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NORTHERN DISTRICT OF CALIFORNIA  
OAKLAND

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16 Attorneys for Plaintiff People of the State of California  
17 ex rel. the California Department of Fish and Game

18 UNITED STATES DISTRICT COURT  
19 NORTHERN DISTRICT OF CALIFORNIA  
20 OAKLAND DIVISION

21 UNITED STATES OF AMERICA and the PEOPLE)  
OF THE STATE OF CALIFORNIA ex rel. the  
22 CALIFORNIA DEPARTMENT OF FISH AND  
GAME,

23 Plaintiffs,

24 vs.

25 CHEVRON U.S.A. INC.,

26 Defendant.

C10-00375 EMC  
Civil No.

CONSENT DECREE

27  
28 A. Plaintiffs, the United States of America ("United States"), on behalf of the

1 National Oceanic and Atmospheric Administration (“NOAA”) of the United States Department  
2 of Commerce and the U.S. Department of the Interior (“DOI”), U.S. Fish and Wildlife Service  
3 (“USFWS”), and the People of the State of California (“State”) ex rel. California Department of  
4 Fish and Game (“CDFG”) are concurrently filing a complaint alleging that Defendant Chevron  
5 U.S.A. Inc. is liable for civil claims for Natural Resource Damages arising from releases of Oil  
6 and Hazardous Substances into Castro Cove, a small embayment within San Pablo Bay located  
7 adjacent to an industrial area that is the location of facilities, including a petroleum refinery,  
8 owned and operated by Defendant in Richmond, California (the “Refinery”).

9       B.       Plaintiffs allege that there have been releases of Oil and Hazardous Substances,  
10 including mercury and polycyclic aromatic hydrocarbons (“PAHs”) from the Refinery to Castro  
11 Cove, including through an historical discharge of wastewater to the south side of Castro Cove.  
12 Lead, which is a hazardous substance, was also released to the environment through lead pellets  
13 deposited in a portion of the Castro Cove sediments from past skeet shooting activities at the  
14 Refinery.

15       C.       NOAA, USFWS, and CDFG are the federal and State of California trustee  
16 agencies (collectively, the “Trustees”) for the Natural Resources injured by the releases of Oil  
17 and Hazardous Substances into Castro Cove. As a designated Trustee, each agency is authorized  
18 to act on behalf of the public to assess injuries to those Natural Resources under its trusteeship  
19 resulting from the releases of Oil and Hazardous Substances to the environment and to recover  
20 damages to make the environment and the public whole.

21       D.       The Defendant and the Trustees have cooperated in assessing the Natural  
22 Resource Damages arising from the release of Oil and Hazardous Substances into Castro Cove,  
23 and the Trustees undertook a restoration planning process to determine the restoration projects  
24 that would most effectively restore or compensate for the loss of use and injury to Natural  
25 Resources resulting from the alleged releases of Oil and Hazardous Substances to the  
26 environment.

27       E.       The Plaintiffs and the Defendant (collectively, “the Parties”) have consented to  
28 the entry of this Consent Decree without trial of any issues, and the Plaintiffs and the Defendant

1 hereby stipulate to the Court that in order to resolve the issues stated in the Complaint, this  
2 Consent Decree should be entered. The Plaintiffs and the Defendant assert, and the Court by  
3 entering this Consent Decree finds, that the Consent Decree has been negotiated in good faith,  
4 and that the Consent Decree is fair, reasonable, and in the public interest, and consistent with the  
5 purposes of the federal and state statutes pursuant to which this claim is brought.

6 NOW THEREFORE, it is ORDERED AND DECREED as follows:

7 **I. JURISDICTION**

8 1. This Court has jurisdiction over the subject matter of this action pursuant to 28  
9 U.S.C. §§ 1331 and 1345, 33 U.S.C. § 1321(n), and 42 U.S.C. § 9613(b).

10 2. This Court also has personal jurisdiction over the Defendant. Solely for the  
11 purpose of this Consent Decree and the underlying Complaint, Defendant waives all objections  
12 and defenses that it may have to jurisdiction of the Court or to venue in this District. Defendant  
13 shall not challenge the terms of this Consent Decree or this Court's jurisdiction to enter and  
14 enforce this Consent Decree.

