

**ARKANSAS DEPARTMENT OF ENERGY AND ENVIRONMENT,
DIVISION OF ENVIRONMENTAL QUALITY**

IN THE MATTER OF:

AFIN: 70-00012; 70-00037

LIS No. 25-049

LANXESS CORPORATION
-CENTRAL PLANT
2226 HAYNESVILLE HIGHWAY
EL DORADO, AR 71730

LANXESS CORPORATION
-SOUTH PLANT
324 SOUTHFIELD CUTOFF
EL DORADO, AR 71730

CONSENT ADMINISTRATIVE ORDER

This Consent Administrative Order (CAO) is issued pursuant to the authority delegated under the federal Clean Air Act, 42 U.S.C. § 7401 *et seq.*, and the federal regulations issued thereunder. In addition, this CAO is issued pursuant to the authority of the Arkansas Water and Air Pollution Control Act (the Act), Ark. Code Ann. § 8-4-101 *et seq.*, Arkansas Pollution Control and Ecology Commission (APC&EC) Rule 7, now codified at 8 CAR § 10-101, *et seq.*, APC&EC Rule 8 (8 CAR § 11-101, *et seq.*), APC&EC Rule 18 (8 CAR § 40-101, *et seq.*), APC&EC Rule 19 (8 CAR § 41-101, *et seq.*), and APC&EC Rule 26 (8 CAR § 42-101, *et seq.*).

The issues herein having been settled by agreement of LANXESS Corporation – Central and South Plants (Respondent) and the Director of the Division of Environmental Quality (DEQ), it is hereby agreed and stipulated that the following FINDINGS OF FACT and ORDER AND AGREEMENT be entered.

FINDINGS OF FACT

1. Respondent owns and operates two chemical manufacturing facilities located at 2226 Haynesville Highway (Central Plant) and 324 Southfield Cutoff (South Plant) in El Dorado, Union County, Arkansas.

2. There are seven Air Permits referenced in this CAO. 1077-AOP-R6 (Permit R6) was issued to the Central Plant on May 19, 2022, and voided on July 26, 2023. 1077-AOP-R7 (Permit R7) was issued to the Central Plant on July 26, 2023, and voided on June 26, 2024. 1077-AOP-R8 (Permit R8) was issued to the Central Plant on June 26, 2024. 0873-AOP-R12 (Permit R12) was issued to the South Plant on October 10, 2022, and voided on January 26, 2023. 0873-AOP-R13 (Permit R13) was issued to the South Plant on January 26, 2023, and voided on February 12, 2024. 0873-AOP-R14 (Permit R14) was issued to the South Plant on February 12, 2024, and voided on July 11, 2024. 0873-AOP-R15 (Permit R15) was issued to the South Plant on July 11, 2024.

3. Ark. Code Ann. § 8-4-217(a)(3) provides:

(a) It shall be unlawful for any person to:

...

(3) Violate any provisions of this chapter or of any rule or order adopted by the Arkansas Pollution Control and Ecology Commission under this chapter or of a permit issued under this chapter by DEQ;

4. Ark. Code Ann. § 8-4-103(c)(1)(A) provides, “Any person that violates any provision of this chapter and rules, permits, or plans issued pursuant to this chapter may be assessed an administrative civil penalty not to exceed ten thousand dollars (\$10,000) per violation.”

5. Pursuant to Ark. Code Ann. § 8-4-103(c)(1)(B) as referenced by Ark. Code Ann. § 8-4-304, “Each day of a continuing violation may be deemed a separate violation for purposes of penalty assessment.”

6. In correspondence dated November 20, 2023, Respondent stated the following:

- a. Respondent reviewed leak detection and repair (LDAR) monitoring conducted by employees of its third-party contractor on October 26, 2023.
 - b. Respondent discovered that GPS data identifying the third-party contractor's locations did not match the location of the sampling points reported.
 - c. Respondent documented the discrepancy, classified each of the identified readings as "unmonitored", and commenced an investigation into all 2023 readings taken by the contractor prior to October 26, 2023, and associated reports.
7. In correspondence dated February 23, 2024, Respondent stated the following:
 - a. Respondent hired another, independent third party to review and evaluate the inspection records for approximately 25,000 components inspected from January 2023 to October 2023.
 - b. 37,226 inspections occurred at locations that did not match the expected GPS coordinates. 119 inspections had no GPS coordinates recorded. Respondent immediately removed the offending crew from the site.
 - c. Respondent took precautions to ensure the accuracy of the components monitored for the fourth quarter of 2023 by re-monitoring all affected fourth quarter and annual components.
 - d. Respondent began conducting weekly and monthly reviews of QA/QC reports provided by a third-party vendor.
8. On March 27, 2024, DEQ personnel performed partial compliance inspections at the Central and South facilities for the reporting period of January 1, 2023, through October 26, 2023.

