UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

FEB - 9 2015

CERTIFIED MAIL 7009 1680 0000 7663 5752
RETURN RECEIPT REQUESTED

REPLY TO THE ATTENTION OF:

Ms. Amber Russell
Joliet Refinery Manager
ExxonMobil Corporation
I-55 and Arsenal Road
25915 E. Frontage Road
Channahon, Illinois 60434

Re: Consent Agreement and Final Order
ExxonMobil Oil Corporation
Docket No: **RCRA-05-2015-0005**

Dear Ms. Russell:

Enclosed please find a copy of the fully-executed Consent Agreement and Final Order (CAFO) in resolution of the above case. We filed the original with the Regional Hearing Clerk on February 9, 2015.

Please pay the civil penalty in the amount of $39,870.00 in the manner prescribed in paragraphs 62 and 63 of the CAFO, and reference all checks with the Docket Number **RCRA-05-2015-0005**. Your payment is due within thirty (30) calendar days of the effective date of the CAFO. Also, enclosed is a *Notice of Securities and Exchange Commission Registrant's Duty to Disclose Environmental Legal Proceedings.* Thank you for your cooperation in resolving this matter.

Sincerely,

Gary J. Victorine, Chief
RCRA Branch

Enclosures

cc: Todd Marvel, Illinois Environmental Protection Agency (w/CAFO)
(todd.marvel@illinois.gov)

NOTICE OF SECURITIES AND EXCHANGE COMMISSION REGISTRANTS' DUTY TO DISCLOSE ENVIRONMENTAL LEGAL PROCEEDINGS

Securities and Exchange Commission regulations require companies registered with the SEC (e.g., publicly traded companies) to disclose, on at least a quarterly basis, the existence of certain administrative or judicial proceedings taken against them arising under Federal, State or local provisions that have the primary purpose of protecting the environment. Instruction 5 to Item 103 of the SEC's Regulation S-K (17 CFR 229.103) requires disclosure of these environmental legal proceedings. For those SEC registrants that use the SEC's "small business issuer" reporting system, Instructions 1-4 to Item 103 of the SEC's Regulation S-B (17 CFR 228.103) requires disclosure of these environmental legal proceedings.

If you are an SEC registrant, you have a duty to disclose the existence of pending or known to be contemplated environmental legal proceedings that meet any of the following criteria (17 CFR 229.103(5)(A)-(C)):

A. Such proceeding is material to the business or financial condition of the registrant;
B. Such proceeding involves primarily a claim for damages, or involves potential monetary sanctions, capital expenditures, deferred charges or charges to income and the amount involved, exclusive of interest and costs, exceeds 10 percent of the current assets of the registrant and its subsidiaries on a consolidated basis; or
C. A governmental authority is a party to such proceeding and such proceeding involves potential monetary sanctions, unless the registrant reasonably believes that such proceeding will result in no monetary sanctions, or in monetary sanctions, exclusive of interest and costs, of less than $100,000; provided, however, that such proceedings which are similar in nature may be grouped and described generically.

Specific information regarding the environmental legal proceedings that must be disclosed is set forth in Item 103 of Regulation S-K or, for registrants using the "small business issuer" reporting system, Item 103(a)-(b) of Regulation S-B. If disclosure is required, it must briefly describe the proceeding, "including the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceedings and the relief sought."

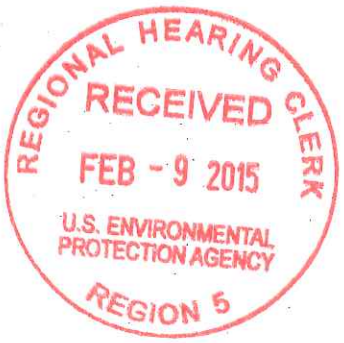
You have been identified as a party to an environmental legal proceeding to which the United States government is, or was, a party. If you are an SEC registrant, this environmental legal proceeding may trigger, or may already have triggered, the disclosure obligation under the SEC regulations described above.