15 **II. PARTIES BOUND**

16 3. This Consent Decree applies to and is binding upon Plaintiffs and upon Defendant  
17 and its successors and assigns. Except as expressly provided in this Consent Decree, nothing  
18 herein is intended or shall be construed to impose any duties upon or waive any rights of any  
19 agency, division, subdivision or other governmental entity of the State of California including,  
20 but not limited to, the California Attorney General, other than the State ex rel. CDFG. Any  
21 change in ownership or corporate status of a Party shall in no way alter that Party's  
22 responsibilities under this Consent Decree. Each signatory to this Consent Decree certifies that  
23 she or he is fully authorized to enter into the terms and conditions of this Consent Decree and to  
24 execute and legally bind the parties to it.

25 **III. OBJECTIVES**

26 4. The Parties to this Consent Decree agree that settlement of this action without  
27 further litigation is in the public interest and that entry of the Consent Decree is the most  
28 appropriate means of resolving this action.

1 5. The Defendant does not admit any of the allegations contained in the Complaint, and  
2 neither the Defendant's participation in this Consent Decree nor any provision herein shall be  
3 construed as an admission of liability for any purpose.

4 **IV. DEFINITIONS**

5 6. Unless otherwise expressly provided herein, terms used in this Consent Decree  
6 that are defined in the Comprehensive Environmental Response, Compensation and Liability Act  
7 ("CERCLA"), 42 U.S.C. §§ 9601 *et seq.*, or in related regulations promulgated under CERCLA  
8 shall have the meaning assigned to them in CERCLA or such regulations. Whenever terms listed  
9 below are used in this Consent Decree, the following definitions shall apply.

10 "Castro Cove" or "Cove" shall mean that embayment located in San Pablo Bay within  
11 Contra Costa County, California, immediately north of the Chevron North Yard Impound Basin  
12 and enclosed by a line drawn from the Point San Pablo Yacht Harbor to the West Contra Costa  
13 Sanitary Landfill.

14 "Castro Cove Contamination" shall mean the contamination of the sediments of Castro  
15 Cove by Oil and Hazardous Substances that existed on or before the date of lodging of this  
16 Consent Decree.

17 "Damage Assessment Costs" shall mean all costs associated with the planning, design,  
18 implementation and oversight of the Trustees' damage assessment process which addresses the  
19 extent and quantification of the injury to, destruction of, or loss of Natural Resources and the  
20 services provided by these Natural Resources resulting from the Castro Cove Contamination, and  
21 with the planning of restoration or replacement of such Natural Resources and the services  
22 provided by those Natural Resources, and any other costs necessary to carry out the Trustees'  
23 responsibilities with respect to those Natural Resources injured as a result of the Castro Cove  
24 Contamination.

25 "Defendant" shall mean Chevron U.S.A. Inc..

26 "Natural Resource Damages" shall mean all past and future damages, including loss of  
27 use, restoration or rehabilitation costs, costs of resource replacement, or acquisition of equivalent  
28 resources, or any other losses of resource services or values and Damage Assessment Costs

1 arising from or relating to injury to, destruction of, or loss of Natural Resources resulting from  
2 the Castro Cove Contamination. "Natural Resource Damages" shall not include future "remedial  
3 action" or "response" as those terms are defined in Section 101(24 and 25) of CERCLA, 42  
4 U.S.C. § 9601(24 and 25).

5 "Natural Resources" shall have that meaning set forth in Section 101(16) of CERCLA, 42  
6 U.S.C. § 9601(16).

7 "Oil and Hazardous Substances" shall mean any hazardous substances, contaminants and  
8 pollutants, including but not limited to petroleum, petroleum constituents, including xylene,  
9 toluene, benzene, and PAHs, and metals, including lead.

#### 10 **V. SETTLEMENT PAYMENTS**

11 7. Within forty-five (45) days after this Consent Decree has been lodged by Plaintiffs  
12 with this Court, Defendant shall deposit the amount of two million, eight hundred fifty thousand  
13 dollars (\$2,850,000) into an account bearing interest on commercially reasonable terms in a  
14 federally-chartered bank (hereinafter, the "Castro Cove Escrow Account"). If the Consent  
15 Decree is not entered by this Court and the time for any appeal of that decision has run, or if this  
16 Court's denial of entry of this Consent Decree is upheld on appeal, the monies placed in the  
17 Castro Cove Escrow Account, together with accrued interest thereon, shall be returned to  
18 Defendant. If the Consent Decree is entered by this Court, Defendant shall, within fifteen (15)  
19 business days of the Effective Date of this Consent Decree, cause the sum of \$2,850,000, plus all  
20 accrued interest thereon, to be paid to DOI, on behalf of the Trustees, for the purposes set forth in  
21 Section VII (TRUSTEE-SELECTED NATURAL RESOURCE RESTORATION PROJECTS).  
22 Such payment shall be made by Electronic Funds Transfer ("EFT") to the U.S. Department of  
23 Justice in accordance with the instructions that the Financial Litigation Unit of the U.S.  
24 Attorney's Office for the Northern District of California shall provide to Defendant following  
25 entry of the Consent Decree by this Court. Defendant shall send a transmittal letter, indicating  
26 that the EFT has occurred, to the Parties in accordance with Section XI (NOTICES) and to:

