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

Thursday, December 6, 2007  
10:00 a.m.  
Department of Conservation and Natural Resources  
The Bryan Building, 901 South Stewart Street  
2nd Floor, Tahoe Hearing Room  
Carson City, Nevada

With Televideoconferencing From  
Nevada Division of Environmental Protection  
The Greystone Building, 2030 East Flamingo Road  
Suite 230, Red Rock Room  
Las Vegas, Nevada

**ORIGINAL**

REPORTED BY: SHANNON L. TAYLOR, CCR, CSR, RMR  
Certified Court, Shorthand and Registered Merit Reporter  
Nevada CCR #322, California CSR #8753, Idaho CSR #485  
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A P P E A R A N C E S

Board Members Present Via Televideoconferencing from Las Vegas:

John Haycock, Chairman  
John Meeters  
George Ross

Others Present via Televideoconferencing from Las Vegas:

Rose Marie Reynolds, Deputy Attorney General  
James (J.D.) Dotchin, NDEP  
Marlene Huderski, NDEP  
Keith Stewart, SEI  
Terre Maize, MGM  
Jon Bell, BAI  
Rex Heppe, ATC Associates

Board Members Present in Carson City:

Edgar Roberts  
Leo Drozdoff  
Jim Wright

Others Present in Carson City:

Bennett Kottler, Ph.D., NDEP  
Steve Fischenich, NDEP  
Hayden Bridwell, NDEP  
Bill Frey, Deputy Attorney General  
Teresa Larson, NDEP  
Jim Najima, NDEP  
Art Gravenstein, NDEP  
Victoria Joncas, NDEP  
Greg Lovato, NDEP  
Tom Porter, NDEP  
Scott Keeseey, BAI  
Doug Guerrant, BAI  
Mike Cox, Allied Washoe Petroleum  
Glenn Hibl, Allied Washoe Petroleum

1 CARSON CITY, NEVADA, DECEMBER 6, 2007, 10:00 A.M.

2 -oOo-

3 CHAIRMAN HAYCOCK: I'd like to call the meeting  
4 to order. And we will -- We'll call the meeting to  
5 order. And we will call a recess until everyone's  
6 seated, so that the minutes can show that we started at  
7 10:00 o'clock.

8 (Off the record for a few minutes.)

9 CHAIRMAN HAYCOCK: Okay. Let's go ahead and  
10 proceed with the agenda. We would like to introduce the  
11 Board members present. In Las Vegas, the members of the  
12 Board who are present are George Ross, John Meeters and  
13 myself, John Haycock, who will be acting as Chairman of  
14 this. And from the Attorney General's Office, we have  
15 Rose Marie Reynolds.

16 Members of the Department who are here in  
17 southern Nevada are J.D. Dotchin, BCA.

18 MS. HUDERSKI: Marlene Huderski.

19 CHAIRMAN HAYCOCK: Anybody else?

20 Okay. If you wouldn't mind introducing the  
21 members of the Board and members of the Department who  
22 are there in northern Nevada.

23 MR. ROBERTS: Edgar Roberts, DMV.

24 MR. DROZDOFF: Leo Drozdoff, DEP.

25 MR. WRIGHT: Jim Wright, the State Fire Marshal.

1 MR. KOTTLER: Members of NDEP include myself.  
2 I'm Bennett Kottler. I'm the new Supervisor of the  
3 Petroleum Fund. In addition, we have staff members,  
4 Mr. Hayden Bridwell and Steve Fischenich. We also have  
5 the Supervisor of the UST/LUST Branch, Art Gravenstein.  
6 We have Greg Lovato, the Supervisor of the Remediation  
7 Branch; Jim Najima, Bureau Chief. We also have Victoria  
8 Joncas, Recording Secretary, and Teresa Larson, who's  
9 Management Analyst for the Board.

10 Other members present include Deputy Attorney  
11 General, Mr. Bill Frey, and Shannon Taylor, who's a  
12 Certified Court Reporter.

13 We also have members of the regulated community,  
14 including Scott Keeseey, of Broadbent and Associates;  
15 Doug Guerrant of the same firm. And we also have Mike  
16 Cox and Glenn Hibl of Allied Washoe. And I apologize.  
17 Mr. Tom Porter of NDEP is also present.

