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UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 8

In the Matter of: DENBURY ONSHORE, LLC Beaver Creek Gas Processing Plant Respondent.	Docket No. CAA-08-2021-0003 COMBINED COMPLAINT AND CONSENT AGREEMENT

COMBINED COMPLAINT AND CONSENT AGREEMENT

I. PRELIMINARY STATEMENT

1. This is an administrative penalty assessment proceeding brought under section 113(d) of the Clean Air Act ("CAA" or the "Act"), 42 U.S.C. § 7413(d), and §§ 22.13 and 22.18 of the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits ("Consolidated Rules"), as codified at 40 C.F.R. part 22.

2. Complainant is the undersigned delegated representative of the United States Environmental Protection Agency, Region 8. On the EPA's behalf, Suzanne J. Bohan, Assistant Regional Administrator for the Office of Enforcement, Compliance and Environmental Justice, is delegated the authority to settle civil administrative penalty proceedings under section 113(d) of the Act, 42 U.S.C. § 7413(d).

3. Respondent is Denbury Onshore, LLC, organized under the laws of Delaware, and doing business in the state of Wyoming.

4. On December 28, 2020, Respondent entered into a Purchase and Sale Agreement ("PSA") with Devon Energy Production Company, L.P. ("Devon"), wherein Respondent agreed to purchase from Devon, among other things, the Beaver Creek Gas Processing Plant located near Riverton, Wyoming (the "Facility"). As part of the PSA, Respondent agreed to assume all of Devon's liabilities with respect to the Facility, including those liabilities that arose prior to the effective date of the PSA, and to be bound by, and comply with, the terms of that certain Combined Complaint and Consent Agreement entered into among Devon and Complainant and approved and incorporated by reference on June 12, 2019, into the Region 8 Regional Judicial Officer's Final Order (EPA Docket No. CAA-08-2019-0009) (the "Devon CAFO").

5. The Devon CAFO, among other things, required Devon to address ongoing violations of the CAA by undertaking actions specified therein. As a result of the assumption of liabilities specified in the PSA, Respondent is legally liable for addressing the past and ongoing violations at the Facility by undertaking the actions specified in the Devon CAFO and that are set forth in this Combined Complaint and Consent Agreement (this "Agreement").

6. Collectively, Complainant and Respondent are referred to herein as the "Parties."

7. Respondent is a "person" as defined in section 302(e) of the Act, 42 U.S.C. § 7602(e).

8. Complainant and Respondent, having agreed that settlement of this action is in the public interest, and without adjudication of any issues of law or fact herein, consent to the issuance of a final order by the Region 8 Regional Judicial Officer ("RJO") that approves this Agreement, incorporates it by reference into a final order, and orders Respondent to comply with all of this Agreement's terms, and Respondent agrees to comply with the terms of this Agreement.

9. Devon and the Wyoming Department of Environmental Quality ("WDEQ") entered into a separate consent decree, filed in Wyoming state court, resolving matters related to the allegations in the Devon CAFO, and Respondent is working with WDEQ to substitute itself for Devon in that action.

II. JURISDICTION

10. This Agreement is entered into under section 113(d) of the Act, as amended, 42 U.S.C. § 7413(d), and the Consolidated Rules, 40 C.F.R. part 22. The violations in this Agreement are alleged pursuant to section 113(a)(3)(A) of the CAA, 42 U.S.C. § 7413(a)(3)(A).

11. The EPA and the Department of Justice determined that this matter, although it involves alleged violations that occurred more than one year before the initiation of this proceeding, is appropriate for resolution pursuant to 42 U.S.C. § 7413(d).

12. The RJO is authorized to ratify this Agreement, which memorializes a settlement between Complainant and Respondent, through the issuance of a final order. 40 C.F.R. §§ 22.4(b) and 22.18(b).

13. The issuance of this Agreement and approval in a final order simultaneously commences and concludes this proceeding. 40 C.F.R. § 22.13(b).

III. GOVERNING LAW

14. The CAA establishes a regulatory scheme "to protect and enhance the quality of the Nation's air resources so as to promote the public health and welfare and the productive capacity of its population." 42 U.S.C. § 7401(b)(1).

15. Section 111 of the CAA authorizes the Administrator of the EPA to promulgate standards of performance applicable to stationary sources of air pollution that "may reasonably be anticipated to endanger public health or welfare." 42 U.S.C. § 7411(b).

16. In 1985, the EPA promulgated under the CAA Standards of Performance for Equipment Leaks of VOC from Onshore Natural Gas Processing Plants. 50 Fed. Reg. 26,124 (June 24, 1985). Those standards are codified at 40 C.F.R part 60, subpart KKK (subpart KKK), which includes 40 C.F.R. §§ 60.630-.636.

17. Subpart KKK applies to certain "affected facilities" that commence construction, reconstruction, or modification after January 20, 1984, and on or before August 23, 2011. 40 C.F.R. § 60.630.

18. Subpart KKK includes requirements for monitoring valves and other components for leaks of air pollutants, repairing leaks, recordkeeping, and reporting to regulators. Subpart KKK also incorporates certain other regulations in 40 C.F.R. part 60 by reference.

19. Pursuant to 40 C.F.R. § 60.632(a), each owner or operator subject to subpart KKK must comply with 40 C.F.R. §§ 60.482-1(a), (b), and (d) and 60.482-2 through 60.482-10, except as provided in 40 C.F.R. § 60.633.

20. Pursuant to 40 C.F.R. § 60.632(d), each owner or operator subject to subpart KKK must comply with 40 C.F.R. § 60.485.

21. Pursuant to 40 C.F.R. § 60.636(a), each owner or operator subject to subpart KKK must comply with recordkeeping and reporting requirements at 40 C.F.R. §§ 60.486 and 60.487.

22. Each requirement of subpart KKK is a "standard of performance" within the meaning of section 111(a)(1) of the CAA, 42 U.S.C. § 7411(a)(1).

23. Pursuant to section 111(e) of the Act, 42 U.S.C. § 7411(e), "it shall be unlawful for any owner or operator of any new source to operate such source in violation of any standard of performance applicable to such source."

IV. GENERAL ALLEGATIONS

24. Prior to August 1, 2018 and at all times relevant to the allegations in this Agreement, Respondent's predecessor in interest, Devon, owned and operated the Facility.

25. Prior to August 1, 2018, the Facility was a "natural gas processing plant (gas plant)" within the meaning of 40 C.F.R. § 60.631.

26. Prior to August 1, 2018, the Facility contained "affected facilities" under 40 C.F.R. § 60.630(a).

27. Prior to August 1, 2018, the affected facilities at the Facility were "new sources" within the meaning of section 111(a)(2) of the Act, 42 U.S.C. § 7411(a)(2).

28. Natural gas liquids contain, among other things, volatile organic compounds (VOCs), which evaporate under normal atmospheric conditions of temperature and pressure.

29. VOCs are a "pollutant" within the meaning of the Act.

30. VOCs form ground-level ozone by reacting with sources of oxygen molecules, e.g., nitrogen oxides and carbon monoxide, in the atmosphere in the presence of sunlight.