27 Department of the Interior  
28 Natural Resource Damage Assessment and Restoration Program  
Attention: Restoration Fund Manager

1 1849 C Street, N.W. , Mail Stop 4449  
2 Washington, D.C. 20240

3 The EFT and transmittal letter shall reflect that the payment is being made to the "Natural  
4 Resources Damage Assessment and Restoration Fund, Account No. 14X5198 - Chevron/Castro  
5 Cove Richmond Refinery. DOI will assign these funds a special project number to allow the  
6 funds to be maintained as a segregated account within the Department of Interior Natural  
7 Resource Damage Assessment and Restoration Fund, Account No. 14X5198 (the "Chevron  
8 Castro Cove NRD Account").

9 8. In addition to the payments made by Defendant pursuant to Paragraph 7 of this  
10 Consent Decree, DOI, NOAA, and CDFG shall be paid by Defendant for their unreimbursed  
11 Natural Resource Damage Assessment Costs resulting from the Castro Cove Contamination that  
12 they have incurred through the Effective Date of the Consent Decree ("New Costs") if the  
13 invoices and supporting documentation for such New Costs are submitted to Defendant within  
14 ninety (90) days following the Effective Date of this Consent Decree. Defendant shall pay such  
15 New Costs (except any amounts which it contests in accordance with Paragraph 8(a)) within  
16 sixty (60) days of the receipt of each invoice and its supporting documentation in accordance  
17 with the payment instructions to be provided by DOI, NOAA and CDFG.

18 a. Defendant may object to payment of any New Costs if it contends that  
19 DOI, NOAA, or CDFG has made an accounting error or if it alleges that a cost item that is  
20 included represents a cost that is not a Damage Assessment Cost. Such objection shall be made  
21 in writing within sixty (60) days of receipt of the invoice and must be sent to DOI (if DOI's New  
22 Costs are being disputed), to NOAA (if NOAA's New Costs are being disputed) or to CDFG (if  
23 CDFG's New Costs are being disputed) pursuant to Section XI (NOTICES). Any such objection  
24 shall specifically identify the contested New Costs and the basis for the objection.

25 b. If Defendant objects to any New Costs, such objection shall be, in the first  
26 instance, the subject of informal negotiations between DOI, NOAA, or CDFG and Defendant.  
27 Such period of informal negotiations shall not extend beyond twenty (20) days after the date that  
28 written notice of an objection to New Costs is sent to either DOI, NOAA, or CDFG, unless

1 otherwise agreed to in writing by the Parties. If informal negotiations do not result in resolution  
2 of the objection, Defendant shall pay the New Costs that were subject to the objection within  
3 thirty (30) days of the conclusion of the informal negotiations, unless the Defendant exercises its  
4 right to petition the Court in accordance with this Paragraph. Defendant may petition the Court  
5 within thirty (30) days of the end of the informal negotiation period for resolution of the  
6 objection. Further briefing and argument on the petition will comply with the requirements of  
7 the Court.

## 8 **VI. STIPULATED PENALTIES**

9 9. If Defendant fails to cause any payment to be made when due as required by  
10 Paragraph 7 above, Defendant shall pay to the United States and to the State a stipulated penalty  
11 of \$1,000 per day for each day that such payment is late. Such stipulated penalties shall be paid  
12 half to the United States and half to the State.

13 10. If Defendant fails to cause any payment to be made when due as required by  
14 paragraph 8 above, Defendant shall pay to the United States (if payment was due to the United  
15 States) or to the State (if payment was due to the State) a stipulated penalty of \$500 per day for  
16 each day that such payment is late.

17 11. Any stipulated penalties, as described above, owing to the United States shall be  
18 due within thirty (30) days of receipt by Defendant of a written demand, and shall be paid by EFT  
19 in accordance with instructions to be provided by the Financial Litigation Unit of the U.S.  
20 Attorney's Office for the Northern District of California. Payment of stipulated penalties shall be  
21 accompanied by transmittal correspondence stating that any such payment is for late payment of  
22 amount(s) due under this Consent Decree and shall reference DOJ No. 90-11-3-09726 and the  
23 case name and number.