This notice is being provided to inform you of SEC registrants' duty to disclose any relevant environmental legal proceedings to the SEC. This notice does not create, modify or interpret any existing legal obligations, it is not intended to be an exhaustive description of the legally applicable requirements and it is not a substitute for regulations published in the Code of Federal Regulations. This notice has been issued to you for information purposes only. No determination of the applicability of this reporting requirement to your company has been made by any governmental entity. You should seek competent counsel in determining the applicability of these and other SEC requirements to the environmental legal proceeding at issue, as well as any other proceedings known to be contemplated by governmental authorities.

If you have any questions about the SEC's environmental disclosure requirements, please contact the SEC Office of the Special Senior Counsel for Disclosure Operations at (202) 942-1888.

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5

In the Matter of:	)	**Docket No.** RCRA-05-2015-0005
	)	
ExxonMobil Oil Corporation	)	**Proceeding to Commence and Conclude**
Joliet Refinery	)	**an Action to Assess a Civil Penalty**
I-55 and Arsenal Road	)	**Under Section 3008(a) of the Resource**
25915 S. Frontage Road	)	**Conservation and Recovery Act,**
Channahon, Illinois 60434,	)	**42 U.S.C. § 6928(a)**
	)	
U.S. EPA ID No.: ILD064403199,	)	
	)	
Respondent.	)	
	)	



Consent Agreement and Final Order

Preliminary Statement

1. This is an administrative action commenced and concluded under Section 3008(a) of the Solid Waste Disposal Act, as amended, also known as the Resource Conservation and Recovery Act (RCRA), 42 U.S.C. § 6928(a), and Sections 22.13(b) and 22.18(b)(2) and (3) 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. The Complainant is the Director of the Land and Chemicals Division, United States Environmental Protection Agency (U.S. EPA), Region 5.

3. U.S. EPA provided notice of commencement of this action to the State of Illinois pursuant to Section 3008(a)(2) of RCRA, 42 U.S.C. § 6928(a)(2).

4. Respondent is ExxonMobil Oil Corporation, a corporation doing business in the State of Illinois.

5. Where the parties agree to settle one or more causes of action before the filing of a complaint, the administrative action may be commenced and concluded simultaneously by the issuance of a consent agreement and final order (CAFO). 40 C.F.R. § 22.13(b).

6. The parties agree that settling this action without the filing of a complaint or the adjudication of any issue of fact or law is in their interest and in the public interest.

7. Respondent consents to the assessment of the civil penalty specified in this CAFO, and to the terms of this CAFO.

Jurisdiction and Waiver of Right to Hearing

8. Jurisdiction for this action is conferred upon U.S. EPA by Sections 3006 and 3008 of RCRA, 42 U.S.C. §§ 6926 and 6928.

9. Respondent admits the jurisdictional allegations in this CAFO.

10. Respondent neither admits nor denies the factual allegations in this CAFO and makes no other admissions as a result of entering this CAFO, except as provided in paragraph 9.

11. Respondent waives its right to request a hearing as provided at 40 C.F.R. § 22.15(c), any right to contest the allegations in this CAFO, and its right to appeal this CAFO.

12. Respondent certifies that, to the best of its knowledge and as of the date of this CAFO, Respondent is in compliance with RCRA, 42 U.S.C. §§ 6901 – 6992k, and the regulations at 40 C.F.R. Parts 260 - 279.

Statutory and Regulatory Background

13. U.S. EPA has promulgated regulations, codified at 40 C.F.R. Parts 260 through 279, governing generators and transporters of hazardous waste and facilities that treat, store, and dispose of hazardous waste, pursuant to Sections 3001 – 3007, and 3013, among others, of RCRA, 42 U.S.C. §§ 6921 – 6927, and 6934.

14. Pursuant to Section 3006 of RCRA, 42 U.S.C. § 6926, the Administrator of U.S. EPA may authorize a state to administer the RCRA hazardous waste program in lieu of the federal program when the Administrator finds that the state program meets certain conditions. Any violation of regulations promulgated pursuant to Subtitle C (Sections 3001-3023 of RCRA, 42 U.S.C. §§ 6921-6939e) or any state provision authorized pursuant to Section 3006 of RCRA constitutes a violation of RCRA, subject to the assessment of civil penalties and issuance of compliance orders as provided in Section 3008 of RCRA, 42 U.S.C. § 6928.