31. A compressor in VOC or wet gas service, and the group of all equipment, except compressors, within a "process unit," are an "affected facility" for purposes of subpart KKK. 40 C.F.R. § 60.630(a)(2) and (3).

32. Prior to August 1, 2018, the Facility contained multiple "process units" within the meaning of 40 C.F.R. § 60.631.

33. Prior to August 1, 2018, the process units at the Facility contained "equipment" within the meaning of 40 C.F.R. § 60.631, including without limitation pumps, pressure relief devices, and valves in VOC service or in wet gas service.

34. From at least March 21, 2009 until August 1, 2018, at least nine process units at the Facility were subject to the provisions of subpart KKK.

35. When the equipment at the Facility leaks, it can release VOCs to the atmosphere.

36. Pursuant to subpart KKK, owners and operators of onshore natural gas processing plants must monitor certain equipment for leaks of VOCs using "Method 21."

37. "Method 21" means the test method found at 40 C.F.R. part 60, appendix A, Method 21.

38. To the extent that the equipment at the Facility is subject to regulations that modify Method 21, Respondent must comply with such modifications to Method 21.

39. Method 21 entails, inter alia, using a calibrated meter with a probe to carefully measure around equipment for leaks of VOCs or other regulated pollutants.

40. As of August 1, 2018, Devon was no longer operating a "natural gas processing plant (gas plant)" within the meaning of 40 C.F.R. § 60.631 but continued to operate a natural gas compressor station. As of the effective date of the PSA, Respondent will assume all of Devon's federal and state statutory and regulatory responsibilities and liabilities with respect to the Facility.

41. On October 2, 2018, Devon notified the State of Wyoming of the shutdown of emission units associated with the natural gas processing plant and requested a modification of the air quality permits applicable to the Facility to reflect the shutdown of these emission units.

V. ALLEGED VIOLATIONS OF LAW

A. Failure to Identify Regulated Components

42. With certain exceptions and alternatives not relevant here, pursuant to subpart KKK, Devon was required to monitor valves, pumps, and pressure relief devices in gas/vapor service and in light liquid service in at least nine process units at the Facility for leaks using Method 21. 40 C.F.R. §§ 60.482-4, 60.482-7, 60.482-8, and 60.485(b)(1).

43. From at least March 21, 2009 until at least July 1, 2012, Devon failed to conduct leak testing on valves, pumps, and pressure relief devices that it was required to monitor under subpart KKK.

44. Devon's failure to perform leak testing violates subpart KKK and section 111 of the CAA, 42 U.S.C. § 7411.

B. Exceedances of Emissions Limits at Equipment Designated for No Detectable Emissions

45. Pursuant to subpart KKK, certain equipment may be designated for "no detectable emissions," (NDE) as indicated by an instrument reading of no less than 500 ppm above background. 40 C.F.R. §§ 60.482-2(e), 60.482-3(i), 60.482-7(f).

46. A pump in light liquid service that is designated for no detectable emissions may be exempt from the monitoring, repair, and barrier fluid system requirements at 40 C.F.R. § 60.482-2(a), (c), and (d) if the pump (1) has no externally actuated shaft penetrating the pump housing and (2) is demonstrated to be operating with no detectable emissions. 40 C.F.R. § 60.482-2(e).

47. From at least March 13, 2014 until no later than March 5, 2015, one pump designated for no detectable emissions at the Facility was demonstrated to be operating with detectable emissions, as indicated by instrument readings greater than 500 ppm above background.

48. Devon did not remove the NDE designation from the pump upon obtaining an instrument reading greater than 500 ppm above background and did not thereafter implement the monitoring requirements at 40 C.F.R. § 60.482-2(a).

49. A compressor may be exempt from barrier fluid system requirements at 40 C.F.R. § 482-3(a)-(h) if the compressor is demonstrated to be operating with no detectable emissions. 40 C.F.R. § 60.482-3(i).

50. From at least March 30, 2012 until no later than March 19, 2013, one compressor designated for no detectable emissions at the Facility was demonstrated to be operating with detectable emissions, as indicated by instrument readings greater than 500 ppm above background.

51. From at least August 30, 2013 until no later than January 16, 2014, two compressors designated for no detectable emissions at the Facility were demonstrated to be operating with detectable emissions, as indicated by instrument readings greater than 500 ppm above background.

52. Devon did not remove the NDE designation from the three compressors upon obtaining instrument readings greater than 500 ppm above background.

53. A valve in gas/vapor service and in light liquid service that is designated for no detectable emissions may be exempt from monitoring requirements at 40 C.F.R. § 60.482-7(a) if the valve (1) has no external actuating mechanism in contact with the process fluid and (2) is operated with no detectable emissions. 40 C.F.R. § 60.482-7(f)(1).

54. Six valves designated for no detectable emissions at the Facility were operating with detectable emissions, as indicated by instrument readings greater than 500 ppm above background, for the following respective periods: (1) from at least March 27, 2012 until no later than March 21, 2013; (2) from at least March 21, 2013 until no later than May 22, 2013; (3) from at least March 7, 2013 until no later than August 30, 2013; (4) from at least August 27, 2013

until no later than September 26, 2013; (5) from at least August 27, 2013 until no later than January 17, 2014; and (6) from at least March 12, 2014 until no later than March 5, 2015.

55. Devon did not remove the NDE designation from the valves upon obtaining instrument readings greater than 500 ppm above background and did not thereafter implement the monitoring requirements at 40 C.F.R. § 60.482-7(a).

56. Each exceedance of 500 ppm above background at equipment designated for no detectable emissions is a violation of an emissions limit and therefore a separate violation of subpart KKK and section 111 of the CAA, 42 U.S.C. § 7411.

C. Failure to Timely Repair Valves

57. With certain additional allowances at 40 C.F.R. § 60.482-9(c) not relevant here, pursuant to subpart KKK, repair of a valve found to be leaking may be delayed if (1) repair within 15 days is technically infeasible without a process unit shutdown, 40 C.F.R. § 60.482-9(a), or (2) the valve is isolated from the process and does not remain in VOC service, 40 C.F.R. § 60.482-9(b).

58. Beginning in September 2012, repairs of two valves in VOC service at the Facility were delayed beyond 15 days when repairs were technically feasible without a process unit shutdown.

59. Beginning in March 2013, repair at one of the two valves was again delayed beyond 15 days when repair was technically feasible without a process unit shutdown. Each of these failures to repair a valve as required is a separate violation of subpart KKK and section 111 of the CAA, 42 U.S.C. § 7411.

D. Failure to Report Process Unit Shutdowns

60. Pursuant to subpart KKK, owners and operators subject to the provisions of that subpart are required to report semiannually to the EPA the dates of all process unit shutdowns which occurred within the reporting period. 40 C.F.R. §§ 60.636(a), 60.487(c)(3).

61. From at least 2012 to 2014, Devon failed to report process unit shutdowns in its semiannual reports for the Facility.

62. Each of Devon's failures to report process unit shutdowns is a separate violation of subpart KKK and section 111 of the CAA, 42 U.S.C. § 7411.