24 12. Any stipulated penalties, as described above, owing to the State shall be due  
25 within thirty (30) days of receipt by Defendant of a written demand and shall be paid by trust  
26 check, certified check, or money order payable to the California Department of Fish and Game.  
27 Payment of stipulated penalties shall be accompanied by transmittal correspondence stating that  
28 any such payment is for late payment of amount(s) due under this Consent Decree and shall

1 reference the Castro Cove Contamination, the case name and number, and reflect that it is a  
2 payment to the Fish and Wildlife Pollution Account. The check or money order shall be sent by  
3 certified mail to:

4 State of California Department of Fish and Game  
5 Office of Spill Prevention and Response  
6 Attn: Katherine Verrue-Slater, Staff Counsel III  
7 1700 K Street, Suite 250  
8 Sacramento, California 95811

9 13. Defendant shall not deduct any stipulated penalties paid under this Section in  
10 calculating its federal or state income taxes.

11 14. If Defendant fails to pay stipulated penalties according to the terms of this  
12 Consent Decree, Defendant shall be liable for interest on such penalties, as provided for in 28  
13 U.S.C. § 1961, accruing as of the date payment becomes due.

14 15. The Parties agree that the stipulated penalties set forth in this Section VI are  
15 reasonable under the circumstances and are valid for purposes of California Civil Code sections  
16 1671 and 3389.

17 **VII. TRUSTEE-SELECTED NATURAL RESOURCE**  
18 **RESTORATION PROJECTS**

19 16. Management and Application of Funds. DOI shall, in accordance with law,  
20 manage and invest those funds paid pursuant to Paragraph 7 of this Consent Decree to the  
21 Chevron Castro Cove NRD Account and any return on investments or interest accrued on the  
22 Chevron Castro Cove NRD Account for the joint use by the Trustees in connection with  
23 restoration, rehabilitation or replacement of Natural Resources affected by the Castro Cove  
24 Contamination. DOI shall not make any charge against the Chevron Castro Cove NRD Account  
25 for any investment or management services provided. DOI shall hold such funds in the Chevron  
26 Castro Cove NRD Account, including return on investments or accrued interest, subject to the  
27 provisions of this Consent Decree.

28 17. The Trustees will expend the funds described in Paragraph 16 for the design,  
implementation, permitting (as necessary), monitoring, and oversight of restoration projects that  
improve the ecological function of habitats in San Pablo Bay that at present are not fully



1 functional and that are the same or similar to the intertidal mudflat, salt marsh, and shallow  
2 subtidal habitat that was injured in Castro Cove and for the costs to conduct a restoration  
3 planning and implementation process.

4 18. The Trustees' allocation of funds for specific projects is contained in a  
5 Restoration Plan jointly prepared by the Trustees, for which public notice, opportunity for public  
6 input, and consideration of public comment has been provided, in accordance with the  
7 requirements of the law. The Trustees jointly retain the ultimate authority and responsibility to  
8 use the funds in the Chevron Castro Cove NRD Account to restore, rehabilitate or replace  
9 Natural Resources in accordance with applicable law, this Consent Decree, the Restoration Plan  
10 and any Memorandum of Understanding among them. Defendant shall not be entitled to dispute,  
11 in any other forum or proceeding, any decision relating to the use of funds or restoration efforts  
12 under this Section, and the rights and protections afforded to Defendant under the covenant not to  
13 sue and contribution protection provisions in Sections VIII (COVENANTS NOT TO SUE BY  
14 PLAINTIFFS) AND X (EFFECT OF SETTLEMENT AND CONTRIBUTION PROTECTION)  
15 shall not be affected in any way by the Trustees' use or administration of such funds.

#### 16 **VIII. COVENANTS NOT TO SUE BY PLAINTIFFS**

17 19. In consideration of the payments that will be made by Defendant, and except as  
18 specifically provided in Paragraph 21 (Reservation of Rights) of this Section, the Plaintiffs  
19 covenant not to sue or to take administrative action against Defendant pursuant to the  
20 Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §  
21 9607(a)(4)(C) and (f), the Clean Water Act, 33 U.S.C. § 1321(f)(4), California Fish and Game  
22 Code §§ 2014 and 12016, or any other applicable law, or commence any other judicial or  
23 administrative action, to recover Natural Resource Damages arising from the Castro Cove  
24 Contamination. Notwithstanding the terms of the preceding sentence, nothing in this Paragraph  
25 is intended to preclude or limit the United States or the State of California from taking response  
26 actions or exercising authorities that may be available to them under CERCLA, the Clean Water  
27 Act, the California Porter Cologne Water Quality Control Act, or other applicable statutory or  
28 common law to seek relief other than Natural Resource Damages, including, but not limited to,

