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**U.S. EPA REGION 7
HEARING CLERK**

**U.S. ENVIRONMENTAL PROTECTION AGENCY
REGION 7
11201 RENNER BOULEVARD
LENEXA, KANSAS 66219**

BEFORE THE ADMINISTRATOR

In the Matter of

SCOUT ENERGY GROUP V, LP,

Respondent.

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Docket No. CAA-07-2025-0018

CONSENT AGREEMENT AND FINAL ORDER

Preliminary Statement

The U.S. Environmental Protection Agency, Region 7 (EPA or Complainant), and Scout Energy Group V, LP dba Scout Energy Partners – Jayhawk Gas Plant (Respondent or Scout Energy) have agreed to a settlement of this action before the filing of a complaint, and thus this action is simultaneously commenced and concluded pursuant to Rules 22.13(b) and 22.18(b)(2) of the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits, 40 C.F.R. §§ 22.13(b) and 22.18(b)(2).

Jurisdiction

1. This proceeding is an administrative action for the assessment of civil penalties initiated pursuant to Section 113(d) of the Clean Air Act (CAA), 42 U.S.C. § 7413(d). Pursuant to Section 113(d) of the CAA, 42 U.S.C. § 7413(d), the Administrator and the Attorney General jointly determined that this matter, in which the first date of alleged violation occurred more than twelve months prior to the initiation of the administrative action, was appropriate for administrative penalty action.

2. This Consent Agreement and Final Order serves as notice that the EPA has reason to believe that Respondent has violated the Chemical Accident Prevention Provisions in 40 C.F.R. Part 68, promulgated pursuant to Section 112(r) of the CAA, 42 U.S.C. § 7412(r), and that Respondent is therefore in violation of Section 112(r) of the CAA, 42 U.S.C. § 7412(r). Furthermore, this Consent Agreement and Final Order serves as notice pursuant to Section 113(d)(2)(A) of the CAA, 42 U.S.C. § 7413(d)(2)(A), of the EPA's intent to issue an order assessing penalties for these violations.

Parties

3. Complainant is the Director of the Enforcement and Compliance Assurance Division, Region 7, as duly delegated by the Administrator of EPA.

4. Respondent is Scout Energy Group V, LP, a limited partnership in good standing under the laws of the state of Kansas, which owns and operates the Scout Energy Partners – Jayhawk Gas Plant located at 13201 East Highway 160 in Ulysses, Kansas (Respondent’s Facility).

Statutory and Regulatory Background

5. On November 15, 1990, the President signed into law the CAA Amendments of 1990. The Amendments added Section 112(r) to Title I of the CAA, 42 U.S.C. § 7412(r), which requires the Administrator of the EPA to, among other things, promulgate regulations in order to prevent accidental releases of certain regulated substances. Section 112(r)(3), 42 U.S.C. § 7412(r)(3), mandates that the Administrator promulgate a list of regulated substances, with threshold quantities, and defines the stationary sources that will be subject to the chemical accident prevention regulations mandated by Section 112(r)(7). Specifically, Section 112(r)(7), 42 U.S.C. § 7412(r)(7), requires the Administrator to promulgate regulations that address release prevention, detection, and correction requirements for these listed regulated substances.

6. On June 20, 1996, the EPA promulgated a final rule known as the Risk Management Program, 40 C.F.R. Part 68, which implements Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r)(7). This rule requires owners and operators of stationary sources to develop and implement a risk management program that includes a hazard assessment, a prevention program, and coordination of emergency response activities.

7. The regulations at 40 C.F.R. Part 68, titled Chemical Accident Prevention Provisions, set forth the requirements of a risk management program that must be established at each stationary source. The risk management program is described in a Risk Management Plan (“RMP”) that must be submitted to the EPA.

8. Pursuant to Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r)(7), and 40 C.F.R. § 68.150, an RMP must be submitted for all covered processes by the owner or operator of a stationary source that has more than a threshold quantity of a regulated substance in a process no later than the latter of June 21, 1999, or the date on which a regulated substance is first present above the threshold quantity in a process.

9. The regulations at 40 C.F.R. § 68.10 set forth how the Chemical Accident Prevention Provisions apply to covered processes. Pursuant to 40 C.F.R. § 68.10(l), a covered process is subject to Program 3 requirements if the process does not meet the eligibility requirements of Program 1, as described in 40 C.F.R. § 68.10(g), and it either falls under a specified North American Industry Classification System code or is subject to the OSHA process safety management standard, 29 C.F.R. § 1910.119.