15. Pursuant to Section 3006(b) of RCRA, 42 U.S.C. § 6926(b), the Administrator of U.S. EPA granted the State of Illinois final authorization to administer a state hazardous waste program in lieu of the federal government's base RCRA program effective January 31, 1986. 51 Fed. Reg. 3778 (January 31, 1986).

16. Under Section 3008(a) of RCRA, 42 U.S.C. § 6928(a), U.S. EPA may issue an order assessing a civil penalty for any past or current violation, requiring compliance immediately or within a specified period of time, or both. The Administrator of U.S. EPA may assess a civil penalty of up to $25,000 per day for each violation of Subtitle C of RCRA according to Section 3008 of RCRA, 42 U.S.C. § 6928. The Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Debt Collection Improvement Act of 1996, 31 U.S.C. § 3701 note (1996), required U.S. EPA to adjust its penalties for inflation on a periodic basis. Pursuant to the Civil Monetary Penalty Inflation Adjustment Rule, published at 40 C.F.R. Part 19, U.S. EPA may assess a civil penalty of up to $37,500 per day for each violation of Subtitle C of RCRA that occurred after January 12, 2009.

Factual Allegations and Alleged Violations

17. Respondent was and is a "person" as defined by 35 IAC § 720.110, 40 C.F.R. § 260.10, and Section 1004(15) of RCRA, 42 U.S.C. § 6903(15).

18. Respondent is the "owner" or "operator," as those terms are defined under 35 IAC § 720.110 and 40 C.F.R. § 260.10, of a facility located at I-55 and Arsenal Road in Channahon, Illinois (Channahon facility, also known as the Joliet facility).

19. On November 19, 2010, U.S. EPA conducted an inspection of the facility.

20. The facility consists of land and structures, other appurtenances, and improvements on the land used for treating, storing, or disposing of hazardous waste.

21. Respondent's Channahon facility produces refined petroleum products at its petroleum refinery.

22. At all times relevant to this CAFO, Respondent created materials including oily wastewater and solids from the pre-separation flumes, American Petroleum Institute (API) oil-water separator and dissolved air flotation (DAF) unit.

23. Respondent's processes at the facility produce several materials identified or listed as hazardous wastes in 35 IAC §§ 721.120 - 721.131 and 40 C.F.R. §261.31.

24. Respondent is a "generator," as that term is defined in 35 IAC § 720.110 and 40 C.F.R. § 260.10.

25. Respondent produced more than 1,000 kilograms (2,205 pounds) of hazardous waste each calendar month of 2009, prior to the inspection, and was a large quantity generator.

26. Respondent is subject to the regulations promulgated pursuant to Subtitle C of RCRA, 42 U.S.C. §§ 6921 - 6939e, or the analogous Illinois regulations as part of the applicable state hazardous waste management program for the state of Illinois, or both.

27. At all times relevant to this CAFO, the State of Illinois has not issued a permit to Respondent to treat, store, or dispose of hazardous waste at the facility.

28. At all times relevant to this CAFO, Respondent did not have interim status for the treatment, storage, or disposal of hazardous waste at the facility.

29. Pursuant to 3005(a) or RCRA, 42 U.S.C. § 6925(a), and the regulations at 40 C.F.R. Part 270 and 35 IAC Part 703, the treatment, storage, or disposal of hazardous waste by any person who has not applied for or received a permit is prohibited.

30. 35 IAC § 720.110 and 40 C.F.R. § 260.10 define "disposal" as "the discharge, deposit, injection, dumping, spilling, leaking, or placing of any solid waste or hazardous waste into or on any land or water so that such solid waste or hazardous waste or any constituent thereof may enter the environment or be emitted into the air or discharged into any waters, including ground waters."

31. 35 IAC § 720.110 and 40 C.F.R. § 260.10 define "storage" as "the holding of hazardous waste for a temporary period, at the end of which the hazardous waste is treated, disposed of, or stored elsewhere."

32. 35 IAC § 722.134 and 40 C.F.R. § 262.34(a) provide that a generator of hazardous waste may accumulate hazardous waste on-site for 90 days or less without having a permit or interim status, provided that the generator complies with all applicable conditions set forth in 35 IAC § 722.134(a)(4) and 40 C.F.R. § 262.34(a)(4) including, but not limited to, the requirement that hazardous waste is placed in containers or tanks, on drip pads, or in containment buildings.