1 permitting and enforcement under the National Pollutant Discharge Elimination System program,  
2 adoption and implementation of TMDLs, issuance of cleanup or abatement orders, waste  
3 discharge requirements, and water quality certifications. These covenants not to sue shall take  
4 effect upon the Effective Date of this Consent Decree. However, they are conditioned upon  
5 Defendant's satisfactory performance of its obligations under this Consent Decree.

6         20.       The covenant not to sue in Paragraph 19 extends only to Defendant: provided,  
7 however, that this covenant not to sue (and the reservations thereto) shall also apply to : (i)  
8 Chevron Corporation, Chevron Oronite Company LLC, Chevron Environmental Management  
9 Company, and successors and assigns of each of them and the Defendant, but only to the extent  
10 that the alleged liability of Chevron Corporation, Chevron Oronite Company LLC, Chevron  
11 Environmental Management Company or the successor or assign of each of them or the  
12 Defendant is based on the alleged facts supporting the alleged liability of the Defendant; and (ii)  
13 the officers, directors, and employees of Chevron Corporation, Chevron Oronite Company LLC,  
14 Chevron Environmental Management Company and the Defendant and the successors or assigns  
15 of each of them, but only to the extent that the alleged liability of the officer, director or  
16 employee is based on said person's status as an officer, director or employee of that entity.

17         21.       Reservation of Rights

18               a.       Notwithstanding any other provision of this Consent Decree, the Plaintiffs  
19 reserve, and this Consent Decree is without prejudice to, the right to institute proceedings in this  
20 action or in a new action seeking recovery of Natural Resource Damages: (i) based on injury to,  
21 destruction of, or loss of Natural Resources as a result of the Castro Cove Contamination which  
22 resulted from conditions that were unknown to the Trustees as of the date of lodging of this  
23 Consent Decree, or could not have been reasonably ascertained by the Trustees from information  
24 known to the Trustees as of the date of lodging of this Consent Decree; or (ii) based on  
25 information received by the Trustees after the date of lodging of this Consent Decree which  
26 indicates that there was injury to, destruction of, or loss of Natural Resources as a result of the  
27 Castro Cove Contamination which was of a type different than or magnitude significantly larger  
28 than that known to the Trustees as of said date.

1           b.       The covenant not to sue set forth above does not pertain to any matters  
2 other than those expressly specified in Paragraph 19. The Plaintiffs reserve, and this Consent  
3 Decree is without prejudice to, all rights against Defendant with respect to all other matters,  
4 including but not limited to, the following: (i) claims based on a failure by Defendant to meet a  
5 requirement of this Consent Decree; (ii) liability for response costs or the performance of  
6 response actions or other cleanup activity necessitated by the Castro Cove Contamination  
7 pursuant to CERCLA, the Clean Water Act, the Bay Protection and Toxic Cleanup program  
8 (California Water Code §§ 13390 *et seq.*), or any other applicable law; (iii) civil penalties  
9 imposed under the Clean Water Act, California Water Code § 13385, or any other applicable  
10 law; and (iv) criminal liability.

11                                           **IX. COVENANT NOT TO SUE BY DEFENDANT**

12           22.       Subject to Paragraph 24 below, the Defendant hereby covenants not to sue or  
13 assert any administrative claims or causes of action against the Plaintiffs with respect to this  
14 Consent Decree or with respect to Natural Resource Damages resulting from the Castro Cove  
15 Contamination, including but not limited to:

16                   a.       Any direct or indirect claim for reimbursement from the Hazardous  
17 Substance Superfund based on Sections 106(b)(2), 107, 111, 112, or 113 of CERCLA, 42 U.S.C.  
18 §§ 9606(b)(2), 9607, 9611, 9612, or 9613, or any other provision of law;

19                   b.       Any claim against Plaintiffs, including any department, agency or  
20 instrumentality of the United States or the State, under CERCLA Sections 107 or 113, 42 U.S.C.  
21 §§ 9607 and 9613, relating to Natural Resource Damages resulting from the Castro Cove  
22 Contamination; and

23                   c.       Any claims under the United States Constitution, the State Constitution,  
24 the Tucker Act, 28 U.S.C. § 1491, the Equal Access to Justice Act, 28 U.S.C. § 2412, or at  
25 common law relating to Natural Resource Damages resulting from the Castro Cove  
26 Contamination.