18 CHAIRMAN HAYCOCK: Very good. Thank you.

19 I would like to say, as an editorial comment,  
20 congratulations to Mr. Kottler for his position as  
21 our -- as the new administrator of the Fund, who we are  
22 very, very lucky and fortunate to have him on board.

23 MR. KOTTLER: Thank you.

24 CHAIRMAN HAYCOCK: We will move to agenda Item  
25 number II, which is Approval of the Agenda.

1 This Chair would entertain a motion.

2 MR. MEETERS: So moved.

3 MR. ROBERTS: Second.

4 MR. KOTTLER: We had a second from Mr. Roberts.  
5 Yes, can you hear us in Las Vegas?

6 CHAIRMAN HAYCOCK: I'm sorry. I'm having a  
7 little trouble getting used to this microphone.

8 Mr. John Meeters made a motion to approve the  
9 September 6th, 2007 minutes.

10 Do we have a second?

11 MR. ROBERTS: Second.

12 CHAIRMAN HAYCOCK: Who, who made the second?

13 MR. ROBERTS: This is Edgar Roberts. Second.

14 CHAIRMAN HAYCOCK: Thank you, Mr. Roberts.

15 We have a motion and a second. Is there  
16 discussion of the motion?

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

18 (The members said "aye.")

19 CHAIRMAN HAYCOCK: Opposed?

20 The motion carries.

21 Agenda Item number IV is the Status of the Fund.  
22 Mr. Kottler.

23 MR. KOTTLER: Mr. Chairman and members of the  
24 Board, the Status of the Fund is as follows for fiscal  
25 year 2008; and it runs from July 1st, 2007 through

1 June 30th, 2008.

2 Total revenue for the Fund is approximately 12.3  
3 million. Of that, 11.8 million is balance forward from  
4 fiscal year 2007. In addition, approximately \$399,000  
5 were collected from tank enrollment fees and  
6 registration of above-ground marina storage tanks.  
7 \$17,000 was collected from the three-quarter of a cent  
8 per gallon petroleum fee before that fee was shut off  
9 for the current fiscal year. Lastly, \$150,000 was  
10 generated from interest in the Fund.

11 Total expenditures from the Fund was  
12 approximately 2.2 million, of which 1.9 million was from  
13 reimbursement claims.

14 Lastly, current Fund liabilities are 1.3  
15 million, leaving us with a remaining Fund balance of  
16 \$8.9 million for the current fiscal year.

17 Staff is recommending the approval of almost  
18 \$1.8 million in reimbursement today. And if the Board  
19 approves all the reimbursement recommendations, a  
20 balance of \$7.1 million will remain in the Fund.

21 CHAIRMAN HAYCOCK: Thank you.

22 Are there any questions?

23 Okay. We'll move to agenda Item number V, which  
24 is Determination of Fund Eligibility/Coverage and  
25 Resolution to Amend the Policy for third party liability

1 claims.

2 MR. KOTTLER: Mr. Chairman and members of the  
3 Board, I'd like to present Resolution 2007-10 to amend  
4 and replace the policy to review third party liability  
5 claims.

6 The reason why I'm presenting this resolution  
7 today is because two owner-operators' facilities, who  
8 currently have Petroleum Fund coverage, have requested  
9 additional funds under third party liability be made  
10 available to them.

11 In each of these cases, cleanup is not yet  
12 completed, and \$1 million has been consumed by  
13 corrective actions, and additional corrective actions  
14 are needed to reduce the potential for third party  
15 liability claims.

16 In addition, passage of this resolution would  
17 aid staff in using a consistent approach in reviewing  
18 such requests in the future.

19 I'd like to point out that if this policy is  
20 adopted by the Board, I will then present two site  
21 resolutions on behalf of those owner-operators, who are  
22 requesting this additional funding be made available to  
23 them.

24 And, lastly, there actually is a claim  
25 associated with one of those cases. If the policy is

1 not adopted by the Board, then the claim and the amount  
2 requested will have to be adjusted.