VI. TERMS OF CONSENT AGREEMENT

63. For the purpose of this proceeding, as required by 40 C.F.R. § 22.18(b)(2), Respondent:

a) admits that the EPA has jurisdiction over the subject matter alleged in this Agreement;

b) neither admits nor denies the factual allegations and alleged violations of law stated above;

c) consents to the authority to issue and the issuance of this specified compliance or corrective action order;

d) consents to the conditions specified in this Agreement;

e) consents to any stated Permit Action;

f) waives any right to contest the alleged violations, the terms of this Agreement, and the conditions specified in this Agreement; and

g) waives its rights to appeal any final order which approves this Agreement.

64. For the purpose of this proceeding, Respondent:

a) agrees that this Agreement states a claim upon which relief may be granted against Respondent;

b) waives any and all remedies, claims for relief and otherwise available rights to judicial or administrative review that Respondent may have with respect to any issue of fact or law set forth in this Agreement, including any right of judicial review under section 307(b)(1) of the Act, 42 U.S.C. § 7607(b)(1);

c) consents to personal jurisdiction in any action to enforce this Agreement, in the United States District Court for the District of Wyoming; and

d) waives any rights it may possess at law or in equity to challenge the authority of the EPA to bring a civil action in a United States District Court to compel compliance with this Agreement, and to seek an additional penalty for such noncompliance, and agrees that federal law shall govern in any such civil action.

65. Section 113(d)(1)(B) of the Act, 42 U.S.C. § 7413(d)(1)(B), and 40 C.F.R. part 19 authorize the assessment of a civil penalty of up to $37,500 per day of violation occurring between January 13, 2009 and November 2, 2015, and up to $48,762 per day of violation occurring after November 2, 2015 for each violation of the implementing regulations associated with the Clean Air Act. To determine the amount of the civil penalty to be assessed pursuant to section 113(e)(1) of the Act, 42 U.S.C. § 7413(e)(1), the EPA took into account, in addition to such other factors as justice may require, the size of the business, the economic impact of the penalty on the business, Respondent's full compliance history and good faith efforts to comply, the duration of the violations as established by any credible evidence, payment by Respondent of penalties previously assessed for the same violations, the economic benefit of noncompliance, and the seriousness of the violations.

66. The EPA has compromised the civil penalty pursuant to section 113(d)(2)(B) of the Act, 42 U.S.C. § 7413(d)(2)(B), such that no administrative penalty will be paid for past violations by Respondent pursuant to this Agreement, and Respondent will undertake the conditions set forth in Paragraphs 67 and 68 of this Agreement.

67. Conditions. As conditions of settlement, Respondent agrees to the following:

a) Permit Changes. The equipment listed in Appendix A has been removed from the relevant construction permit, the Title V permit, and any other relevant air quality permit or approval for the Facility by the Respondent's predecessor in interest, Devon. Respondent may not extract natural gas liquids from field gas or fractionate mixed natural gas liquids into natural gas products without obtaining the necessary permits. Within 30 days of filing any applications to obtain permits required under this subparagraph, Respondent shall provide written notice along with a copy of the application to EPA, at the following address:

Director
Air & Toxics Technical Enforcement Branch
U.S. EPA Region 8 (8ENF-AT)
1595 Wynkoop Street
Denver, CO 80202

b) Beginning in the calendar year following the Effective Date of this Agreement, Respondent shall submit written notice of the operational status of the Facility to the EPA by January 31 of every year, continuing until termination of this Agreement. All notices under this subparagraph shall be submitted to the address in subparagraph 67.a).

c) Recordkeeping. Respondent shall obtain all records from Devon required to be kept by Devon pursuant to Paragraph 67.c of the Devon CAFO and shall keep those records and all records required by this Agreement, including the Third-Party LDAR Audit report, to document compliance with the requirements of this Agreement for at least one year after termination of this Agreement. Upon request by EPA, Respondent shall submit all such

documents to EPA and shall provide, in electronic format if so requested, all LDAR monitoring data generated during the life of this Agreement.

68. Additional conditions applicable in the event of a Restart.

a) Time Period of Restart Conditions.

(1) The Conditions of this paragraph 68 will begin from the date the Facility resumes the extraction of natural gas liquids from field gas, fractionation of mixed natural gas liquids to natural gas products, or both, pursuant to a valid construction permit or other relevant air quality permit or approval (other than a Title V permit) ("Restart"). This construction permit or other relevant air quality permit or approval must be issued under an EPA-approved program that is incorporated into the Wyoming State Implementation Plan, and issued under authority independent of Wyoming's authority to issue Title V permits.

(2) Respondent shall provide written notice to the EPA within 30 days of Restart pursuant to subparagraph 68.a)(1). Notices under this subparagraph shall be submitted to the address in subparagraph 67.a).

(3) If the Facility does not Restart before June 13, 2024, then Respondent will not be required to meet the conditions of this paragraph 68.

b) NSPS Applicability. At the time of Restart pursuant to subparagraph 68.a)(1), Respondent shall:

(1) Accept applicability of the LDAR requirements of the most current (as of the date of such Restart pursuant to subparagraph 68.a)(1)) NSPS for natural gas processing plants for "equipment" (as currently defined in 40 C.F.R. § 60.5430) in VOC service or in wet gas service (herein the "LDAR Program") at the Facility. Respondent shall treat the equipment to be monitored at the Facility as though part of a new or modified facility thus

resulting in the Respondent monitoring each valve in VOC service or in wet gas service monthly until two successive months show no leaks over the valve leak levels, at which point Respondent can reduce to quarterly LDAR valve monitoring, on a valve by valve basis. If a leak is detected during quarterly LDAR valve monitoring, the valve shall be monitored monthly until a leak is not detected for two successive months.

(2) Include the LDAR Program in any construction permit application or other relevant air quality permit or approval (other than a Title V permit), obtained pursuant to subparagraph 68.a)(1), from WDEQ. This permit or other approval must be issued under the Wyoming State Implementation Plan, and issued under authority independent of Wyoming's authority to issue Title V permits.

c) Updated Title V Permit. Within 180 days of issuance of any permit under subparagraph 68.b)(2), Respondent shall file any applications necessary to incorporate the requirements of that permit into the Title V operating permit.

d) Third-Party Inventory Audit. Within 30 days of any Restart pursuant to subparagraph 68.a)(1), Respondent must conduct a Third-Party Inventory Audit at the Facility to identify all equipment in VOC service or in wet gas service. The Third-Party Inventory Audit will occur prior to initiation of the LDAR Program (subparagraph 68.b)(1)), to ensure all necessary equipment will be monitored as part of the LDAR Program.

e) Facility-wide LDAR Document. By no later than 90 days after any Restart pursuant to subparagraph 68.a)(1), Respondent shall prepare a facility-wide leak detection and repair ("LDAR") protocol, acceptable to WDEQ, for process units at the Facility based on the alternatives and exceptions under 40 C.F.R. §§ 60.5400, 60.5401, 60.5402. The protocol should include the following components: (i) a summary of applicable LDAR requirements of the

