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IN THE COURT OF COMMON PLEAS
ALLEN COUNTY, OHIO

STATE OF OHIO, ex rel.	:	
ANTHONY J. CELEBREZZE, JR.	:	CASE NO. <u>84 DIVC 189</u>
ATTORNEY GENERAL OF OHIO	:	
	:	
Plaintiff,	:	<u>CONSENT JUDGMENT</u>
	:	
v.	:	
	:	
THE STANDARD OIL COMPANY,	:	
	:	
Defendant.	:	

The Complaint having been filed under Sections 3704.05 and 3704.06 of the Ohio Revised Code to enforce the air pollution statutes, and Plaintiff and Defendant by their respective attorneys having consented to the entry of this Consent Judgment;

THEREFORE, before the taking of any testimony, upon the pleadings and upon the consent of the parties hereto, it is hereby ordered, adjudged, and decreed as follows:

I.

JURISDICTION

1. The Court has jurisdiction over the parties and the subject matter of the case. The Complaint states a claim upon which relief can be granted against Defendant under Sections 3704.05 and 3704.06 of the Ohio Revised Code.

II.

PERSONS BOUND

2. The provisions of this Consent Judgment shall apply to and be binding upon the parties to this action, their officers, directors, agents, servants, employees, representatives and successors.

III.

SATISFACTION OF LAWSUIT

3. As described in the Complaint, Plaintiff alleges that Defendant has violated Section 3704.05 of the Ohio Revised Code by emitting sulfur dioxide from the sulfur recovery unit (SRU) at its Lima refinery at rates in excess of the rate allowed by Ohio Administrative Code ("OAC") Section 3745-18-08(C)(3). In addition, Plaintiff alleges that Defendant has been operating its MEA Unit, DEA Unit, and Foul Condensate Stripper without permits to operate. Defendant denies these allegations. Compliance with the terms of this Consent Judgment shall be in full satisfaction of Defendant's liability to Plaintiff for the foregoing alleged violations of law.

IV.

CIVIL PENALTY

4. Defendant shall pay a civil penalty pursuant to Ohio Revised Code Section 3704.06(C) in the amount of one hundred thousand dollars (\$100,000.00). This civil penalty shall be paid within thirty (30) days of entry of this Judgment by delivering to Plaintiff's counsel, for payment into the state treasury, a certified check in such amount made to the order of "Treasurer, State of Ohio."

V.

QUARTERLY PERFORMANCE TESTING

5. Defendant shall perform tests to measure the emissions of the SRU in a manner complying with OAC 3745-15-04(A). At least one such test shall be made during each calendar quarter of each year until January 1, 1989. Defendant shall provide written notification of the testing to the Northwest District Office of the Ohio Environmental Protection Agency in accordance with OAC 3745-15-04(A) at least twenty (20) days prior to the performance of the test. If the results of a test show a conversion efficiency less than the level of efficiency required by this Judgment (i.e., 93.3%), Defendant shall, within fifteen (15) days after receiving the test results, submit to Ohio EPA

for approval a proposed schedule of actions designed to make the SRU operate at the required efficiency. Such schedule shall include retesting the emissions of the SRU. Upon approval by Ohio EPA, Defendant shall implement these actions.

Defendant agrees that it will not contest terms in permits issued by Ohio EPA before or after January 1, 1989 which require Defendant to test the emissions of the SRU quarterly or on a less frequent basis.

VI.

CAPITAL IMPROVEMENTS OF THE SRU AND ITS SOURCES

6. In order to improve the conversion efficiency and reliability of operation of the SRU, Defendant shall implement and comply with the schedule of capital improvements and repairs set forth in Exhibit A attached hereto, which is fully incorporated by reference into this Judgment. These improvements and repairs shall be completed by April 15, 1984. In addition, Defendant shall complete by December 31, 1985 the improvements and repairs set forth in Exhibit B attached hereto. The approximate cost of the improvements and repairs described in this paragraph is estimated to be one million and two hundred thousand dollars (\$1,200,000.00).

VII.

REDUCTION IN ALLOWABLE COKE PROCESS HEATER EMISSIONS

7. Whereas Defendant is currently allowed to emit from its coker process heater (referred to in OAC 3745-18-08(C) as the "coke process heater", OEPA source number B011) up to 1.0 pounds of sulfur dioxide per MM Btu actual heat input, after the date of entry of this Judgment, Defendant shall be prohibited from emitting from its coke process heater more than .15 pounds of sulfur dioxide per MM Btu actual heat input. Defendant hereby agrees to an amendment of OAC 3745-18-08(C) incorporating this reduced emission rate and waives any right to appeal such

an amendment.

VIII.