3           The reason I put this resolution together to  
4 amend and replace the previous resolutions is because  
5 the Board has already reviewed this and put a lot of  
6 time and thought into this. Actually, beginning in  
7 1994, into '95, when the first resolution, 94-018, set  
8 the policy on how Petroleum Fund staff should address  
9 such requests.

10           Lastly, in 2005, there was an additional  
11 resolution, and that was to clean up some of the maximum  
12 caps on funding when we changed from a fixed deductible  
13 to a co-payment. But the Board has already set the  
14 foundation and dealt a lot of the difficulties of the  
15 definitions of what exactly is third party liability  
16 claims.

17           I would like to point out that when staff  
18 recommend and the Board approves coverage for cases in  
19 the Petroleum Fund, we're really approving two  
20 allotments. There is a first \$1 million allotment minus  
21 deductibles and any reductions, but there also is a  
22 second allotment, which is reserved for third party  
23 liability claims.

24           Now, most cases, we're able to complete all  
25 corrective actions and, actually, even address lawsuits

1 within the first \$1 million allotment. In approximately  
2 six out of the over 1,000 cases that the Petroleum Fund  
3 has funded in its entire history, third party liability,  
4 the second allotment, the second \$1 million allotment  
5 needed to be accessed.

6 So, Mr. Chairman and members of the Board,  
7 unless there are any further questions, I'd like to  
8 present the strikeout version of the resolution.

9 CHAIRMAN HAYCOCK: Okay. Is there any -- Are  
10 there any questions thus far?

11 Go ahead.

12 MR. KOTTLER: Okay. If members of the Board  
13 could turn to Attachment A with the proposed changes to  
14 Resolution Number 2005-02. On the very first page,  
15 there is a change in the resolution number. In the 2005  
16 amendment, the resolution remained cited as 94-018, and  
17 I'm updating that to reflect this resolution, number  
18 2007-10.

19 Other than for that, on page -- it indicates a  
20 resolution to amend and replace, but there is  
21 grammatical cleanup on this first page, having numerical  
22 agreement in items number 4. That's all that appears on  
23 that page.

24 On the second page, there's additional cleanup  
25 of grammar in item number 9.

1           And then on page 3, under the findings, items  
2 number 11 and 12 have been added.

3           Item number 11 recognizes that passage of this  
4 resolution, as it stands, has a potential to increase  
5 the total liability of the Fund. And a mechanism to  
6 limit that liability and limit the need to tap into a  
7 second \$1 million allotment is to have Petroleum Fund  
8 staff and Corrective Action staff review each of the  
9 cases requesting coverage of third party liability  
10 claims. So that item has been added.

11           And then number 12 is that the NDEP recommend  
12 the following policy be adopted.

13           Continuing on into the section "THEREFORE BE IT  
14 RESOLVED," item number 3 has been removed from this new  
15 resolution for the following three reasons. In the  
16 first place, the NRSS cited are not directly relevant to  
17 third party liability. NRS 590.891 refers only to state  
18 agencies and political subdivisions. So that's not the  
19 correct citation. That doesn't cover the vast majority  
20 of cases that the Petroleum Fund has.

21           Secondly, in the very last sentence, there's the  
22 introduction of off-site corrective actions. And that  
23 is not necessary in order for both staff and members of  
24 the regulated community to address third party liability  
25 claims.

1           Currently, Petroleum Fund staff policy does not  
2 distinguish between on-site and off-site corrective  
3 actions. If a site doesn't consume a million dollars,  
4 we don't break out costs. It's only in that rare  
5 exception, that six out of a thousand cases, when a case  
6 is about to exceed the first million-dollar allotment,  
7 that then we ask consultants to review a million dollars  
8 in invoices and go through the onerous task of breaking  
9 out on-site and off-site costs.

10           And, again, the language of on-site and off-site  
11 costs doesn't even appear in the statutes. So it's an  
12 unnecessary complication, especially when you think that  
13 activities taking place on-site may have off-site  
14 benefits.

15           So to simplify this, I am proposing to remove,  
16 to remove that consideration.

17           The very last phrase of item number 3 also talks  
18 about the first allotment being used sequentially before  
19 the second allotment. And that, too, is an additional  
20 level of complication that isn't necessary.