LDAR Program and this Agreement; (ii) definition of the scope of the LDAR program at the Facility, including what equipment and process units are subject to LDAR, and what standards and exemptions apply; and (iii) definition of procedures and responsibilities for implementing the LDAR program at the Facility, including but not limited to a tracking program (e.g., Management of Change) that requires that new pieces of equipment added to the Facility for any reason are integrated into the LDAR program and that pieces of equipment that are taken out of service are removed from the LDAR program

f) Quality Assurance/Quality Control (QA/QC). Commencing no later than the first full calendar quarter after any Restart pursuant to subparagraph 68.a)(1), and continuing for an additional seven calendar quarters (for a total of eight quarterly reviews), at times that are not announced to the LDAR monitoring technicians, Respondent shall have an LDAR-trained employee or contractor of Respondent, who does not serve on a routine basis as an LDAR monitoring technician at the Facility, undertake the following no less than once per calendar quarter: (1) Verify that the equipment was monitored at the frequency required by regulation; (2) Verify that proper documentation and sign-offs have been recorded for all equipment placed on the delay-of-repair list; (3) Ensure that repairs have been performed in the required periods; (4) Review monitoring data and equipment counts (e.g., number of pieces of equipment monitored per day) for feasibility and unusual trends; (5) Verify that proper calibration records and monitoring instrument maintenance information are maintained; (6) Verify that other LDAR program records are maintained as required; and (7) Observe in the field each LDAR monitoring technician who is conducting quarterly leak detection monitoring to ensure that monitoring is being conducted as required. Respondent shall promptly correct any deficiencies detected or observed pursuant to this subparagraph. Respondent shall maintain a log that: (i) records the date

and time that the reviews, verifications, and observations required by this subparagraph are undertaken; and (ii) describes the nature and timing of any corrective actions taken.

g) Third-Party LDAR Audit. During the period that is 365 days to 730 days after initiation of the LDAR Program (to the extent the LDAR Program is initiated because of a Restart pursuant to subparagraph 68.a)(1)), Respondent must conduct one Third-Party LDAR Audit of equipment in the LDAR Program at the Facility and any equipment installed since the date of the Third-party Inventory Audit. Respondent shall ensure that the LDAR audit includes: (i) reviewing compliance with all applicable LDAR regulations, including LDAR requirements related to valves and pumps in heavy liquid service; (ii) reviewing and/or verifying the same items that are required to be reviewed and/or verified in subparagraph 68.f), *supra*; (iii) reviewing whether any pieces of equipment that are required to be in the LDAR program are not included; and (iv) comparative monitoring as described in subparagraph 68.g)(1), *infra*. Respondent shall retain a third party with experience in conducting LDAR audits. Respondent shall select a different company than the Facility's regular LDAR contractor to perform the third-party audit and Respondent may not hire that company as the Facility's regular LDAR contractor during the life of this Agreement.

(1) Comparative Monitoring. Respondent shall ensure that Comparative Monitoring during LDAR audits is undertaken as follows:

(a) Calculating a Comparative Monitoring Audit Leak Percentage. Equipment must be monitored in order to calculate a leak percentage for each process unit, broken down by type of equipment (*i.e.,* valves and pumps). For descriptive purposes under this subparagraph, the monitoring that takes place during an LDAR Audit will be called "Comparative Monitoring" and the leak percentages derived from the Comparative

Monitoring will be called the "Comparative Monitoring Audit Leak Percentages." In undertaking Comparative Monitoring, Respondent shall not be required to monitor every component in each covered process unit.

(b) Calculating the Historic, Average Leak Percentage from Prior Periodic Monitoring Events. For each process unit, the historic, average leak percentage from prior periodic monitoring events, broken down by type of equipment (i.e., valves (excluding pressure relief valves) and pumps) must be calculated. The following number of complete monitoring periods immediately preceding the Comparative Monitoring must be used for this purpose: valves: 4 periods; pumps: 12 periods. The preceding monitoring periods may comprise a mix of the monitoring periods and frequencies specified in the applicable LDAR regulations.

(c) Calculating the Comparative Monitoring Leak Ratio. For each process unit and each type of equipment, the ratio of the Comparative Monitoring Audit Leak Percentage from subparagraph 68.g)(1)(a) to the historic, average leak percentage from subparagraph 68.g)(1)(b) must be calculated. This ratio will be called the "Comparative Monitoring Leak Ratio." If the denominator in this calculation is "zero," it will be assumed (for purposes of this calculation but not for any other purpose under this Agreement or under any applicable laws and regulations) that one leaking piece of equipment was found in the process unit through routine monitoring during the 12-month period before the Comparative Monitoring.

(2) Corrective Action Plan (CAP).

(a) Requirements of a CAP. By no later than the date that is one month after the LDAR audit completion date, Respondent shall develop a CAP if: (i) the results of an LDAR audit identify any deficiencies with the required included elements of the

LDAR audit identified in subparagraph 68.g), above; or (ii) a Comparative Monitoring Leak Ratio calculated pursuant to subparagraph 68.g)(1)(c) is 3 or higher *and* the Comparative Monitoring Audit Leak Percentage calculated pursuant to subparagraph 68.g)(1)(a) is greater than or equal to 0.5 percent. The CAP must describe the actions that Respondent has taken or will take to address: (i) the deficiencies; and (ii) the causes of a Comparative Monitoring Leak Ratio that is 3.0 or higher (but only if the Comparative Monitoring Audit Leak Percentage is at or above 0.5 percent). Respondent shall include a schedule by which actions that have not yet been completed must be completed. Respondent shall promptly complete each corrective action item with the goal of completing each action within the date that is 90 days after the LDAR audit completion date.

(b) Submission of the Final CAP to EPA. By no later than 120 days after the LDAR audit completion date, Respondent shall submit the CAP to EPA, together with a certification of the completion of each item of corrective action. If any action is not completed within 90 days after the LDAR audit completion date, Respondent shall explain the reasons, together with a proposed schedule for prompt completion. Respondent shall submit a supplemental certification of completion by no later than 30 days after completing all actions.

h) Low-Emission ("Low-E") Valves and Packing. Commencing no later than 180 days after any Restart pursuant to subparagraph 68.a)(1) and continuing for twenty-four months, Respondent shall ensure that each new valve (other than a valve that serves as the closure device on an open-ended line) that is installed in each process unit, and that when installed will be regulated under the LDAR Program, either is a Low-E Valve or is fitted with Low-E Packing. This requirement applies to new valves that are added to a process unit and to existing valves that are replaced for any reason in a process unit. However, Respondent shall not

be required to utilize a Low-E Valve or Low-E Packing to replace or repack a valve if an appropriate Low-E Valve or Low-E Packing is commercially unavailable.

(1) "Low-Emissions Valve" or "Low-E Valve" means either of the following:

(a) A valve (including its specific packing assembly or stem sealing component) for which the manufacturer has issued a written warranty that it will not emit fugitives at greater than 100 ppm, and that, if it does so emit at greater than 100 ppm at any time in the first five years after installation, the manufacturer will replace the valve; or

(b) A valve (including its specific packing assembly or stem sealing component) for which the manufacturer has stated in writing that: (i) the valve has been tested by the manufacturer or a qualified testing firm pursuant to generally accepted good engineering practices for testing fugitive emissions and that, during the test, at no time emitted fugitive emissions at greater than 500 ppm, and on average, so emitted at less than 100 ppm; or (ii) is an "extension of another valve" that qualified as "Low-E" under this subparagraph 68.h)(1).

