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PRESS RELEASE

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Attorney General Brown and Maryland Department of the Environment Announce \$600,000 Penalty Against Caroline County Fuel Storage Facility

Settlement of Lawsuit Against Tri-Gas & Oil Co., Inc. Includes Remediation Requirements After Fuel Leaks into a Stream of the Marshyhope River

BALTIMORE (Jan. 24, 2024) – Maryland Attorney General Anthony G. Brown and Maryland Secretary of the Environment Serena McIlwain today announced the [settlement](#) of a lawsuit against an Eastern Shore fuel storage facility, including a \$600,000 penalty for pollution to groundwater and a nearby creek. The settlement resolves a lawsuit brought against Tri-Gas & Oil Co., Inc. last year by the Attorney General’s Office on behalf of the Maryland Department of the Environment (MDE) and requires the company to continue work to clean up the fuel that leaked from storage tanks at its Federalsburg location.

“Marylanders have an expectation that the water they use will be safe no matter where they live,” **said Attorney General Brown**. “Businesses must follow regulations designed to protect our people and the environment, and I will hold every company doing business in Maryland accountable for its impact on our communities and the people who live here.”

“The significant financial penalty and the required cleanup actions contained in this settlement reflect how serious it is to ignore environmental regulations and pollute our waterways,” **said Secretary McIlwain**. “Overburdened and underserved communities disproportionately bear the burden of environmental hazards. We will hold those entities accountable who are found to be non-compliant with the applicable environmental laws and regulations.”

The lawsuit, filed last February in Caroline County Circuit Court, describes a series of events beginning with the company’s 2018 application to renew its oil operations permit for the facility. As part of that process, MDE inspected the facility and found numerous problems, including a lack of documentation of supposed repairs to two aboveground storage tanks and vegetation and cracks in a containment dike. The facility’s permit was issued in March 2019, but it included more than 20 special conditions requiring the facility to address the concerns identified during the prior inspection.

The Tri-Gas & Oil facility observed an oil stain adjacent to a storage tank in July 2019, and its contractors removed the oil from the tank in the following months. The complaint alleges that the company did not realize that the stain was associated with a larger release until March 2020, following a report of an oily sheen moving through the Faulkner Branch originating from the facility. The Maryland Department of the Environment has overseen subsequent investigations and cleanup at the property. The company discontinued its use of the property for fuel storage a few months later.

An investigation found oil in the subsurface between the facility's storage tanks and the nearby stream, and, in July 2021, the company and its environmental consultant discovered evidence of previously unknown oil contamination. Tri-Gas & Oil estimates that it lost roughly 26,000 gallons of fuel. Under the settlement, the company must continue to comply with the provisions of an interim cleanup plan from 2022 to return contaminated groundwater at the site to acceptable conditions.

The fuel leak occurred in a community that is overburdened and underserved, according to MDE's environmental justice screening tool. These communities bear a greater burden of environmental hazards compared to other communities.

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