

PRESS RELEASE

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Environmental Defense Center and Multi-Chem Settle Clean Water Act Dispute

Company Agrees to Improve Stormwater Management Practices At its Ventura River Facility, and to Provide \$35,000 Seed Money For Establishment of Lower Ventura River Watershed Fund

Ventura, California—Multi-Chem Group, LLC and the Environmental Defense Center (EDC) have settled concerns raised by a 60-day "Notice of Intent to Sue" sent by EDC to Multi-Chem on April 1, 2011. EDC's Notice alleged that stormwater management practices at Multi-Chem's chemical blending facility on the lower Ventura River were violating requirements of the federal Clean Water Act (CWA), including monitoring and reporting requirements under the State of California's "General Permit" for stormwater discharges from industrial facilities. The lower Ventura River is an environmentally important area, providing habitat for numerous endangered species before it empties just above the City's most popular surf break.

Under the Settlement Agreement, Multi-Chem has agreed to: 1) install or improve several stormwater pollution control measures at the facility, including the utilization of bioswales and detention basins; 2) prepare a revised Storm Water Pollution Prevention Plan (SWPPP) that incorporates all agreed stormwater management measures; 3) "meet and confer" with EDC in the event that stormwater discharges exceed benchmark values after the installation of improved stormwater pollution control measures to make necessary adjustments; and 4) provide funding for independent water quality monitoring for the next three years. In addition, Multi-Chem has agreed to donate \$35,000 for the funding of projects to reduce, prevent, or mitigate pollutant discharges to the lower Ventura River watershed and adjacent coastal watersheds, with the money to be administered through a grant program managed by the Rose Foundation for Communities and the Environment.

Stormwater is generated when precipitation from rain events flows over land and impervious surfaces, accumulating sediment, chemicals, debris, and other pollutants. Stormwater discharges from municipal storm drains, construction activities, and industrial sites are among southern California's most significant sources of water pollution. Multi-Chem's agreement to improve processes at its facility will greatly decrease the amount of stormwater discharged from its facility. It is anticipated that the new processes will reduce pollutants and benefit the water quality in the lower Ventura River and coastal waters.

"We are pleased to announce this Settlement Agreement, and commend Multi-Chem for recognizing the need to improve stormwater pollution control measures at the facility and for its agreement to make the financial investments necessary for those improvements and to establish the Lower Ventura River Watershed Fund," stated Brian Segee, staff attorney at the Environmental Defense Center. "We believe that this settlement agreement will help protect the Ventura River, and contribute to larger efforts to restore the Ventura River waterway."

"Multi-Chem is a value based company, and is committed to operate in a manner that is in compliance with all regulatory agencies, and is sensitive to environmental issues in those areas where we have operations," said Blake Gage, Vice President of HS&E.

"Multi-Chem and the EDC have worked together in good faith, and believe we have an agreement that will benefit the lower Ventura River Watershed and the surrounding community," said Mr. Gage.

Located on the lower Ventura River, the Multi-Chem facility custom blends chemical products for use in oil and gas production and pipeline operations. Multi-Chem is headquartered in Texas and has facilities throughout North America.

EDC submitted its notice of intent to sue Multi-Chem as part of its Clean Water Act enforcement program, which focuses on discharger compliance with the National Pollutant Discharge Elimination System (NPDES) permitting program. This EDC initiative is intended to identify and address water pollution problems within EDC's three-county service area, with a particular emphasis on coastal rivers and watersheds.

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The Environmental Defense Center, a non-profit law firm, protects and enhances the local environment through education, advocacy, and legal action and works primarily within Santa Barbara, Ventura, and San Luis Obispo counties. Since 1977, EDC has empowered community based organizations to advance environmental protection. Program areas include protecting coast and ocean resources, open spaces and wildlife, and human and environmental health. Learn more about EDC at www.EnvironmentalDefenseCenter.org.

Multi-Chem is a global oilfield production chemicals company serving the worldwide energy market. Multi-Chem provides production chemicals to address issues such as flow assurance, enhanced gas recovery, fracturing technology and pipeline treatments. The company is headquartered in San Angelo, Texas, with a research and development facility in Houston and offices and operations around the world. Visit www.multichem.com.