(2) "Low-Emissions Packing" or "Low-E Packing" means either of the following:

(a) A valve packing product, independent of any specific valve, for which the manufacturer has issued a written warranty that the packing will not emit fugitive emissions at greater than 100 ppm, and that, if it does so emit at greater than 100 ppm at any time in the first five years after installation, the manufacturer will replace the product; or

(b) A valve packing product, independent of any specific valve, for which the manufacturer has stated in writing that the valve packing product has been

tested by the manufacturer or a qualified testing firm pursuant to generally accepted good engineering practices for testing fugitive emissions, and that, during the test, at no time emitted fugitive emissions at greater than 500 ppm, and on average, so emitted at less than 100 ppm.

(3) If Respondent concludes that a "Low-e Valve" or "Low E-Packing" is commercially unavailable, they must keep appropriate records, including: (i) the identification of each valve for which they could not comply with the requirement to use a Low-E Valve or Low-e Packing, and (2) the basis for Respondent's conclusion that the Low-E Valve or Low-E Packing is commercially unavailable, including records of communications with vendors. The following factors are relevant in determining whether a Low-E Valve or Low-E Packing is commercially available to replace or repack an existing valve: (1) valve type; (2) nominal valve size (e.g., 2 inches, 4 inches); (3) compatibility of materials of construction with process chemistry and product quality requirements; (4) valve operating conditions (e.g., temperature, pressure); (5) service life; (6) packing friction (e.g., impact on operability of valve); (7) whether the valve is part of a packaged system or not; (8) retrofit requirements (e.g., re-piping or space limitations); and (9) other relevant considerations.

i) Equipment Monitoring and Database. By no later than any Restart pursuant to subparagraph 68.a)(1), and continuing for two years from such Restart pursuant to subparagraph 68.a)(1), for all equipment Respondent shall use an instrument attached to a data logger (or an equivalent instrument) which directly records electronically the screening value (the highest emission level that is recorded at each piece of equipment as it is monitored in compliance with Method 21) detected at each piece of equipment, the date and time that each screening value is taken, and the identification numbers of the monitoring instrument and the

technician. Respondent shall transfer this monitoring data to an electronic database on at least a weekly basis for recordkeeping purposes.

j) Optical Gas Imaging Program. Within 180 days after any Restart pursuant to subparagraph 68.a)(1), and continuing for two years from such Restart pursuant to subparagraph 68.a)(1), Respondent shall develop and implement a protocol for semiannual optical gas imaging emission monitoring of equipment (as that term is defined at 40 C.F.R. § 60.5430) at the Facility. Respondent shall utilize this protocol for four semi-annual monitoring events. Imaging performed for annual optical gas imaging surveys at the Facility in accordance with 40 C.F.R. part 98, subpart W may be used to help satisfy the requirements of this optical gas imaging program.

(1) This monitoring must be in accordance with the instrument manufacturer's operating parameters, and the instrument shall be maintained according to manufacturer's recommendations.

(2) The protocol does not require the use of a specific instrument and may be amended to use an alternative leak detection technology, upon approval by the permit-issuing authority. This protocol shall include parameters such as viewing distance, thermal background, wind speed, interferences (e.g., steam), and operator training unless sufficiently addressed by the instrument manufacturer's operating parameters.

(3) The protocol shall include an instrument check on each day that the instrument is used. The instrument check shall ensure that the instrument can effectively detect leaks under the conditions outlined in subparagraph 68.j)(2) above.

(4) If Respondent detects emissions from a component subject to the LDAR Program with the optical gas imaging instrument, it shall repair the component in

accordance with the LDAR Program unless Respondent first determines, using a Method 21 instrument, that the emissions are not a "leak" that is subject to the LDAR Program repair requirements.

(5) The protocol shall include five (5) year retention requirements for the following records: all optical gas imaging surveys, instrument checks, location of identified leaks and associated video recordings, timing and efficacy of all repairs, and follow-up evaluations of all repairs.

k) Status Reports. Beginning in the calendar year following any Restart pursuant to subparagraph 68.a)(1), Respondent shall submit, in the manner set forth in subparagraph 68.k)(6), a status report by January 31 of every year, regarding the required information in the previous twelve-month period. This reporting obligation shall continue until the January 31 of the year following termination of this Agreement. However, in the event that all compliance requirements expire by the first half of a calendar year, a final compliance status report may be filed by July 31 of the last compliance year. The status report must contain the following:

(1) An identification and description of any non-compliance with the requirements of this Agreement;

(2) Any deviations identified in the QA/QC performed under subparagraph 68.f) as well as any corrective actions taken under subparagraph 68.g)(2).

(3) A complete copy or backup (*.bak) copy of the electronic database that stores the data identified in subparagraph 68.i).

(4) Respondent shall ensure that the Responsible Official signs each report submitted under this Agreement and makes the following certification:

> I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete as of the date of my signature

(5) If Respondent learns that the information submitted in a report was in any material respect inaccurate or incomplete, it shall promptly certify and submit supplementary or corrected information.

(6) Respondent shall submit all reports under this Agreement to EPA at the address provided in subparagraph 67.a).

l) Stipulated Penalties. Respondent shall be liable for stipulated penalties to the United States for violations of this Agreement as specified below. A violation includes failing to perform any obligation required by the terms of this Agreement, including any work plan or schedule approved under this Agreement, according to all applicable requirements of this Agreement and within the specified time schedules established by or approved under this Agreement.

(1) If EPA determines that a stipulated penalty should be paid pursuant to this Agreement, it shall make a written demand for stipulated penalty. Respondent shall pay any stipulated penalty within 60 days of receiving EPA's written demand, unless the demand is disputed.

(2) The EPA may in the unreviewable exercise of its discretion, reduce or waive stipulated penalties otherwise due under this Agreement.

(3) Stipulated penalties continue to accrue during any dispute resolution, but need not be paid until 30 days after the dispute is resolved.

(4) Respondent shall pay stipulated penalties owing to EPA in the manner set forth and with the confirmation notices required by Appendix B, except that the transmittal letter must state that the payment is for stipulated penalties and must state for which alleged violation(s) the penalties are being paid.

