain jurisdiction of this matter for the purpose of entering such further orders, direction, or relief as may be appropriate, including any construction of the terms, or implementation or enforcement of this Consent Order.

XV. DELIVERY OF NOTICES/STUDIES/DOCUMENTS

All notices, studies, reports, or other documents required to be delivered to representatives of the Governments or Exxon shall be sent by certified mail, return receipt requested, to the individuals at the addresses set forth below:

FOR THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY:

Charles Hoffmann, Assistant Branch Chief
Water, Grants & General Law Branch
Office of Regional Counsel
U.S. Environmental Protection Agency, Region II
26 Federal Plaza
New York, New York 10007

FOR THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION:

Marguerite Matera
Office of General Counsel
Northeast Region
National Oceanic and Atmospheric
Administration
One Blackburn Drive
Gloucester, Massachusetts 01930

FOR THE DEPARTMENT OF THE INTERIOR:

Mark Barash
Office of Regional Solicitor
Department of Interior
Suite 612
One Gateway Center
Newton Corner, Mass 02158

FOR THE STATE OF NEW YORK:

Gordon J. Johnson
Deputy Bureau Chief
New York State Dept of Law
Environmental Protection Bureau
120 Broadway
New York, New York 10271

Carol Ash
Regional Director, Region II
New York State Department of
Environmental Conservation
47-40 Twenty First Street
Long Island City, New York 11101

FOR THE STATE OF NEW JERSEY:

Kenneth W. Elwell
Deputy Attorney General
Division of Law
Hughes Justice Complex
CN 112
Trenton, New Jersey 08625

Wayne Howitz, Chief
Bureau of Compliance and Technical Services
Hazardous Waste Enforcement Element
CN 028
401 East State Street
Fifth Floor
Trenton, N.J 08625-0028

Paul Hauge
New Jersey Department of Environmental Protection
Division of Science and Research
CN 409
401 East State Street
First Floor
Trenton, N.J. 08625-0409

FOR THE CITY OF NEW YORK:

Nancy Lewson, General Counsel
New York City Department of
Environmental Protection
One Center Street
New York, New York 10007

Marc Matsil, Director
Natural Resource Group
Department of Parks and Recreation
The Arsenal North
1234 Fifth Avenue
New York, New York 10029

Peter H. Lehner, Director
Environmental Prosecution Unit
New York City Law Department
100 Church Street
New York, New York 10007

FOR THE CITY OF ELIZABETH:

John N. Surmay, Director
Health, Welfare & Housing
City of Elizabeth
50 Winfield Scott Plaza
Elizabeth, New Jersey 07201-2462

FOR EXXON CORPORATION:

Donald D. Esch
c/o Exxon Company, U.S.A.
1400 Park Avenue
Linden, New Jersey 07036

XVI. COMPLIANCE WITH LAWS AND REGULATIONS

The Consent Order shall not be construed in any way to relieve Exxon from the obligation to comply with any applicable federal, state, or local law or regulation.

XVII. REPRESENTATIVES

Each undersigned representative of the parties to this Consent Order certifies that he or she is fully authorized to enter into the terms and conditions of this Consent Order and to execute and legally bind such party to this document.

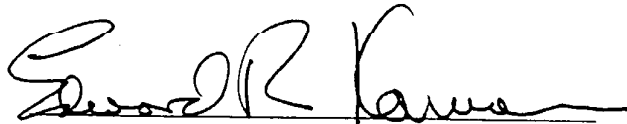
XVIII. COUNTERPARTS

This Consent Order may be executed in any number of counterparts and each executed counterpart shall have the same force and effect as an original instrument.

XIX. HEADINGS

The headings in this Consent Order are inserted for convenience only and are not intended to be a part of or to affect the meaning or interpretation of the Consent Order.

SO ORDERED THIS 14th day of June 1991.

