

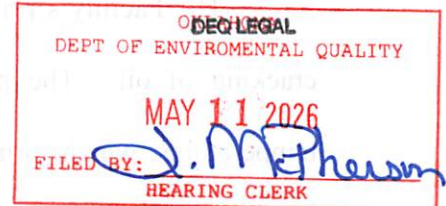
**STATE OF OKLAHOMA
DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR QUALITY DIVISION**

RECEIVED

MAY 11 2026

IN THE MATTER OF:)
)
Continental Carbon Corporation)
Carbon Black Production Facility)
Respondent,)

Case No. 26-025



CONSENT ORDER

The parties to this case, the State of Oklahoma ex rel. Oklahoma Department of Environmental Quality (“DEQ”) and Continental Carbon Corporation (“Respondent”), agree to this Consent Order (“Order”) to resolve certain environmental compliance issues.

This Order supersedes and closes alleged violations set forth in Full Compliance Evaluation No. 10414 that resulted in Enforcement Case No. 13265

FINDINGS OF FACT

1. Respondent is engaged in the production of carbon black, a large volume, chemical commodity primarily used in the tire and rubber industries. Respondent is a Delaware corporation, with its corporate headquarters located in Houston, Texas.
2. Respondent owns and operates the Ponca City Carbon Black Production Facility (“Facility”), which is located in Section 10, Township 25N, Range 2E, in Kay County, Oklahoma. The Facility is a Prevention of Significant Deterioration (“PSD”) major source of nitrogen oxides (“NO_x”), carbon monoxide (“CO”), sulfur dioxide (“SO₂”) and particulate matter (“PM”) with a Potential to Emit (“PTE”) 2,484.76 tons per year (“TPY”) of NO_x, 4,941.31 TPY of CO, 16,555.2 TPY of SO₂, and 652.30 TPY of PM. The Facility is a major source of volatile organic compounds (“VOCs”) and hazardous air pollutants (“HAPs”), with PTEs of 230.06 TPY and 132.88 TPY,

respectively. The Facility currently operates under DEQ Air Quality Permit No. 2017-0914-TVR2.

During the inspection, the Facility also operated under Permit No. 2004-302-C (M-4). The Facility

operates under a Standard Industrial Classification Code of 2895.

3. The Facility's primary purpose is the production of Carbon Black through the catalytic cracking of oil. The process involves the partial combustion or pyrolysis of oil at high temperatures, which forms fine, carbon particles. To support this process, the facility uses bag houses to recover Carbon Black, and a Waste Gas Combustor ("WSG") to recycle unburned oil to be used in further combustion. Of note, the WSG contains two combustors: EPN 40 and EPN 41, which are subject to permitted emissions limits. EPN 40 is permitted for 1.93 TPY of CO and 23.56 TPY of PM, while EPN 41 is permitted for 2.02 TPY of CO and 23.58 of PM.

4. On June 24, 2024, FCE No. 10414 was conducted at the Facility. During the inspection, permit conditions were reviewed, records were requested, and equipment was inventoried. A review of the facility's 2022 and 2023 Emissions Inventories ("EIs") showed that the cogen units were emitting CO and PM emissions in excess of permitted limits. This was confirmed with records of performance testing conducted from October 11 through 13, 2022. Specifically, EPN 40 showed emissions rates of 81.44 TPY CO and 47.45 TPY PM, and EPN 41 showed emission rates of 213.81 TPY CO and 24.98 TPY PM.

5. On December 11, 2024, DEQ sent Respondent an Alternative Enforcement Letter alleging the following violations of the Oklahoma Clean Air Act and the Oklahoma Administrative Code:

Issue 1: Failure to maintain CO and PM emissions from cogen units, EPN 40 and EPN 41, within the permitted limit in violation of the Oklahoma Clean Air Act and Specific Condition 1 EUG 9 of Permit No. 2004-302-C (M-4).

6. On February 26, 2025, DEQ received Respondent's compliance plan, which stated that

Respondent is currently working with DEQ to finalize a construction permit, which will include an increase to the CO and PM limits.

7. On March 13, 2025, Respondent and DEQ personnel met to discuss resolution of the violations set forth in FCE 10414.

8. Respondent and DEQ agree that it is beneficial to resolve this matter promptly and by agreement.

9. Respondent and DEQ waive the filing of a petition or other pleading, and Respondent waives the right to a hearing.

CONCLUSIONS OF LAW

10. DEQ has regulatory jurisdiction and authority in this matter, and Respondent is subject to the jurisdiction and authority of DEQ under Oklahoma law, i.e., 27A OKLA. STAT. (O.S.) §§ 2-5-101 to -130 (Oklahoma Clean Air Act), and the rules promulgated thereunder at OAC 252:100-1-1, *et seq.*

11. Respondent and DEQ are authorized by 75 O.S. § 309(E) and 27A O.S. § 2-5-110(G) to resolve this matter by agreement.

12. 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.

13. OAC 252:100-8-1.3, *Duty to Comply*, states as follows:

(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.

14. DEQ Air Quality Permit No. 2004-302-C (M-4), Specific Condition 1 EUG 9 provides the following emissions limits:

Point	NOX (TPY)	CO (TPY)	VOC (TPY)	PM (TPY)
EPN 40	79.04	1.93	22.27	23.56
EPN 41	79.61	2.02	22.27	23.58

DEQ alleges that failure to maintain CO and PM emissions from cogen units, EPN 40 and EPN 41, within the permitted limits, as described in Findings of Fact paragraphs 4 and 5, is a violation of 27A O.S. § 2-5-112(A) and Specific Condition 1 EUG 9 of DEQ Air Quality Permit No. 2004-302-C (M-4).