33. A generator who accumulates hazardous waste for more than 90 days is an operator of a storage facility and is subject to the requirements of 35 IAC § 724, 40 C.F.R. § 264 and the permit requirements of 35 IAC §§ 703.121, 703.180, and 705.121 unless the generator has been granted an extension to the 90-day period. Storage for more than 90 days would subject the generator of hazardous waste to the requirement to either obtain a permit or achieve interim status.

34. Starting on or about December 12, 2008 and ending on or about December 18, 2008, Respondent removed oil-bearing wastewater and suspended solids ("sludge material") from the pre-separation flumes, API oil-water separator and DAF unit.

35. Pursuant to 35 IAC § 721.104(a)(12)(A) and 40 C.F.R. § 261.4(a)(12)(i), certain materials from the pre-separator flumes, API separator, and DAF unit meet the definition for listed hazardous waste F037 (petroleum refinery primary oil/water/solids separation sludge) and F038 (petroleum refinery secondary (emulsified) oil/water/solids separation sludge) where the materials "are generated at a petroleum refinery . . . and are placed on the land, or speculatively accumulated before being so recycled."

36. Pursuant to 35 IAC § 721.104(a)(12)(A) and 40 C.F.R. § 261.4(a)(12)(i), certain material removed from the pre-separation flumes, API oil-water separator, and DAF unit which is placed on the land prior to recycling or speculatively accumulated, constitutes "hazardous waste," as that term is defined under 35 IAC § 721.103 and 40 C.F.R. § 261.3.

37. Pursuant to 35 IAC § 721.104(a)(12)(A) and 40 C.F.R. § 261.4(a)(12)(i), certain materials from the pre-separator flumes, API separator and DAF unit would not be a solid waste, and therefore be excluded as a hazardous waste, if the materials "are generated at a petroleum refinery . . . and are inserted into the petroleum refining process . . . , unless the material is placed on the land, or speculatively accumulated before being so recycled."

38. Between approximately December 12, 2008 and approximately December 18, 2008, Respondent placed the certain material removed from the pre-separation flumes, API oil-water separator and DAF unit into 12 portable "frac tanks" or "Baker tanks" (Baker tanks).

39. The Baker tanks constitute "containers" as that term is defined under 35 IAC § 720.110 and 40 C.F.R. § 260.10.

40. Each of the 12 Baker tanks has a capacity of approximately 21,000 gallons.

41. The material which Respondent removed from the pre-separation flumes, API oil-water separator and DAF unit between approximately December 12, 2008 and approximately December 18, 2008, remained in the Baker tanks until at least October 31, 2009.

42. At all times relevant to this CAFO, Respondent's Channahon facility included the Equalization Biological Treatment Unit (EBTU).

3. The EBTU is a land-based impoundment.

44. The State of Illinois has not issued a permit to Respondent to treat, store, or dispose of hazardous waste in the EBTU.

45. On October 31 and November 1, 2009, Respondent transferred, prior to inserting into the petroleum refining process, the material from five of the twelve Baker tanks to the EBTU, the same sludge material Respondent had removed from the pre-separation flumes, API oil-water separator, and DAF unit between approximately December 12, 2008 and approximately December 18, 2008.

Count 1

Storage of Listed Hazardous Waste for Greater than 90 Days in Baker Tanks Without a RCRA Permit

46. Complainant incorporates paragraphs 1 through 45 of this CAFO as though set forth in this paragraph.

47. At all times relevant to this Complaint, Respondent had not been granted an extension to accumulate hazardous waste for more than 90 days.

48. At all times relevant to this Complaint, Respondent had not applied for a permit under 35 IAC § 703.180 [40 C.F.R. Part 264, 40 C.F.R. §§ 270.1(c), 270.10(a) and (d), and 270.13].

49. From approximately December 12, 2008, until October 31, 2009, a period

covering approximately 323 days, Respondent accumulated and stored in twelve Baker tanks material from the pre-separator flumes, API separator and DAF unit.

50. Respondent asserts that it has a documented history at this facility of inserting into the petroleum refining process materials from this facility's pre-separator flumes, API separator and DAF unit, and a documented history at this facility of not placing this material on the land or speculatively accumulating this material before being so recycled.