CENTRAL PLANT

9. 40 C.F.R. § 63.1363(a)(7) (Subpart MMM) states that each piece of equipment to which Subpart MMM applies shall be identified such that it can be distinguished readily from equipment that is not subject to Subpart MMM.

10. Plantwide Condition 14 of Permits R6 and R7 states that the methyl bromide process units located at the IOB unit and the Bromine Recovery Unit (SN-199 and SN-1099) are subject to and shall comply with all applicable equipment leak provisions of Subpart MMM. Plantwide Condition 14(n) states that each piece of equipment to which Subpart MMM applies shall be identified such that it can be distinguished readily from equipment that is not subject to Subpart MMM.

11. During the March 27, 2024 partial compliance inspection, it was revealed that Respondent failed to follow the leak detection and repair (LDAR) work practice standard requirements of Subpart MMM from January 1, 2023, through October 26, 2023, for the subject Fugitive Emissions Equipment Sources within the Bromine Recovery Unit and the IOB Unit (SN-199 and SN-1099) by failing to conduct accurate GPS coordinate logging of LDAR monitoring, which is a failure to properly identify equipment. Such a failure violates Plantwide Condition 14(n) of Permits R6 and R7 and therefore violates Ark. Code Ann. § 8-4-217(a)(3) as referenced by Ark. Code Ann. § 8-4-304. Such a failure also violates Subpart MMM.

12. 40 C.F.R. § 63.2480 (Subpart FFFF) and Table 6 of Subpart FFFF require Respondent to comply with the National Emissions Standards for Equipment Leaks in 40 C.F.R. §§ 63.1019 *et seq.*, (Subpart UU). Respondent is subject to 40 C.F.R. § 63.2480 because of Respondent's ownership and operation of miscellaneous organic chemical manufacturing process units (MCPU) located at a major source of hazardous air pollutants (HAP). 40 C.F.R. § 63.2435.

13. 40 C.F.R. § 63.1022(a) (Subpart UU) states that equipment subject to Subpart UU shall be identified. Identification of the equipment does not require physical tagging of the equipment and can be done by other appropriate methods.

14. 40 C.F.R. § 63.1023(a) (Subpart UU) states that the owner or operator of a regulated source subject to Subpart UU shall monitor regulated equipment as specified in 40 C.F.R. § 63.1023(a)(1) for instrument monitoring and 40 C.F.R. § 63.1023(a)(2) for sensory monitoring.

15. Specific Condition 73(a) of Permit R6 and Specific Condition 86(a) of Permit R7 state that all equipment subject to Subpart UU shall be properly identified in accordance with the requirements of 40 C.F.R. § 63.1022.

16. Specific Condition 73(b) of Permit R6 and Specific Condition 86(b) of Permit R7 state that Respondent is subject to and shall comply with the leak detection monitoring requirements of 40 C.F.R. § 63.1023.

17. During the March 27, 2024 partial compliance inspection, it was revealed that Respondent failed to follow the LDAR work practice standard requirements of 40 C.F.R. § 63.1023 from January 1, 2023, through October 26, 2023, for the subject equipment within the Fugitive Emissions Sources (SN-1099, SN-1399, and SN-1499) listed within the following Units: Methyl Bromide MCPU, TCO MCPU, Phosgene MCPU, and the OCP MCPU by failing to conduct accurate GPS coordinate logging of LDAR monitoring, which is a failure to properly identify equipment. Such a failure violates Specific Condition 73(a) of Permit R6 and Specific Condition 86(a) of Permit R7 and therefore violates Ark. Code Ann. § 8-4-217(a)(3) as referenced by Ark. Code Ann. § 8-4-304. Such a failure also violates 40 C.F.R. § 63.2480 and 40 C.F.R. §§ 63.1022 through 63.1023.

SOUTH PLANT

18. Plantwide Condition 16(a) of Permits R12 and R13 state that Respondent must meet

each requirement in Table 6 to Subpart FFFF that applies to equipment leaks, except as specified in paragraphs (b) through (d) of 40 C.F.R. § 63.2480. Pursuant to Table 6, Respondent is subject to and must comply with the requirements of 40 C.F.R. § 63.1022 and 63.1023 regarding all equipment that is in organic HAP service.

19. During the March 27, 2024 partial compliance inspection, it was revealed that Respondent failed to follow the LDAR work practice standard requirements of 40 C.F.R. § 63.1023 from January 1, 2023, through October 26, 2023, for the subject equipment within the Fugitive Emissions Sources (SN-999, SN-1199, SN-699, and SN-499) listed within the DBS MCPU, PDBS MCPU, PHT-4 Diol MCPU, and TBP MCPU by failing to conduct accurate GPS coordinate logging of LDAR monitoring, which is a failure to properly identify equipment. Such a failure violates Plantwide Condition 16(a) of Permits R12 and R13 and therefore violates Ark. Code Ann. § 8-4-217(a)(3) as referenced by Ark. Code Ann. § 8-4-304. Such a failure also violates 40 C.F.R. § 63.2480 and 40 C.F.R. §§ 63.1022 through 63.1023.