27           23.       Nothing in this Consent Decree shall be deemed to constitute approval or  
28 preauthorization of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611, or

1 40 C.F.R. 300.700(d).

2 24. The Defendant reserves its right to contest any claim allowed by Section VIII  
3 (COVENANTS NOT TO SUE BY PLAINTIFFS) of this Consent Decree, and the Defendant  
4 does not by consenting to this Consent Decree waive any other rights or defenses with respect to  
5 such claims, including the right to assert counterclaims, except that the Defendant covenants not  
6 to assert, and may not maintain, any defense based upon principles of waiver, res judicata,  
7 collateral estoppel, claim preclusion, issue preclusion, claim-splitting, or other defense based  
8 upon the contention that the claims that are allowed by Section VIII of this Consent Decree were  
9 or should have been brought in the instant case.

10 **X. EFFECT OF SETTLEMENT AND CONTRIBUTION PROTECTION**

11 25. Nothing in this Consent Decree shall be construed to create any rights in, or grant  
12 any cause of action to, any person not a Party to this Consent Decree. The preceding sentence  
13 shall not be construed to waive or nullify any rights that any person not a signatory to this  
14 Consent Decree may have under applicable law. Each of the Parties expressly reserves any and  
15 all rights (including, but not limited to, any right to contribution), defenses, claims, demands, and  
16 causes of action which each Party may have against any person not a Party hereto.

17 26. The Parties agree, and by entering this Consent Decree this Court finds, that this  
18 settlement constitutes a judicially-approved settlement for purposes of Section 113(f)(2) of  
19 CERCLA, 42 U.S.C. § 9613(f)(2), and that the Defendant, and the other persons and entities  
20 included under the Covenant Not to Sue in Paragraph 19 of this Consent Decree, are entitled, as  
21 of the Effective Date, to protection from contribution actions or claims as provided by CERCLA  
22 Section 113(f)(2), 42 U.S.C. § 9613(f)(2), or as may be otherwise provided by law, for “matters  
23 addressed” in this Consent Decree. The “matters addressed” in this Consent Decree are Natural  
24 Resource Damages, as that term is defined in Paragraph 6 of this Consent Decree.

25 27. The Defendant shall, with respect to any suit or claim brought by it for matters  
26 related to this Consent Decree, notify the United States and the State in writing no later than 60  
27 days prior to the initiation of such suit or claim.

28 28. The Defendant shall, with respect to any suit or claim brought against it for

1 matters related to this Consent Decree, notify in writing the United States and the State within 10  
2 days of service of the complaint on Defendant. In addition, Defendant shall notify the United  
3 States and the State within 10 days of service or receipt of any Motion for Summary Judgment  
4 and within 10 days of receipt of any order from a court setting a case for trial.

5 **XI. NOTICES**

6 29. Unless otherwise specified herein, whenever notifications, submissions, or  
7 communications are required by this Consent Decree, they shall be made in writing and  
8 addressed as follows:

9 To the United States:

10 Chief, Environmental Enforcement Section  
11 Environment and Natural Resources Division  
12 Box 7611 Ben Franklin Station  
Washington, DC 20044-7611  
12 Re: DOJ No. 90-11-3-09726

13 To DOI

14 Charles McKinley  
15 Assistant Field Solicitor  
16 1111 Jackson Street  
Suite 735  
Oakland, California 94607

17 To NOAA

18 Christopher Plaisted  
19 NOAA-GCNR  
501 W. Ocean Blvd., Suite 4470  
20 Long Beach, California 90802

21 To the State

22 Daniel S. Harris  
23 Deputy Attorney General  
455 Golden Gate Avenue, Suite 11000  
San Francisco, California 94102-3664

24 To CDFG

25 Katherine Verrue-Slater  
26 Staff Counsel III  
Department of Fish and Game  
Office of Spill Prevention and Response  
27 1700 K Street, Suite 250  
Sacramento, California 95811  
28

1 To Defendant

2 Timothy R. Knutson  
3 Senior Counsel  
4 Chevron U.S.A. Inc.  
5 Law Department  
6 6111 Bolinger Canyon Road  
7 BR1-Y RM 4214  
8 San Ramon, California

9 Gerald F. George  
10 Pillsbury Winthrop Shaw Pittman LLP  
11 50 Fremont Street  
12 San Francisco, California 94105

13 30. Any Party may, by written notice to the other Parties, change its designated notice  
14 recipient or notice address provided above.

