STATE OF OKLAHOMA
OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR QUALITY DIVISION

IN THE MATTER OF: **Continental Carbon Company,** **RESPONDENT,**	**CASE NO. 26-174**

OKLAHOMA
DEPT OF ENVIRONMENTAL QUALITY
JUL 2 0 2026
FILED BY: [signature]
HEARING CLERK

ADMINISTRATIVE COMPLIANCE ORDER

This Administrative Compliance Order ("Order") is issued under the authority vested in the Executive Director of the Oklahoma Department of Environmental Quality ("DEQ") by Title 27A of the Oklahoma Statutes ("O.S.") §§ 1-3-101(B), 2-3-502, and 2-5-110. This Order addresses violations of the Oklahoma Environmental Quality Code, specifically the Oklahoma Clean Air Act at 27A O.S. § 2-5-101 *et seq.*; and the Oklahoma Administrative Code ("OAC") Title 252, Chapter 100 "Air Pollution Control" and the federal regulations incorporated by reference.

This Order supersedes and closes Notice of Violation ("NOV") No. 26-AQN-002 issued June 24, 2026 (attached hereto as Exhibit A). This Order is intended to address the violations discovered as a result of Full Compliance Evaluation ("FCE") 10917 (attached hereto as Exhibit B), the purpose of which was to determine compliance with Air Quality permit conditions and all applicable state and federal regulations.

FINDINGS OF FACT

1. Continental Carbon Company owns and operates the Carbon Black Production Facility ("Facility"), which is located at 1006 East Oakland Avenue, Ponca City, in Kay County, Oklahoma. The Facility currently operates under DEQ Air Quality Permit No. 2017-0914-TVR2, issued on August 21, 2018, and Permit No. 2017-0914-C (M-3), issued August 20, 2025. During the review period, the facility also operated under Permit No. 2004-302-C M-4, issued November

11, 2018, and effective through August 20, 2025. In addition to those permits, the Facility is subject to the Oklahoma Clean Air Act, 27A O.S. §§ 2-5-101 to -118; OAC 252:100, Air Pollution Control; Title 40, Code of Federal Regulations ("CFR"), Part 63 ("NESHAP"), Subparts SS, YY, ZZZZ, and DDDDD; 40 CFR Part 60 ("NSPS") Subpart IIII; 40 CFR Part 64 ("CAM"); and Consent Decree Case No. 5:15-cv-00290-F ("CD"). The Facility is classified as a Prevention of Significant Deterioration ("PSD") major source under Permit No. 2017-0914-C (M-3) for emissions of nitrogen oxides ("NOx"), carbon monoxide ("CO"), and sulfur oxides ("SOx"). Facility-wide potential emissions are 297.85 TPY of NOx, 2,216.70 TPY of CO, and 1,171.91 TPY of SOx. The Facility is a minor source of volatile organic compounds ("VOC") and particulate matter ("PM"). Facility-wide potential emissions are 57.67 TPY of VOC and 53.39 TPY of PM. The facility is also a major source of hazardous air pollutants ("HAP") with potential emissions of 42.20 TPY of carbon disulfide ("CS_2") under Permit No. 2017-0914-TVR2.

2. Respondent has a history of compliance challenges, documented by over thirty enforcement cases opened by DEQ against Respondent since 1994. In the same time span, DEQ has executed ten administrative orders assessing penalties against Respondent. These included violations such as failed PM stack tests, excess emissions, and opacity violations.

3. In 2015, the United States District Court for the Western District of Oklahoma issued a final judgement for Consent Decree Case No. 5:15-cv-00290-F, filed by Plaintiff, United States Environmental Protection Agency ("EPA"), and Plaintiff-Intervenors, Oklahoma DEQ and Alabama DEQ. Complaints of the CD alleged that Respondent failed to obtain necessary permits and install and continuously operate the controls necessary to reduce SO_2, NO_x and PM. The CD assessed a civil penalty against Respondent and required several corrective actions to be taken by Respondent to reduce the Facility's air pollution.

4. DEQ has received the following twenty-three citizen complaints thus far in 2026, leading up to FCE 10917. Each complaint generally alleged issues of fugitive dust and/or visible emissions:

Complaint No.	Date Received
194517	1/7/2026
194997	2/9/2026
195018	2/10/2026
195085	2/12/2026
195135	2/17/2026

195124	2/17/2026
195180	2/19/2026
195174	2/19/2026
195172	2/19/2026
195332	2/26/2026
195326	2/26/2026
195335	2/27/2026
195505	3/9/2026
195645	3/17/2026
195644	3/17/2026
195649	3/17/2026
196418	4/29/2026
200252	5/18/2026
200412	5/28/2026
200637	6/8/2026
200667	6/10/2026
200689	6/11/2026
200882	6/20/2026

5. On February 25, 2026, AQD performed a partial compliance evaluation ("PCE") at the Facility in response to citizen complaints. At the time of inspection, the Facility was not operating under normal conditions; most of the plant was not in operation due to equipment adjustments and maintenance. Moderate winds were observed, and the sky was partly cloudy during the duration of the PCE. The primary purpose of the PCE was to observe the Facility's control of visible emissions related to the complaints. At the time, the facility was due for a regularly scheduled full compliance inspection ("FCE"). Therefore, it was decided that the issues of noncompliance found during the PCE will be addressed in the upcoming, more in-depth FCE.

6. On April 16, 2026, FCE 10917 was conducted at the Facility. The purpose of the FCE was to determine compliance with permit conditions and all applicable state and federal regulations.

7. On April 20, 2026, DEQ requested records from Respondent as part of the FCE with a due date of April 27, 2026. This request was for various records that Respondent is required to keep and that are necessary to determine Respondent's compliance with their permit(s). On April 22, 2026, Respondent requested a three-day extension, which was granted by DEQ. On April 29, Respondent informed DEQ that they would need to mail a flash drive containing the records. This was received via mail on May 4, 2026. On June 5, 2026, DEQ sent another request to Respondent for records that were missing from their May 4 submittal, along with some follow-up questions. DEQ received additional records on June 12, 2026.

8. During the FCE, DEQ identified several areas of alleged noncompliance, and on June 24, 2026, DEQ issued NOV No. 26-AQN-002 to Respondent for violations of permit conditions, OAC 252:100, and Title 40 of the Code of Federal Regulations ("CFR"). Respondent provided a response on July 9, 2026, details of which are included below where applicable. The NOV cross-referenced all alleged violations cited in the FCE. Of those violations, the following have been determined to require an administrative penalty, to be assessed by this Order.

9. Violation 1: Excess Emission event HQM-T7NS-M24HD on October 9, 2024, was an exceedance of the 7-day rolling average SO_2 limit of 158 ppmvd (at 0% oxygen) for Clean Gas Energy Unit ("CGEU") 1 / EPN #40 established in Specific Condition 1.EUG 5 of Permit No. 2004-302-C (M-4). The exceedance lasted approximately eight days, and the excess was 18.02 ppmvd. The explanation provided by Respondent for the excess emission event was malfunction. However, the event appears to be related to maintenance issues and therefore does not meet the criteria for mitigation under OAC 252:100-9-8(b). In the NOV response, Respondent stated that the exceedance was due to a bag blockage. Respondent stopped activities to clean the unit and remove the bag. This permit limit is supported by CD 5:15-cv-00290-F, Paragraph 17. This is listed as violation 29 in the FCE.

10. Violation 2: Reported NOx and PM emissions for EPN 3, 7, 11, and 20 were in exceedance of the annual tons per year ("TPY") limits listed in Specific Condition 1.EUG 2/8 of Permit Nos. 2017-0914-C (M-3) in 2025 and of 2004-302-C (M-4), in 2022, 2023, and 2024, with the exception of NOx emissions from EPN 7 in 2025. Additionally, CO, VOC, and SO_2 emissions were in exceedance of the TPY limits in 2023 for EPN 3, 7, 11, and 20, with the exception of SO_2 for EPN 7. In response to this issue, Respondent stated in a records request that the emissions exceedances are due to the COGEN units initially being under-permitted. Respondent stated that the emission limits were raised in Permit No. 2017-0914-C (M-3) in order to account for actual emissions; however, the reported emissions remain in excess of the new (2025) limits. This is listed as violation 34 in the FCE. In the NOV Response, Respondent stated that EHS staff review emissions on a monthly basis with Plant Management and that this review will keep the plant aware of limits so they can adjust operations, if needed. The tables below show the exact emission amounts in comparison with the permit limits, with exceedances highlighted:

EPN 3

EPN 11

	Limit 2018	Limit 2025	2022	2023	2024	2025
CO	157.18	203.1	106.67	189.20	107.64	19.96
NOx	7.41	7.57	8.63	15.70	14.80	13.22
VOC	7.04	9.08	4.91	8.71	5.06	1.12
PM	0.19	0.22	0.69	1.25	1.16	1.01
SO_2	0.11	0.13	0.07	0.12	0.10	0.08

	Limit 2018	Limit 2025	2022	2023	2024	2025
CO	160.26	206.43	96.94	230.10	99.96	29.75
NOx	7.90	8.06	13.41	14.78	14.64	13.44
VOC	7.16	9.24	5.11	10.51	4.71	1.56
PM	0.21	0.24	1.05	1.19	1.14	1.03
SO_2	0.11	0.14	0.11	0.12	0.10	0.08

EPN 7						
	Limit 2018	Limit 2025	2022	2023	2024	2025
CO	76.63	98.9	38.62	76.70	42.03	8.69
NOx	3.85	3.90	5.22	3.93	4.48	3.88
VOC	1.23	1.58	0.82	1.33	0.51	0.29
PM	0.17	0.20	0.44	0.39	0.39	0.30
SO_2	0.64	0.88	0.15	0.19	0.11	0.04

EPN 20						
	Limit 2018	Limit 2025	2022	2023	2024	2025
CO	166.26	214.63	161.88	323.57	149.67	70.64
NOx	7.92	8.09	8.52	15.88	18.15	16.24
VOC	7.45	9.60	7.36	14.70	6.99	3.43
PM	0.21	0.24	0.70	1.31	1.42	1.25
SO_2	0.11	0.14	0.09	0.14	0.13	0.11

11. Violation 3: The following exceedances of the 158-ppmvd at 0% O_2 SO_2 limit for **CGEU1** were identified in the Continuous Emissions Monitoring System ("CEMS") records provided. This is a violation of Specific Condition 1.EUG 5 of Permit Nos. 2017-0914-C (M-3) and 2004-302-C (M-4). This limit is supported by Paragraph 17 of CD 5:15-cv-00290-F. This is listed as violation 40 in the FCE. In the NOV response, Respondent stated that repairs recently conducted to the CGEU will prevent recurrence of these exceedances.

a. 12/24/2024 to 1/2/2025 (10 days); highest CEMS data shows 327 ppmvd at 0% O_2.

b. 4/13/2025 to 4/19/2025 (7 days); highest CEMS data shows 299 ppmvd at 0% O_2.

c. 5/22/2025 to 5/29/2025 (8 days); highest CEMS data shows 218 ppmvd at 0% O_2.

d. 11/23/2025 to 11/30/2025 (8 days); highest CEMS data shows 349 ppmvd at 0% O_2.