CONVERSION EFFICIENCY

8. From April 15, 1984 until January 1, 1989, Defendant shall continuously operate its SRU at a conversion efficiency of at least 93.5% whenever one or more of its sources (i.e., the foul condensate stripper, the MEA Unit, or the DEA Unit) is operating. During this period of time, Defendant is prohibited from emitting through the SRU more than 130 pounds of sulfur dioxide for each 1000 pounds of sulfur processed at the SRU.

9. Defendant shall implement one of the following options:

- a. After January 1, 1989, as demonstrated by two successive quarterly stack tests, Defendant shall continuously operate the SRU at a conversion efficiency of at least 95% whenever one or more of its sources are operating (i.e., Defendant shall be prohibited from emitting through the SRU more than 100 pounds of sulfur dioxide for every 1000 pounds of sulfur processed at the SRU); or
- b. Defendant shall continue to operate the SRU at 93.5% conversion efficiency, and in addition, shall obtain reductions of sulfur dioxide, nitrogen oxide, and/or hydrocarbon emissions at other air pollution sources located in Ohio which were owned by Defendant or its subsidiaries, and which produced such emissions in 1983 (identified in Exhibit C to this Judgment), in the following amounts:
 - (1) 425 tons per year of sulfur dioxide; or
 - (2) 850 tons per year of nitrogen oxide; or
 - (3) 1275 tons per year of hydrocarbons; or
 - (4) a combination of sulfur dioxide, nitrogen oxide, and/or hydrocarbons in the proportions outlined in (1), (2), and (3) above (i.e., 1 ton of sulfur dioxide is equivalent to 2 tons of nitrogen oxide, etc.).

For purposes of determining the amounts of the reductions, Defendant shall use the yearly average number of tons of air pollutants emitted by the air pollution source from 1980 to 1983 during the years the source was operated. (E.g., if Defendant owned a source that did not operate in 1980 or 1981, emitted 600 tons of sulfur dioxide in 1982, and emitted 800 tons of sulfur dioxide in 1983, which is an average of 700 tons per year, Defendant could obtain a reduction of 425 tons per year of sulfur dioxide by thereafter limiting the emissions from that source to 275 tons of sulfur dioxide per year.) Defendant hereby agrees to permanent air pollution rule amendments incorporating these reductions and waives any right to appeal the adoption of such amendments.

10. Within one year from the entry of this Judgment, Defendant shall submit a written notification to the Director of Environmental Protection informing the Director which of the options in paragraph 9a or paragraph 9b above Defendant will implement. If Defendant chooses to implement the option in paragraph 9b, Defendant shall submit with this notification, for the Director's approval, a description of the means by which Defendant will obtain the reduction, including any necessary construction or equipment installation, as well as a reasonable timetable for obtaining the reduction.

If Defendant chooses one of the options in paragraph 9b above, Defendant shall subsequently obtain the required emission reductions from other air pollution sources as expeditiously as possible, and shall maintain these reduced emission rates at all times thereafter. In no event shall Defendant obtain these emission reductions later than thirty months after the entry of this Judgment, unless the reductions are obtained from emissions of the Lima Integrated Unit at Defendant's Lima refinery, in which case the reductions shall be obtained no later than December 31, 1987.

IX.

STIPULATED PENALTIES

11. From April 15, 1984 until January 1, 1989, Defendant shall pay a stipulated civil penalty whenever the results of a test of the SRU emissions show a conversion efficiency of less than 93.5%, in the following amounts:

five thousand dollars (\$5,000.00) if the efficiency is 93% or higher but less than 93.5%;

ten thousand dollars (\$10,000.00) if the efficiency is 92.5% or higher but less than 93%;

fifteen thousand dollars (\$15,000.00) if the efficiency is 92% or higher but less than 92.5%; and

twenty-five thousand dollars (\$25,000.00) if the efficiency is less than 92%.

Before October 15, 1984, Defendant is not required to pay stipulated penalties for tests performed to measure the effectiveness of the improvements and repairs described in paragraph 6 above. However, during this period of time Defendant is required to perform quarterly testing pursuant to paragraph 5 above, for which Defendant is subject to stipulated penalties as provided in this paragraph (i.e., paragraph 11) if the results of such tests show a conversion efficiency of less than 93.5%. During this period of time Defendant shall designate to Ohio EPA which tests will be performed to satisfy the quarterly testing requirements of paragraph 5 and which tests will be performed to measure the effectiveness of the improvements and repairs described in paragraph 6 above. These descriptions shall be made to Ohio EPA before the performance of the testing.

From April 15, 1984 until January 1, 1989, Defendant shall pay a stipulated civil penalty of one hundred dollars (\$100.00) for every hour during which the SRU was not continuously operating whenever one or more of its sources was operating.

