

FILE

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October 11, 2011

Mr. Paul A. Lyden
Vice President
Lyden Oil Company
3711 LeHarps Road
Youngstown, OH 44515

RE: In the Matter of Lyden Oil Company, Notice of Apparent Violation and Intent to Assess Forfeiture, Case No. 11-4645-TR-CVF.

Dear Mr. Lyden:

I am in receipt of your letter dated September 30, 2011 regarding the case your company has before the Commission. It appears there is some confusion concerning the Commission's process and I apologize if it was not made clear by our past discussions and letters. Please allow me the opportunity to clarify.

The first step after receiving the Notice of Apparent Violation and Intent to Assess Forfeiture is to request a telephone conference with the Staff of the Transportation Department. This provides an opportunity to discuss the facts of the case and possibly resolve the matter without need for a formal hearing. If the case is not settled at this time, a Notice of Preliminary Determination is issued by the Staff with instructions for requesting an administrative hearing before the Commission.

Once a hearing is requested, a formal case number is assigned and an Attorney Examiner (similar to a judge) is assigned to hear the case. Pursuant to the Commission's rules, the Attorney Examiner will schedule a telephone pre-hearing conference to principally discuss procedural matters and to establish a hearing date if necessary. While the prehearing conference is not an opportunity for either party to present its case to the examiner, it does provide an opportunity for the parties to discuss, outside of the presence of the examiner, the case and whether settlement can be reached. As a matter of course, the examiner will issue an entry shortly after the prehearing conference scheduling a hearing date. Such action does not preclude the parties from engaging in further discussions but simply is a means to provide legal notice of the date of the hearing in the event that negotiations do not result in a settlement. To be clear, at this point in the process, the Attorney Examiner does not know the facts of the case and is thus in no position to have formed any opinion as to the merits of the case.

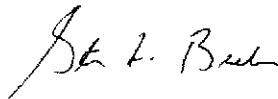
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As you indicate in your letter, no settlement offer has been made by Staff. While Commission rules allow its Staff to negotiate a settlement agreement, settlement is not required nor is it always possible. In this particular case, Staff has considered the evidence, including the additional documentation you provided, and it finds that it must advocate that the entire forfeiture be assessed. The Staff's position is only a recommendation that the Commission may accept or reject.

Once again, you will be offered an opportunity to have a hearing before an Attorney Examiner. As you noted in your letter, the hearing date is currently scheduled for November 17, 2011. At that time, you will have the chance to fully present your defense to the violations described in the Notice of Preliminary Determination.

Please do not hesitate to contact me if you have any additional questions or concerns.

Sincerely,



Steven L. Beeler
Assistant Attorney General
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cc: Joe Turek, Staff Attorney, Transportation Department