12. Violation 4: The following exceedances of the 158-ppmvd @ 0% O_2 SO_2 limit for **CGEU2** were identified in the CEMS records provided. This is a violation of Specific Condition 1.EUG 5 of Permit Nos. 2017-0914-C (M-3) and 2004-302-C (M-4). This limit is supported by Paragraph 17 of CD 5:15-cv-00290-F. This is listed as violation 41 in the FCE. In the NOV response, Respondent stated that repairs recently conducted to the CGEU will prevent recurrence of these exceedances.

a. 10/3/2024 to 10/16/2024 (14 days); highest CEMS data shows 233 ppmvd at 0% O_2.

b. 12/12/2025 to 12/21/2025 (10 days); highest CEMS data shows 491 ppmvd at 0% O_2.

13. Violation 5: The following exceedance of the 54-ppmvd @ 0% O_2 NOx limit for CGEU2 was identified in the CEMS records provided. This is a violation of Specific Condition 1.EUG 5 of Permit Nos. 2017-0914-C (M-3) and 2004-302-C (M-4). This limit is supported by Paragraph 17 of CD 5:15-cv-00290-F. This is listed as violation 42 in the FCE. In the NOV response, Respondent stated that repairs conducted to the CGEU will prevent recurrence of these exceedances.

a. 12/5/2025 to 12/21/2025 (17 days); highest CEMS data shows 158 ppmvd at 0% O_2.

14. Violation 6: Respondent must demonstrate compliance with the PM limit of 0.0069 gr/dscf for each COGEN unit by conducting stack tests, in accordance with Specific Condition 1.EUG 5.e of Permit Nos. 2017-0914-C (M-3) and 2004-302-C (M-4). The last stack tests were conducted on October 13, 2022, for CGEU1 and on October 11-12, 2022, for CGEU2. Performance testing on CGEU1 (EPN 40) showed emissions rates of 0.0173 gr/dscf. Performance testing on CGEU2 (EPN 41) showed emission rates of 0.0097 gr/dscf. As such, the results were in excess of the limit for both COGENs and neither have been tested since the failed tests. Therefore, DEQ must presume that COGENs have continued to operate out of compliance with the PM limits. This is a violation of Specific Condition 1.EUG 5 of Permit Nos. 2017-0914-C (M-3) and 2004-302-C (M-4). This permit requirement is supported by Paragraph 32 of CD 5:15-cv-00290-F. This is listed as violation 43 in the FCE. In the NOV response, Respondent stated that this was an oversight and that they have scheduled a stack test to be performed on CGEU1 and CGEU2 on July 21st and July 22nd, 2026.

15. Violation 7: Respondent has not conducted a PM stack test on CGEU1 and CGEU2 since October 11-12, 2022. Specific Condition 1.EUG 5.e of Permit Nos. 2017-0914-C (M-3) and 2004-302-C (M-4) requires annual PM stack tests. Therefore, Respondent has missed three consecutive annual PM stack tests on each CGEU. This is listed as violation 53 in the FCE. In the NOV response, Respondent stated that this was an oversight and that they have scheduled a stack test to be performed on CGEU1 and CGEU2 on July 21st and July 22nd, 2026.

16. Violation 8: The previous enforcement case 13265 cited violations for exceeding the annual permit limits for CO and PM for EPN 40 and EPN 41 in performance tests and/or the emission inventories ("EIs") for 2022 and 2023. During this FCE, it was discovered that the reported CO emissions from EPN 40 and EPN 41 exceeded the limits of Permit No. 2004-302-C

(M-4) in the 2024 EI as well. CO emissions were reported as 539.49 TPY from CGEU1 in 2024, when the emission limit was 1.93 TPY under Permit No. 2004-302-C (M-4). CO emissions were reported as 556.26 TPY from CGEU2 in 2024, when the emission limit was 2.02 TPY under Permit No. 2004-302-C (M-4). The NOV response stated that the CO emission limits were increased with the issuance of Permit No. 2017-0914-C (M-3) in August 2025, which Respondent is currently in compliance with. This is listed as violation 45 in the FCE.

17. Violation 9: Records showing the designed SO_2 removal efficiency of the dry scrubbers were provided upon request and show that SOx removal efficiency at max conditions is 93.56%. Specific Condition 1.EUG 5.a of Permit Nos. 2017-0914-C (M-3) and 2004-302-C (M-4) requires the dry scrubbers to be designed to achieve 95% removal of SO_2 emissions at all times. In the NOV response, Respondent stated that the Facility increased lime flow to decrease SO_2 and achieve 96.02% removal as part of an adjusted control philosophy. However, this is not a documented, enforceable permit limit. In order to demonstrate compliance, this adjusted lime feed rate needs to be incorporated into the permit with proper recordkeeping requirements. Without this, DEQ must base the SO_2 removal efficiency on the max conditions. This condition is considered a surrogate parameter for SO_2 emissions at the CGEU units, issued pursuant to a PSD permit. Respondent's CD Progress Reports list a completion date for the AQCS Units (CGEUs) as July 17, 2022, which is when the dry scrubbers would have begun operation. Therefore, Respondent has been continuously in violation of Specific Condition 1.EUG 5.a of Permit Nos. 2017-0914-C (M-3) and 2004-302-C (M-4) for 1,369 days, from July 17, 2022, to the date of inspection, April 16, 2026. This permit requirement is supported by Paragraph 18 of CD 5:15-cv-00290-F. This is listed as violation 46 of the FCE. This violation requires a supplemental compliance plan from Respondent.

18. Violation 10: NOx and PM TPY emissions as reported in the EIs from all six dryers were in exceedance of the limits listed in Specific Condition 1.EUG 6 of Permit No. 2017-0914-C (M-3) in 2025 and those of Specific Condition 1.EUG 6 of Permit No. 2004-302-C (M-4) in 2022, 2023, and 2024, with the exception of Dryers 11, 12, and 21 in 2025. VOC emissions from Dryer 41 were also in excess of limits in 2022-2025. This is listed as violation 54 in the FCE. In the NOV response, Respondent stated that the exceedances were due to an increase in equipment malfunctions and that repairs to all reactor units have been completed, which have reduced

emissions, along with routine maintenance. The following tables show the exact emissions amounts in relation to permit limits, with exceedances highlighted:

Dryer 11 Firebox						
	Limit 2018	Limit 2025	2022	2023	2024	2025
CO	0.0008	<0.01	0.00	0.00	0.00	0.00
NOx	1.05	1.05	1.80	1.70	1.56	0.58
VOC	0.0037	<0.01	0.01	0.01	0.01	0.00
PM	0.16	0.16	0.27	0.26	0.24	0.09

Dryer 12 Firebox						
	Limit 2018	Limit 2025	2022	2023	2024	2025
CO	0.0008	<0.01	0.00	0.00	0.00	0.00
NOx	1.05	1.05	1.80	1.70	1.56	0.58
VOC	0.0037	<0.01	0.01	0.01	0.01	0.00
PM	0.16	0.16	0.27	0.26	0.24	0.09

Dryer 21 Firebox						
	Limit 2018	Limit 2025	2022	2023	2024	2025
CO	0.0016	<0.01	0.00	0.00	0.00	0.00
NOx	2.18	2.18	3.40	2.74	2.54	1.96
VOC	0.0077	<0.01	0.01	0.01	0.01	0.01
PM	0.33	0.33	0.52	0.42	0.39	0.30

Dryer 31 Firebox						
	Limit 2018	Limit 2025	2022	2023	2024	2025
CO	0.0008	<0.01	0.00	0.00	0.00	0.00
NOx	1.07	1.23	1.84	1.78	1.78	1.37
VOC	0.0038	<0.01	0.00	0.00	0.00	0.00
PM	0.16	0.21	0.32	0.31	0.31	0.24

Dryer 32 Firebox						
	Limit 2018	Limit 2025	2022	2023	2024	2025
CO	0.0008	<0.01	0.00	0.00	0.00	0.00
NOx	1.07	1.23	1.84	1.78	1.78	1.37
VOC	0.0038	<0.01	0.00	0.00	0.00	0.00
PM	0.16	0.21	0.32	0.31	0.31	0.24

Dryer 41 Firebox						
	Limit 2018	Limit 2025	2022	2023	2024	2025
CO	0.0016	<0.01	0.00	0.00	0.00	0.00
NOx	2.22	2.12	4.21	4.20	4.77	3.48
VOC	0.0079	0.03	0.07	0.07	0.07	0.05
PM	0.34	0.47	0.94	0.94	1.06	0.77

19. Violation 11: Specific Condition 1.EUG 10.a of Permit Nos. 2017-0914-C (M-3) and 2004-302-C (M-4) require 99% collection efficiency. Respondent uses Donaldson Torit P032358-016-340 (Ultra-Web Powercore) cartridge filters for the dust collectors. The manufacturer states that the Ultra-Web Powercore filters are rated MERV 15, which capture 85-90% of fine particulates according to ASHRAE 52.2 standards[1]. In the NOV response, Respondent stated that these filters capture 95%-99% of PM particles. Respondent provided documentation from the National Air Filtration Association ("NAFA") in support of this. However, the NAFA document states that

[1] "Method of Testing General Ventilation Air-Cleaning Devices for Removal Efficiency by Particle Size" ANSI/ASHRAE Standard 52.2-2017.

MERV 15 has an efficiency range of 85% to 95% for PM between 0.3-1.0 microns and 90% and above for PM between 1.0 – 3.0 microns. It is MERV 16 that has a range of 95%-99% for all PM ranges. Regardless, a 95% collection efficiency would still be below the 99% requirement. Respondent's CD Progress Reports list a completion date for the Dust Collection Mitigation Project as March 25, 2022. Therefore, Respondent has been continuously in violation of Specific Condition 1.EUG 10.a of Permit Nos. 2017-0914-C (M-3) and 2004-302-C (M-4) for 1,483 days, from July 17, 2022, to the date of inspection, April 16, 2026. This is listed as violation 55 in the FCE. This violation requires a supplemental compliance plan from Respondent.

20. Violation 12: Records of 365-day rolling sums of NOx emissions during heat load, startup, and shutdown for the period of August 2024 through January 2026 were requested to demonstrate compliance with the 50 TPY limit found in Specific Condition 1.EUG 5 and SC 7 of Permit Nos. 2017-0914-C (M-3) and 2004-302-C (M-4). Respondent only provided a summary of monthly and annual NOx emissions for heat load. The records provided are not 365-day rolling sums and do not appear to account for startup and shutdown. In the NOV response, Respondent provided documentation of 365-day rolling averages; however, the math seems contradictory to the monthly/annual emissions submitted previously. Further, they are rolling averages, not rolling sums. Therefore, compliance with Specific Condition 1.EUG 5 and Specific Condition 7 of Permit Nos. 2017-0914-C (M-3) and 2004-302-C (M-4) still cannot entirely be determined from August 2024 through January of 2026 due to insufficient recordkeeping by Respondent. However, the records that were provided show 52.19 TPY of NOx in December 2025 for all reactors from heat load. Therefore, the 50 TPY-limit was, at minimum, exceeded in December of 2025. This permit requirement is supported by Paragraph 23 of CD 5:15-cv-00290-F. This is listed as violation 44 in the FCE. In the NOV Response, Respondent stated that a monthly review of NOx cap emissions will be scheduled between Corporate EHS and Plant Management to ensure the 50 TPY cap is not exceeded.