10. Section 113(d) of the CAA, 42 U.S.C. § 7413(d), states that the Administrator may issue an administrative order against any person assessing a civil administrative penalty of up to \$25,000 per day of violation whenever, on the basis of any available information, the Administrator finds that such person has violated or is violating any requirement or prohibition

of Section 112(r) of the CAA, 42 U.S.C. § 7412(r), and its implementing regulations. The Debt Collection Improvement Act of 1996, 31 U.S.C. § 3701, as amended, and the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, 28 U.S.C. § 2461, and implementing regulations at 40 C.F.R. Part 19, increased these statutory maximum penalties to \$57,617 for violations that occur after November 2, 2015, and for which penalties are assessed on or after December 27, 2023.

Definitions

11. Section 302(e) of the CAA, 42 U.S.C. § 7602(e), defines “person” to include any individual, corporation, partnership, association, State, municipality, political subdivision of a State, and any agency department, or instrumentality of the United States and any officer, agent, or employee thereof.

12. Section 112(r)(2)(A) of the CAA, 42 U.S.C. § 7412(r)(2)(A), defines “accidental release” as an unanticipated emission of a regulated substance or other extremely hazardous substance into the ambient air from a stationary source.

13. Section 112(r)(2)(C) of the CAA, 42 U.S.C. § 7412(r)(2)(C), and the regulations at 40 C.F.R. § 68.3 define “stationary source,” in part, as any buildings, structures, equipment, installations or substance-emitting stationary activities which belong to the same industrial group, which are located on one or more contiguous properties, which are under the control of the same person (or persons under common control), and from which an accidental release may occur.

14. The regulations at 40 C.F.R. § 68.3 define “regulated substance” as any substance listed pursuant to Section 112(r)(3) of the CAA, as amended, in 40 C.F.R. § 68.130.

15. The regulations at 40 C.F.R. § 68.3 define “threshold quantity” as the quantity specified for regulated substances pursuant to Section 112(r)(5) of the CAA, as amended, listed in 40 C.F.R. § 68.130 and determined to be present at a stationary source as specified in 40 C.F.R. § 68.115.

16. The regulations at 40 C.F.R. § 68.3 define “process” as any activity involving a regulated substance including any use, storage, manufacturing, handling or on-site movement of such substances, or combination of these activities. For the purposes of this definition, any group of vessels that are interconnected, or separate vessels that are located such that a regulated substance could be involved in a potential release, shall be considered a single process.

General Factual Allegations

17. Respondent is, and at all times referred to herein was, a “person” as defined by Section 302(e) of the CAA, 42 U.S.C. § 7602(e).

18. Respondent is the owner and operator of a facility that is a “stationary source” pursuant to 40 C.F.R. § 68.3.

19. Propane individually, and a mixture of hydrocarbon gases Butane, Ethane, Isobutane [Propane, 2-methyl], Pentane, Isopentane [Butane, 2-methyl-], Propane, and Methane, are “regulated substances” pursuant to 40 C.F.R. § 68.3.

20. The threshold quantity for propane, as listed in 40 C.F.R. § 68.130, is 10,000 pounds.

21. The threshold quantity for the flammable mixture of hydrocarbon gases Butane, Ethane, Isobutane [Propane, 2-methyl], Pentane, Isopentane [Butane, 2-methyl-], Propane, and Methane pursuant to 40 C.F.R. § 68.115(b)(2), is the entire weight of the mixture because the concentration of each of the regulated substances is 1% or greater by weight of the total concentration of the flammable mixture.

22. On or about July 11 and 12, 2023, representatives of the EPA conducted an inspection of Respondent’s Facility to determine compliance with Section 112(r) of the CAA and 40 C.F.R. Part 68.

23. Information gathered during the EPA inspection revealed that Respondent had greater than 10,000 pounds of propane and greater than 10,000 pounds of flammable mixture (Butane, Ethane, Isobutane [Propane, 2-methyl], Pentane, Isopentane [Butane, 2-methyl-], Propane, and Methane) in a process at its facility.

24. Information gathered during the EPA inspection revealed that Respondent stores propane and flammable mixtures of hydrocarbon gases throughout the processing units and piping, including methane, propane, ethane, butane, isobutane, pentane, and isopentane at its facility, and therefore is engaged in a process at its facility.