51. Based on Respondent's history of inserting this material at this facility into the petroleum refining process, Respondent asserted that the material stored in twelve Baker tanks was subject to the exemption provision of 35 § IAC 721.104(a)(12)(A) and 40 C.F.R. § 261.4(a)(12)(i).

52. Starting on or about October 31, 2009, Respondent placed into the EBTU the contents of five Baker tanks, containing materials removed in December 2008 from the pre-separator flumes, API separator and DAF unit.

53. As of Respondent's October 31, 2009 placement of materials into the EBTU, from the pre-separator flumes, API separator and DAF unit, Respondent had stored for more than 90 days without a permit waste in the five Baker tanks which Respondent asserts had been subject to the exemption provision of 35 § IAC 721.104(a)(12)(A) and 40 C.F.R. § 261.4(a)(12)(i).

54. After more than 90 days of storage without a permit, Respondent stored for two days hazardous waste F037 and F038 in five Baker tanks, starting on October 31, 2009 and ending on November 1, 2009, prior to placing the hazardous waste in the EBTU.

55. As set forth above, Respondent did not meet the conditions of 35 IAC § 721.104(a)(12)(A) and 40 C.F.R. § 261.4(a)(12)(i) necessary to exempt Respondent from the requirement to obtain interim status, or apply for and obtain a permit for the storage and disposal

of hazardous waste.

56. The facility failed to meet the conditions for generator permit exemptions for waste storage of 35 IAC § 722.134 [40 C.F.R. § 262.34] and 35 IAC § 721.104(a)(12) [40 C.F.R. § 261.4(a)(12)] necessary to exempt it from the requirement to obtain interim status and did not apply for and obtain a permit for the storage of hazardous waste in Baker tanks; therefore, from October 31, 2009 through November 1, 2009, Respondent stored hazardous waste in Baker tanks without a permit or interim status in violation of Section 3005 of RCRA, 42 U.S.C. § 6925, and the regulations found at 35 IAC § 703.180 [40 C.F.R. Part 264, 40 C.F.R. §§ 270.1(c), 270.10(a) and (d), and 270.13].

Count 2

Storage and Disposal of Listed Hazardous Waste in an Unpermitted Unit

57. Complainant incorporates paragraphs 1 through 56 of this CAFO as though set forth in this paragraph.

58. By transferring material between October 31, 2009 and November 1, 2009 from five of the twelve Baker tanks into the EBTU, Respondent placed on the land and into an unpermitted unit a listed hazardous waste for treatment, storage or disposal.

59. Respondent became an operator of a hazardous waste treatment, storage, and disposal facility (TSDF) by placing hazardous waste into, and storing and disposing of hazardous waste on land in an unpermitted unit.

60. Respondent asserts that it self-disclosed to the State of Illinois the placement, storage and disposal of hazardous waste into the EBTU and cooperated with Illinois and U.S. EPA in demonstrating clean closure of the unit by removing such waste material from the EBTU. On or around December 20, 2012, U.S. EPA

approved the ExxonMobil Joliet Refinery EBTU Response Completion and Clean Closure Report, dated November 30, 2012.

61. On and after October 31, 2009 until confirmation sampling documented complete removal, Respondent stored hazardous waste in the EBTU without a permit or interim status in violation of Section 3005 of RCRA, 42 U.S.C. § 6925(a), Section 21(f)(1) of the Illinois Environmental Protection Act, 415 ILCS 5/21, and the regulations found at 35 § IAC 703.121(a) and 40 C.F.R. Parts 262 and 265, and 40 C.F.R. §§ 270.1(c) and 270.10(a) and (d), and 270.13.

Civil Penalty

62. Pursuant to Section 3008(a)(3) of RCRA, 42 U.S.C. § 6928(a)(3), Complainant determined that an appropriate civil penalty to settle this action is $39,870. In determining the penalty amount, Complainant took into account the seriousness of the violation and any good faith efforts to comply with the applicable requirements. Complainant also considered U.S. EPA's RCRA Civil Penalty Policy, dated June 23, 2003, and the "Incentives for Self- Policing: Discovery, Disclosure, Correction and Prevention of Violations," (65 Fed. Reg. 19618, April 11, 2000), (audit policy).