21. Violation 13: DEQ requested records of quarterly Cylinder Gas Audits ("CGAs") conducted on the CEMS for CGEU1 and CGEU2 dating back to Q1 2024. Respondent stated that CGAs are not conducted on the CEMS. Failure to conduct quarterly CEMS audits is a violation of SC 1.EUG 5.d of Permit Nos. 2017-0914-C (M-3) and 2004-302-C (M-4), which require compliance with Appendix F of 40 C.F.R. Part 60. Appendix F, Paragraph 5, requires that each

CEMS be audited at least once each calendar quarter. For the time period of this FCE, seven quarterly CGAs were missed on each CEMS. This permit requirement is supported by Paragraphs 20 and 29 of CD 5:15-cv-00290-F. This is listed as violation 47 in the FCE. In the NOV response, Respondent stated that they have trained CoGEN (CGEU) and plant EHS staff on quarterly gas audits and that the Q2 2026 CGA was conducted successfully on May 12th and 13th.

22. Violation 15: DEQ requested waste gas combustor temperature records from Respondent to demonstrate compliance with the 1,500°F or greater limit of Specific Condition 9.a of Permit No. 2017-0914-TVR2. Records provided showed "out-of-range" temperatures for waste gas combustors #12, 31, 32, and 41. These were simply a list of times and do not have associated explanations. Explanations are necessary to tell if the unit was operating under normal conditions during those times. In the NOV response, Respondent provided records with explanations of "out-of-range" temperatures for combustors #31, 32, and 41. These explanations showed that the combustors were not operating during each "out-of-range" period. Respondent did not provide any additional records for combustor #12 regarding the 179 "out-of-range" periods (hours) listed for January 2025. Therefore, DEQ cannot determine compliance with the 1,500°F limit for combustor #12 for 179 "out-of-range" periods. This is a violation of Specific Condition 9.a of Permit No. 2017-0914-TVR2. This is listed as violation 76 in the FCE.

23. Violation 16: Respondent failed to provide required waste gas combustor temperature records to demonstrate compliance with the 1,500°F or greater limit of Specific Condition 9.a of Permit No. 2017-0914-TVR2 for December 2025 for combustors #31, 32, and 41; and January 2026 for combustors #11, 12, and 21. In the NOV Response, Respondent provided records for the missing December 2025 data, but not January 2026. As such, compliance cannot be determined for waste combustors #11, 12, and 21 during January 2026 due to a lack of records. This is listed as violation 77 in the FCE.

CONCLUSIONS OF LAW

24. DEQ has regulatory jurisdiction and authority in this matter, and Respondent is subject to the jurisdiction and authority of DEQ under Oklahoma law found at 27A O.S. §§ 1-3-101(B), 2-3-502, and 2-5-110; and OAC Title 252, Chapter 100 "Air Pollution Control."

25. 27A O.S. § 2-5-112(A), Implementation of Comprehensive Permitting Program, states the following:

> Upon the effective date of permitting rules promulgated pursuant to the Oklahoma Clean Air Act, it shall be unlawful for any person to construct any new source, or to modify or operate any new or existing source of emission of air contaminants except in compliance with a permit issued by the Department of Environmental Quality, unless the source has been exempted or deferred or is in compliance with an applicable deadline for submission of an application for such permit.

26. OAC 252:100-8-1.3, *Duty to Comply*, states:

> (a) An owner or operator who applies for a permit or authorization, upon notification of coverage, shall be bound by the terms and conditions therein.
> (b) An owner or operator who violates any condition of a permit or authorization is subject to enforcement under the Oklahoma Clean Air Act

27. Specific Condition 1, EUG 2/8 and EUG 5, of Permit No. 2004-302-C (M-4) sets a 158 ppmvd (at 0% oxygen) 7-day rolling average SO_2 limit for EUG 5 – CGEU 1/EPN #40, effective November 30, 2018, through August 20, 2025. Exceeding this limit, beginning on October 9, 2024, and lasting approximately eight days, as described in Paragraph 7, is a violation of **Specific Condition 1, EUG 2/8 and EUG 5, of Permit No. 2004-302-C (M-4); OAC 252:100-8-1.3; and 27A O.S. § 2-5-112(A).**

28. Specific Condition 1.EUG 2/8 of Permit No. 2004-302-C (M-4) sets the following annual (TPY) emission limits, effective November 30, 2018, through August 20, 2025:

Pollutant	EPN #3	EPN #7	EPN#11	EPN #20
CO TPY	157.18	76.63	160.26	166.26
NOx TPY	7.41	3.85	7.90	7.92
VOC TPY	7.04	1.23	7.16	7.45
PM TPY	0.19	0.17	0.21	0.21
SO_2 TPY	0.11	0.64	0.11	0.11

Specific Condition 1.EUG 2/8 of Permit No. 2017-0914-C (M-3) sets the following annual (TPY) emission limits, effective August 20, 2025:

Pollutant	EPN #3	EPN #7	EPN#11	EPN #20
CO TPY	203.10	98.90	206.43	214.63
NOx TPY	7.57	3.90	8.06	8.09
VOC TPY	9.08	1.58	9.24	9.60
PM TPY	0.22	0.20	0.24	0.24

SO_2 TPY	0.13	0.88	0.14	0.14

Exceedances of the 2025 annual limits at, as described in Paragraph 8, are in violation of **Specific Condition 1.EUG 2/8 of Permit No. 2017-0914-C (M-3); OAC 252:100-8-1.3; and 27A O.S. § 2-5-112(A)**. Exceedances of the 2022, 2023 and 2024 annual limits, as described in Paragraph 8, are in violation of **Specific Condition 1.EUG 2/8 of Permit No. 2004-302-C (M-4); OAC 252:100-8-1.3; and 27A O.S. § 2-5-112(A).**

29. Specific Condition 1, EUG 5, of Permit Nos. 2004-302-C (M-4) and 2017-0914-C (M-3), set the following emission limitations for the CGEUs:

Pollutants	**7-Day Rolling Average Emission Limits**	**365-Day Rolling Average Emission Limits**	**3-hr Average Emission Limits**
SO_2	No less than 120 ppmvd and no greater than 158 ppmvd (at 0% oxygen)	No less than 80 ppmvd and no greater than 130 ppmvd (at 0% oxygen)	
NOx	No greater than 54 ppmvd (at 0% oxygen)	No greater than 38 ppmvd (at 0% oxygen)	
PM			No greater than 0.0069 gr/dscf
NOx Limits for Heat Load, Startup, and Shutdown: No greater than 50 TPY (in total for all reactors and boilers) for the prior 365 days)			
BACT Limit for CO: No greater than 169.75 lb/hr and 743.51 TPY			

Exceeding the 158-ppmvd @ 0% O_2 SO_2 limit for CGEU1 from 12/24/2024 to 1/2/2025, 4/13/2025 to 4/19/2025, 5/22/2025 to 5/29/2025, as described in Paragraph 9, is a violation of **Specific Condition 1, EUG 5, of Permit No. 2004-302-C (M-4); OAC 252:100-8-1.3; and 27A O.S. § 2-5-112(A).** Exceeding the 158-ppmvd @ 0% O_2 SO_2 limit for CGEU1 from 11/23/2025 to 11/30/2025, as described in Paragraph 9, is a violation of **Specific Condition 1, EUG 5, of Permit No. 2017-0914-C (M-3); OAC 252:100-8-1.3; and 27A O.S. § 2-5-112(A)**. Exceeding the 158-ppmvd @ 0% O_2 SO_2 limit for CGEU2 from 10/3/2024 to 10/16/2024, as described in Paragraph 10, is a violation of **Specific Condition 1.EUG 5 of Permit No. 2004-302-C (M-4) (Before August 20, 2025) and Permit No. 2017-0914-C (M-3) (After August 20, 2025); OAC 252:100-8-1.3; and 27A O.S. § 2-5-112(A).** Exceeding the 158-ppmvd @ 0% O_2 SO_2 limit for CGEU2 from 12/12/2025 to 12/21/2025, as described in Paragraph 10, is a violation of **Specific**

Condition 1, EUG 5, of Permit No. 2017-0914-C (M-3); OAC 252:100-8-1.3; and 27A O.S. § 2-5-112(A). Exceeding the 54-ppmvd @ 0% O_2 NOx limit for CGEU2 from 12/5/2025 to 12/21/2025, as described in Paragraph 11, is a violation of **Specific Condition 1, EUG 5, of Permit No. 2017-0914-C (M-3); OAC 252:100-8-1.3; and 27A O.S. § 2-5-112(A).** Failure to comply with the PM limit of 0.0069 gr/dscf since October 13, 2022, for CGEU1 and October 11-12, 2022, for CGEU2, as described in Paragraph 12, is a violation of **Specific Condition 1, EUG 5, of Permit Nos. 2004-302-C (M-4) and 2017-0914-C (M-3); OAC 252:100-8-1.3; and 27A O.S. § 2-5-112(A).** Exceeding the 50 TPY NOx Limit for Heat Load, Startup, and Shutdown in 2025, as described in Paragraph 18 is a violation of **Specific Condition 1.EUG 5 of Permit No. 2004-302-C (M-4) (Before August 20, 2025) and Permit No. 2017-0914-C (M-3) (After August 20, 2025); OAC 252:100-8-1.3; and 27A O.S. § 2-5-112(A).** The failure to demonstrate compliance with the NOx Limit for Heat Load, Startup, and Shutdown in 2024, due to insufficient recordkeeping, as described in Paragraph 18, is a violation of **Specific Condition 1.EUG 5 of Permit No. 2004-302-C (M-4) (Before August 20, 2025) and Permit No. 2017-0914-C (M-3) (After August 20, 2025); OAC 252:100-8-1.3; and 27A O.S. § 2-5-112(A).**

30. Specific Condition 1.EUG 5.e of Permit Nos. 2004-302-C (M-4) and 2017-0914-C (M-3) states:

> Permittee shall conduct annual stack tests for PM. No two annual tests shall be conducted less than 11 months apart. The reference methods and procedures for performing PM stack tests and for determining compliance with the applicable PM 3-hour average emission limit shall be those specified in 40 CFR 60.8(f) and 40 CFR Part 60, Appendix A-3, Reference Method 5/5B. Each test shall consist of three separate runs performed under representative operating conditions, not including periods of startup, shutdown, or malfunction. The sampling time for each run shall be at least sixty (60) minutes and the minimum sample volume of each run shall be 30 ft3 (dry volume, standard temperature basis).

Failure to conduct three annual PM stack tests on each CGEU, as described in Paragraph 13, is a violation of **SC 1.EUG 5.e of Permit No. 2004-302-C (M-4) (Before August 20, 2025) or Permit No. 2017-0914-C (M-3) (After August 20, 2025).**

31. Specific Condition 1.EUG 5 of Permit No. 2004-302-C (M-4) established annual CO emission limits at EPN 40 and 41 of 1.93 TPY and 2.02 TPY, respectively. In 2024, reported annual emissions of CO were 539.49 TPY at CGEU1 (EPN 40) and 556.26 TPY at CGEU2 (EPN

41). Exceedances of these limits, as described in Paragraph 14, is a violation of **Specific Condition 1, EUG 5, of Permit No. 2004-302-C (M-4); OAC 252:100-8-1.3; and 27A O.S. § 2-5-112(A).**

32. Specific Condition 1.EUG 5.a of Permit Nos. 2004-302-C (M-4) and 2017-0914-C (M-3) states:

> a. Each of the dry scrubbers shall be designed to achieve 95% removal of SO_2 emissions at all times.

