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Identifying and Addressing Environmental Issues in Petroleum Marketing Agreements: Arkansas Oil Marketers Association August 30th Presentation

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The Arkansas Oil Marketers Association Environmental Workshop was held on August 30th in Little Rock.

I undertook a presentation titled:

Identifying and Addressing Environmental Issues in Petroleum Marketing Agreements (“Presentation”)

The Presentation initially noted the wide variety of facilities owned and operated by petroleum jobbers or marketers that include:

- Bulk oil plants
- Retail convenience stores
- Fixed Base Operations (“FBOs”)
- Service stations
- Lube oil facilities
- Card/Key lock operations
- Terminals
- Carwashes

The Presentation identified a number of environmental issues sometimes relevant to these types of facilities. However, the focus of the Presentation was the added complexity that such issues pose in various types of petroleum marketing transactions. Difficulties can arise in allocating responsibilities between the parties and/or ensuring the responsible party in a commercial transaction fulfills the allocated responsibility.

The Presentation discussed:

- Terms and conditions relating to environmental matters involving petroleum marketing facilities
- Identifying the parties to the agreement
- Adequately describing the property or facility
- Access issues
- Installation/modification issues

- Environmental maintenance/compliance responsibilities
- Term of the agreement
- Extension/holding over (contamination/closure issues)
- Use of premises
- Storage tank issues
- Due diligence
- Allocation of costs/expenses
- Right of entry/inspection
- Warranties
- Representations
- Compliance with laws
- Surrender of premises
- Termination/non-renewal provisions
- Supply agreements
- Purchase/sale agreements
- Purchaser environmental assessments/due diligence
- Seller environmental liability reduction efforts
- Environmental consulting agreements
- Arkansas petroleum storage tank trust fund issues
- Role of governmental contamination action levels

[A copy of a paper accompanying the Presentation can be downloaded here.](#)