

August 21, 2020

Mr. Jerry Saunders  
Energy Sector Compliance Section Chief  
U.S. Environmental Protection Agency  
Region 6 (6ECD-WE)  
1201 Elm Street  
Suite 500  
Dallas, TX 75270-2101

Re: Consent Agreement and Final Order  
Docket No. CWA-06-2020-4802  
Inspection No: SPCC-TX-2019-00206  
Wilson County, TX

Dear Mr. Saunders:

Lazarus Energy LLC (Lazarus), is submitting the signed Consent Agreement and Final Order (CD) regarding the inspection of the Lazarus facility located in Wilson County, Texas (Attachment I), along with a check for \$8,000.

The response to this communication has been affected by the recent events surrounding the COVID pandemic. With the consumption of transport fuel collapse this year because of coronavirus, Lazarus has been operating in a survival mode. Specifically, the jet fuel market contraction has affected the refinery as it is one of the refinery's main products. The outlook for recovery per oil and gas analysts is projected to be a slow recovery in demand. Thus, a lump-sum payment would cause extreme financial hardship for Lazarus. However, Lazarus is committed to being a good corporate citizen and has addressed the areas of concern from the inspection, as indicated by the plan approval from Bryant Smalley, EPA Chief, Readiness and Emergency Response Section (Attachment II).

Due to this economic hardship, Lazarus is requesting EPA enforcement discretion in allowing the refinery to enter a payment schedule. Lazarus is seeking a payment schedule of \$8,000 per calendar quarter with the first \$8,000 installment due by December 2, 2020, and remaining \$8,000 quarterly payments submitted on the first Monday of every quarter until the fine has been paid in full.

If you have any questions or comments, please contact my environmental consultant, Kelly Bradberry, at (225) 715 -1452 or via email at [Kelly.Bradberry@KBEVconsulting.com](mailto:Kelly.Bradberry@KBEVconsulting.com). Thank you for your time and consideration in this matter.

Mr. Jerry Saunders

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Respectfully,

A handwritten signature in black ink, appearing to read 'Jonathan Carroll', with a stylized flourish at the end.

Jonathan Carroll  
Lazarus Energy, LLC  
Enclosures

cc: Kelly J. Bradberry, KB Environmental Consulting, LLC (electronic copy only)  
James Kelly, Lazarus Energy, LLC (electronic copy only)  
Scott Stanush, Lazarus Energy, LLC (electronic copy only)



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 6  
1201 ELM STREET, SUITE 500  
DALLAS, TEXAS 75270

March 5, 2020

**CERTIFIED MAIL-RETURN RECEIPT REQUESTED:** 7005 1820 0003 7451 0836

Mr. Scot Stanush,  
Lazarus Refining and Marketing, LLC  
11372 US Highway 87 East  
Nixon, TX 78140

Re: Draft Consent Agreement and Final Order  
Docket No. **CWA-06-2020-4802**  
Inspection No: **SPCC-TX-2019-00206**  
Wilson County, TX

Dear Mr. Stanush:

On August 29, 2019, the subject facility was inspected by the Environmental Protection Agency (EPA). During the inspection, violations of the Spill Prevention, Control and Countermeasures (SPCC) and Facility Response Plan (FRP) regulations were found. The specific allegations are identified in the enclosed draft Consent Agreement and Final Order (CAFO). The EPA has authority under Section 311 of the Clean Water Act to pursue civil penalties for violations of the SPCC and FRP regulations. The EPA encourages the settlement of easily verifiable violations of SPCC and FRP requirements, such as the violations cited in the CAFO. The enclosed CAFO has been issued in accordance with 40 CFR Part 22, "Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, Issuance of Compliance or Corrective Action Orders, and the Revocation, Termination or Suspension of Permits" (enclosed).

If Lazarus Refining and Marketing, LLC wishes to settle this matter without further legal action, the enclosed CAFO should be returned, signed by an authorized official of the company within thirty (30) days of receipt of this letter. Final issuance of the CAFO may be subject to additional verification that all necessary corrective actions have been completed. The CAFO, once finalized, is binding on both you and the EPA. Upon conclusion of the final action, EPA will take no further action against you for the violations cited in the CAFO.

**The original, signed, CAFO must be sent via CERTIFIED MAIL to:**

Energy Sector Compliance Section Chief  
U. S. Environmental Protection Agency  
Region 6 (6ECD-WE)  
1201 Elm Street  
Dallas, TX 75270-2102

Upon receipt and processing of the signed document, the EPA will forward to you copies of the fully executed CAFO. Penalty payment is not due until thirty (30) days after the EPA has returned the fully executed CAFO to you.

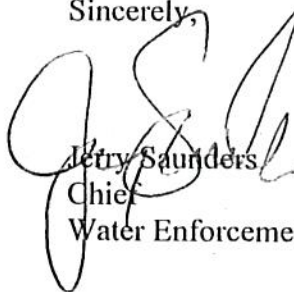
By terms of the CAFO, and upon payment of the penalty, you waive your opportunity for a hearing pursuant to Section 311 of the Clean Water Act. You have the right to be represented by an attorney at any stage of the proceedings, including any informal discussions with the EPA.

If you elect not to sign and return the CAFO within 30 days of your receipt of this letter and pay the penalty, unless an extension has been granted by the EPA, the CAFO will be automatically withdrawn, without prejudice to the EPA's ability to file an enforcement action for the cited violations. The EPA can pursue more formal enforcement measures to correct the violation(s) and seek penalties of up to \$19,277 per violation up to a maximum penalty of \$48,192.

You may request an informal conference to discuss the facts of this case. In the event that a settlement cannot be reached, the EPA may elect to file an Administrative Complaint and Opportunity to Request Hearing and Conference (Complaint) in accordance with 40 C.F.R. Part 22. If a Complaint is filed, you will have the right to request a hearing to contest the factual allegations set forth in the Complaint.

If you have any questions, or if you wish to schedule an informal settlement conference, please contact Enoch Johnbull at (214) 665-3173.

Sincerely,

A handwritten signature in black ink, appearing to read "Jetry Saunders". The signature is stylized and overlaps the printed name below it.

Jetry Saunders  
Chief  
Water Enforcement Branch

Enclosure