

Clearing up Misperceptions about Underground Oil Storage Tanks

Submitted by the Oregon Oil Heat Help Desk

Appeared in the March 26, 2007 issue of Realtor

It's illegal to put a heating oil tank back in the ground... My tank is leaking so I have to convert to gas... Nobody will buy a house with oil heat... You can't put an oil tank in the basement... Gas is less expensive than oil... They don't make oil furnaces anymore... I want central air conditioning so I need to convert to gas...

Unfortunately, these are some of the common misperceptions surrounding oil heat when in fact the most practical and economical solution for many homeowners is to replace an existing oil tank with a new one. This was the message of a January 22, 2007 article entitled "The Truth about Underground Oil Storage Tanks" which generated several reader comments and questions. In this follow-up article, the Oregon Oil Heat Help Desk clarifies some of the most common concerns.

Doesn't the fire marshal mandate that abandoned (i.e., unused) tanks be fully decommissioned within a certain period?

The fire marshal in the City of Portland used to manage tank permits and keep records of heating oil tanks and is still involved with commercial applications (as well as tanks in the city rite of way as they apply to the uniform fire code). However, the State of Oregon (DEQ) now directs the heating oil tank program for the state's standard residential underground heating oil tanks. If a homeowner stops using an underground tank, Oregon law only requires that it be emptied of oil and the tank vent pipe be left in place. If the homeowner decides to sell the home, he must disclose that an abandoned tank is on the property and provide documentation to the buyer showing that the tank has been emptied. Actual decommissioning, however, is entirely voluntary (note: "decommissioning" is a generic term for taking a tank out of service by cleaning it and then either removing it or filling it with an inert material). A decommissioning recognized by DEQ as certifiable includes two properly extracted samples of soil showing no reportable contamination.

Of course, any time a homeowner is concerned about the integrity of a heating oil tank, he should have it checked or have it emptied and replaced. A replacement tank is much less expensive than allowing a known or suspected problem to continue.

If heating oil contains no toxins or carcinogens, why after discovering contamination does DEQ require testing for BTEX?

DEQ requires a test for Benzene in heating oil contaminated soil concentrations above 2500 parts per million. While Benzene is a known carcinogen, it is not an additive or contaminant found in heating oil proper. Heating oil is often contaminated with Benzene in some refinery situations or when it is transported in trucks or pipelines used to transport gasoline. Thus, DEQ looks to identify any potential risks to human health or the environment when evaluating a project for closure.

Do insurance companies or oil dealers provide service contracts on older tanks?

The service contract currently offered by full service fuel dealers in Oregon does not discriminate a tank by its age. If a homeowner has an old tank that is in good working condition, with no evidence of oil ever having leaked out or water having leaked in, it can be covered for up to \$5000 for operational or structural failure with a tank replacement. There is a phase-in period over a year, and an automatic delivery schedule to monitor usage is required for coverage. The reason for those requirements is that when customers order 100 gallons here and 100 gallons there, nobody is proactively monitoring for oil loss. Full service programs offered by some fuel dealers (which keep tanks full via an automatic delivery schedule) are better able to detect a problem early.

Isn't it in the best interest of both buyers and sellers to be sure the tank is sound by soil sampling?

Absolutely – when conducted carefully and properly. Although only legally required if there is a suspected or known leak, soil sampling is now a routine request during property transactions. It is important to hire a contractor who has shown good business practices. For example, some companies have been selling a cut rate single-sample service, in which they collect the two samples required, but send only the most obviously impacted sample to the lab for analysis. The seller is then presented with a bid for the cleanup, without the benefit of full representative information. The Oregon Oil Heat Help Desk can provide you with a list of tank testers recommended by the local fuel dealers who are trusted to have their customers' best interests in mind.

The Oregon Oil Heat Help Desk serves as a resource for both consumers and realtors to answer general questions about oil heat and to make selling an oil heated home easier. If you would like more information about any of the information discussed in this article, call the Oregon Oil Heat Help Desk at 503-546-5501. Hours are from 8:00 a.m. to 5:00 p.m., Monday through Friday. Or, e-mail helpdesk@oregonoilheat.com. Representatives are also available for presentations on the ABC's of selling oil-heated homes.