15 31. Notices submitted pursuant to this Section shall be deemed submitted upon  
16 mailing unless otherwise provided in this Consent Decree or by mutual agreement of the Parties  
17 in writing.

18 **XII. EFFECTIVE DATE**

19 32. The Effective Date of this Consent Decree shall be the date of the entry of this  
20 Consent Decree by the Court or a motion to enter the Consent Decree is granted, whichever  
21 occurs first, as recorded on the Court's docket. Provided, however, that if the Court permits a  
22 third party to intervene in this matter and that third party challenges this Consent Decree, the  
23 Effective Date shall mean (1) the date after entry of this Consent Decree on which all applicable  
24 appeal periods have expired without an appeal being filed, or (2) if an appeal is taken after entry,  
25 the date on which the District Court's judgment is affirmed and there is no further right to  
26 appellate review.

27 **XIII. RETENTION OF JURISDICTION**

28 33. The Court shall retain jurisdiction over this case until termination of this Consent  
Decree for the purpose of effectuating or enforcing compliance with the terms of this Consent  
Decree.

**XIV. RETENTION OF RECORDS**

34. Until three years after termination of this Consent Decree pursuant to Section XX

1 (TERMINATION), the Defendant shall retain, and shall instruct its contractors and agents to  
 2 preserve, all non-identical copies of all documents, records, or other information (including  
 3 documents, records, or other information in electronic form) in their or their contractors' or  
 4 agents' possession or control, or that come into it or its contractors' or agents' possession or  
 5 control, that relate in any manner to the Castro Cove Contamination and/or the Natural Resource  
 6 Damages. At any time during this information-retention period, upon request by the Plaintiffs,  
 7 Defendant shall promptly provide copies of any documents, records, or other information  
 8 required to be maintained under this Paragraph.

9 35. At the conclusion of the information-retention period provided in the preceding  
 10 Paragraph, Defendant shall notify the Plaintiffs in writing that it will, upon written request by  
 11 NOAA, DOI or CDFG, deliver any such documents, records, or other information to the  
 12 requesting agency. Defendant may assert that certain documents, records, or other information is  
 13 privileged under state or federal law. If Defendant asserts any such privilege, it shall provide  
 14 Plaintiffs with a privilege log relating to the subject documents, records or other information.  
 15 Defendant shall retain the documents, records or other information that are withheld as privileged  
 16 until any privilege disputes relating to those documents are resolved. Except as provided in this  
 17 Paragraph with respect to assertedly privileged documents, records or other information, at any  
 18 time after ninety days of such written notification, Defendant may, subject to its obligations  
 19 under Paragraph 36, destroy or otherwise dispose of such documents without further obligation  
 20 to provide notice to NOAA, DOI or CDFG.

21 36. This Consent Decree in no way limits or affects any right to obtain information  
 22 held by the United States or the State pursuant to applicable federal or state laws, regulations, or  
 23 permits, nor does it limit or affect any duty or obligation of Defendant to maintain documents,  
 24 records, or other information imposed by applicable federal or state laws, regulations or permits.

## 25 **XV. MODIFICATION**

26 37. The terms of this Consent Decree may be modified only by a subsequent written  
 27 agreement signed by the Parties or as ordered by the Court upon the noticed motion of any Party.  
 28 Where any modification constitutes a material change to any terms of this Consent Decree, it

1 shall be effective only upon approval by the Court.

2 **XVI. PUBLIC NOTICE**

3 38. This Consent Decree shall be lodged with the Court for a period of not less than  
4 thirty (30) days for public notice and comment. The Plaintiffs reserve the right to withdraw or  
5 withhold their consent if the comments regarding the Consent Decree disclose facts or  
6 considerations indicating that the Consent Decree is inappropriate, improper or inadequate.  
7 Defendant consents to entry of this Consent Decree without further notice and agrees not to  
8 withdraw from or oppose entry of this Consent Decree by the Court or to challenge any provision  
9 of the Consent Decree, unless the Plaintiffs have notified Defendant in writing that they no  
10 longer support entry of the Consent Decree.

11 **XVII. SIGNATORIES/SERVICE**

12 39. This Consent Decree may be signed in counterparts, and facsimile, photocopy or  
13 PDF signatures shall be deemed the same as original signatures. The validity of this Consent  
14 Decree shall not be challenged on the basis of counterparts or non-original signatures..

