

IN THE UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF ARKANSAS
EL DORADO DIVISION

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	
)	
and)	
)	
STATE OF ARKANSAS,)	
)	
Plaintiff-Intervenor,)	Civil No. 03-1028
)	Honorable Harry F. Barnes
v.)	
)	
LION OIL COMPANY, INC.)	
)	
Defendant.)	
_____)	

STIPULATED ORDER

WHEREAS, Plaintiff the United States of America (“United States”), Plaintiff-Intervenor Arkansas (“Arkansas”), and Defendant Lion Oil Company, Inc. (“Lion”) are parties to a Consent Decree entered by this Court on June 12, 2003 (“Consent Decree”);

WHEREAS, Paragraph 92 of the Consent Decree provides that non-material modifications to the Consent Decree may be made by agreement of the United States, Plaintiff-Intervenor and Defendant in writing; and

WHEREAS, the parties have agreed to certain non-material modifications to the reporting provisions of the Consent Decree for purposes of administrative efficiency;

NOW, THEREFORE, it is Ordered, Adjudged and Decreed as follows:

1. Paragraph 20.A.viii, providing for reporting on the completion of corrective actions to address root causes of flaring incidents, is revised to read as follows:

viii. To the extent that completion of the implementation of corrective action(s), if any, is not finalized at the time of the submission of the report required under this Paragraph, then, Lion Oil shall identify the corrective action(s) taken and the dates of commencement and completion of implementation of corrective actions in the semi-annual progress reports required under paragraph 36 of this Decree until all corrective action(s) are completed.

2. A new paragraph 36.A., providing for new reporting requirements, is

added to read as follows:

36A. Beginning with the semi-annual report due on July 30, 2009, and annually thereafter, Lion Oil shall provide a summary of annual emissions data for the Refinery for the preceding calendar year, including:

- a. NO_x emissions in tons per year for heaters and boilers greater than 40 mmBTU/hr maximum fired duty;
- b. NO_x emissions in tons per year for heaters and boilers less than 40 mmBTU/hr maximum fired duty;
- c. SO₂, CO and PM emissions in tons per year for all heaters and boilers;
- d. SO₂ emissions from the Sulfur Recovery Plant in tons per year
- e. NO_x, SO₂, CO and PM emissions in tons per year for the FCCU/Wet Gas Scrubber;
- f. SO₂ emissions from all Flaring Incidents in tons per year; and
- g. NO_x, SO₂, PM and CO emissions in tons per year for all other emission units for which emissions information is required to be included in the refinery's Annual Emissions Inventory and that is not identified above.

For each of the estimates in Subparagraphs (a) through (g) above, Lion Oil shall include the basis for the emissions estimate or calculation (i.e., engineering judgment, stack tests, CEMS, emission factor, etc.). Lion Oil is not required to undertake any additional testing for purposes of developing the estimates. To the extent that the required emissions data is available in other reports generated by Lion Oil, such other reports can be attached or the appropriate information can be extracted from such other reports and attached to the semi-annual report to satisfy the requirement. At any time during the life of the Consent Decree, Lion Oil may submit a request to EPA to terminate the requirements of this paragraph 36A, and if EPA approves, the company will no longer be required to provide this additional information.

3. Paragraph 89, providing for the manner of certain Consent Decree required notices and reporting, shall be revised to read as follows:

89. **Notice.** Unless otherwise provided herein, notifications to or communications between the Parties shall be deemed submitted on the date they are postmarked and sent by U.S. Mail, postage pre-paid, except for notices under Section XIV (Force Majeure) and Section XV (Retention Jurisdiction/Dispute Resolution) which shall be sent by overnight mail or by certified or registered mail, return receipt requested. Each report, study, notification or other communication of Lion Oil shall be submitted as specified in this Consent Decree, with copies to EPA Headquarters and the Applicable EPA Region and the Applicable State Agency. If the date for submission of a report, study, notification or other communication falls on a Saturday, Sunday or legal holiday, the report, study, notification or other communication will be deemed timely if it is submitted the next business day. Except as otherwise provided herein, all reports, notifications, certifications, or other communications required or allowed under this Consent Decree to be submitted or delivered to the United States, EPA, the State, Lion Oil shall be addressed as provided in this Paragraph. Other than state air permit applications (§§ 24, 25, and 28), petitions to the court to invoke dispute resolution (§§ 66-70), and stipulated penalty payments (§ 58), Lion Oil may submit Consent Decree submissions electronically, rather than by U.S. Mail, postage pre-paid, overnight mail or registered mail, return receipt requested, where an e-mail address is provided below. Electronic submissions will be deemed submitted on the date they are transmitted electronically and only one electronic submission is required per recipient (to address instances in which the Consent Decree requires that two hard copies be submitted per recipient).