21           The truth is, is that Petroleum Fund staff have  
22 evaluated third party liability claims before the first  
23 allotment has been consumed. There has been two cases  
24 where there have been lawsuits. For example,  
25 Mr. Esslinger at Red Rock Mini Mart was sued before the

1 first allotment was consumed. And Petroleum Fund staff  
2 then evaluated the second allotment before the first  
3 allotment was consumed. In fact, in that particular  
4 case, it didn't even go to a million dollars. So the  
5 entire project was taking place within the first  
6 allotment.

7 So you put all of those considerations forward,  
8 and that's why I propose to remove item number 3.

9 So if there are no further questions at this  
10 time, I'd like to go through the proposed additions to  
11 this resolution.

12 Okay. If there are no questions, then item  
13 number 3 proposed to be added states "Corrective action  
14 measures reduce potential for third party liability  
15 actions." This has, essentially, been applied, that  
16 on-site corrective actions reduce the potential that  
17 there will ever be a third party that suffers any harm  
18 or has any property damage. So it makes sense to apply  
19 funds to corrective actions to reduce the potential for  
20 third party liability.

21 Item number 4 recognizes that reimbursement  
22 claims for on-site and off-site corrective actions need  
23 not be separated. They do relate one to the other, and  
24 for the previous reasons that I discussed.

25 Number 5, first and third party liability costs

1 may be reimbursed simultaneously, again for the reasons  
2 that I previously discussed.

3           And item number 6 is an important feature that  
4 third party liability coverage may be used for  
5 corrective actions. But, again, this recognizes the  
6 fact that using funds for corrective actions reduces the  
7 potential that a third party will be harmed or suffer  
8 property damage. And so it seems like a wise use of  
9 funds.

10           Number 7 points out the concern, though. And  
11 why this had not been done before was what if there is a  
12 lawsuit, and we've used some of the funds allocated for  
13 third party liability for corrective actions? Well,  
14 this statement says that owners may access the funds for  
15 third party liability claims after they acknowledge that  
16 this will reduce the total funds available in the case  
17 of a lawsuit. And an ownership-operator does that, then  
18 they realize that they have been proactive, they have  
19 tried to avoid the potential for a lawsuit; however, if  
20 there's a lawsuit, that they will have reduced funds  
21 available.

22           So if there are no questions about those items,  
23 I'd like to move on to the very last page and point out  
24 the changes proposed.

25           Number 4 has been renumbered, and there's been

1 some language cleanup as part of that.

2 In speaking with our legal counsel, item number  
3 5 and number 6 are not relevant. Number 5, again,  
4 only -- it is not relevant to the case of state  
5 agencies. So we might as well remove that item. And,  
6 again, legal counsel suggested removing item number 6.

7 And then the very last item that's been added is  
8 that Petroleum Fund and Corrective Action staff resolved  
9 to jointly review each case requesting coverage of third  
10 party liability claims.

11 And those are the proposed changes, Mr. Chairman  
12 and members of the Board.

13 CHAIRMAN HAYCOCK: Thank you. Well done. That  
14 makes a lot of sense to me.

15 Are there any questions from members of the  
16 Board?

17 Okay. The recommendation of staff is to approve  
18 this resolution as amended. The Chair would entertain  
19 that motion.

20 MR. ROBERTS: Mr. Chairman, Edgar Roberts, for  
21 the record. I move for approval of Item number V, A, as  
22 amended.

23 MR. DROZDOFF: Second.

24 CHAIRMAN HAYCOCK: Thank you. Who was the  
25 second?

1 MR. DROZDOFF: Leo Drozdoff.

2 CHAIRMAN HAYCOCK: Okay. Thank you very much.

3 We have a motion and a second. Is there  
4 discussion of the motion?

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

6 (The members said "aye.")

7 CHAIRMAN HAYCOCK: Opposed?

8 The motion carries. Thank you very much. Good  
9 job.

10 Let's move to agenda items -- Item V, A, or V,  
11 B, excuse me, which is Resolution 2007-11 to grant third  
12 party liability coverage to Mike's Gas-A-Mart pursuant  
13 to the previous resolution.