15 40. With regard to matters relating to this Consent Decree and its enforcement and the  
16 filing of the Complaint, Defendant shall identify on the attached signature page the name,  
17 address, and telephone number of an agent who is authorized to accept service of process by mail  
18 on behalf of that entity with respect to all matters arising under or relating to this Consent Decree  
19 and the filing of the Complaint. Defendant agrees to accept service of process by mail with  
20 respect to all matters arising or relating to this Consent Decree and to waive the formal service  
21 requirements set forth in Rules 4 and 5 of the Federal Rules of Civil Procedure and any  
22 applicable local rules of this Court, including, but not limited to, service of a summons.

23 **XVIII. COSTS OF SUIT**

24 41. The Parties shall bear their own costs of this action, including attorneys' fees,  
25 except that the Plaintiffs shall be entitled to collect the costs (including attorneys' fees) incurred  
26 in any action necessary to enforce this Consent Decree.

27 **XIX. INTEGRATION**

28 42. This Consent Decree constitutes the final, complete, and exclusive agreement and



1 understanding among the Parties with respect to the matters addressed in the Consent Decree and  
2 supersedes all prior agreements and understandings, whether oral or written, concerning the  
3 settlement embodied herein. No other document, nor any other representation, inducement,  
4 agreement, understanding, or promise, constitutes any part of this Consent Decree or the  
5 settlement it represents, nor shall it be used in construing the terms of this Consent Decree.

6 **XX. TERMINATION**

7 43. This Consent Decree shall terminate upon granting of a motion duly filed by the  
8 Defendant, demonstrating that Defendant has satisfactorily completed the payments required by  
9 Section V (SETTLEMENT PAYMENTS) and payment of any outstanding stipulated penalties or  
10 interest under Section VI (STIPULATED PENALTIES). The provisions and effect of Section II  
11 (PARTIES BOUND), Section VIII (COVENANTS NOT TO SUE BY PLAINTIFFS), Section  
12 IX (COVENANT NOT TO SUE BY DEFENDANT), Section X (EFFECT OF SETTLEMENT  
13 AND CONTRIBUTION PROTECTION) and Section XIV (RETENTION OF RECORDS) shall  
14 survive termination of the Consent Decree.

15 **XXI. FINAL JUDGMENT**

16 44. Upon approval and entry of this Consent Decree by the Court, this Consent  
17 Decree shall constitute a final judgment of the Court as to the Parties and matters addressed  
18 herein.

19  
20 SO ORDERED

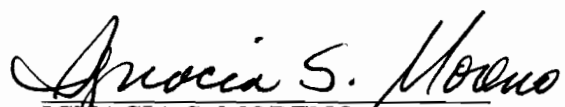
21  
22 Dated and entered this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

23  
24 \_\_\_\_\_  
25 United States District Judge

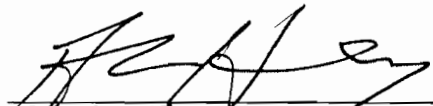
1 We hereby consent to the Entry of the foregoing Consent Decree, subject to the Notice and  
2 Comment provisions of Section XVI of this Consent Decree:

3  
4 FOR THE UNITED STATES:

5  
6 DATED: 1/11/10

  
IGNACIA S. MORENO  
Assistant Attorney General  
Environment and Natural Resources Division  
United States Department of Justice

9  
10 DATED: 1/13/10

  
ANN C. HURLEY  
Trial Attorney  
Environmental Enforcement Section  
United States Department of Justice

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1 We hereby consent to the Entry of the foregoing Consent Decree, subject to the Notice and  
2 Comment provisions of Section XVI of this Consent Decree:

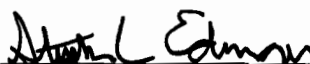
3

4 FOR THE PEOPLE OF THE STATE OF CALIFORNIA EX REL. THE CALIFORNIA  
5 DEPARTMENT OF FISH AND GAME

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7

8 DATED: Dec 14, 2009

  
STEPHEN L. EDINGER  
Administrator  
Office of Spill Prevention and Response  
California Department of Fish and Game

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1 We hereby consent to Entry of the foregoing Consent Decree:

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3 FOR SETTLING DEFENDANT:

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5 DATED: 15 JAN 2010



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Assistant Secretary  
Chevron U.S.A. Inc.

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11 Name and Address of Agent for service of process:

12 Corporation Service Company (CSC)  
2730 Gateway Oaks Drive, Suite 100  
13 Sacramento, CA 95833  
14 (800) 222-2122

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