25. From the time Respondent first had onsite greater than 10,000 pounds of propane and/or 10,000 pounds of flammable mixture of hydrocarbon gases in a process, Respondent was subject to the requirements of Section 112(r) of the CAA, 42 U.S.C. § 7412(r), and 40 C.F.R. Part 68 because it was an owner and operator of a stationary source that had more than a threshold quantity of a regulated substance in a process.

26. From the time Respondent first had onsite greater than 10,000 pounds of propane and/or 10,000 pounds of flammable mixture of hydrocarbon gases in a process, Respondent was subject to Program 3 prevention program requirements because, pursuant to 40 C.F.R. § 68.10(l), the covered process at its facility did not meet the eligibility requirements of Program 1 and was subject to the OSHA process safety management standard, 29 C.F.R. § 1910.119.

27. From the time Respondent first had onsite greater than 10,000 pounds of propane and/or 10,000 pounds of flammable mixture of hydrocarbon gases in a process, Respondent was required under Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r)(7), to submit an RMP pursuant to 40 C.F.R. § 68.12(a) and comply with the Program 3 requirements provided at 40 C.F.R. § 68.12(d) and detailed in Subpart D.

Allegations of Violation

28. Complainant hereby states and alleges that Respondent has violated the CAA and federal regulations promulgated thereunder as follows:

Count 1

29. The facts stated in Paragraphs 17 through 27 above are herein incorporated.

30. The regulation at 40 C.F.R. § 68.12(d)(2) requires the owner or operator of a stationary source subject to the Chemical Accident Prevention Provisions, 40 C.F.R. Part 68, with a process subject to Program 3, to conduct a hazard assessment of 40 C.F.R. §§ 68.20 through 68.42.

31. The EPA inspection revealed that Respondent failed to implement the Program 3 hazard assessment requirements of 40 C.F.R. §§ 68.20 through 68.42. Specifically:

- a. Respondent failed to maintain documentation of the rationale for selection of parameters used in worst- and alternative case scenario offsite consequence analyses, as required by 40 C.F.R. § 68.39(a) and (b), and
- b. Respondent failed to maintain documentation of the data used to estimate population and environmental receptors potentially affected by worst- and alternative case release, as required by 40 C.F.R. § 68.39(e).

32. Respondent's failures to comply with the hazard assessment requirements of 40 C.F.R. §§ 68.20 through 68.42, as required by 40 C.F.R. § 68.12(d)(2), violate Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r)(7).

Count 2

33. The facts stated in Paragraphs 17 through 27 above are herein incorporated.

34. The regulation at 40 C.F.R. § 68.12(d)(3) requires the owner or operator of a stationary source with a process subject to Program 3 to implement the Program 3 prevention requirements of 40 C.F.R. §§ 68.65 through 68.87.

35. The EPA inspection revealed that Respondent failed to implement the Program 3 prevention requirements of 40 C.F.R. §§ 68.65 through 68.87. Specifically:

- a. Respondent failed to update and revalidate the process hazard analysis every five (5) years after the completion of the initial process hazard analysis, as required by 40 C.F.R. § 68.67(f). Respondent's two most recent Process Hazard Analysis (PHAs) were dated January 23, 2015, and December 21, 2021. The timespan between the 2015 and 2021

revalidations is 6 years, 10 months, and 28 days, resulting in the PHA that is 1 year, 10 months, and 28 days late, and

- b. Respondent failed to establish and implement written procedures to maintain the on-going integrity of the process equipment, as required by 40 C.F.R. 68.73(b), as evidenced by numerous process units/equipment with past due inspection and/or retirement dates, excessive ice accumulation observed in several process locations, orphaned equipment in need of repair or replacement that appeared to be locked out or tagged out and taped off for an extended period of time, and a pump leaking lubricant onto the equipment base and onto the gravel.

36. Respondent's failures to comply with Program 3 prevention requirements of 40 C.F.R. §§ 68.65 through 68.87, as required by 40 C.F.R. § 68.12(d)(3), violate Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r)(7).

Count 3

37. The facts stated in Paragraphs 17 through 27 above are herein incorporated.

38. The regulation at 40 C.F.R. § 68.12(d)(5) requires the owner or operator of a stationary source with a process subject to Program 3 to implement the emergency response requirements of 40 C.F.R. §§ 68.90 through 68.96.