20. In correspondence dated April 17, 2024, DEQ informed Respondent of the compliance issues identified during the March 27, 2024 inspections. This was intended to provide Respondent with the opportunity to review the violations and submit any additional information Respondent deemed appropriate regarding the compliance issues.

21. On March 11, 2024, Respondent submitted a test protocol for VOC, PM₁₀, and Toluene emissions testing at the Line One Polymerizer and Vacuum Pump Vent (SN-1101) to test on March 27, 2024.

22. On March 27, 2024, Respondent conducted emission testing at SN-1101 for VOC, PM₁₀, and Toluene.

23. On May 21, 2024, DEQ performed an evaluation of the emission test report submitted

on May 16, 2024, for testing conducted on March 27, 2024.

24. Specific Condition 84 of Permit R14 states that Respondent shall not exceed 1.33 lb/hr of Toluene at SN-1101.

25. During the emission test report evaluation, it was revealed that Respondent exceeded the Toluene emission limit of 1.33 lb/hr at SN-1101 by emitting 1.86 lb/hr. Such an act violates Specific Condition 84 of Permit R14 and therefore violates Ark. Code Ann. § 8-4-217(a)(3) as referenced by Ark. Code Ann. § 8-4-304.

26. In correspondence dated May 21, 2024, DEQ informed Respondent that formal enforcement action was proceeding regarding this matter.

27. On May 17, 2024, Respondent submitted a test protocol for toluene emissions testing at SN-1101 to test on May 31, 2024.

28. On May 31, 2024, Respondent cancelled the emissions testing at SN-1101 due to technical difficulties.

29. On July 8, 2024, Respondent submitted a test protocol for Toluene emission testing at SN-1101 to test on July 31, 2024.

30. On July 29, 2024, Respondent cancelled the emissions testing at SN-1101 due to technical difficulties.

31. On July 29, 2024, Respondent submitted a test protocol for Toluene emission testing at SN-1101 to test on August 6, 2024.

32. On September 13, 2024, DEQ evaluated the stack test report submitted on September 9, 2024, for testing conducted on August 6, 2024. It was determined that Respondent was in compliance for Toluene at SN-1101 at the time of testing.

ORDER AND AGREEMENT

WHEREFORE, Respondent, neither admitting nor denying the factual and legal allegations contained in this CAO, and DEQ do hereby agree and stipulate as follows:

1. Within thirty (30) calendar days of the effective date of this CAO, for the Central Plant, Respondent shall submit records for SN-199 and SN-1099 demonstrating compliance with Plantwide Condition 13(n) of Permit R8 and 40 C.F.R. § 63.1363. These records shall be submitted on a monthly basis for a period of six (6) months beginning with the month following the effective date of this CAO.

2. Within thirty (30) calendar days of the effective date of this CAO, for the Central Plant, Respondent shall submit records for the subject equipment within the Fugitive Emissions Sources (SN-1099, SN-1399, SN-1499) listed within the Methyl Bromide MCPU, TCO MCPU, Phosgene MCPU, and OCP MCPU demonstrating compliance with Specific Condition 87(a) and (b) of Permit R8, 40 C.F.R. § 63.2480, and 40 C.F.R. §§ 63.1022 through 63.1023. The records shall be submitted on a monthly basis for a period of six (6) months beginning with the month following the effective date of this CAO.

3. Within thirty (30) calendar days of the effective date of this CAO, for the South Plant, Respondent shall submit records for all equipment under the DBS MCPU, PDBS MCPU, PHT-4 Diol MCPU, and TBP MCPU showing compliance with Plantwide Condition 16(a) of Permit R15, 40 C.F.R. § 63.2480, and 40 C.F.R. §§ 63.1022 through 63.1023. These records shall be submitted monthly for a period of six (6) months beginning with the month following the effective date of this CAO.

4. In compromise and full settlement of the violations specified in the FINDINGS OF FACT, Respondent agrees to pay in reference to paragraph 11 of the FINDINGS OF FACT for the

Central Plant a penalty of **TWELVE THOUSAND EIGHT HUNDRED DOLLARS (\$12,800.00)**.