As to the United States:

Chief
Environmental Enforcement Section
Environment and Natural Resources Division
U.S. Department of Justice
P.O. Box 7611, Ben Franklin Station
Washington, DC 20044-7611
Reference Case No. 90-5-2-1-06064/1
richard.gladstein@usdoj.gov

As to EPA:

Reports to EPA shall be addressed to:

Director, Air Enforcement Division
Office of Civil Enforcement
U.S. Environmental Protection Agency
Mail Code 2242-A
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460-0001

Chief, Air, Toxics, and Inspections Coordination Branch
Environmental Protection Agency, Region 6
1445 Ross Avenue
Dallas, Texas 75202-2733

and may be submitted electronically to:

csullivan@matrixnewworld.com
foley.patrick@epa.gov

Documents that any party is unable to submit electronically shall be submitted in hard copy to the addresses listed above, and to:

Director, Air Enforcement Division
Office of Civil Enforcement
c/o Matrix New World Engineering, Inc.
120 Eagle Rock Ave., Suite 207
East Hanover, NJ 07936-3159

As to the State of Arkansas:

Legal Division
Arkansas Department of Environmental Quality
5301 Northshore Drive
North Little Rock, AR 72118
airsubmission@adeq.state.ar.us

As to Lion Oil:

Wallace M. Moody, Esquire
General Counsel
Lion Oil Company
Regions Bank Building
100 East Peach Street, Suite 201
El Dorado, AR 71730
wallace.moody@lionoil.com

Mr. W.R. "Chuck" Hammock
Environmental Manager
Lion Oil Company
P.O. Box 7005
El Dorado, AR 71731-7005
chuck.hammock@lionoil.com

LeAnn M. Johnson-Koch, Esquire
DLA Piper LLP (US)
500 Eighth Street, NW
Washington, DC 20004
leann.johnson@dlapiper.com

Any party may change either the notice recipient or the address for providing notices to it by serving all other parties with a notice setting forth such new notice recipient or address. In addition, the nature and frequency of reports required by the Consent Decree may be modified by mutual consent of the Parties. The consent of the United States to such modification must be in the form of a written notification from the Department of Justice, but need not be filed with the Court to be effective.

4. Paragraph 90, providing for EPA approvals for reports submitted by Defendant (if required by the applicable provision of the Consent Decree) is revised to read as follows:

90. **Approvals.** All EPA approvals or comments will be made in writing. All Plaintiff-Intervener approvals shall be sent from the offices identified in Paragraph 89.

5. The provisions of this Stipulated Order are effective upon the date of filing.

SO ORDERED this 14th day of September, 2009.

/s/Harry F. Barnes
Hon. Harry F. Barnes
United States District Judge

The undersigned party consents to this Stipulated Order modifying the Consent Decree in the matter of United States, et al. v. Lion Oil Co., Inc.

FOR PLAINTIFF THE UNITED STATES OF AMERICA:

JOHN C. CRUDEN
Acting Assistant Attorney General
Environment and Natural Resources Division
United States Department of Justice

Date: August 14, 2009

s/s Richard Gladstein
RICHARD GLADSTEIN
Senior Counsel
Environmental Enforcement Section
Environment and Natural Resources Division
United States Department of Justice
P.O. Box 7611
Ben Franklin Station
Washington, D.C. 20044-7611

The undersigned party consents to this Stipulated Order modifying the Consent Decree in the matter of United States, et al. v. Lion Oil Co., Inc.

FOR THE UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY:

Date: June 22, 2009

s/s/ Adam M. Kushner
ADAM M. KUSHNER
Director
Office of Civil Enforcement
Office of Enforcement and Compliance Assurance
United States Environmental Protection Agency
Washington, D.C. 20460

Date: June 12, 2009

s/s John Fogarty
JOHN FOGARTY
Senior Attorney
Office of Civil Enforcement
Office of Enforcement and Compliance Assurance
United States Environmental Protection Agency
Washington, D.C. 20460

The undersigned party consents to this Stipulated Order modifying the Consent Decree in the matter of United States, et al. v. Lion Oil Co., Inc.

FOR PLAINTIFF-INTERVENOR THE STATE
OF ARKANSAS

Date: July 6, 2009

s/s Dawn Guthrie
DAWN GUTHRIE
Chief, Legal Division
Arkansas Department of Environmental Quality

The undersigned party consents to this Stipulated Order modifying the Consent Decree in the matter of United States, et al. v. Lion Oil Co., Inc.

FOR DEFENDANT LION OIL COMPANY

Date: June 5, 2009

s/s Steve Cousins
STEVE COUSINS
Vice President of Refining
Lion Oil Company

Date: June 8, 2009

s/s Leann M. Johnson-Koch
LEANN M. JOHNSON-KOCH
DLA Piper LLP (US)
500 Eighth Street NW
Washington, DC 20004
(202) 799-4380
(202) 799-5380 (fax)

ATTORNEY FOR LION OIL COMPANY.