14 MR. KOTTLER: Mr. Chairman and members of the  
15 Board, the Board has previously approved the subject  
16 site for \$1 million in State of Nevada Petroleum Fund  
17 coverage. As of September 6th of 2007, the subject site  
18 has been reimbursed approximately \$968,000.

19 Despite progress in remediating the site,  
20 contamination remains in concentrations in excess of  
21 Nevada state action levels, because if contamination is  
22 spread off-site, creates a potential for third party  
23 liability. Third party liability coverage has been  
24 requested.

25 The owner-operator has acknowledged that using

1 third party liability funds will reduce the remaining  
2 funds in the case of a third party lawsuit. And that  
3 statement from the owner-operator is included in  
4 Appendix A.

5 NDEP Petroleum Fund staff, therefore, recommend  
6 that the subject facility receive third party liability  
7 coverage.

8 CHAIRMAN HAYCOCK: Okay. If there are no  
9 questions -- I'm sorry. We'd entertain a motion.

10 MR. ROBERTS: Edgar Roberts, for the record. I  
11 move to approve Item V, B, as proposed by staff.

12 CHAIRMAN HAYCOCK: Do we have a second?

13 MR. MEETERS: I second.

14 CHAIRMAN HAYCOCK: John Meeters seconds. We  
15 have a motion and a second to approve the Resolution  
16 2007-11. Is there discussion of the motion?

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

18 (The members said "aye.")

19 CHAIRMAN HAYCOCK: Opposed?

20 The motion carries.

21 Number V, C.

22 MR. KOTTLER: Mr. Chairman and members of the  
23 Board, this is a proposed resolution to provide third  
24 party liability coverage to Falconi's Tropicana Honda.  
25 The Board previously approved coverage for this facility

1 in \$1 million of first party liability, with a \$10,000  
2 deductible. As of September 6th, 2007, the subject site  
3 has been reimbursed approximately \$988,000.

4 Despite progress in remediating the site,  
5 contamination remains in concentrations above state  
6 action levels. Contamination has spread off-site to  
7 create a potential for third party liability. And third  
8 party liability coverage has been requested.

9 And the owner-operator has acknowledged that  
10 using third party liability funds will reduce the  
11 remaining funds in the case of a lawsuit. And that  
12 statement is included in Appendix A.

13 Petroleum Fund staff, therefore, recommends that  
14 the subject facility receive third party liability  
15 coverage.

16 CHAIRMAN HAYCOCK: Okay. Staff recommendation  
17 is passage of Resolution 2007-12. Do we have a motion  
18 relative to that resolution?

19 MR. ROBERTS: Mr. Chairman, Edgar Roberts, for  
20 the record. I move that Item V, C, be approved as  
21 recommended by staff.

22 CHAIRMAN HAYCOCK: Is there a second?

23 MR. ROSS: Second.

24 CHAIRMAN HAYCOCK: George Ross seconds. Is  
25 there a discussion of the motion?

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

2 (The members said "aye.")

3 CHAIRMAN HAYCOCK: Opposed?

4 The motion carries.

5 Let's move to agenda Item VI, which are the  
6 consent items.

7 (The Board will review all items marked with a pound  
8 sign (#) as a consent calendar item, unless a member of  
9 the public wishes to speak in regard to a certain  
issue.)

10 HEATING OIL: A

- 11 1.# 1992000102H Lyon County School District:  
Yerington Elementary
- 12 2.# 2006000020H Bruno Benna: Benna Residence
- 13 3.# 2006000021H Andrea Nichols: Nichols Residence
- 14 4.# 2007000013H Churchill County School District:  
CCSD Bus Barn
- 15 5.# 2007000017H Barbara James: James Residence
- 16 6.# 2008000001H Roy Darrow: Darrow Residence
- 17 7.# 2008000003H Dario Passalalpi: Passalalpi  
Property
- 18 8.# 2008000006H Kevin Newberry: Newberry Property
- 19 9.# 2008000007H Richard Gabriel: Gabriel Residence