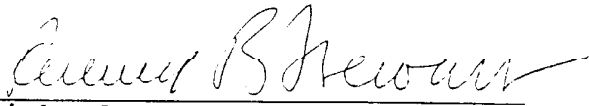


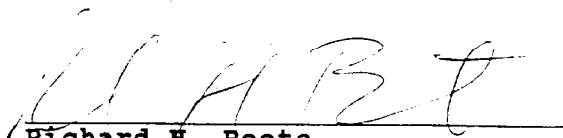
United States District Judge
Eastern District of New York

[First signature page of ten signature pages of Consent Order with Exxon Corporation in United States, et al., v. Exxon Corporation (E.D.N.Y.)]

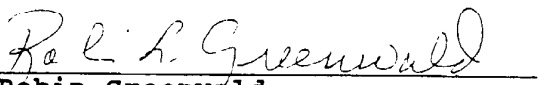
FOR THE UNITED STATES OF AMERICA

DATE: 3/15/91


Richard B. Stewart
Assistant Attorney General
Environment and Natural Resources
Division
U.S. Department of Justice
Washington, D.C.


Richard H. Boote
Senior Attorney
Environmental Enforcement Section
Environment and Natural Resources
Division
U.S. Department of Justice
Washington, D.C.

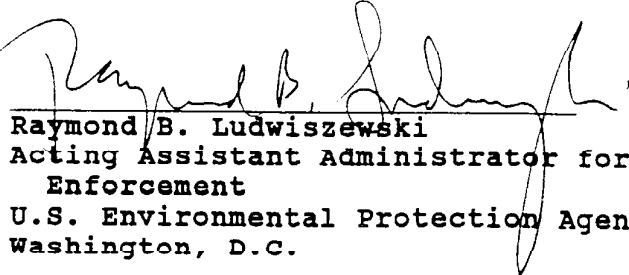
Andrew Maloney
United States Attorney
Eastern District of New York

BY: 
Robin Greenwald
Assistant U.S. Attorney
Eastern District of New York

[Second signature page of ten signature pages of Consent Order with Exxon Corporation in United States, et al., v. Exxon Corporation (E.D.N.Y.)]

FOR THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

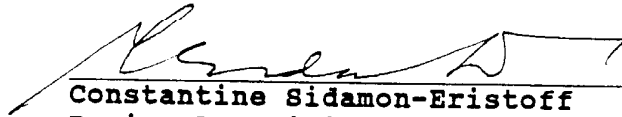
DATE: 9/15


Raymond B. Ludwiszewski
Acting Assistant Administrator for
Enforcement
U.S. Environmental Protection Agency
Washington, D.C.

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FOR THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

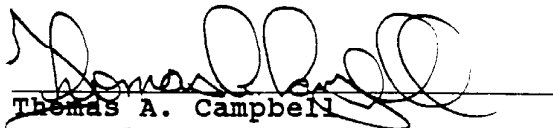
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Constantine Sidamon-Eristoff
Regional Administrator
U.S. Environmental Protection Agency,
Region II

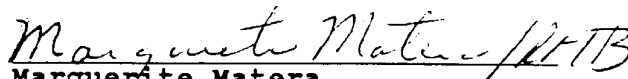
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FOR THE NATIONAL OCEANIC AND ATMOSPHERIC
ADMINISTRATION

DATE: 3/15/91



Thomas A. Campbell
General Counsel
National Oceanic and Atmospheric
Administration



Marguerite Matera
Office of General Counsel
Northeast Region
National Oceanic and Atmospheric
Administration

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FOR THE DEPARTMENT OF THE INTERIOR

DATE: 3-5-91



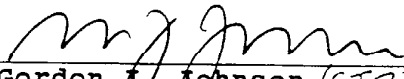
Anthony R. Conte
Regional Solicitor, Northeast Region
Department of the Interior

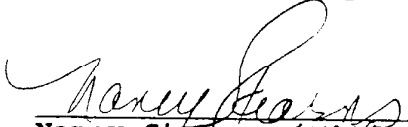
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FOR THE STATE OF NEW YORK

ROBERT ABRAMS
Attorney General

DATE: 3/19/91

BY: 
Gordon J. Johnson (657379)
Assistant Attorney General
Environmental Protection Bureau
New York State Department of Law


Nancy Stearns (NS0900)
Assistant Attorney General
Environmental Protection Bureau
New York State Department of Law