12.a) The stipulated penalties provided by paragraph 11 above shall not be suspended in part or in whole and are to be paid by Defendant during the next consecutive month after which the failure to achieve required conversion efficiency or failure to operate occurred by delivering to Plaintiff's counsel (or a successor in the Office of the Attorney General), for payment into the state treasury, a check in the proper amount made to the order of "Treasurer, State of Ohio." Defendant waives all rights it may have to contest the imposition of these stipulated penalties, except the defense that the failure to achieve required conversion efficiency or failure to operate did not in fact occur.

b) By agreeing to this Consent Judgment, Plaintiff does not waive any rights it may have in contempt or otherwise to seek redress for violation of ORC Chapter 3704, or this Judgment, except as follows:

i) Upon tender of any stipulated penalty for an occurrence subject to stipulated penalty pursuant to Paragraph 11, and acceptance thereof by Plaintiff, Defendant shall be deemed to have been subject to enforcement action for that occurrence and shall not thereafter be subject to any additional penalty or other relief in respect of such occurrence.

ii) In the event that either no stipulated penalties are payable hereunder in respect of a given performance test conducted pursuant to Paragraph 5 hereof, or Plaintiff accepts and receives a stipulated penalty for failure to achieve required conversion efficiency as shown by an emissions test of the SRU, Plaintiff agrees not to file an enforcement action seeking additional penalties for alleged conversion efficiency violations which occurred since the date of the latest previous performance test giving rise to the applicability of this subparagraph (ii).

iii) Plaintiff also agrees not to bring any enforcement action for alleged violations exempted by Paragraph 13 from stipulated penalties, except such alleged violations as may occur subsequent to written notice from Ohio EPA, specifying reasons therefor, that it will not thereafter accept stipulated penalties.

iv) Insofar as either or both of Paragraph 8 and 9 specify emission limitations for the SRU differing from those presently or hereafter imposed by the Ohio Administrative Code, Plaintiff waives any rights it may have to enforce conflicting provisions in the latter during the term of this Consent Judgment.

13. Defendant shall be given an allowance of up to six hundred forty-eight (648) hours during any two consecutive calendar years in order to perform maintenance and repairs on the SRU, during which days Defendant is not required to pay stipulated penalties. In order to avoid liability for stipulated penalties on these days, Defendant must give at least thirty (30) days advance written notice of such maintenance period to the Northwest District Office of the Ohio Environmental Protection Agency. Provided however, that this thirty (30) day notice is not required where Defendant decides to perform this maintenance and repairs on the SRU upon the unexpected malfunction or shutdown of one of its sources. This six hundred forty-eight (648) hours shall not include days on which testing is performed on the SRU emissions pursuant to paragraph 5 above.

In addition to the allowance of six hundred forty-eight (648) hours provided above, Defendant shall also be exempted from paying stipulated penalties for the shutdown of the SRU for maintenance for less than a full hour on each of two (2) occasions during each calendar year.

Stipulated penalties shall not be applicable during any additional period of shutdown that the parties may subsequently agree is reasonably required for implementation of Option 9a, in the event such option is elected by Defendant pursuant to Paragraph 10 hereof.

X.

MISCELLANEOUS

14. Plaintiff and Defendant agree that in any action to enforce paragraphs 5, 6, 9 (except for the 93.5% conversion efficiency requirement in paragraph 9b), and 10 of this Consent Judgment, Defendant may raise at that time the issue of whether it is entitled to raise a defense that its violation of the terms hereof resulted from causes beyond its control, such as, but not limited to, acts of God, of public enemies, conflicting orders of an entity having police power and jurisdiction over the Defendant, or impossibility of the performance of the terms hereof. While Plaintiff disagrees that such a defense exists, the parties do, however, agree and stipulate that it is premature at this time to raise and adjudicate the existence of such a defense, and that the appropriate time to adjudicate the existence of such a defense is at such time that Plaintiff seeks to enforce the provisions of this Consent Judgment.

15. In the event that Defendant chooses to permanently cease emission of sulfur dioxide from the SRU and its sources, Defendant's responsibilities under this Consent Judgment, except for part IV above and except for payment of any stipulated civil penalties for violations occurring before cessation of operation, shall end.

16. The Court retains jurisdiction of this suit for a period of at least five years from entry of this Judgment, as

well as any additional time which may be necessary to demonstrate compliance with paragraph 9 of this Judgment, for the purpose of making any order or decree which it may deem necessary to carry out this Judgment.

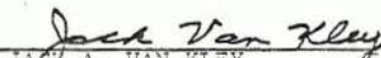
17. Defendant shall pay court costs.