20 NEW CASES, OTHER PRODUCTS: B

- 21 1.# 2006000017 7-Eleven, Inc.: 7-Eleven #26994
- 22 2.# 2007000009 7-Eleven, Inc.: 7-Eleven #22272
- 23 3.# 2007000024 Western Energetix, LLC: Western  
Energetix #214

24 ONGOING CASES, OTHER PRODUCTS: C

- 25 1.# 1992000014 BP West Coast Products, LLC:  
ARCO #6068
- 26 2.# 1992000034 PDQ Stores, Inc.: PDQ #508
- 27 3.# 1992000056 REALM: National Car Rental
- 28 4.# 1992000087 Anderson Dairy, Inc.: Anderson Dairy

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|----|------|------------|--|
| 1  | 5.#  | 1992000127 | City of Las Vegas: Former Obie's Texaco              |
| 2  | 6.#  | 1993000051 | BP West Coast Products LLC:<br>ARCO #4950            |
| 3  | 7.#  | 1993000102 | Rebel Oil Company: Rebel #8                          |
| 4  | 8.#  | 1993000103 | Russell Yardley: Charlie Brown Construction          |
| 5  | 9.#  | 1993000107 | Vintage Land Holdings, LLC:<br>Former ARCO #5310     |
| 6  | 10.# | 1994000003 | Allied Washoe: Allied Petroleum                      |
| 7  | 11.# | 1994000065 | Avis Rent A Car Systems:<br>Avis Rent A Car          |
| 8  | 12.  | 1994000086 | Falconi Motors, Inc.: Falconi's Tropicana Honda      |
| 9  | 13.# | 1994000120 | Conoco Phillips Company:<br>Union 76 #3846           |
| 10 | 14.# | 1994000122 | Gary Michelsen: Mike's Gas-A-Mart                    |
| 11 | 15.# | 1994000125 | Conoco Phillips Company:<br>Union 76 #5558           |
| 12 | 16.# | 1995000028 | Gita Corporation: Gita Corporation Facility          |
| 13 | 17.# | 1995000029 | BP West Coast Products LLC:<br>ARCO #1903            |
| 14 | 18.# | 1995000042 | FBF, Inc.: Fayeghi Texaco                            |
| 15 | 19.# | 1995000074 | Vera Hester: Glendale Service Facility               |
| 16 | 20.# | 1995000080 | Churchill County: Churchill County Road Department   |
| 17 | 21.# | 1995000105 | Redman Petroleum Corp.: Redman Petroleum             |
| 18 | 22.# | 1996000026 | Moapa Valley Credit Union:<br>Former Russ Auto       |
| 19 | 23.# | 1996000063 | Joan Pennachio: V&V Automotive                       |
| 20 | 24.# | 1996000064 | H&A Esslinger Trust: Red Rock Mini Mart              |
| 21 | 25.# | 1996000101 | Conoco Phillips Company:<br>Circle K #695            |
| 22 | 26.# | 1997000008 | Ewing Brothers, Inc.: Ewing Brothers Facility        |
| 23 | 27.# | 1997000093 | Conoco Phillips Company:<br>Union 76 #5257           |
| 24 | 28.# | 1998000016 | Conoco Phillips Company:<br>Circle K #1366           |
| 25 | 29.# | 1998000046 | Willdens Automotive Holdings:<br>Allstate Rent A Car |
|    | 30.# | 1998000068 | Conoco Phillips Company:<br>Conoco #28003            |
|    | 31.# | 1998000073 | City of Reno: City of Reno Police Station            |