39. The EPA inspection revealed that Respondent failed to implement the emergency response requirements of 40 C.F.R. §§ 68.90 through 68.96. Specifically, Respondent failed to annually coordinate with the local emergency planning and response organizations, as required by 40 C.F.R. § 68.93. Respondent produced only one record of any coordination with local authorities that occurred on January 26, 2023, but had no records of coordination, if it occurred, prior to 2023. Respondent did not have any records of coordination with the local fire department.

40. Respondent's failures to comply with the emergency response requirements of 40 C.F.R. §§ 68.90 through 68.93, as required by 40 C.F.R. § 68.12(d)(5), violate Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r)(7).

CONSENT AGREEMENT

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

- a. admits the jurisdictional allegations set forth herein;
- b. neither admits nor denies the specific factual allegations stated herein;

- c. consents to the assessment of a civil penalty, as stated herein;
- d. consents to the issuance of any specified compliance or corrective action order;
- e. consents to any conditions specified herein;
- f. consents to any stated Permit Action;
- g. waives any right to contest the allegations set forth herein; and
- h. waives its rights to appeal the Final Order accompanying this Consent Agreement.

42. By signing this consent agreement, Respondent waives any rights or defenses that Respondent has or may have for this matter to be resolved in federal court, including but not limited to any right to a jury trial, and waives any right to challenge the lawfulness of the Final Order accompanying the Consent Agreement.

43. Respondent consents to the issuance of this Consent Agreement and Final Order and consents for the purposes of settlement to the payment of the civil penalty specified herein and to completion of the SEP described below.

44. Respondent and EPA agree to conciliate this matter without the necessity of a formal hearing and to bear their respective costs and attorneys' fees.

45. The parties consent to service of this Consent Agreement and Final Order electronically at the following e-mail addresses: vetterick.kate@epa.gov (for Complainant) and Ashley.Phillips@hklaw.com and Matthew.Harrold@scoutep.com (for Respondent). Respondent understands that the Consent Agreement and Final Order will become publicly available upon filing.

Penalty Payment

46. Respondent agrees that, in settlement of the claims alleged herein, Respondent shall pay a civil penalty of One Hundred Ninety-Six Thousand, Eight Hundred Five Dollars (\$196,805.00) as set forth below.

47. Respondent shall pay the penalty within thirty (30) days of the effective date of the Final Order. Such payment shall identify Respondent by name and docket number and shall be by certified or cashier's check made payable to the "United States Treasury" and sent to:

U.S. Environmental Protection Agency
Fines and Penalties
Cincinnati Finance Center
PO Box 979078
St. Louis, Missouri 63197-9000

or by alternate payment method described at <http://www.epa.gov/financial/makepayment>.

48. A copy of the check or other information confirming payment shall simultaneously be emailed to the following:

Regional Hearing Clerk
R7_Hearing_Clerk_Filings@epa.gov; and

Kate Vetterick, Attorney
vetterick.kate@epa.gov.

49. Respondent understands that its failure to timely pay any portion of the civil penalty or any portion of a stipulated penalty as stated in Paragraph 63 may result in the commencement of a civil action in Federal District Court to recover the full remaining balance, along with penalties and accumulated interest. In such case, interest shall begin to accrue on a civil or stipulated penalty from the date of delinquency until such civil or stipulated penalty and any accrued interest are paid in full. 31 C.F.R. § 901.9(b)(1). Interest will be assessed at a rate of the United States Treasury Tax and loan rates in accordance with 31 U.S.C. § 3717. Additionally, a charge will be assessed to cover the costs of debt collection including processing and handling costs, and a non-payment penalty charge on a per year, compounded annually basis will be assessed on any portion of the debt which remains delinquent more than ninety (90) days after payment is due. 31 U.S.C. § 3717(e)(2).