Failure to achieve 95% removal of SO2 emissions from July 17, 2022, to the date of inspection, April 16, 2026, as described in Paragraph 15, is a violation of **Specific Condition 1.EUG 5.a of Permit No. 2004-302-C (M-4) (Before August 20, 2025) and Permit No. 2017-0914-C (M-3) (After August 20, 2025); OAC 252:100-8-1.3; and 27A O.S. § 2-5-112(A).**

33. Specific Condition 1.EUG 6 of Permit No. 2017-0914-C (M-3) sets the following limits for Dryer Firebox Stacks, effective August 20, 2025:

Emission Unit	NOx (TPY)	PM (TPY)	VOC (TPY)
Dryer 31	1.23	0.21	—
Dryer 32	1.23	0.21	—
Dryer 41	2.12	0.47	0.03

Failure to demonstrate compliance with each of these limits in 2025, as described in Paragraph 16, is in violation of **Specific Condition 1.EUG 6 of Permit No. 2017-0914-C (M-3); OAC 252:100-8-1.3; and 27A O.S. § 2-5-112(A).**

34. Specific Condition 1.EUG 6 of Permit No. 2004-302-C (M-4) sets the following limits for Dryer Firebox Stacks, effective November 30, 2018, through August 20, 2025:

Emission Unit	NOx (TPY)	PM (TPY)	VOC (TPY)
Dryer 11	1.05	0.16	—
Dryer 12	1.05	0.16	—
Dryer 21	2.18	0.33	—
Dryer 31	1.07	0.16	—
Dryer 32	1.07	0.16	—
Dryer 41	2.22	0.34	0.0079

Failure to demonstrate compliance with each of these limits in 2022, 2023, and 2025, as described in Paragraph 16, is in violation of **Specific Condition 1.EUG 6 of Permit No. 2004-302-C (M-4); OAC 252:100-8-1.3; and 27A O.S. § 2-5-112(A).**

35. Specific Condition 1.EUG 10.a of Permit Nos. 2004-302-C (M-4) and 2017-0914-C (M-3) states:

a. The carbon black tanks shall be controlled by either [sic] a fabric filtration device that is equipped with cartridge filters specified by their supplier to achieve PM collection efficiency at least 99%. Per the CD, Appendix A and Appendix D, the facility shall spend at least $475,000 in project dollars for the purchase, installation, and use of continuous-duty, cartridge dust collector technology ("Dust Collectors") to minimize PM emissions from the carbon black product storage tanks. The Dust Collectors shall replace existing bag filters and shall include cartridge filters utilizing nanofiber technology to provide high removal efficiency of PM.

Using filters with a PM collection efficiency of less than 99% since July 17, 2022, as described in Paragraph 17, is a violation of **Specific Condition 1.EUG 10.a of Permit Nos. 2004-302-C (M-4) (Effective August 20, 2025) and 2004-302-C (M-4) (Before August 20, 2025); OAC 252:100-8-1.3; and 27A O.S. § 2-5-112(A).**

36. Specific Condition 1.EUG 5.d of Permit Nos. 2004-302-C (M-4) and 2017-0914-C (M-3) states:

d. Permittee shall use a CEMS to monitor SO2 and NOx emissions for each of the two emission points during process system operation. Permittee shall install, calibrate, certify, maintain, and operate all CEMS in accordance with the equipment manufacturer's specifications and reference methods specified in 40 CFR 60.13 that are applicable to CEMS, and Part 60, Appendixes A and F, and the applicable performance specification test of 40 CFR Part 60, Appendix B, to demonstrate compliance with the SO2 and NOx emission limits. Per Appendix F to Part 60, Paragraph 5.1.1, Relative Accuracy Test Audit (RATA) must be conducted at least once every four calendar quarters.

37. Paragraph 5 of Appendix F to 40 CFR Part 60 states, in pertinent part:

5.1 Auditing Requirements. Each CEMS must be audited at least once each calendar quarter.

Failure to properly conduct quarterly CEMS audits in accordance with applicable portions of 40 CFR Part 60, Appendix F, as described in Paragraph 19, is a violation of **Specific Condition 1.EUG 5.d of Permit No. 2004-302-C (M-4) (Before August 20, 2025) or Permit No. 2017-0914-C (M-3) (After August 20, 2025) and Appendix F to 40 CFR Part 60; OAC 252:100-8-1.3; and 27A O.S. § 2-5-112(A).**

38. Specific Condition 9 of Permit No. 2017-0914-TVR2 states, in pertinent part:

> Except for periods of start-up, shut-down, or malfunction of air pollution control equipment, the permittee shall operate and maintain the thermal oxidizers and waste gas combustors as follows:
> a. Operate at a temperature of 1,500 °F or greater when waste gas is being injected into the equipment as detailed by the control circuitry.

Failure to properly maintain records of compliance with the 1,500°F limit for waste gas combustor #12 for 179 "out-of-range" periods, and for waste gas combustors #11, 12, and 21 in all of January 2026, , as described in Paragraphs 20 and 21, is a violation of **Specific Condition 9 of Permit No. 2017-0914-TVR2; OAC 252:100-8-1.3; and 27A O.S. § 2-5-112(A).**

ORDER

39. Based upon the Findings of Fact and Conclusions of Law, it is ordered by the Executive Director as follows:

(a) Respondent shall conduct PM stack tests on CGEU1 and CGEU2 on July 21 and July 22, 2026, in accordance with Specific Condition 1.EUG 5.e of Permit No. 2017-0914-C (M-3) and the testing protocol submitted by Respondent on June 8, 2026. Respondent submit the test results to DEQ within 60 days of the test date.

(b) Respondent shall submit a supplemental compliance plan to DEQ regarding Violations 9 and 11, as described in Paragraphs 15 and 17, respectively. The compliance plan shall include: a sequence of actions, with milestones, leading to compliance; specific dates for achieving each milestone; and a final compliance date. This supplemental compliance plan shall be submitted to DEQ within 30 days of the effective date of this Order.

40. The Oklahoma Clean Air A27A O.S. §§ 2-5-110, authorizes DEQ to seek penalties of up to ten thousand dollars ($10,000) per day for violations of the Act and the rules promulgated thereunder. Accordingly, based on all the facts and circumstances, a penalty shall be assessed in the amount of <u>Five-hundred Twenty-Eight Thousand Seven-hundred Fifty Dollars</u> ($528,750.00) for the allegations of noncompliance discussed in this Order. Payment of this penalty shall be by check or money order made payable to the Oklahoma Department of Environmental Quality Penalty Fund and delivered within sixty (60) days from the effective date of this Order to:

ACCOUNTS RECEIVABLE
FINANCIAL AND HUMAN RESOURCES MANAGEMENT
DEPARTMENT OF ENVIRONMENTAL QUALITY
P.O. BOX 2036
OKLAHOMA CITY, OK 73101-2036

41. If Respondent fails to comply with this Order, Respondent agrees to pay DEQ an additional penalty of one thousand dollars ($1,000) for each day of noncompliance with this Order. If DEQ notifies Respondent that Respondent is not in compliance with this Order and that an additional penalty is being assessed, Respondent may request a hearing to contest the finding(s) of noncompliance. The notification from DEQ will specify how to request a hearing.

42. If Respondent fails to pay any penalty, DEQ may bring a separate action for collection of the penalty in District Court. An action by DEQ for the collection of a penalty does not affect Respondent's duty to complete the tasks required by this Order.

43. The administrative penalties assessed under this Order are sought pursuant to Oklahoma's statutory authority and are not intended to be a demand of stipulated penalties under federal Consent Decree Case No. 5:15-cv-00290-F. In accordance with Paragraph 69 of CD 5:15-cv-00290-F, stipulated penalties under the CD "shall be in addition to any other rights, remedies, or sanctions available;" however, if stipulated penalties are sought, Respondent is allowed a dollar-for-dollar credit for any violation of the Consent Decree that is also a violation of any applicable statute or regulation for which a penalty was imposed.

GENERAL PROVISIONS

44. Respondent shall perform the requirements of this Order within the time frames specified unless performance is prevented or delayed by events which are a "force majeure." For purposes of this Order, a force majeure event is defined as any event arising from causes beyond the reasonable control of Respondent or Respondent's contractors, subcontractors, or laboratories that delays or prevents the performance of any obligation under this Order. Examples are vandalism, fire, flood, labor disputes or strikes, weather conditions that prevent or seriously impair construction activities, civil disorder or unrest, and "acts of God." Force majeure events do not include increased costs of performance of the tasks agreed to in this Order or changed economic circumstances. Respondent must notify DEQ in writing within fifteen (15) days after Respondent knows, or should have known,

of a force majeure event that is expected to cause a delay in achieving compliance with any requirement of this Order. Failure to submit notification within fifteen (15) days waives the right to claim force majeure.

45. As used in this Order, an "approvable" submission to DEQ shall be considered a final submission. That is, all preliminary discussions between DEQ and Respondent regarding the requirements of a submission must be concluded prior to the date the submission is due, so that the submission will be approvable as submitted. If the submission is not submitted in an approvable form by its due date, then the submission will be considered delinquent, and Respondent will be subject to the monetary penalties described in this Order.

46. Upon their approval by DEQ, any final reports, plans, specifications, schedules, and attachments required under this Order are incorporated into it and enforceable under it. Failure of Respondent to respond within a reasonable time to any errors, deficiencies, or other regulatory requirements identified by DEQ is a violation of this Order.

47. No informal advice, guidance, suggestions, or comments by employees of DEQ regarding reports, plans, specifications, schedules, and other writing affect Respondent's obligation to obtain written approval by DEQ, when required by this Order.

48. Respondent shall allow agents of DEQ entry onto Respondent's property, at reasonable times and without advance notice, for the purposes of inspecting, sampling, testing, records review, and other authorized activities to assess compliance with Oklahoma statutes, rules, and this Order. If Respondent is required to sample or test, Respondent agrees to give DEQ reasonable notice of the sampling or testing date and time and allow DEQ to observe and/or split-sample.

49. Unless otherwise specified, any report, notice, or other communication required under this Order shall be in writing and shall be sent to:

For the Department of Environmental Quality:

Kendal Stegmann, Director
Air Quality Division
P.O. Box 1677
Oklahoma City, OK 73101-1677

With Copies to:

Travis Couch, Supervising Attorney
Office of General Counsel
P.O. Box 1176
Oklahoma City, OK 73101-1677

Richard Groshong, Environmental Programs Manager
Compliance and Enforcement Section
Air Quality Division
P.O. Box 1677
Oklahoma City, OK 73101-1677

For Respondent:

Stephen Jantzen, Counsel for Respondent
Ryan Whaley Attorneys
400 North Walnut Avenue
Oklahoma City, OK 73104
sjantzen@ryanwhaley.com

31. The provisions of this Order apply to and bind Respondent and DEQ and their officers, officials, directors, employees, agents, successors, and assigns. No change in the ownership or corporate status of Respondent will affect Respondent's responsibilities under this Order.

32. This Order is in addition to any other remedies provided by law and does not preclude DEQ from seeking other relief as appropriate.

NOTICE OF OPPORTUNITY TO REQUEST HEARING

33. This Order is entered under the authority of 27A O.S. §§ 2-3-502 and 2-5-110. **This Order will automatically become final unless, no later than fifteen (15) days after its service, Respondent submits to DEQ a written request for an administrative enforcement hearing.** Such written request for hearing shall be mailed to:

Administrative Hearing Clerk
Oklahoma Department of Environmental Quality
P. O. Box 1176
Oklahoma City, OK 73101-1176

The request for hearing must specify the nature of the matters within this Order that Respondent wishes to have reviewed at the hearing.