|    |      |            |  |
|----|------|------------|--|
| 1  | 32.# | 1998000075 | Anne Dufurrena: McDermitt Service Motel                |
| 2  | 33.# | 1998000080 | Seven Crown Resorts: Echo Bay Resort                   |
|    | 34.# | 1999000008 | 7-Eleven, Inc.: 7-Eleven #23129                        |
| 3  | 35.# | 1999000012 | BP West Coast Products LLC:<br>ARCO #5319              |
| 4  | 36.# | 1999000017 | Reed, Inc.: Reed R-Place Shell                         |
|    | 37.# | 1999000037 | Longley Construction Co.:<br>Longley Construction      |
| 5  | 38.# | 1999000048 | Estate of Robert Cowan:<br>Former Lightning Lube       |
| 6  | 39.# | 1999000061 | Rich Sorani: Former Rich's Unocal                      |
| 7  | 40.# | 1999000066 | HP Management, LLC: Former Haycock Petroleum           |
| 8  | 41.# | 1999000090 | HP Management, LLC: Former Haycock Petroleum           |
| 9  | 42.# | 1999000108 | Gold Ranch Casino: Gold Ranch Casino                   |
|    | 43.# | 1999000155 | Varney Padgett: Old Washoe Station                     |
| 10 | 44.# | 1999000167 | City of Las Vegas: Fire Station #1                     |
|    | 45.# | 1999000186 | Gloria Pilger: Former D&G Oil Facility                 |
| 11 | 46.# | 1999000199 | Mary Ann Ferguson: Lakeshore Orbit Station             |
| 12 | 47.# | 1999000204 | Berry-Hinckley Industries:<br>Trailside General Store  |
| 13 | 48.# | 1999000224 | BP West Coast Products LLC:<br>ARCO #5326              |
| 14 | 49.# | 1999000243 | 7-Eleven, Inc.: 7-Eleven #27607                        |
| 15 | 50.# | 1999000257 | University of Nevada: Newlands Agriculture             |
| 16 | 51.# | 1999000273 | V.K. Leavitt: The Waterhole                            |
|    | 52.# | 1999000275 | Conoco Phillips Company:<br>Circle K #1248             |
| 17 | 53.# | 1999000276 | Robert Harris: Pecos Station Texaco                    |
| 18 | 54.# | 2004000014 | BP West Coast Products LLC:<br>ARCO #437               |
| 19 | 55.# | 2004000027 | BP West Coast Products LLC:<br>ARCO #5309              |
| 20 | 56.# | 2004000029 | V-R Property Management: Gas-N-Save                    |
|    | 57.# | 2004000035 | Seven Crown Resorts: Echo Bay Marina                   |
| 21 | 58.# | 2005000002 | Carson Valley Oil Co., Inc.:<br>Carson Valley Oil      |
| 22 | 59.# | 2005000010 | Great Basin College Foundation:<br>Former Fallon Shell |
| 23 | 60.# | 2005000018 | BP West Coast Products LLC:<br>ARCO #1718              |
| 24 | 61.# | 2005000021 | Berry-Hinckley Industries:<br>Berry-Hinckley #95       |
| 25 | 62.# | 2005000025 | Bordertown, Inc.: Winner's Corner                      |

1 63.# 2005000039 Time Oil Company: Taylor Street  
Market  
2 64.# 2005000044 Ewing Brothers, Inc.: Ewing Brothers  
Facility  
3 65.# 2006000007 7-Eleven, Inc.: 7-Eleven #33022  
4 66.# 2007000002 Berry-Hinckley Industries:  
Berry-Hinckley #201  
5 67.# 2007000010 Vintage Land Holdings, LLC:  
Former ARCO #5310  
6 68.# 2007000015 H. Singh & B. Bhullar:  
S&S Mini Mart

7 CHAIRMAN HAYCOCK: Mr. Kottler, are there any of  
8 these consent items that need to be discussed?

9 MR. KOTTLER: No, Mr. Chairman, not at this  
10 time.

11 CHAIRMAN HAYCOCK: All right. That being the  
12 case, the Chair is looking for a motion to act on  
13 Heating Oil, items 1 through 9; New Cases, items 1  
14 through 3; and Ongoing Cases, items 1 through 68.

15 MR. DROZDOFF: So moved.

16 CHAIRMAN HAYCOCK: Moved. Is that a motion to  
17 approve?

18 MR. DROZDOFF: Yes.

19 MR. ROSS: I need to disclose something.

20 CHAIRMAN HAYCOCK: What's that?

21 MR. ROSS: I need to disclose something.

22 CHAIRMAN HAYCOCK: You'll get a chance.

23 Is there a second?

24 MR. ROBERTS: Edgar Roberts, for the record.

25 Second.

1           CHAIRMAN HAYCOCK: Okay. I've got John Meeters  
2 seconding as well.

3           Okay. A motion has been made and seconded to  
4 approve all of the consent items. Is there discussion  
5 of the motion?