Carol Ash
Regional Director, Region II
New York State Department of
Environmental Conservation

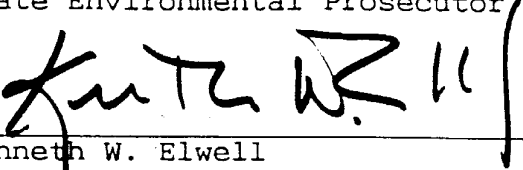
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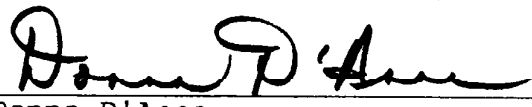
FOR THE STATE OF NEW JERSEY

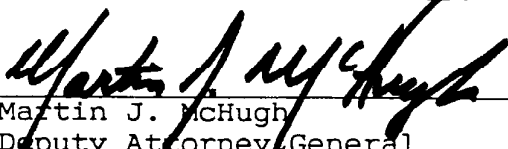
ROBERT J. DEL TUFO
Attorney General of New Jersey
Through
STEVEN J. MADONNA
State Environmental Prosecutor

DATE:

3/18/51


Kenneth W. Elwell
Deputy Attorney General
and Assistant State
Environmental Prosecutor

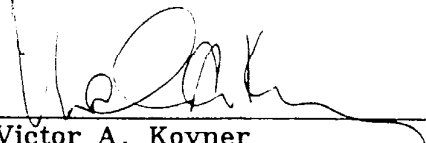

Donna D'Anna
Deputy Attorney General
and Assistant State
Environmental Prosecutor


Martin J. McHugh
Deputy Attorney General
and Assistant State
Environmental Prosecutor


[Eighth signature page of ten signature pages of Consent Order with Exxon Corporation in United States, et al., v. Exxon Corporation (E.D.N.Y.)]

FOR THE CITY OF NEW YORK

DATE: Nov. 17, 1991



Victor A. Kovner
Corporation Counsel



Peter H. Lehner
Susan E. Amron
Assistant Corporation Counsels
Environmental Prosecution Unit

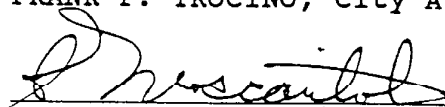
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with Exxon Corporation in United States, et al., v. Exxon
Corporation (E.D.N.Y.)]

FOR THE CITY OF ELIZABETH

FRANK P. TROCINO, City Attorney

DATE: 3/19/91

BY:

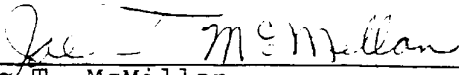


S. Gregory Moscaritolo
Special Counsel

[Tenth signature page of ten signature pages of Consent Order with Exxon Corporation in United States, et al., v. Exxon Corporation (E.D.N.Y.)]

FOR EXXON CORPORATION

DATE: 3/8/91



Joe T. McMillan
Executive Vice President
Exxon Company, U.S.A.
A Division of Exxon Corporation

EXHIBIT A

EXHIBIT A

Specific Action Steps

The following specific action steps, among others, have been or are being undertaken by Exxon based on the recommendations of Exxon's Marine Operations Study. Exxon retains the right to modify any of these steps based on such additional recommendations as may be made pursuant to further evaluation by Exxon of its marine operations.

Bayway Facilities

1. Inspect, repair and upgrade of loading arms. Inspection of Couplers at Steamer Dock 2 and replacement of couplers at Steamer Dock 1.
2. Improvement of instrumentation to reduce risk of barge overfill, including provision of "loading alert button" for bargeman, and of additional emergency stops for dock personnel.
3. Improvement of ship to shore communication ability, with installation of new equipment.
4. Improvement of fendering at #1 dock.
5. Improvement of sump operation at barge and steamer docks, including replacement of piping and the installation of a high level alarm.
6. Upgrading of hose operations, including replacement of all hoses to meet maximum 5-year life requirement for hose tower, and recommissioning of hose tower.
7. Engineering review and upgrading of hoses, including provisions for interim use of "special" approved asphalt hose, with planned installation of metal loading arms for asphalt service.
8. Improvement of dock lighting.
9. Testing and repair of equipment to ensure that dock facilities are in good operating order.
10. Implementation of barge berthing restrictions to reduce the possibility of barge collisions.
11. Verifying that barges have tested within past 30 days the emergency stops system for cargo discharge.