34. If a hearing is requested, it will be scheduled promptly, and Respondent will be notified of the time and place of the hearing. The scope of the hearing will be limited to the matters raised in the request for hearing, unless otherwise permitted by the Administrative Law Judge for good cause. The hearing will be conducted in accordance with the Oklahoma Administrative Procedures Act. The Administrative Law Judge may schedule pre-hearing conferences as he or she deems necessary.

35. Respondent shall be present and may be represented by an attorney at the hearing. Counsel may present evidence and argument to show why this Order should be set aside or modified.

36. On the basis of the hearing record, the Executive Director of DEQ will sustain, set aside or modify the Order.

NOTICE OF OPPORTUNITY TO DISCUSS SETTLEMENT

37. Regardless of whether Respondent requests a hearing, Respondent may confer with the Air Quality Division regarding a settlement. A settlement conference may be pursued simultaneously with, or as an alternative to, the hearing process, but **a request for a settlement conference does not extend the 15-day period to request a hearing.** Respondent may be present and/or represented by an attorney at a settlement conference.

38. Any settlement reached by the parties shall be finalized in the form of a written Consent Order signed by Respondent and DEQ Executive Director. The issuance of a Consent Order waives Respondent's right to pursue a hearing on any issue covered by the Consent Order. If Respondent wishes to discuss settlement, Respondent should contact Travis Couch, the DEQ attorney assigned to this case, at (405) 702-7131.

OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY:

Robert Singletary

ROBERT D. SINGLETARY
EXECUTIVE DIRECTOR

DATED: 7/20/2026

CERTIFICATE OF MAILING

I certify that on this 20th day of July, 2026 I, mailed a true and correct copy of this Administrative Compliance Order to:

Stephen Jantzen, Counsel for Respondent
Ryan Whaley Attorneys
400 North Walnut Ave.
Oklahoma City, OK 73104

Rachel Hildebrand
Legal Secretary
Department of Environmental Quality
PO Box 1677
Oklahoma City, OK 73101-1677

Robert Singletary
Executive Director

OKLAHOMA Environmental Quality

Kevin Stitt
Governor

June 19, 2026

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Donnie Curfman
Plant Manager
Continental Carbon Co
1006 E Oakland Ave
Ponca City, OK 74601

Re: **NOV No. 26-AQN-002**
Full Compliance Evaluation ID 10917
Facility ID 333

NOTICE OF VIOLATION

Pursuant to the Oklahoma Environmental Quality Code ("Code"), 27A O.S. § 2-3-502 and the Oklahoma Administrative Code ("OAC") 252:4-9-1, this is to provide you with notice of apparent violations ("NOV") identified by the Oklahoma Department of Environmental Quality ("DEQ").

Continental Carbon Company owns and operates the Carbon Black Production Facility ("Facility"), which is located at 1006 East Oakland Avenue, Ponca City, in Kay County, Oklahoma. The Facility currently operates under DEQ Air Quality Permit No. 2004-302-C M-4, issued November 11, 2018, Permit No. 2017-0914-TVR2, issued on August 21, 2018, and Permit No. 2017-0914-C (M-3), issued August 20, 2025. In addition to those permits, the Facility is subject to the Oklahoma Clean Air Act, 27A O.S. §§ 2-5-101 to -118; OAC 252:100, Air Pollution Control; Title 40, Code of Federal Regulations ("CFR"), Part 63 ("NESHAP"), Subparts SS, YY, ZZZZ, and DDDDD; 40 CFR Part 60 ("NSPS") Subpart IIII; 40 CFR Part 64 ("CAM"); and Consent Decree Case No. 5:15-cv-00290-F ("CD").

Enclosed is a copy of the report resulting from the full compliance evaluation ("FCE") conducted by DEQ at the Facility on April 16, 2026. The purpose of the FCE was to determine compliance with permit conditions and all applicable state and federal regulations. During the FCE, DEQ identified several areas of alleged noncompliance, enumerated below. The enclosed FCE Report provides an in-depth review of these alleged violations.

This NOV is to inform you that DEQ alleges violations of the following provisions of the OAC, CFR, Permit(s), and/or Consent Decree, as documented in the FCE report:

Emission Inventory and Permitting Procedures:

OAC 252:100-5-2.1(b) states:

EXHIBIT A

(b) **Content.** All inventories submitted to the Division shall include, but shall not be limited to, the following:

(1) The amount of actual emissions of any regulated air pollutant as defined in OAC 252:100-1-3 (excluding GHGs as individual pollutants and as an aggregate), including quantifiable excess emissions, and the basis for such determination. If the total actual emissions of any regulated air pollutant from a facility vary from the allowable or from the previous year's actual by more than 30%, the Department may require the owner or operator to provide an explanation for the difference in order to determine compliance with the Oklahoma Clean Air Act or any rule promulgated thereunder, or any permit condition prescribed or order issued pursuant thereto.

Failure to report emissions from emergency diesel generator Cogen 1 in the 2022-2024 inventories is in violation of OAC 252:100-5-2.1(b).[1]

OAC 252:100-8-7.2(b)(1)(B) states, in pertinent part:
(B) **Application.** To use the minor permit modification procedures, a source shall submit an application requesting such use which shall meet the permit application requirements of Tier I under OAC 252:4-7 . . .

OAC 252:100-8-7.2(b)(1)(E) states:
(E) **Source's ability to make change.** Immediately after filing an application meeting the requirements of these minor permit modification procedures, the source is authorized to make the change or changes proposed in the application. After the source makes the change and until the DEQ takes any of the actions specified in OAC 252:100-8-7.2(b)(1)(D)(i) through (iii), the source must comply with the applicable requirements and state-only requirements governing the change and the proposed permit terms and conditions. During this period, the source need not comply with the existing terms and conditions it seeks to modify. However, if the source fails to comply with its proposed permit terms and conditions during this time period, the existing permit terms and conditions it seeks to modify may be enforced against it.

Commencing operation of emergency diesel generator Cogen 1 prior to submitting a minor modification application is in violation of OAC 252:100-8-7.2(b)(1)(B) and (E).[2]

40 CFR Part 63, Subpart SS, incorporated by reference at OAC 252:100, Appendix Q:

40 CFR § 63.983(b)(1)(i)(B) states, in pertinent part:
(b) ***Closed vent system inspection and monitoring requirements.*** …

[1] FCE exit Interview violation 1.
[2] FCE exit interview violation 2.

(1) Except for any closed vent systems that are designated as unsafe or difficult to inspect as provided in paragraphs (b)(2) and (3) of this section, each closed vent system shall be inspected as specified in paragraph (b)(1)(i) or (ii) of this section.

(i) If the closed vent system is constructed of hard-piping, the owner or operator shall comply with the requirements specified in paragraphs (b)(1)(i)(A) and (B) of this section.

(A) Conduct an initial inspection according to the procedures in paragraph (c) of this section; and

(B) Conduct annual inspections for visible, audible, or olfactory indications of leaks.

Conducting the 2023 and 2025 annual inspections late is in violation of 40 CFR § 63.983(b)(1)(i)(B).[3]

40 CFR § 63.983(d)(2) and (3) states:

(d) Closed vent system leak repair provisions. The provisions of this paragraph apply to closed vent systems collecting regulated material from a regulated source.

(2) Leaks, as indicated by an instrument reading greater than 500 parts per million by volume above background or by visual inspections, shall be repaired as soon as practical, except as provided in paragraph (d)(3) of this section. Records shall be generated as specified in § 63.998(d)(1)(iii) when a leak is detected.

(i) A first attempt at repair shall be made no later than 5 days after the leak is detected.

(ii) Except as provided in paragraph (d)(3) of this section, repairs shall be completed no later than 15 days after the leak is detected or at the beginning of the next introduction of vapors to the system, whichever is later.

(3) Delay of repair of a closed vent system for which leaks have been detected is allowed if repair within 15 days after a leak is detected is technically infeasible or unsafe without a closed vent system shutdown, as defined in § 63.981, or if the owner or operator determines that emissions resulting from immediate repair would be greater than the emissions likely to result from delay of repair. Repair of such equipment shall be completed as soon as practical, but not later than the end of the next closed vent system shutdown.

Due to inaccurate records, compliance with first attempt and final repair deadlines could not be determined. Further, waiting on parts is not listed as an acceptable reason for DOR per § 63.983(d)(3). This is in violation of 40 CFR § 63.983(d)(2) and (3).[4]

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[3] FCE exit interview violation 3.

[4] FCE exit interview violation 4.

40 CFR § 63.998(d)(1)(iv) states:
(1) Closed vent system records. For closed vent systems the owner or operator shall record the information specified in paragraphs (d)(1)(i) through (iv) of this section, as applicable.

(iv) For each instrumental or visual inspection conducted in accordance with § 63.983(b)(1) for closed vent systems collecting regulated material from a regulated source during which no leaks are detected, the owner or operator shall record that the inspection was performed, the date of the inspection, and a statement that no leaks were detected.

Failure to include a statement that no leaks were detected or verification that inspections occurred is in violation of 40 CFR § 63.998(d)(1)(iv).[5]

40 CFR § 63.999(c)(2)(i) states:
(2) For closed vent systems subject to the requirements of § 63.983, the owner or operator shall submit as part of the periodic report the information specified in paragraphs (c)(2)(i) through (iii) of this section, as applicable.

(i) The information recorded in § 63.998(d)(1)(iii)(B) through (E)

40 CFR § 63.998(d)(1)(iii)(B) through (E) states:
(B) The date the leak was detected and the date of the first attempt to repair the leak.
(C) The date of successful repair of the leak.
(D) The maximum instrument reading measured by the procedures in § 63.983(c) after the leak is successfully repaired or determined to be nonrepairable.
(E) "Repair delayed" and the reason for the delay if a leak is not repaired within 15 days after discovery of the leak. The owner or operator may develop a written procedure that identifies the conditions that justify a delay of repair. In such cases, reasons for delay of repair may be documented by citing the relevant sections of the written procedure.

Failure to include the information recorded in § 63.998(d)(1)(iii)(B) through (E) in the MACT periodic reports is in violation of § 63.999(c)(2)(i).[6]

Excess Emissions ("EE") and EE Reports

OAC 252:100-9-7(b)(3) states:
(b) Excess emission event report. No later than thirty (30) calendar days after the start of any excess emission event, the owner or operator of an air contaminant source from which excess emissions have occurred shall submit a report for each excess emission event describing the extent of the event and the actions taken by

[5] FCE exit interview violation 5.
[6] FCE exit interview violation 6.

the owner or operator of the facility in response to this event. After receiving a written request prior to the thirty (30) day deadline, the Director may grant an extension. The report shall include:

(3) The common name and the permit established identifier(s) from which the excess emissions occurred.

Failure to submit EE reports within 30 days for events HQB-0P39-5WVXA and HQD-G6V8-6N05V is in violation of OAC 252:100-9-7(b).[7]

Failure to include the correct permit established identifier from which the EEs occurred is in violation of OAC 252:100-9-7(b)(3).[8]

OAC 252:100-9-7(a)(3) states:

(a) **Immediate notice.** Except as provided in OAC 252:100-9-7(a)(1), the owner or operator of a source of excess emissions shall notify the Director as soon as possible but no later than 4:30 p.m. the following working day of the first occurrence of excess emissions in each excess emission event. Notification may be made by telephone (1-877-277-6236), by email (excessemissions@deq.ok.gov), by web (http://www.deq.state.ok.us/excessemissions) or by other method as approved in writing by the Director prior to the excess emission event.