63. Within 30 days after the effective date of this CAFO, Respondent must pay a $39,870 civil penalty for the RCRA violations by sending a certified or cashier's check, payable to "Treasurer, the United States of America," to:

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

Respondent must include the case name and docket number on the check and in the letter transmitting the check. Respondent must simultaneously send copies of the check and transmittal letter to:

Michael Valentino
RCRA Branch
Land and Chemicals Division (LR-8J)
U.S. Environmental Protection Agency
77 West Jackson Boulevard
Chicago, Illinois 60604-3590

Stuart P. Hersh
Office of Regional Counsel (C-14J)
U.S. Environmental Protection Agency
77 West Jackson Boulevard
Chicago, Illinois 60604-3590

and

Regional Hearing Clerk (E-19J)
U.S. EPA, Region 5
77 W. Jackson Boulevard
Chicago, Illinois 60604-3590

A transmittal letter identifying this Complaint shall accompany the remittance and the copy of the check.

64. This civil penalty is not deductible for federal tax purposes.

65. If Respondent does not timely pay the civil penalty, U.S. EPA may bring an action to collect any unpaid portion of the penalty with interest, handling charges, nonpayment penalties, and the United States enforcement expenses for the collection action. The validity, amount, and appropriateness of the civil penalty are not reviewable in a collection action.

66. Pursuant to 31 C.F.R. § 901.9, Respondent must pay the following on any amount overdue under this CAFO. Interest will accrue on any amount overdue from the date payment was due at a rate established by the Secretary of the Treasury pursuant to 31 U.S.C. § 3717(a)(1). Respondent must pay a $15 handling charge each month that any portion of the penalty is more than 30 days past due. In addition, Respondent must pay a 6 percent per year penalty on any principal amount 90 days past due.

General Provisions

67. This CAFO resolves Respondent's liability for federal civil penalties for the violations alleged in the CAFO.

68. This CAFO does not affect the right of U.S. EPA or the United States to pursue appropriate injunctive or other equitable relief or criminal sanctions for any violations of law.

69. This CAFO does not affect Respondent's responsibility to comply with RCRA and other applicable federal, state, local laws or permits.

70. This CAFO is a "final order" for purposes of 40 C.F.R. § 22.31, U.S. EPA's RCRA Civil Penalty Policy, and U.S. EPA's Hazardous Waste Civil Enforcement Response Policy (December 2003).

71. The terms of this CAFO bind Respondent, its successors, and assigns.

72. Each person signing this agreement certifies that he or she has the authority to sign for the party whom he or she represents and to bind that party to its terms.

73. Each party agrees to bear its own costs and attorney's fees in this action.

74. This CAFO constitutes the entire agreement between the parties.

ExxonMobil Corporation, Respondent

12/18/2014
Date

Amber Russell
Joliet Refinery Manager
ExxonMobil Corporation

United States Environmental Protection Agency, Complainant

1/29/2015
Date

Margaret M. Guerriero
Director
Land and Chemicals Division

Final Order

This Consent Agreement and Final Order, as agreed to by the parties, shall become effective immediately upon filing with the Regional Hearing Clerk. This Final Order concludes this proceeding pursuant to 40 C.F.R. §§ 22.18 and 22.31. IT IS SO ORDERED.

2-4-15
Date

Susan Hedman
Regional Administrator
United States Environmental Protection Agency
Region 5

In the matter of: **Exxon Mobil Oil Corporation**
Docket Number: **RCRA-05-2015-0005**

CERTIFICATION OF SERVICE

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

Copy by Certified Mail # 7009 1680 0000 7663 5752

Return-receipt:

Ms. Amber Russell
Manager
Joliet Refinery
Exxon Mobil Corporation
I-55 and Arsenal Road
25915 E. Frontage Road
Channahon, Illinois 60434

Copy by e-mail to
Attorney for Complainant:

Stuart P. Hersh
hersh.stuart@epa.gov

Copy by e-mail to
Regional Judicial Officer:

Ann Coyle
coyle.ann@epa.gov

Dated: February 9, 2015

LaDawn Whitehead
Regional Hearing Clerk, Region 5