6           MR. ROSS: I need to disclose. This is George  
7 Ross, for the record. I need to disclose that I hold BP  
8 options as a former employee. The impact of these --  
9 Because there are some BP sites in the list. But the  
10 impact of those on the value of those options would be  
11 irrelevant or infinitesimal. So I will vote.

12          CHAIRMAN HAYCOCK: Is there any other  
13 discussion?

14          The Chair wishes to disclose, relative to items  
15 number 40 and 41, which grant coverage on a consent  
16 basis to HP Management, I am the managing partner in HP  
17 Management. And my vote would not include those two  
18 items.

19          Is there any other discussion?

20          The motion's been made and seconded for  
21 approval. All in favor of the motion, say "aye."

22          (The members said "aye.")

23          CHAIRMAN HAYCOCK: Opposed?

24          Motion carries. Thank you very much.

25          Agenda Item number VII is Executive Summary.

1 MR. KOTTLER: Mr. Chairman and members of the  
2 Board, for fiscal year 2008, again, which began on July  
3 1st of 2007, NDEP has received three new cases for  
4 evaluation of Petroleum Fund coverage. And since the  
5 inception of the Fund, a total of 1,304 cases have been  
6 evaluated for reimbursement.

7 There are currently 161 active remediation  
8 sites. There are 969 cases that have been closed, 111  
9 cases that have been denied coverage, and 45 cases that  
10 have expired; the initial claim has not been submitted  
11 within 12 months of discovery date, and there has been  
12 no appeal on those cases. We currently have 18 cases  
13 that are pending status, in which we are awaiting  
14 submittal of additional information or initial staff  
15 evaluation for coverage.

16 Not counting this Board meeting's authorization,  
17 a total of approximately \$136.8 million has been  
18 reimbursed from the Petroleum Fund to date. Including  
19 today's reimbursement recommendation, approximately  
20 \$138.4 million will have been reimbursed from the  
21 Petroleum Fund to date.

22 Invoicing for tank enrollment into the Fund for  
23 fiscal year 2008, and that runs from October 1st, 2007  
24 through September 30th of 2008, that commenced on  
25 August 8, 2007, we have invoiced 1,428 facilities at

1 \$100 per petroleum tank system. And as of November  
2 19th, we have 1,330 facilities that have paid.

3 And that ends the Executive Summary,  
4 Mr. Chairman.

5 CHAIRMAN HAYCOCK: Thank you very much.

6 Agenda Item number VIII allows for members of  
7 the public who would like to address the Board.

8 I have had no requests in southern Nevada.

9 MR. DROZDOFF: Anyone?

10 It doesn't look like we have any here, either.

11 Oh. Yes?

12 UNIDENTIFIED MAN: No.

13 MR. DROZDOFF: Oh, okay.

14 CHAIRMAN HAYCOCK: Was that a yes or a no?

15 MR. DROZDOFF: No, no other requests.

16 CHAIRMAN HAYCOCK: Okay. Very good. Agenda  
17 Item number IX is confirmation of the next Board  
18 meeting, tentatively set for March 6th, which is a  
19 Thursday.

20 Does anybody have a problem with that date?

21 Let's consider that date confirmed.

22 And are there any other items to come before the  
23 Board at this time?

24 That being the case, this meeting stands  
25 adjourned.

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(The meeting adjourned at 10:31 a.m.)

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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, December 6, 2007, and commencing at 10:00 a.m. took stenotype notes of a meeting of the State of Nevada, Petroleum Board to Review Cases;

That I thereafter transcribed the aforementioned stenotype notes into typewriting as herein appears, and that the foregoing transcript, consisting of pages 1 through 25, is a full, true, and correct transcription of said stenotype notes of said meeting;

That a list of items for this meeting has been inserted into this transcript, beginning on page 18, line 7, and ending at page 21, line 6, 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, nor 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 18th day of December, 2007.

**ORIGINAL**

*Shannon L. Taylor*  
 SHANNON L. TAYLOR  
 Nevada CCR #322, RMR