50. Pursuant to 26 U.S.C. § 6050X and 26 C.F.R. § 1.6050X-1, EPA is required to send to the Internal Revenue Service (“IRS”) annually, a completed IRS Form 1098-F (“Fines, Penalties, and Other Amounts”) with respect to any court order or settlement agreement (including administrative settlements) that require a payor to pay an aggregate amount that EPA reasonably believes will be equal to, or in excess of, \$50,000 for the payor’s violation of any law or the investigation or inquiry into the payor’s potential violation of any law, including amounts paid for “restitution or remediation of property” or to come “into compliance with a law.” EPA is further required to furnish a written statement, which provides the same information provided to the IRS, to each payor (i.e., a copy of IRS Form 1098-F). Failure to comply with providing IRS Form W-9 or Tax Identification Number (“TIN”), as described below, may subject Respondent to a penalty, per 26 U.S.C. § 6723, 26 U.S.C. § 6724(d)(3), and 26 C.F.R. § 301.6723-1. To provide EPA with sufficient information to enable it to fulfill these obligations, EPA herein requires, and Respondent herein agrees, that:

- a. Respondent shall complete an IRS Form W-9 (“Request for Taxpayer Identification Number and Certification”), which is available at <https://www.irs.gov/pub/irs-pdf/fw9.pdf>;
- b. Respondent shall certify that its completed IRS Form W-9 includes Respondent’s correct TIN or that Respondent has applied and is waiting for issuance of a TIN;

- c. Respondent shall email its completed Form W-9 to EPA's Cincinnati Finance Center at *weidner.lori@epa.gov* within 30 days after the Final Order ratifying this Consent Agreement and Final Order is filed, and EPA recommends encrypting IRS Form W-9 email correspondence; and
- d. In the event that Respondent has certified in its completed IRS Form W-9 that it has applied for a TIN and that TIN has not been issued to Respondent within 30 days after the Effective Date, then Respondent, using the same email address identified in the preceding sub-paragraph, shall notify EPA of this fact within 30 days after the Effective Date of this Consent Agreement and Final Order, and email EPA with Respondent's TIN within 5 days of Respondent's issuance and receipt of the TIN.

Supplemental Environmental Project

51. In response to the violations of the CAA alleged in this Consent Agreement and Final Order and in settlement of this matter, although not required by the CAA or any other federal, state, or local law, Respondent shall complete the SEP described in this Consent Agreement and Final Order, which the parties agree is intended to secure significant environmental or public health protection and improvement.

52. Respondent shall complete the following SEP: Purchase equipment for purposes of emergency response preparedness and then donate the equipment to the Grant County Kansas LEPC, Grant County Emergency Medical Services, and Grant County Fire Department, respectively, as detailed in Appendix A, attached to this Consent Agreement and Final Order.

53. Respondent shall spend no less than One Hundred Eleven Thousand, Six Hundred Ninety-Three Dollars (\$111,693.00) on implementing the SEP (SEP Cost).

54. If the actual cost of the equipment listed in Appendix A results in the Respondent expending less than the SEP Cost, Respondent agrees to purchase additional equipment listed in Appendix A to expend at least the total amount of the SEP Cost.

55. Respondent shall complete the SEP within 180 days of the Effective Date of this Consent Agreement and Final Order.

56. Respondent selected this SEP and identified the Grant County Kansas LEPC, Grant County Emergency Medical Services, and Grant County Fire Department to receive the equipment provided pursuant to the SEP. The EPA had no role in the selection of any SEP recipient, or specific equipment identified in the SEP, nor shall this Consent Agreement and Final Order be construed to constitute EPA approval or endorsement of any SEP recipient, or specific equipment identified in this Consent Agreement and Final Order.

57. The SEP is consistent with applicable EPA policy and guidelines, specifically EPA's 2015 Update to the 1998 Supplemental Environmental Projects Policy (March 10, 2015).

58. The SEP advances at least one of the objectives of Section 112(r) of the CAA by helping local emergency responders improve their emergency preparedness and response to potential chemical accidents. The SEP is not inconsistent with any provision of Section 112(r) of the CAA. The SEP relates to the alleged violations and is designed to reduce the overall risk to public health and/or the environment potentially affected by the violations by enhancing the effectiveness and safety of emergency responses performed by the Grant County Kansas LEPC, Grant County Emergency Medical Services, and Grant County Fire Department.