12. Pre-booming for vessels transferring cargo with flash point of greater than 100° F.
13. Provision of additional walkway grating to improve personnel access to the docks.
14. Increasing mooring safety at Steamer Docks for winchless vessels.

Bayway Procedures

1. Modification of coupling procedures and increasing training in those procedures.
2. Establishment of hands-on dock specific fire training for dock personnel and shift mechanics.
3. Enhancement of pre-arrival terminal/ship information exchange, including expansion of existing procedures.
4. Implementation of new procedure to disallow barges from tying up at pier knuckles.
5. Modification of barge topping off procedure.
6. Continuing enhancement of new procedures for loading of static accumulators.
7. Institution of additional safeguards, including coverage and predocking inspection for third-party tankers by Pollution and Safety Control Representatives ("PSCR's"), and having equipment and personnel on "ready standby" in case of a spill.
8. Institution of barge pre-transfer inspection and hose certification procedures with 3-year maximum hose life requirement.
9. Institution of additional training for personnel.
10. Implementation of operating guidelines to ensure safer vessel mooring.
11. Institution of procedure for barge hull inspection for obvious holes or damage in vessel hulls during the docking operation.

12. Reduction of risk of barge overfills by limiting filling height to one foot below the deck (to be discontinued for a barge upon installation of high level alarms and spill rails).

Bayonne Facilities

1. Improvement of instrumentation to reduce risk of barge overfill (e.g., provision of "loading alert button" for bargeman, and provision of an additional emergency stop button).
2. Improvement of ship to shore communication ability, with installation of new equipment.
3. Improvement of fendering at Pier No. 7.
4. Improvement of sump operation at the active piers, including installation of high level alarms on all non-gravity sumps.
5. Upgrading of hose operations, including replacement of all hoses to meet maximum 5-year life requirement for hose tower, and recommissioning of hose tower.
6. Engineering review and upgrading of hoses, including provisions for interim use of "special" approved asphalt hose, with planned installation of metal loading arms for asphalt service.
7. Testing and repair of equipment to ensure that dock facilities are in good operating order.
8. Pre-booming for vessels transferring all cargo with flash point of greater than 100° F.
9. Structural improvements to marine pier 6.

Bayonne Procedures

1. Establishment of hands-on dock specific fire training for dock personnel.
2. Enhancement of pre-arrival terminal/ship information exchange, including expansion of existing procedures.

3. Reinforce use of pier logs to enhance shift change information flow.
4. Modification of barge topping off procedures.
5. Institution of additional safeguards, including PSCR coverage and predocking inspection for third-party tankers, and having equipment and personnel on "ready standby" in case of a spill.
6. Institution of barge pretransfer inspection and hose certification procedures with 3-year maximum hose life requirement for barges and ships.
7. Institution of additional training for personnel.
8. Continuing enhancement of procedures for loading of static accumulators.
9. Implementation of operating guidelines to ensure safer vessel mooring.
10. Institution of procedure for barge hull inspection for obvious holes or damage in vessel hulls during the docking operation.
11. Reduction of risk of barge overfills by limiting filling height to one foot below the deck (to be discontinued upon installation of high level alarms and spill rails on Exxon-owned barges).
12. Institution of small craft fueling procedures to protect against tank over flows during loading operations.

**Exxon Shipping Co./
Exxon Co. International ("ECI")**

1. Institution of procedures to increase quality of tugs, barges and ships using Exxon facilities.
2. Upgrading of tugs and barges, including eventual installation of high level alarms and spill rails on all Exxon-owned barges, and the employment in NY/NJ Harbor of the tug "Empire State," on which fire fighting and spill control equipment has been installed.
3. Improvement of Harbor Pilot Service by screening and approving a select high caliber group.