(3) Any required immediate notice shall include:

(A) the company name,
(B) the facility name,
(C) the event date,
(D) the event start time,
(E) the emission unit,
(F) the primary cause, if known, and
(G) the opacity and/or pollutant(s) emitted.

Failure to provide immediate notice of EE event HQB-0P39-5WVXA is in violation of OAC 252:100-9-7(a).[9]

Failure to accurately report the event start date in the immediate notice for EE event HQG-2NX0-RSYY6 is in violation of OAC 252:100-9-7(a)(3).[10]

OAC 252:100-9-7(b)(4) and (5) states, in pertinent part:

(b) Excess emission event report. . . . The report shall include:

(4) The applicable authorized emission limits, related to the air contaminant sources involved in the event, including:

(A) any applicable permit number(s) and condition(s); and/or

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[7] FCE exit interview violations 13 and 14.
[8] FCE exit interview violation 11.
[9] FCE exit interview violation 12.
[10] FCE exit interview violation 15.

(B) any applicable rule, administrative order provision, or judicial order provision.

(5) The amount by which the total emissions exceeded the applicable limitation or requirement, expressed in units of the applicable limitation or requirement, including the data and calculations used to compute the magnitude of said event. Include the total mass of any quantifiable air contaminants released in excess of the applicable limitation or requirement. Good practice and methods must be used to provide reasonably accurate representations for excess emissions.

Failure to list the correct applicable authorized emission limit for EE events HQD-91MW-W7314, HQG-C42E-266FT, HQG-DNST-CP3V5, HQM-NM55-4MP29, HQP-6YGV-NB92M and HQP-1Q3P-AX916 is in violation of OAC 252:100-9-7(b)(4), and failure to accurately calculate the same EE events is in violation of OAC 252:100-9-7(b)(5).[11]

OAC 252:100-9-7(b)(6) states, in pertinent part:

(b) Excess emission event report. . . . The report shall include:

(6) The primary cause of the event, including the reason for any relevant startup or shutdown.

Failure to accurately report the primary cause of EE events HQM-Q026-T85XF, HQH-Z2ZE-H7CMM, HQE-ZZQW-SJTJG, and HQP-1Q3P-AX916 is in violation of OAC 252:100-9-7(b)(6).[12]

OAC 252:100-25-3(b) states, in pertinent part:

(b) No person shall allow the discharge of any fumes, aerosol, mist, gas, smoke, vapor, particulate matter, or any combination thereof exhibiting greater than 20% opacity . . .

Exceedances of this 20% limit at Production Unit 1/EPN #3, Production Unit 2/EPN #7, and CGEU 1/EPN #40 are in violation of OAC 252:100-25-3(b).[13]

Specific Conditions of Permit No. 2004-302-C (M-4), issued November 30, 2018, Permit No. 2017-0914-C (M-3), issued August 20, 2025, and/or Permit No. 2017-0914-TVR2, issued on August 21, 2018:

Specific Condition 1, EUG 2/8 and EUG 5, of Permit No. 2004-302-C (M-4) sets the following short-term emission limits, effective November 30, 2018, through August 20, 2025:

EUG 2/8:

[11] FCE exit interview violations 16, 17, 18, 19, 20, 21.

[12] FCE exit interview violation 22.

[13] FCE exit interview violations 30, 31, 32 33.

7.86 lb/hr PM for Production Unit 1/EPN #3
8.92 lb/hr PM limit for Production Unit 2/EPN #7
8.00 lb/hr PM limit for Production Unit 3/EPN #11

EUG 5:

5.63 lb/hr PM limit for CGEU 1/EPN #40
158 ppmvd (at 0% oxygen) 7-day rolling average 7-day rolling average SO_2 limit for CGEU 1/EPN #40

Specific Condition 1, EUG 2/8 and EUG 5, of Permit No. 2017-0914-C (M-3) sets the following short-term emission limits, effective August 20, 2025:

EUG 2/8:

1.25 lb/hr PM for Production Unit 1/EPN #3
1.45 lb/hr PM limit for Production Unit 2/EPN #7
1.27 lb/hr PM limit for Production Unit 3/EPN #11

EUG 5

5.65 lb/hr PM limit for CGEU 1/EPN #40
158 ppmvd (at 0% oxygen) 7-day rolling average SO_2 limit for CGEU 1/EPN #40

Exceedances of these limits, as documented in the FCE Report, are in violation of Specific Condition 1, EUG 2/8 and EUG 5, of Permit No. 2004-302-C (M-4) (Before August 20, 2025) or 2017-0914-C (M-3) (Effective August 20, 2025).[14]

Specific Condition 1.EUG 2/8 of Permit No. 2004-302-C (M-4) sets the following annual (TPY) emission limits, effective November 30, 2018, through August 20, 2025:

EUG 2/8:

Pollutant	EPN #3	EPN #7	EPN#11	EPN #20
CO TPY	157.18	76.63	160.26	166.26
NOx TPY	7.41	3.85	7.90	7.92
VOC TPY	7.04	1.23	7.16	7.45
PM TPY	0.19	0.17	0.21	0.21
SO_2 TPY	0.11	0.64	0.11	0.11

Specific Condition 1.EUG 2/8 of Permit No. 2017-0914-C (M-3) sets the following annual (TPY) emission limits, effective August 20, 2025:

EUG 2/8:

Pollutant	EPN #3	EPN #7	EPN#11	EPN #20
CO TPY	203.10	98.90	206.43	214.63
NOx TPY	7.57	3.90	8.06	8.09
VOC TPY	9.08	1.58	9.24	9.60

[14] FCE exit interview violations 23, 24, 25, 26, 27, 28, 29. *See also*, CD Section below.

PM TPY	0.22	0.20	0.24	0.24
SO_2 TPY	0.13	0.88	0.14	0.14

Exceedances of the 2025 annual limits, as documented in the FCE Report, are in violation of Specific Condition 1.EUG 2/8 of Permit No. 2017-0914-C (M-3). Exceedances of the 2022, 2023 and 2024 annual limits, as documented in the FCE Report, are in violation of Specific Condition 1.EUG 2/8 of Permit No. 2004-302-C (M-4).[15]

Specific Condition 1.EUG 2/8 of Permit Nos. 2004-302-C (M-4) and 2017-0914-C (M-3) states, in pertinent part:

a. Transition event duration shall not exceed 10 minutes per event when transitioning between (A) an operational mode in which oil, natural gas, and combustion air are all fed to the reactor burner and the reactor is manufacturing carbon black and generating Tail Gas, and (B) an operational mode, including, but not limited to, during periods of Startup and Shutdown, in which no oil but only natural gas and combustion air are supplied to the reactor.
b. Total number of transitional events shall not exceed 760 per year for all four (4) reactors
c. Records of duration of each transition event and the total number of transition events in any 12 months shall be maintained.

Failure to properly maintain records for transition events is in violation of Specific Condition 1.EUG 2/8.c of Permit Nos. 2004-302-C (M-4) and 2017-0914-C (M-3).[16]

Failure to comply with the 10-minute limit for transition events 154 times between January 2024 and January 2026 is in violation of Specific Condition 1.EUG 2/8.a of Permit Nos. 2004-302-C (M-4) and 2017-0914-C (M-3).[17]

Specific Condition 1, EUG 5, of Permit Nos. 2004-302-C (M-4) and 2017-0914-C (M-3) establishes the following emission limitations for the Clean Gas Energy Units:

Pollutants	**7-Day Rolling Average Emission Limits**	**365-Day Rolling Average Emission Limits**	**3-hr Average Emission Limits**
SO_2	No less than 120 ppmvd and no greater than 158 ppmvd (at 0% oxygen)	No less than 80 ppmvd and no greater than 130 ppmvd (at 0% oxygen)	

[15] FCE exit interview violation 34. Emissions further detailed on page 24 of the report.
[16] FCE exit interview violation 35 and 36.
[17] FCE exit interview violation 37.

NOx	No greater than 54 ppmvd (at 0% oxygen)	No greater than 38 ppmvd (at 0% oxygen)	
PM			No greater than 0.0069 gr/dscf
NOx Limits for Heat Load, Startup, and Shutdown: No greater than 50 TPY (in total for all reactors and boilers) for the prior 365 days)			
BACT Limit for CO: No greater than 169.75 lb/hr and 743.51 TPY			

Failure to demonstrate compliance with the above-listed emission limits during the periods documented in the FCE Report is in violation of Specific Condition 1.EUG 5 of Permit No. 2004-302-C (M-4) (Before August 20, 2025) or Permit No. 2017-0914-C (M-3) (After August 20, 2025).[18]

Specific Condition 1.EUG 5, of Permit No. 2004-302-C (M-4) sets annual CO emission limits at EPN 40 and 41 of 1.93 TPY and 2.02 TPY, respectively.

Failure to demonstrate compliance with these limits in 2024, as documented in the FCE Report, is in violation of Specific Condition 1.EUG 5 of Permit No. 2004-302-C (M-4).[19]

Specific Condition 1.EUG 5.a of Permit Nos. 2004-302-C (M-4) and 2017-0914-C (M-3) states:

a. Each of the dry scrubbers shall be designed to achieve 95% removal of SO_2 emissions at all times.

Failure to achieve 95% removal of SO_2 emissions at all times is a violation of SC 1.EUG 5.a of Permit No. 2004-302-C (M-4) (Before August 20, 2025) or Permit No. 2017-0914-C (M-3) (After August 20, 2025).[20]

Specific Condition 1.EUG 5.d of Permit Nos. 2004-302-C (M-4) and 2017-0914-C (M-3) states:

d. Permittee shall use a CEMS to monitor SO_2 and NOx emissions for each of the two emission points during process system operation. Permittee shall install, calibrate, certify, maintain, and operate all CEMS in accordance with the equipment manufacturer's specifications and reference methods specified in 40 CFR 60.13 that are applicable to CEMS, and Part 60, Appendixes A and F, and the applicable performance specification test of 40 CFR Part 60, Appendix B, to demonstrate compliance with the SO_2 and NOx emission limits. Per

[18] FCE exit interview violations 38, 40, 41, 42, 43, 44. *See also*, CD Section below.
[19] FCE exit interview violation 45.
[20] FCE exit interview violation 46.

Appendix F to Part 60, Paragraph 5.1.1, Relative Accuracy Test Audit (RATA) must be conducted at least once every four calendar quarters.

Paragraph 5 of Appendix F to 40 CFR Part 60 states, in pertinent part:
5.1 Auditing Requirements. Each CEMS must be audited at least once each calendar quarter.

Failure to properly conduct quarterly CEMs audits in accordance with applicable portions of 40 CFR 60.13, and Part 60, Appendixes A and F, as documented in the FCE Report, is in violation of SC 1.EUG 5.d of Permit No. 2004-302-C (M-4) (Before August 20, 2025) or Permit No. 2017-0914-C (M-3) (After August 20, 2025) and Appendix F to 40 CFR Part 60.[21]

Failure to submit a passing RATA for NOx and SO_2 for CGEU2 in Q4 2023 in accordance with Appendix B of 40 CFR Part 60 is in violation of Specific Condition 1.EUG 5.d of Permit No. 2004-302-C (M-4).[22]

Specific Condition 1.EUG 5.e of Permit Nos. 2004-302-C (M-4) and 2017-0914-C (M-3) states:

e. Permittee shall conduct annual stack tests for PM. No two annual tests shall be conducted less than 11 months apart. The reference methods and procedures for performing PM stack tests and for determining compliance with the applicable PM 3-hour average emission limit shall be those specified in 40 CFR 60.8(f) and 40 CFR Part 60, Appendix A-3, Reference Method 5/5B. Each test shall consist of three separate runs performed under representative operating conditions, not including periods of startup, shutdown, or malfunction. The sampling time for each run shall be at least sixty (60) minutes and the minimum sample volume of each run shall be 30 ft^3 (dry volume, standard temperature basis).