59. With regard to the SEP, Respondent certifies the truth and accuracy of each of the following:

- a. That all cost information provided to the EPA in connection with the EPA's approval of the SEP is complete and accurate and that Respondent in good faith estimates that the cost to implement the SEP is \$111,693.00;
- b. That, as of the date of executing this Consent Agreement and Final Order, Respondent is not required to perform or develop the SEP by any federal, state, or local law or regulation and is not required to perform or develop the SEP by agreement, grant, or as injunctive relief awarded in any other action in any forum;
- c. That the SEP is not a project that Respondent was planning or intending to perform or implement other than in settlement of the claims resolved in this Consent Agreement and Final Order;
- d. That Respondent has not received and will not receive credit for the SEP in any other enforcement action;
- e. That Respondent will not receive reimbursement for any portion of the SEP from another person or entity;
- f. That for federal income tax purposes, Respondent agrees that it will neither capitalize into inventory or basis nor deduct any costs or expenditures incurred in performing the SEP;
- g. That Respondent is not a party to any open federal financial assistance transaction that is funding or could fund the same activity as the SEP described in Paragraph 52; and
- h. That Respondent has inquired of the Grant County Kansas LEPC, Grant County Emergency Medical Services, and Grant County Fire Department whether any is a party to an open federal financial assistance transaction that is funding or could fund the same activity as the SEP and has been informed by the recipients that none are a part to such a transaction.

60. Any public statement, oral or written, in print, film, internet, or other media, made by Respondent making reference to the SEP under this Consent Agreement and Final Order from

the date of its execution of this Consent Agreement and Final Order shall include the following language:

This project was undertaken in connection with the settlement of an enforcement action taken by the U.S. Environmental Protection Agency for alleged violations of federal laws.

61. SEP Completion Report

- a. Respondent shall submit a SEP Completion Report to EPA within 210 days of the Effective Date of this Consent Agreement and Final Order. The SEP Completion Report shall contain the following information, with supporting documentation:
 - i. A detailed description of the SEP as implemented;
 - ii. A description of any problems encountered in implementation of the projects and the solutions thereto;
 - iii. Itemized costs, including receipts of purchase and delivery;
 - iv. Certification that the SEP has been fully implemented pursuant to the provisions of this Consent Agreement and Final Order; and
 - v. A description of the environmental and public health benefits resulting from implementation of the SEP (with a quantification of the benefits and pollutant reductions, if feasible).
- b. Respondent agrees that failure to submit the SEP Completion Report required by subparagraph (a) above shall be deemed a violation of this Consent Agreement and Final Order and Respondent shall become liable for stipulated penalties pursuant to Paragraph 63 below.
- c. Respondent shall submit all notices and reports required by this Consent Agreement and Final Order to Lynelle Ladd, Compliance Officer, via email at *ladd.lynelle@epa.gov*.
- d. In itemizing its costs in the SEP Completion Report, Respondent shall clearly identify and provide acceptable documentation for all eligible SEP costs. Where the SEP completion report includes costs not eligible for SEP credit, those costs must be clearly identified as such. For purposes of this subparagraph, "acceptable documentation" includes invoices, purchase orders, or other documentation that specifically identifies and itemizes the individual costs of the goods and/or services for which payment is being made. Canceled drafts do not constitute acceptable documentation unless

such drafts specifically identify and itemize the individual costs of the goods and/or services for which payment is being made.

- e. The SEP Completion Report shall include the statement of Respondent, through an officer, signed and certifying under penalty of law the following:

I certify under penalty of law that I have examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment.

62. EPA acceptance of SEP Completion Report

- a. After receipt of the SEP Completion Report, EPA will, in writing to the Respondent, either:
 - i. Identify any deficiencies in the SEP Completion Report itself along with a grant of an additional thirty (30) days for Respondent to correct any deficiencies; or
 - ii. Indicate that EPA concludes that the project has been completed satisfactorily; or
 - iii. If any deficiencies in the SEP Completion Report have been identified and Respondent has been given the opportunity to address those deficiencies pursuant to Section 61(a)(i) and, as applicable, 61(b) of this Consent Agreement and Final Order, determine that the project has not been completed satisfactorily and seek stipulated penalties in accordance with Paragraph 63.
- b. If EPA elects to exercise option (a)(i) above, Respondent may object in writing to the notification of deficiency given pursuant to this Paragraph within ten (10) days of receipt of such notification. EPA and Respondent shall have an additional thirty (30) days from the receipt by EPA of the notification of objection to reach agreement on changes necessary to the SEP Report. If agreement cannot be reached on any such issue within this thirty (30) day period, EPA shall provide a written statement of its decision on adequacy of the completion of the SEP to Respondent, which decision shall be final and binding upon Respondent.