(5) The following stipulated penalties may apply:

<table>
<tr><th>Violation</th><th colspan="2">Stipulated Penalty</th></tr>
<tr><td rowspan="4">(1) Failure to timely develop a Facility-Wide LDAR Document as required by subparagraph 68.e).</td><td>Period of Noncompliance</td><td>Penalty per day late</td></tr>
<tr><td>1–15 days</td><td>$75</td></tr>
<tr><td>16–30 days</td><td>$100</td></tr>
<tr><td>Over 30 days</td><td>$125</td></tr>
<tr><td>(2) For each failure to use a monitoring device that is attached to a data logger and failure, during each monitoring event, to directly electronically record the screening value, date, time, identification number of the monitoring instrument, and the identification of technician, in violation of the requirements of subparagraph 68.i).</td><td colspan="2">$100 per failure per piece of equipment monitored</td></tr>
<tr><td>(3) Each failure to transfer monitoring data to an electronic database on at least a weekly basis, in violation of the requirement in subparagraph 68.i).</td><td colspan="2">$150 per week for each week that the transfer is late</td></tr>
<tr><td>(4) Each failure to install a Low-E Valve or a valve fitted with Low-E Packing when required to do so pursuant to subparagraph 68.h).</td><td colspan="2">$10,000 per failure</td></tr>
<tr><td>(5) Each failure to perform any of the requirements relating to QA/QC in subparagraph 68.f).</td><td colspan="2">$1,000 per missed requirement per quarter</td></tr>
</table>

(6) Failure to conduct the Third-Party Inventory Audit in accordance with the schedule set forth in subparagraph 68.d).	*Period of noncompliance*	*Penalty per day*
	1–15 days	$150
	16–30 days	$200
	Over 30 days	$250
	not to exceed $5,000	

(7) Failure to conduct the Third-Party LDAR Audit in accordance with the schedule set forth in subparagraph 68.g).	*Period of noncompliance*	*Penalty per day*
	1–15 days	$150
	16–30 days	$200
	Over 30 days	$250
	not to exceed $50,000	

(8) Failure to use a third party as an auditor for the Third Party LDAR Audit; each use of a third-party auditor that is not experienced in LDAR audits for the Third Party LDAR Audit; and each use of Respondent's regular LDAR contractor to conduct the Third Party LDAR Audit, in violation of the requirements of subparagraph 68.g).	$20,000 per audit

(9) Failure to perform any of the Third Party LDAR Audit requirements in subparagraph 68.g).	$10,000 per audit

(10) Failure to timely submit a Corrective Action Plan that substantially conforms to the requirements of subparagraph 68.g).	*Period of noncompliance*	*Penalty per day per violation*
	1–15 days	$100
	16–30 days	$250
	Over 30 days	$500
	not to exceed $50,000 per audit	

(11) Each failure to implement a corrective action within 90 days after the LDAR Audit Completion Date or pursuant to the schedule that Respondent must propose pursuant to subparagraph 68.g) if the corrective action cannot be completed in 90 days.	*Period of noncompliance*	*Penalty per week per violation*
	1–2 weeks	$500
	2-4 weeks	$750
	Over 4 weeks	$1,000
	not to exceed $100,000 per audit	

(12) Each failure to perform an Optical Gas Imaging survey as required by subparagraph 68.j).	$25,000 per survey

(13) Each failure to comply with the repair requirements of subparagraph 68.j)(4).	*Type of equipment*	*Penalty per day per violation*
	Pumps	$450
	Other equipment	$125
	Not to exceed $60,000 per pump or $15,000 per piece of other equipment	

(14) Each failure to substantially comply with any recordkeeping requirement in subparagraph 67.c) or any reporting requirement in subparagraphs 68.k).	*Period of noncompliance*	*Penalty per day per violation*
	1–15 days	$100
	16–30 days	$200
	Over 30 days	$250

69. The requirements of subparagraph 68.h) shall be performed for the purpose of mitigating environmental harm allegedly caused by the violations alleged in Section V.

70. Force majeure, for purposes of this Consent Agreement is defined as any event arising from causes beyond the control of Respondent, of any entity controlled by Respondent or of Respondent's contractors that delays or prevents the performance of any obligation under this Agreement despite Respondent's best efforts to fulfill the obligation. The requirement that Respondent's exercise "best efforts to fulfill the obligation" includes using best efforts to anticipate any potential force majeure event and best efforts to address the effects of any such event (a) as it is occurring and (b) after it has occurred to prevent or minimize any resulting delay to the greatest extent possible. Force majeure does not include Respondent's financial inability to perform any obligation under this Agreement.

71. If any event occurs or fails to occur which causes or may cause a delay or impediment to performance in complying with any provision of this Agreement, Respondent will notify EPA in writing as soon as practicable, but in any event within 20 business days of the date

when Respondent first knew of the event or should have known of the event by the exercise of due diligence. In this notice, Respondent will specifically reference this Paragraph and describe the anticipated length of time the delay may persist, the cause or causes of the delay, and the measures taken or to be taken at the Facility to prevent or minimize the delay and the schedule by which those measures will be implemented. Respondent will take all reasonable steps to avoid or minimize such delays. The notice required by this Paragraph will be effective upon the mailing of the same by overnight mail or by certified mail, return receipt requested, to the EPA Regional Office. Respondent shall include with any notice all available documentation supporting the claim that the delay was attributable to a force majeure. Failure to comply with the above requirements shall preclude Respondent from asserting any claim of force majeure for that event for the period of time of such failure to comply, and for any additional delay caused by such failure. Respondent shall be deemed to know of any circumstance of which Respondent, any entity controlled by Respondent, or Respondent's contractors knew or should have known.

72. If EPA agrees that the delay or anticipated delay is attributable to a force majeure event, the time for performance of the obligations under this Agreement that are affected by the force majeure event will be extended by EPA, for such time as is necessary to complete those obligations. An extension of the time for performance of the obligations affected by the force majeure event shall not, of itself, extend the time for performance of any other obligation. EPA will notify Respondent in writing of the length of the extension, if any, for performance of the obligations affected by the force majeure event.

73. If EPA does not agree that the delay or anticipated delay has been or will be caused by a force majeure event, EPA will notify Respondent in writing of its decision.

74. If Respondent elects to invoke the dispute resolution procedures set forth in Section VII, it shall do so no later than 15 days after receipt of EPA's notice. In any such proceeding, Respondent shall have the burden of demonstrating by a preponderance of the evidence that the delay or anticipated delay has been or will be caused by a force majeure event, that the duration of the delay or the extension sought was or will be warranted under the circumstances, that best efforts were exercised to avoid and mitigate the effects of the delay, and that Respondent complied with the requirements of Paragraphs 67 and 68 above. If Respondent carries this burden, the delay at issue shall be deemed not to be a violation by Respondent of the affected obligation of this Agreement identified to EPA, and the relevant deadline shall be extended for such time as is necessary to complete the obligations affected by the force majeure event.

75. In the event that during the term of this Agreement there is a change in the statute or regulations that provide the underlying basis for this Agreement such that the Facility would not otherwise be required to perform any of the obligations herein, or would have the option to undertake or demonstrate compliance in an alternative manner, Respondent may request in writing a modification to this Agreement reflecting the current state of the law, including current regulatory obligations. EPA's approval of such request for modification shall not be unreasonably withheld.

76. This Agreement applies to and is binding upon the Complainant and the Respondent. Successors and assigns of Respondent are also bound if they are owned, in whole or in part, directly or indirectly, or otherwise controlled by Respondent. Nothing in the previous sentence adversely affects any right of the EPA under applicable law to assert successor or assignee liability against Respondent’s successor or assignee.