Judge, Court of Common Pleas

APPROVED:

ANTHONY J. CELEBREZZE, JR.
ATTORNEY GENERAL OF OHIO

BY:

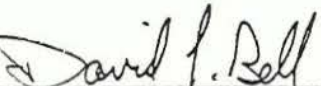

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Judge Robert M.
Light

THE STANDARD OIL COMPANY

BY:


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1704 Midland Building
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Attorney for Defendant

Exhibit A

SRU IMPROVEMENT PLAN

Capital Items

1. MEA Flash Drum System
Object - To reduce the hydrocarbon concentration in MEA Acid Gas
Scope - Install a flash drum, two pumps, and associated piping and instrumentation
2. Automatic Combustion Air Control
Object - To provide Tail Gas Analyzer control of trim combustion air
Scope - Install necessary piping and instrumentation
3. Thermal Reactor Front-End Control
Object - To allow later addition of instrumentation to permit Claus operation in either an oxidizing or reducing mode and insure ammonia degradation
Scope - Install tie-ins for necessary instrumentation
4. DEA Overhead Condenser Cascade Temperature Control
Object - To provide automatic primary and secondary temperature control of the DEA overhead reflux
Scope - Install necessary instrumentation
5. FCS Overhead Condenser Cascade Temperature Control
Object - To provide automatic primary and secondary temperature control of the FCS overhead reflux
Scope - Install necessary instrumentation
6. Thermal Reactor Optical Pyrometers
Object - To provide an accurate and reliable indication of the Thermal Reactor temperatures
Scope - Install necessary instrumentation
7. Sulfur Condenser Revamp
Object - To permit faster and more thorough cleaning during Claus shutdowns
Scope - Install bolt-on condenser heads and removable sulfur drain legs
8. Tail Gas Analyzer Upgrade
Object - Improve Analyzer reliability and generate a linear signal
Scope - Install necessary instrumentation

9. Claus Reactor TI's
Object - Detect channeling and temperature profiles within catalyst beds
Scope - Install necessary instrumentation
10. Claus Tail Gas Condenser
Object - Reduce sulfur vapor carryover to Claus Incinerator
Scope - Install Condenser and associated instrumentation
11. FCS PAIR Probe
Object - Detect corrosion rate within Stripper reflux system
Scope - Install tie-ins for necessary instrumentation.

Maintenance Items

1. Replace all four Dip Legs
2. Replace the Thermal Reactor
3. Replace the Acid Gas Burner
4. Replace all three Reheaters
5. Replace catalyst and support in all three Reactors
6. Revamp inlet lines to No. 1 and No. 2 Reactors
7. Install MEA Acid Gas Sampling Station

Exhibit B

SRU IMPROVEMENT PLAN

1. DEA Flash Drum Revamp

Object - To reduce the hydrocarbon concentration in DEA Acid Gas.

Scope - Modify internal portion of the existing flash drum and install new instrumentation.

2. MEA Acid Gas Flow Recorder

Object. - To permit continuous surveillance of Claus feed streams

Scope - Install flow recorder.

3. DEA Acid Gas Flow Recorder

Object - To permit continuous surveillance of Claus feed streams

Scope - Install orifice meter, recorder, platform and associated wiring.

4. FCS PAIR Probe

Object - Detect corrosion rate within stripper reflux system.

Scope - Install necessary instrumentation.

Exhibit C

SOHIO SUBSIDIARIES CURRENTLY
PERMITTED TO TRANSACT
BUSINESS IN THE STATE OF OHIO

<u>Company Name</u>	<u>Percentage Owned</u>
BP Oil Inc.	100%
Dorr-Oliver Incorporated	100%
Inland Corporation	50%
Keeler/Dorr-Oliver Boiler Company	100%
Kennecott Communications Corporation	100%
Kennecott Corporation	100%
Kennecott Minerals Company	100%
Kennecott Ventures, Inc.	100%
Laurel Pipe Line Company	17%
Miami Valley Corporation	100%
Mid-Valley Pipeline Company	50%
Mountaineer Carbon Company	100%
Royal Land Company	100%
S. Minerals, Incorporated	100%
Sohio Alaska Transportation Company	100%
Sohio Algeria Company	100%
Sohio Algeria Supply Company	100%
Sohio Alternate Energy Development Company	100%
Sohio Chemical Company	100%
Sohio Commercial Development Company	100%
Sohio Construction Company	100%
Sohio de Colombia Company	100%

<u>Company Name</u>	<u>Percentage Owned</u>
Sohio Development Company	100%
Sohio Finance Company	100%
Sohio Gas Pipeline Company	100%
Sohio Petroleum Company	100%
Sohio Pipe Line Company	100%
Sohio Shale Oil Company	100%
Sohio Supply Company	100%
Sohio Transportation Company	100%
Sohio Venezuela Company	100%
Sohio Ventures Corporation	100%
Sohio Western Mining Company	100%
SPC Shipping Inc.	100%
The Vistron Supply Company	100%