63. Stipulated Penalties

- a. Satisfactory completion of the SEP shall mean fulfillment by Respondent of the obligations set forth in Paragraphs 52 through 55 of this Consent Agreement and Final Order.
- b. In the event Respondent fails to comply with any of the terms or provisions of this Agreement relating to the performance of the SEP, including to the extent that the actual expenditures for the SEP do not equal or exceed the cost of the SEP, Respondent shall be liable for stipulated penalties according to the provisions set forth below:
 - i. If the SEP has not been completed satisfactorily and timely pursuant to this Consent Agreement and Final Order, Respondent shall pay a stipulated penalty to the EPA in the amount of \$123,000.
 - ii. For failure to submit the SEP Completion Report, Respondent shall pay a stipulated penalty in the amount of \$250 for each day after the report was originally due until the report is submitted.
- c. The determinations of whether the SEP has been satisfactorily completed and whether the Respondent has made a good faith, timely effort to implement the SEP shall be in the sole discretion of EPA.
- d. Stipulated penalties shall begin to accrue on the day after performance is due, and shall continue to accrue through the final day of the completion of the activity or other resolution under this Consent Agreement and Final Order.
- e. Respondent shall pay stipulated penalties not more than fifteen (15) days after receipt of written demand by EPA for such penalties. Method of payment shall be in accordance with the provisions of the Penalty Payment section above. Interest and late charges shall be paid as stated in Paragraph 49 herein.
- f. The EPA may, in the unreviewable exercise of its discretion, reduce or waive stipulated penalties otherwise due under this Consent Agreement and Final Order.

Effect of Settlement and Reservation of Rights

64. Full payment of the penalty proposed in this Consent Agreement shall only resolve Respondent's liability for federal civil penalties for the violations alleged herein. Complainant reserves the right to take any enforcement action with respect to any other violations of the CAA or any other applicable law.

65. The effect of settlement described in the immediately preceding paragraph is conditioned upon the accuracy of Respondent's representations to the EPA, as memorialized in the paragraph directly below.

66. Respondent certifies by the signing of this Consent Agreement that it is presently in compliance with all requirements of the CAA and its implementing regulations, or to the extent such compliance is not yet fully achieved, with the terms of the Amended Administrative Order for Compliance on Consent issued by EPA on December 5, 2024, EPA Docket No. CAA-07-2024-0082.

67. Full payment of the penalty proposed in this Consent Agreement shall not in any case affect the right of the Agency or the United States to pursue appropriate injunctive or other equitable relief or criminal sanctions for any violations of law. This Consent Agreement and Final Order does not waive, extinguish, or otherwise affect Respondent's obligation to comply with all applicable provisions of the CAA and regulations promulgated thereunder.

68. This Consent Agreement and Final Order constitutes an "enforcement response" as that term is used in EPA's *Clean Air Act Combined Enforcement Response Policy for Clean Air Act Sections 112(r)(1), 112(r)(7) and 40 C.F.R. Part 68* to determine Respondent's "full compliance history" under Section 113(e) of the CAA, 42 U.S.C. § 7413(e).

69. Complainant reserves the right to enforce the terms and conditions of this Consent Agreement and Final Order.

General Provisions

70. By signing this Consent Agreement, the undersigned representative of Respondent certifies that they are fully authorized to execute and enter into the terms and conditions of this Consent Agreement and have the legal capacity to bind the party they represent to this Consent Agreement.

71. This Consent Agreement shall not dispose of the proceeding without a final order from the Regional Judicial Officer or Regional Administrator ratifying the terms of this Consent Agreement. This Consent Agreement and Final Order shall be effective upon the filing of the Final Order by the Regional Hearing Clerk for EPA, Region 7. Unless otherwise stated, all time periods stated herein shall be calculated in calendar days from such date.

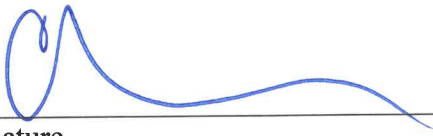
72. The penalty specified herein shall represent civil penalties assessed by EPA and shall not be deductible for purposes of Federal, State, or local taxes.

73. This Consent Agreement and Final Order shall apply to and be binding upon Respondent and Respondent's agents, successors and/or assigns. Respondent shall ensure that all contractors, employees, consultants, firms, or other persons or entities acting for Respondent with respect to matters included herein comply with the terms of this Consent Agreement and Final Order.

74. Respondent's obligations under this Consent Agreement and Final Order conclude when it has completed the actions required herein. EPA shall provide written confirmation of such upon request.