Failure to conduct three annual PM stack tests on each CGEU, as documented in the FCE Report, is in violation of SC 1.EUG 5.e of Permit No. 2004-302-C (M-4) (Before August 20, 2025) or Permit No. 2017-0914-C (M-3) (After August 20, 2025).[23]

Specific Condition 1.EUG 6 of Permit No. 2017-0914-C (M-3) sets the following limits for Dryer Firebox Stacks:

Emission Unit	NOx (TPY)	PM (TPY)	VOC (TPY)
Dryer 31	1.23	0.21	—
Dryer 32	1.23	0.21	—
Dryer 41	2.12	0.47	0.03

[21] FCE exit interview violations 47, 50, 51, 52. *See also*, CD Section below.

[22] FCE exit interview violation 49. *See also*, CD Section below.

[23] FCE exit interview violation 53.

Failure to demonstrate compliance with each of these limits in 2025, as documented in the FCE Report, is in violation of Specific Condition 1.EUG 6 of Permit No. 2017-0914-C (M-3).[24]

Specific Condition 1.EUG 6 of Permit No. 2004-302-C (M-4) sets the following limits for Dryer Firebox Stacks:

Emission Unit	NOx (TPY)	PM (TPY)	VOC (TPY)
Dryer 11	1.05	0.16	—
Dryer 12	1.05	0.16	—
Dryer 21	2.18	0.33	—
Dryer 31	1.07	0.16	—
Dryer 32	1.07	0.16	—
Dryer 41	2.22	0.34	0.0079

Failure to demonstrate compliance with each of these limits in 2022, 2023, and 2024, as documented in the FCE Report, is in violation of Specific Condition 1.EUG 6 of Permit No. 2004-302-C (M-4).[25]

Specific Condition 1.EUG 10.a of Permit Nos. 2004-302-C (M-4) and 2017-0914-C (M-3) states:

a. The carbon black tanks shall be controlled by either a fabric filtration device that is equipped with cartridge filters specified by their supplier to achieve PM collection efficiency at least 99%. Per the CD, Appendix A and Appendix D, the facility shall spend at least $475,000 in project dollars for the purchase, installation, and use of continuous-duty, cartridge dust collector technology ("Dust Collectors") to minimize PM emissions from the carbon black product storage tanks. The Dust Collectors shall replace existing bag filters and shall include cartridge filters utilizing nanofiber technology to provide high removal efficiency of PM.

Failure to comply with 99% collection efficiency, as documented in the FCE Report, is in violation of SC 1.EUG 10.a of Permit Nos. 2017-0914-C (M-3) (Effective August 20, 2025) and 2004-302-C (M-4) (Before August 20, 2025).[26][27]

Specific Condition 9.d of Permit Nos. 2004-302-C (M-4) and 2017-0914-C (M-3) states:

[24] FCE exit interview violation 54.

[25] FCE exit interview violation 54.

[26] FCE exit interview violation 55.

[27] For proceeding violations citing to both Permit Nos. 2017-0914-C (M-3) and 2004-302-C (M-4), Permit No. 2004-302-C (M-4) applies to violations before August 20, 2025, while Permit No. 2017-0914-C (M-3) applies to violations after August 20, 2025. The Specific Conditions are mirrored in each.

d. The permittee shall keep and maintain the Baghouse Recordkeeping Plan for each of the MBFs.
(1). Identity of the baghouse (by production unit and type),
(2). Date(s) on which maintenance is performed, type of maintenance, and
(3). Disposal [of] used bagfilters to a licensed landfill.

Failure to provide these records, as documented in the FCE Report, is in violation of Specific Condition 9.d and Standard Condition III(C) of Permit Nos. 2004-302-C (M-4) and/or 2017-0914-C (M-3).[28]

Specific Condition 11.a.6 of Permit Nos. 2004-302-C (M-4) and 2017-0914-C (M-3) states:
6. Events that trigger the PM Early Warning system shall be handled pursuant to the protocol in appendix D of the consent decree. Leaks and spills of all carbon black that are otherwise identified shall be investigated and addressed (cleaned up and repaired) either immediately upon discovery or as quickly as practicable. When immediate repair or isolation is not feasible, the actions taken to complete the repair shall be documented. Incident reports for sills or leaks of carbon black shall be created to document cause and corrective actions.

Failure to properly maintain incident reports of leaks and spills of all carbon black, as documented in the FCE Report, is in violation of Specific Condition 11.a.6 of Permit Nos. 2004-302-C (M-4) and/or 2017-0914-C (M-3).[29]

Specific Condition 13 of Permit Nos. 2004-302-C (M-4) and 2017-0914-C (M-3) states, in pertinent part:
13.For each of the following PM emission units listed in the table below, the permittee shall conduct a Method 22 visual assessment once each operating day to determine if there are any detectable visible emissions.

c. If the visible emissions event is not resolved within 24 hours, once visibility conditions are sufficient for a Method 9 observation, permittee shall conduct a six minute observation in accordance with Method 9 at least once every eight (8) hours (during daylight hours), until visible emissions from the PM emission unit that triggered the event are less than 5% over the six minute average.

d. Permittee shall maintain a record of each visual assessment conducted.

Failure to conduct daily Method 22 assessments and/or maintain records of such, is in violation of Specific Condition 13.d of Permit Nos. 2004-302-C (M-4) and 2017-0914-C (M-3).[30]

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[28] FCE exit interview violations 56, 57.
[29] FCE exit interview violation 58. *See also*, CD Section below.
[30] FCE exit interview violation 59. *See also*, CD Section below.

Due to the failure to properly maintain records of Method 22 assessments, compliance with Specific Condition 13.c cannot be determined. As such, DEQ alleges a violation of Specific Condition 13 of Permit Nos. 2004-302-C (M-4) and 2017-0914-C (M-3).[31]

40 CFR Part 63, Subpart ZZZZ, incorporated by Specific Condition 15 of Permit Nos. 2004-302-C (M-4) and 2017-0914-C (M-3):

40 CFR § 63.6640(a) states:
You must demonstrate continuous compliance with each emission limitation, operating limitation, and other requirements in Tables 1a and 1b, Tables 2a and 2b, Table 2c, and Table 2d to this subpart that apply to you according to methods specified in Table 6 to this subpart.

As documented in the FCE Report, the following are alleged violations of Table 2c to Subpart ZZZZ of Part 63: Requirements for Existing Compression Ignition Stationary RICE Located at a Major Source of HAP Emissions and Existing Spark Ignition Stationary RICE ≤500 HP Located at a Major Source of HAP Emissions.[32]

- **Spark Plugs Inspections**
  - **Failure to timely inspect Units 1 and 2 - More than 1 year + 30 days passed between inspections.**
  - **Failure to maintain records of spark plugs inspections on Unit 3.**
  - **Failure to timely inspect Unit 4 - More than 1 year + 30 days passed between inspections.**
- **Hoses/Belts Inspections**
  - **Failure to timely inspect Units 1, 2, and 3 - More than 1 year + 30 days passed between inspections. No records prior to 11/8/2024 for Unit 3.**
- **Oil/Oil Filter Changes**
  - **Failure to timely conduct oil and oil filter changes on Units 1, 2, 3, and 4.**[33]

40 CFR § 63.6640(f) states, in pertinent part:
If you own or operate an emergency stationary RICE, you must operate the emergency stationary RICE according to the requirements in paragraphs (f)(1) through (4) of this section. In order for the engine to be considered an emergency stationary RICE under this subpart, any operation other than emergency operation, maintenance and testing, and operation in non-emergency situations for 50 hours per year, as described in paragraphs (f)(1) through (4), is prohibited.

. . .

[31] FCE exit interview violations 61.
[32] *See* https://www.ecfr.gov/current/title-40/part-63/appendix-Table 2c to Subpart ZZZZ of Part 63.
[33] FCE exit interview violation 63.

> (2)You may operate your emergency stationary RICE for the purpose specified in paragraph (f)(2)(i) of this section for a maximum of 100 hours per calendar year. Any operation for non-emergency situations as allowed by paragraphs (f)(3) and (4) of this section counts as part of the 100 hours per calendar year allowed by this paragraph (f)(2).
>
> > (i) Emergency stationary RICE may be operated for maintenance checks and readiness testing . . .

As documented in the FCE Report, compliance with 40 CFR § 63.6640(f) cannot be determined due to inadequate records. Unit 2 operated 168 hours in 2023, which would be in exceedance of the 100 hour-limit for maintenance checks and readiness testing. This is in violation of 40 CFR § 63.6640(f).[34]

40 CFR Part 63, Subpart DDDDD, incorporated by Specific Condition 16 of Permit Nos. 2004-302-C (M-4) and 2017-0914-C (M-3):

40 CFR § 63.7550(b)(3) states, in pertinent part:
. . . Annual, biennial, and 5-year compliance reports must cover the applicable 1-, 2-, or 5-year periods from January 1 to December 31.

Table 9 to Subpart DDDDD of Part 63 sets the reporting requirements for biennial reports.

Failure to provide a biennial report for the period of January 1, 2024, to December 31, 2025, by January 31, 2026, as documented in the FCE Report, is in violation of 40 CFR § 63.7550(b).[35]
Failure to accurately report tune up dates in the biennial report is in violation of 40 CFR § 63.7550(b) and Table 9 to Subpart DDDDD of Part 63.[36]

40 CFR § 63.7540(a)(10) and (11) states, in pertinent part:
(10) If your boiler or process heater has a heat input capacity of 10 million Btu per hour or greater, you must conduct an annual tune-up of the boiler or process heater to demonstrate continuous compliance as specified in paragraphs (a)(10)(i) through (vi) of this section. . . .
(11) If your boiler or process heater has a heat input capacity of less than 10 million Btu per hour (except as specified in paragraph (a)(12) of this section), you must conduct a biennial tune-up of the boiler or process heater

[34] FCE exit interview violation 65.
[35] FCE exit interview violation 66.
[36] FCE exit interview violation 67.

as specified in paragraphs (a)(10)(i) through (vi) of this section to demonstrate continuous compliance.

Due to the failure to provide records, compliance with the biennual tune-up requirements cannot be determined. This is in violation of 40 CFR § 63.7540(a)(10) and (11).[37]

Specific Condition 23 of Permit No. 2017-0914-C (M-3) states:
The permittee shall submit a request for modification of the current Title V operating permit application within 180 days of issuance of this permit.

Failure to request a modification of the current Title V permit (Permit No. 2017-0914-TVR2) within 180 days is in violation of SC 23 of Permit No. 2017-0914-C (M-3).[38]

Specific Condition 23 of Permit No. 2017-0914-C (M-3) states, in pertinent part:
PM Sensors and PM Early Warning Systems are operated and maintained per manufacturer's recommendation, including the following:

. . .

- Annually inspect comprehensively and make any necessary repairs.