In reference to paragraph 17 of the FINDINGS OF FACT Respondent agrees to pay a penalty for the Central Plant of **TWELVE THOUSAND EIGHT HUNDRED DOLLARS (\$12,800.00)**, and in reference to paragraph 19 of the FINDINGS OF FACT for the South Plant Respondent agrees to pay a penalty of **ONE THOUSAND FOUR HUNDRED DOLLARS (\$1,400.00)**, totaling an assessed civil penalty of **TWENTY-SEVEN THOUSAND DOLLARS (\$27,000.00)**, of which ten percent (10%) shall be paid as reimbursement to DEQ for administrative costs associated with the Order. Payment is due within thirty (30) calendar days after the effective date of this CAO. Such payment shall be made payable to:

DEQ, Fiscal Services
5301 Northshore Drive
North Little Rock, Arkansas 72118-5317.

In the event that Respondent fails to pay the civil penalty within the prescribed time, DEQ shall be entitled to attorneys' fees and costs associated with collection.

5. All applicable submissions required by this CAO are subject to approval by DEQ. In the event of any deficiency, Respondent shall, within fifteen (15) calendar days of notification by DEQ, submit any additional information requested. Failure to respond adequately to the notice of deficiency within fifteen (15) calendar days constitutes a failure to meet a deadline and is subject to the civil penalties established in the following Paragraph.

6. Failure to meet the limits, requirements, or deadlines of this CAO or the applicable approved schedules provided for herein constitutes a violation of this CAO. If Respondent fails to meet any limits, requirements, or deadlines, Respondent shall pay, on demand, to DEQ civil penalties according to the following schedule:

(a) First day through the fourteenth day:	\$100 per day
(b) Fifteenth day through the thirtieth day:	\$500 per day
(c) More than thirty days:	\$1000 per day

Stipulated penalties shall be paid within thirty (30) calendar days of receipt of DEQ's demand to Respondent for such penalties. These stipulated penalties may be imposed for delay in scheduled performance and shall be in addition to any other remedies or sanctions that may be available to DEQ by reason of Respondent's failure to comply with the requirements of this CAO. DEQ reserves its rights to collect other penalties and fines pursuant to its enforcement authority in lieu of the stipulated penalties set forth above.

7. If any event, including, but not limited to, an occurrence of nature, causes or may cause a delay in the achievement of compliance by Respondent with the requirements or deadlines of this CAO, Respondent shall notify DEQ in writing as soon as reasonably possible after it is apparent that a delay will result, but in no case after the due dates have passed. The notification shall describe in detail the anticipated length of the delay, the precise cause of the delay, the measures being taken and to be taken to minimize the delay, and the timetable by which those measures will be implemented.

8. DEQ may grant an extension of any provision of this CAO, provided that Respondent requests such an extension in writing and provided that the delay or anticipated delay has or will be caused by circumstances beyond the control of and without the fault of Respondent. The time for performance may be extended for a reasonable period, but in no event longer than the period of delay resulting from such circumstances. The burden of proving that any delay is caused by circumstances beyond the control of and without the fault of Respondent and the length of the delay attributable to such circumstances shall rest with Respondent. Failure to notify DEQ promptly, as provided in the previous Paragraph of the ORDER AND AGREEMENT, shall be grounds for a

denial of an extension.

9. This CAO is subject to public review and comment in accordance with Ark. Code Ann. § 8-4-103(d), and therefore is not effective until thirty (30) calendar days after public notice of the CAO is given. DEQ retains the right and discretion to rescind this CAO based on comments received within the thirty (30) day public comment period.

10. As provided by APC&EC Rule 8, now codified as 8 CAR § 11-101, *et seq.*, this matter is subject to being reopened upon Commission initiative or in the event a petition to set aside this CAO is granted by the Commission.

11. Nothing contained in this CAO shall relieve Respondent of any obligations imposed by any other applicable local, state, or federal laws. Except as specifically provided herein, nothing contained in this CAO shall be deemed in any way to relieve Respondent of responsibilities contained in the permit.

12. Nothing in this CAO shall be construed as a waiver by DEQ of its enforcement authority over alleged violations not specifically addressed herein. In addition, this CAO neither exonerates Respondent from any past, present, or future conduct that is not expressly addressed herein, nor relieves Respondent of the responsibilities for obtaining any necessary permits.

13. By virtue of the signature appearing below, the individual represents that he or she is an Officer of Respondent, being duly authorized to execute and bind Respondent to the terms contained herein. Execution of this CAO by an individual other than an Officer of Respondent shall be accompanied by a resolution granting signature authority to that individual as duly ratified by the governing body of the entity.

SO ORDERED THIS 3 DAY OF June, 2025.

Bailey Taylor
BAILEY TAYLOR

CHIEF ADMINISTRATOR OF ENVIRONMENT AND DEQ DIRECTOR
ARKANSAS DEPARTMENT OF ENERGY & ENVIRONMENT

APPROVED AS TO FORM AND CONTENT:

LANXESS CORPORATION
-CENTRAL AND SOUTH PLANTS

BY: Kevin Hazen (Signature)

Kevin Hazen (Typed or printed name)

TITLE: Senior Site Manager

DATE: May 19, 2025