RESPONDENT:
SCOUT ENERGY GROUP V, LP

Date: 1/22/2025


Signature

Scott Gladson
Name

Attorney-in-Fact
Title

COMPLAINANT:
U.S. ENVIRONMENTAL PROTECTION AGENCY

Date: _____

David Cozad
Director
Enforcement and Compliance Assurance Division

Date: _____

Kate Vetterick
Assistant Regional Counsel
U.S. Environmental Protection Agency, Region 7

FINAL ORDER

Pursuant to Section 113(d) of the CAA, 42 U.S.C. § 7413(d), and the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits, 40 C.F.R. Part 22, the foregoing Consent Agreement resolving this matter is hereby ratified and incorporated by reference into this Final Order.

Respondent is ORDERED to comply with all of the terms of the Consent Agreement. In accordance with 40 C.F.R. § 22.31(b), the effective date of the foregoing Consent Agreement and this Final Order is the date on which this Final Order is filed with the Regional Hearing Clerk.

IT IS SO ORDERED.

Karina Borromeo
Regional Judicial Officer

Date

CERTIFICATE OF SERVICE
(to be completed by EPA)

I certify that that a true and correct copy of the foregoing Consent Agreement and Final Order was sent this day in the following manner to the addressees:

Copy via E-mail to Complainant:

Kate Vetterick, *vetterick.kate@epa.gov*,

Lynelle Ladd, *ladd.lynelle@epa.gov*,

Dave Hensley, *hensley.david@epa.gov*,

Carrie Venerable, *venerable.carrie@epa.gov*.

Copy via E-mail to Respondent:

Matthew Harrold
Plant Manager
Scout Energy Partners – Jayhawk Gas Plant
13201 E. Hwy. 160
Satanta, Kansas 67870
Matthew.harrold@scoutep.com

Cody Graber
HSE Manager
Scout Energy Partners – Jayhawk Gas Plant
13201 E. Hwy. 160
Satanta, Kansas 67870
Cody.graber@scoutep.com

Ashley T.K. Phillips
Partner
Holland & Knight LLP
98 San Jacinto Boulevard, Suite 1900
Austin, Texas 78701
Ashley.Phillips@hklaw.com

Dated this _____ day of _____, _____.

Signed

Appendix A

Quantity	Item
1	Pentheon Series Cutter
1	Pentheon Series Spreader
1	Pentheon Tele Ram
1	Pentheon Combi 2.0
1	Pentheon Truck Charger
1	Battery Charger
8	Pentheon Battery
1	HLB16 Lifting Bag 16 ton
1	Control Unit HTC 12
1	HLB 12 Bar Package
4	Sensit G2 EX/CO/O2/TOX
1	Calibration Kit 4 Gas Quad
2	Altair 5X Gas Detector
1	Calibration Kit Altair
1	Altair Calibration Cap Kit
3	Zytron 500 NFPA Class 2 Suit Total Encapsulating 2x/3x
4	Zytron 500 NFPA Class 2 Suit Total Encapsulating L/XL
2	Zytron 500 NFPA Class 2 Suit Total Encapsulating
2	Dupont Tychem 4000 Coverall Large
1	Dupont Tychem 4000 Coverall Medium
4	Dupont Tychem 5000 Level B Suit Encapsulated Large
4	Dupont Tychem 5000 Level B Suit Encapsulated XL
1	Dupont Tychem 5000 Level B Suit Encapsulated 2XL
1	3M D9093C Secure Click Hard Case P100 Particulate Filter Case of 60
1	3M D9093B Secure Click Hard Case P100 Particulate Filter, Case of 144
1	3M D701 Secure Click Filter Retainer, Case of 100
1	3M D7N11 Secure Click Particulate Filter N95, Case of 200
3	3M FF-401 Ultimate FX Full Facepiece Reusable Respirator, Small
9	3M FF-402 Ultimate FX Full Facepiece Reusable Respirator, Medium
3	3M FF-403 Ultimate FX Full Facepiece Reusable Respirator, Large
2	3M D80921 Secure Click Organic Vapor Cartridge/Filter P100, Medium
20	3M HF-802SD Secure Click Half Facepiece Reusable Respirator, Medium
3	3M HF-801SD Secure Click Half Facepiece Reusable Respirator, Small
3	3M HF-803SD Secure Click Half Facepiece Reusable Respirator, Small