Failure to provide records of comprehensive annual inspections is in violation of Specific Condition 23 of Permit Nos 2017-0914-C (M-3).[39]

Specific Condition 9 of Permit No. 2017-0914-TVR2 states, in pertinent part:
9. Except for periods of start-up, shut-down, or malfunction of air pollution control equipment, the permittee shall operate and maintain the thermal oxidizers and waste gas combustors as follows:

a. Operate at a temperature of 1,500 °F or greater when waste gas is being injected into the equipment as detailed by the control circuitry.

. . .

d. Proper operation of the thermocouple shall be verified annually by an instrument which is calibrated annually.

Records showing "out-of-range" for waste gas combustor temperatures and undocumented instances are in violation of Specific Condition 9 of Permit No. 2017-0914-TVR2.[40]

<u>Annual Compliance Certifications ("ACC"), Semiannual Reports ("SAR"), and other recordkeeping:</u>

[37] FCE exit interview violation 68.
[38] FCE exit interview violation 73.
[39] FCE exit interview violation 74.
[40] FCE exit interview violation 76, 77.

Standard Condition III(C) of Permit Nos. 2017-0914-TVR2, 2004-302-C (M-4), and/or 2017-0914-C (M-3) states, in pertinent part:
No later than 30 days after each six (6) month period, after the date of issuance of the original Part 70 operating permit or alternative date as specifically identified in a subsequent Part 70 operating permit, the permittee shall submit to AQD a report of the results of any required Monitoring. All instances of deviations from permit requirements since the previous report shall be clearly identified in the report.

As documented in the FCE Report, the following findings of noncompliance are in violation of Standard Condition III(C) of Permit Nos. 2017-0914-TVR2, 2004-302-C (M-4), and/or 2017-0914-C (M-3):

- **Failure to properly include deviations in the SARs;**[41]
- **Failure to properly include records of transition events to demonstrate compliance with Specific Condition 1 of Permit Nos. 2017-0914-C (M-3) and 2004-302-C (M-4);**[42]
- **Failure to include records of NOx and SO_2 CEMS data in the last three SARs;**[43]
- **Failure to include December 2024 and February 2025 RATA results;**[44]
- **Failure to include baghouse recordkeeping plans;**[45]
- **Failure to include records of Method 22 assessments;**[46]
- **Failure to include all Subpart ZZZZ maintenance records;**[47]
- **Failure to include Subpart ZZZZ total operating hours for emergency generators;**[48]
- **Failure to include records of transition events for production units to demonstrate compliance with Specific Condition 17 of Permit Nos. 2017-0914-C (M-3) and 2004-302-C (M-4);**[49]
- **Failure to include daily and weekly analyses of sulfur content of feedstock to demonstrate compliance with Specific Condition 17 of Permit Nos. 2017-0914-C (M-3) and 2004-302-C (M-4);**[50]
- **Failure to include operation and maintenance records of the CGEUs;**[51]
- **Failure to include records for waste gas combustors;**[52]

[41] FCE exit interview violations 7, 9 and 10.
[42] FCE exit interview violations 35 and 36.
[43] FCE exit interview violation 39.
[44] FCE exit interview violation 52.
[45] FCE exit interview violation 56.
[46] FCE exit interview violation 60.
[47] FCE exit interview violation 62.
[48] FCE exit interview violation 64.
[49] FCE exit interview violation 69.
[50] FCE exit interview violation 70.
[51] FCE exit interview violation 71.
[52] FCE exit interview violation 75.

- **Failure to include records of thermocouple calibration to demonstrate compliance with Specific Condition 9.d of Permit No. 2017-0914-TVR2.**[53]

Specific Condition 18 of Permit No. 2017-0914-TVR2, and Specific Condition 20 of Nos. 2004-302-C (M-4) and 2017-0914-C (M-3) states, in pertinent part:
[T]he permittee shall submit to the Air Quality Division of DEQ, with a copy to the US EPA, Region 6, a certification of compliance with the terms and conditions of this permit . . .

Failure to properly certify compliance with the terms and conditions of the permit in the ACC covering August 1, 2024, through January 31, 2025, is in violation of Specific Conditions 18 and 20 of the listed permits. [54]

Specific Condition 18 of Permit Nos. 2004-302-C (M-4) and 2017-0914-C (M-3) states, in pertinent part:
The permittee shall maintain records of operations as listed below.

a. Operation and maintenance of the CGEUs.

. . .

c. Total natural gas usage for each boiler (natural gas consumed is metered and stored on Data Historian, hours are monitored and third-party services the boilers).

. . .

f. Records required by Specific Conditions No. 9, 11, and 13.

. . .

h. Records of NOx and SO2 CEMS data.

Failure to provide the above-listed records upon request, as documented in the FCE Report, is in violation of Specific Condition 18 of Permit Nos. 2004-302-C (M-4) and 2017-0914-C (M-3).[55]

<u>**During the FCE, DEQ discovered the following allegations of noncompliance with Consent Decree 5:15-cv-00290-F. However, it should be noted that this is not a letter of demand for stipulated penalties. DEQ will partner with EPA to further evaluate CD compliance and may assess stipulated penalties associated with any alleged CD violations in a separate action.**</u>

Consent Decree 5:15-cv-00290-F, Paragraph 17, establishes SO_2 process system operation emissions limits and control technology.

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[53] FCE exit interview violation 78.
[54] FCE exit interview violation 8.
[55] FCE exit interview violation 38, 71, 72.

Failure to demonstrate compliance with these limits, as documented in the FCE Report, is in violation of CD 5:15-cv-00290-F, Paragraph 17.[56]

Consent Decree 5:15-cv-00290-F, Paragraph 20, establishes SO_2 monitoring requirements and incorporates Appendix F to 40 CFR Part 60.
Failure to demonstrate compliance with these requirements, as documented in the FCE Report, is in violation of CD 5:15-cv-00290-F, Paragraph 20.[57]

Consent Decree 5:15-cv-00290-F, Paragraph 23, establishes NOx emissions limits applicable to heat load operation, startup, and shutdown.
Failure to demonstrate compliance with these limits, as documented in the FCE Report, is in violation of CD 5:15-cv-00290-F, Paragraph 23.[58]

Consent Decree 5:15-cv-00290-F, Paragraph 26, establishes NOx process system operation emissions limits and control technology.
Failure to demonstrate compliance with these limits, as documented in the FCE Report, is in violation of CD 5:15-cv-00290-F, Paragraph 26.[59]

Consent Decree 5:15-cv-00290-F, Paragraph 29, establishes NOx monitoring requirements and incorporates Appendix F to 40 CFR Part 60.
Failure to demonstrate compliance with these requirements, as documented in the FCE Report, is in violation of CD 5:15-cv-00290-F, Paragraph 29.[60]

Consent Decree 5:15-cv-00290-F, Paragraph 32, establishes PM stack testing requirements.
Failure to conduct annual PM stack tests, as documented in the FCE Report, is in violation of CD 5:15-cv-00290-F, Paragraph 32.[61]

Consent Decree 5:15-cv-00290-F, Paragraph 33 establishes "Other PM Control Requirements," including Method 22 assessments.
Failure to conduct daily Method 22s and/or maintain records of such, as documented in the FCE Report, is in violation CD 5:15-cv-00290-F, Paragraph 33.[62]

Consent Decree 5:15-cv-00290-F, Paragraph 53 requires submittal of semiannual reports by January 30th and July 30th. It also provides details on what types of records should be included.

[56] FCE exit interview violations 28, 29, 38.
[57] FCE exit interview violations 47, 49, 50, 51, 52.
[58] FCE exit interview violation 44.
[59] FCE exit interview violation 42.
[60] FCE exit interview violations 47, 49, 50, 51, 52.
[61] FCE exit interview violations 43, 53
[62] FCE exit interview violation 59.

Failure to submit reports by this date, as documented in the FCE Report, is in violation of CD 5:15-cv-00290-F, Paragraph 53.[63]

Failure to include the following records in the CD progress reports is in violation of Paragraph 53 of 5:15-cv-00290-F, Paragraph 53:

- **Records to demonstrate compliance with 7-day and 365-day SO_2 limits.**
- **Records to demonstrate compliance with heat load, startup, and shutdown 365-day NOx limit.**
- **Records to demonstrate compliance with 7-day and 365-day NOx limits.**
- **CEMS data for any time an emissions limit is exceeded.**
- **Explanation of any periods of downtime for PM Early Warning System.**
- **CEMs downtime summaries/explanation. (53.d)** [64]

Consent Decree 5:15-cv-00290-F, Paragraph 53(d) requires CEMS downtime to be reported/explained in the semi-annual CD progress reports.
Failure to report downtime summaries in the CD progress reports, as documented in the FCE Report, is in violation of CD 5:15-cv-00290-F, Paragraph 53(d).

Consent Decree 5:15-cv-00290-F, Paragraph 54 requires notification and summary of any CD violation to EPA and DEQ within thirty business days of becoming aware of the violation.
Failure to submit these notifications, as documented in the FCE, is in violation of **Consent Decree 5:15-cv-00290-F, Paragraph 54.**[65]

Consent Decree 5:15-cv-00290-F, Appendix C(6) requires incident reports for spills or leaks of carbon black.
Failure to properly maintain incident reports of leaks and spills of all carbon black, as documented in the FCE Report, is in violation of CD 5:15-cv-00290-F, Appendix C(6).[66]

DEQ alleges violations of the above-stated provisions. DEQ requests that your immediate attention be given to the above listed allegations of noncompliance and that Continental Carbon Company submit a Compliance Plan within 15 calendar days from receipt of this notice. The Compliance Plan shall include a schedule of remedial measures for each issue of noncompliance identified in this Notice of Violation and shall contain all of the following:

[63] FCE exit interview violation 79.
[64] FCE exit interview violation 48 and 80.
[65] FCE exit interview violation 81.
[66] FCE exit interview violation 58.

1) A sequence of actions, with milestones, leading to compliance; and
2) Specific dates for achieving each milestone; and
3) A final compliance date.
4) Provisions taken to ensure that the violation does not occur again in the future.

If compliance has already been achieved for any or all of the above listed allegation(s), the Compliance Plan, for that/those allegation(s), shall include all of the following:

1) A sequence of actions, with milestones, which led to compliance; and
2) Specific dates on which each milestone was achieved; and
3) The final compliance date, and
4) Provisions taken to ensure that the violation does not occur again in the future.

Failure to submit the above requested information may result in further enforcement action, which may include the assessment of penalties of up to ten thousand dollars ($10,000.00) per day for each violation. Failure to submit the above requested information may also result in the issuance of an Administrative Compliance Order. This Notice of Violation has been issued pursuant to the Oklahoma Clean Air Act, 27A O.S. §§ 2-5-101 to –118.

Please forward the requested information to:

Attention: Hanna Thornberg
Oklahoma Department of Environmental Quality
Air Quality Division
707 N. Robinson, P.O. Box 1677
Oklahoma City, OK 73101-1677

If you have any questions regarding this matter, please contact Richard Groshong of the DEQ at (405) 702-4150.

Sincerely,

Kendal Stegmann, Division Director
AIR QUALITY DIVISION

Beverly Botchlet-Smith

Beverly Botchlet-Smith, Assistant Division Director
AIR QUALITY DIVISION

Enclosures:

1. Full Compliance Evaluation Report 10917
2. DEQ Air Quality Permit Nos. 2004-302-C M-4, 2017-0914-TVR2, and 2017-0914-C (M-3)
3. Consent Decree 5:15-cv-00290-F

cc: Travis Couch, Supervising Attorney, Office of General Counsel
Richard Groshong, Environmental Programs Manager, Air Quality Division