77. From the Effective Date of this Agreement until Termination (Section XI), Respondent must give written notice and a copy of this Agreement to any successors in interest or assignees prior to any transfer of ownership or control of any portion of or interest in the Facility.

78. No transfer of ownership or operation of all or part of the Facility shall relieve Respondent of its obligation to ensure that the terms of this Agreement are implemented unless:

a) Respondent provides a copy of this Agreement to the proposed transferee and simultaneously provides written notice of the transfer, together with a copy of any portion of the proposed written transfer agreement pertaining to compliance with this Agreement, to Complainant in accordance with subparagraph 68.k)(6);

b) Respondent submits a certified statement that the transferee agrees to be bound by the terms of this Agreement (unless Respondent demonstrates, and the EPA determines, the conditions have been satisfactorily implemented); and

c) Complainant consents to relieve Respondent of its obligations of the Agreement, which consent shall not be unreasonably withheld.

79. The parties agree to take appropriate steps to file such notices with the Regional Judicial Officer as are required to relieve Respondent of its obligations to comply with this Agreement, as provided above. The notices must identify the specific provisions of the Agreement transferee will assume.

80. Upon receipt of a request by Respondent to transfer the obligations of this Agreement, Complainant shall have 60 calendar days to object to the request. If Complainant denies the request to transfer the obligations of this Agreement the Parties will follow the Dispute Resolution process set forth in Section VII of this Agreement. Complainant shall bear

the burden of showing that any objection to relieving Respondent of its obligations of this Agreement was not unreasonable.

VII. DISPUTE RESOLUTION

81. Unless otherwise expressly provided for in this Agreement, the dispute resolution procedures of this Section shall be the exclusive mechanism to resolve disputes arising under or with respect to this Agreement. Respondent's failure to seek resolution of a dispute under this Section shall preclude Respondent from raising any such issue as a defense to an action by EPA to enforce any obligation of Respondent arising under this Agreement.

82. Informal Dispute Resolution. Any dispute subject to Dispute Resolution under this Agreement shall first be the subject of informal negotiations. The dispute shall be considered to have arisen when Respondent sends EPA a written Notice of Dispute. Such Notice of Dispute shall state clearly the matter in dispute. The period of informal negotiations shall not exceed 60 days from the date the dispute arises, unless that period is extended by written agreement. If the Complainant and Respondent cannot resolve a dispute by informal negotiations, then the position advanced by EPA shall be considered binding unless, within 45 days after the conclusion of the informal negotiation period, including any agreed extension of the period for negotiation under this paragraph, Respondent invokes formal dispute resolution procedures as set forth below.

83. Formal Dispute Resolution. Respondent shall invoke formal dispute resolution procedures, within the time period provided in the preceding paragraph, by serving on EPA a written Statement of Position regarding the matter in dispute. The Statement of Position shall include, but need not be limited to, any factual data, analysis, or opinion supporting Respondent's position and any supporting documentation relied upon by Respondent.

84. EPA shall serve its Statement of Position within 45 days of receipt of Respondent's Statement of Position. EPA's Statement of Position shall include, but need not be

limited to, any factual data, analysis, or opinion supporting that position and any supporting documentation relied upon by EPA. EPA's Statement of Position shall be binding on Respondent, unless Respondent requests alternative dispute resolution in accordance with the following paragraph.

85. Respondent may request that EPA coordinate to designate a neutral party for dispute resolution. If the Parties cannot agree on a neutral party, Respondent may request the Regional Administrator or the Regional Judicial Officer appoint a neutral party to proceed with dispute resolution.

86. The invocation of dispute resolution procedures under this Section shall not, by itself, extend, postpone, or affect in any way any obligation of Respondent under this Agreement, unless and until final resolution of the dispute so provides. Stipulated penalties with respect to the disputed matter shall continue to accrue from the first day of noncompliance, but payment shall be stayed pending resolution of the dispute as provided in subparagraph 68.l) (Stipulated Penalties). If Respondent does not prevail on the disputed issue, stipulated penalties shall be assessed and paid as provided in subparagraph 68.l).

VIII. MISCELLANEOUS

87. Notwithstanding any other provisions of this Agreement, Respondent may assert that any documentation provided pursuant to this Agreement contains confidential business information pursuant to 40 C.F.R. part 2. If Respondent fails to furnish a business confidentiality claim on any documentation provided, the EPA will construe such failure as a waiver of that claim, and the information may be made available to the public without further notice to Respondent.

88. By signing this Agreement, Respondent acknowledges that this Agreement will be available to the public and agrees that this Agreement does not contain any confidential business information or personally identifiable information.

89. By signing this Agreement, the undersigned representative of Complainant and the undersigned representative of Respondent each certify that he or she is fully authorized to execute and enter into the terms and conditions of this Agreement and has the legal capacity to bind the party he or she represents to this Agreement.

90. By signing this Agreement, both parties agree that each party's obligations under this Agreement constitute sufficient consideration for the other party's obligations.

91. By signing this Agreement, Respondent certifies that the information it has supplied concerning this matter was, based on information and belief at the time of submission, true, accurate, and complete for each such submission, response, and statement. If Respondent learns after certifying that the information submitted was in any material respect inaccurate or incomplete, it shall promptly submit such supplementary or corrected information. Respondent acknowledges that there are significant penalties for submitting false or misleading information, including the possibility of fines and imprisonment for knowing submission of such information, under 18 U.S.C. § 1001.

92. Each party shall bear its own attorney's fees, costs, and disbursements incurred in this proceeding.

IX. EFFECT OF AGREEMENT

93. In accordance with 40 C.F.R. § 22.18(c), completion of the terms of this Agreement resolves only Respondent's liability for federal civil penalties for the violations and facts specifically alleged above.

94. Penalties paid pursuant to this Agreement shall not be deductible for purposes of federal taxes.

95. This Agreement constitutes the entire agreement and understanding of the parties and supersedes any prior agreements or understandings, whether written or oral, among the parties with respect to the subject matter hereof.

96. The terms, conditions, and compliance requirements of this Agreement may not be modified or amended except upon the written agreement of all parties.

97. This Agreement may be signed in any number of counterparts, each of which will be deemed an original and, when taken together, constitute one agreement; the counterparts are binding on each of the parties individually as fully and completely as if the parties had signed on single instrument, so that the rights and liabilities of the parties will be unaffected by the failure of any of the undersigned to execute any or all of the counterparts; any signature page and any copy of a signed signature page may be detached from any counterpart and attached to any other counterpart of this Agreement.

98. Any violation of this Agreement and subsequently issued final order approving this Agreement may result in a civil judicial action for an injunction or civil penalties of up to $97,229 per day per violation, or both, as provided in section 113(b)(2) of the Act, 42 U.S.C. § 7413(b)(2), as well as criminal sanctions as provided in section 113(c) of the Act, 42 U.S.C. § 7413(c). The EPA may use any information submitted under this Agreement in an administrative, civil judicial, or criminal action.

99. Nothing in this Agreement shall relieve Respondent of the duty to comply with all applicable provisions of the Act and other federal, state, or local laws or statutes, nor shall it restrict the EPA's authority to seek compliance with any applicable laws or regulations, nor shall

it be construed to be a ruling on, or determination of, any issue related to any federal, state, or local permit.

100. Nothing herein shall be construed to limit the power of the EPA to undertake any action against Respondent or any person in response to conditions that may present an imminent and substantial endangerment to the public health, welfare, or the environment.

101. If and to the extent that the EPA finds, after signing this Agreement, that any information provided by Respondent was materially false or inaccurate at the time such information was provided to the EPA, the EPA reserves any and all of its legal and equitable rights.

X. 42 U.S.C. SECTION 162(f)(2)(A)(ii) IDENTIFICATION

102. For purposes of the identification requirement of Section 162(f)(2)(A)(ii) of the Internal Revenue Code, 26 U.S.C. § 162(f)(2)(A)(ii), performance of paragraphs 67 and 68.a)–k) and Appendix A is restitution or required to come into compliance with law.

XI. TERMINATION

103. Upon completion of all conditions in paragraphs 67 and 68, or on or after June 13, 2024, if the Facility does not Restart pursuant to subparagraph 68.a)(1) prior to that date, Respondent shall provide a Statement of Completion certifying that Respondent has completed all compliance requirements pursuant to paragraphs 67 and 68 or that the Facility did not Restart pursuant to subparagraph 68.a)(1). The Statement of Completion shall be submitted with the final status report described in subparagraph 68.k), if applicable.

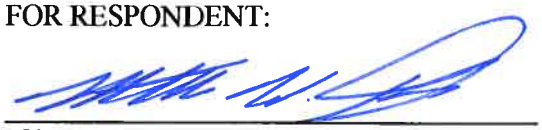
104. After reviewing the Statement of Completion, EPA shall provide a Confirmation of Termination or notify Respondent of outstanding compliance items.

XII. EFFECTIVE DATE

105. Respondent and Complainant agree to issuance of a final order approving this Agreement. Upon filing, the EPA will transmit a copy of the filed Agreement to Respondent. This Agreement and subsequently issued final order shall become effective after execution of the final order by the Regional Judicial Officer, on the date of filing with the Regional Hearing Clerk (the "Effective Date").

The foregoing Combined Complaint and Consent Agreement In the Matter of Denbury Onshore, LLC is hereby stipulated, agreed, and approved.

FOR RESPONDENT:



Signature

March 3, 2021

Date

Printed Name: Matthew W. Dahan

Title: Senior Vice President - Business Development and Technology

Address: 5851 Legacy Circle, Suite 1200, Plano, Texas 75024

Respondent's Federal Tax Identification Number: 75-2807620

The foregoing Combined Complaint and Consent Agreement In the Matter of Denbury Onshore, LLC is hereby stipulated, agreed, and approved.

FOR COMPLAINANT:

SUZANNE BOHAN

Digitally signed by SUZANNE BOHAN
Date: 2021.03.08 12:50:33 -07'00'

Date

Suzanne J. Bohan, Director
Enforcement and Compliance Assurance Division

Appendix A

Permit Changes: Equipment for Removal Pursuant to Paragraph 67(a) of Combined Complaint and Consent Agreement
In the Matter of DENBURY ONSHORE, LLC, Respondent

Source ID	Source Description
LO-1[a]	Truck Load Out Station
LO#2[b]	Lean Oil Heater - gas fired
C-1[a]	Cooper Bessemer GMXF-6 Compressor Engine
C-2[a]	Electric Propane Refrigeration Compressor
C-3[a]	Cooper Bessemer GMXE-4 Compressor Engine
C-6[a]	Waukesha L7042GSI Compressor Engine (NSCR)
C-7A[a]	Waukesha L7042GSI Compressor Engine (NSCR)
C-11[a]	Electric Drive Acid Gas Injection Compressor
C-13A[a]	Waukesha L7042GSI Compressor Engine (NSCR)
SB#1[a]	Supplemental Boiler #1
H-01[c]	Amine Reboiler Heater #1
H-02[c]	Amine Reboiler Heater #2
H-03[c]	Regeneration Heater
TO-01[c]	Thermal Oxidizer
RTO-01[c]	Regenerative Thermal Oxidizer
SRU[d]	2 Stage Claus w/Incinerator
EGR-1[a]	EG Gas Dehydration Reboiler
None	Natural Gas Fired Furnaces
None	Pressurized tanks (7)
None	Heavy Lean Oil Tank
None	Effluent Condensate Tank
None	Lean Oil Tanks (2)

[a]From Title V permit no. 3-1-046 and permit No. MD-401A
[b]From Title V permit no. 3-1-046 and permit No. MD-401A and like-kind replacement in wv-5555
[c]From permit No. P0022150
[d]From permit No. MD-401A

Appendix B

Payment Instructions
In the Matter of Denbury Onshore, LLC, Respondent

1. Payment shall be made by one of the following methods. The payment shall be made by remitting a check or making a wire transfer or online payment. The check or other payment shall designate the name and docket number of this case, be in the amount stated above, and be payable to "Treasurer, United States of America." The payment shall be sent as follows:

If sent by regular U.S. mail:

U.S. Environmental Protection Agency / Fines and Penalties
Cincinnati Finance Center
P.O. Box 979077
St. Louis, Missouri 63197-9000

If sent by any commercial carrier or signed receipt confirmation:

U.S. Environmental Protection Agency
Government Lockbox 979077
1005 Convention Plaza
SL-MO-C2-GL
St. Louis, Missouri 63101

If sent by wire transfer: Wire transfers must indicate the name and docket number of this case and be sent directly to the Federal Reserve Bank in New York City with the following information:

Federal Reserve Bank of New York
ABA: 021030004
Account Number: 68010727
SWIFT Address: FRNYUS33
33 Liberty Street
New York, New York 10045
Beneficiary: U.S. Environmental Protection Agency

Automated Clearing House (ACH) for receiving U.S. currency:

U.S. Treasury REX / Cashlink ACH Receiver
ABA: 051036706
Account Number: 310006, Environmental Protection Agency
CTX Format Transaction Code 22 – checking

Physical location of U.S. Treasury facility:
5700 Rivertech Court
Riverdale, Maryland 20737

U.S. Treasury Contact Information:
REX (Remittance Express): 866-234-5681

Online debit and credit card payment:

www.Pay.gov
Enter "sfo 1.1" in the form search box. Open form and complete required fields.

2. In the event payment is not received by the specified due date, interest accrues from thirty (30) days prior to the applicable due date, at a rate established by the Secretary of Treasury pursuant to 31 U.S.C. § 3717, and will continue to accrue until payment in full is received.

3. A handling charge of fifteen dollars ($15) shall be assessed the thirty-first (31st) day from the due date of any payment, and for each subsequent thirty (30) day period that the debt, or any portion thereof, remains unpaid. In addition, a six percent (6%) per annum penalty shall be assessed on any unpaid principal amount if payment is not received within ninety (90) days of the due date. Payments are first applied to outstanding handling charges, six (6%) percent penalty interest, and late interest. The remainder is then applied to the outstanding principal amount.