ORDER

15. Based on the above paragraphs, Respondent and DEQ agree, and it is ordered by the Executive Director as follows:

16. The Oklahoma Clean Air Act, 27A O.S. §§ 2-5-101 to -130, 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 Sixty-Eight Thousand One Hundred Dollars (\$68,100.00) for the allegations of noncompliance discussed in this Order. Up to Seventeen Thousand Dollars (\$17,000) of the assessed penalty will be satisfied upon completion of the supplemental environmental project (“SEP”) discussed in paragraph 18 below. The remaining Fifty-One Thousand One Hundred Dollars (\$51,100) shall be paid 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

17. Respondent agrees to complete the SEP detailed in the Proposal submitted on April 4, 2025. The Proposal outlines two (2) projects, respondent intends to complete to offset the assessed penalty. In project one, Respondent intends to restore and improve the facility grounds by repaving the Facility's road and planting native vegetation, reducing fugitive dust and improving the overall aesthetic of the area. In project two, Respondent intends to lead an emergency planning and preparedness program for Ranch Drive and Ponca City Fire Departments. This will ensure that in the event of an incident at the Facility, first-responders will be able to react safely and effectively. Project one of the Proposal must be completed within ninety (90) days of the execution date of this Order. Project two of the Proposal must be completed within one hundred eighty (180) days of the execution date of this Order. The estimated cost of projects one and two of the Proposal are Fifteen Thousand Dollars (\$15,000) and Two Thousand Dollars (\$2,000), respectively. Documentation of the actual cost of these projects must be provided to DEQ after completion. If the actual cost of the total SEP is less than Seventeen Thousand Dollars (\$17,000) or if Respondent fails to perform the SEP, Respondent shall pay the difference in cash to DEQ in the method detailed in paragraph 18 above.

18. 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.

19. 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.

GENERAL PROVISIONS

20. Respondent agrees to 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 which delays or prevents the performance of any obligation under this Order. Examples are vandalism; fire; flood; labor disputes or strikes; weather conditions which 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.

21. 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 reply within a reasonable time to any errors, deficiencies, or other regulatory requirements identified by DEQ pursuant to this Order is a violation of this Order.

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

23. Unless otherwise specified, any report, notice, or 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:

Joe Daniel, Environmental Attorney
Office of General Counsel
P.O. Box 1176
Oklahoma City, OK 73101-1677

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

For Respondent:

Cara Joy Ahrens, Sr. EHS Manager
Continental Carbon
16850 Park Row
Houston, TX 77084

With Copies to:

Laura Finley, Attorney
Ryan Whaley Attorneys
400 N. Walnut Avenue
Oklahoma City, OK 73104

24. This Order is enforceable as a final order of the Executive Director of DEQ. DEQ retains jurisdiction of this matter for the purposes of interpreting, implementing, and enforcing the terms and conditions of this Order and for the purpose of resolving disputes regarding the interpretation of this Order.

25. Nothing in this Order limits DEQ's right to take enforcement action for alleged violations discovered or occurring after the effective date of this Order.

26. Nothing in this Order excuses Respondent from its obligation to comply with all applicable federal, state and local statutes, rules, and ordinances. Respondent and DEQ agree that the provisions of this Order are considered severable, and if a court of competent jurisdiction finds any provisions to be unenforceable because they are inconsistent with state or federal law, the remaining provisions will remain in full effect.

27. During the pendency of this Order, to ensure continuous and uninterrupted responsibility for the activities required by this Order, Respondent agrees to provide a copy of the Order to all potential purchasers of the Facility and/or property subject to this Order. Further, Respondent agrees to notify all potential purchasers of the Facility and/or property subject to this Order that the obligations under this Order are binding on the purchaser. Finally, within ten (10) days of the sale of the Facility and/or property subject to this Order, Respondent will notify DEQ of the sale and provide the name and address of the purchaser to DEQ.

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

29. Compliance with the terms and conditions of this Order fully satisfies Respondent's liability to DEQ for all allegations of noncompliance identified in this Order. If Respondent satisfies the requirements of this Order, DEQ will not pursue any other remedy, sanction, or relief that might otherwise be available to address the allegations of noncompliance in this Order.

30. This Order is for the purpose of settlement. Neither the fact that Respondent and DEQ have agreed to this Order, nor the Findings of Fact and Conclusions of Law in it, shall be used for any

purpose in any proceeding except the enforcement by Respondent and DEQ of this Order and, if applicable, a future determination by DEQ of eligibility for licensing or permitting. As to others who are not parties to this Order, nothing contained in this Order is an admission of Respondent of the Findings of Fact or Conclusions of Law, and this Order is not an admission by Respondent of liability for conditions at or near the Facility and is not a waiver of any right, cause of action, or defense to which Respondent is otherwise entitled.

31. Respondent and DEQ agree that pursuant to 12 O.S. § 133, the venue of any action in district court for the purposes of interpreting, implementing, and enforcing this Order will be Oklahoma County, Oklahoma.

32. The requirements of this Order will be considered satisfied and this Order terminated when Respondent receives written notice from DEQ that Respondent has demonstrated that all the terms of the Order have been completed to the satisfaction of DEQ, and that any assessed penalty has been paid.

33. Respondent and DEQ may amend this Order by mutual consent. Such amendments must be in writing and the effective date of any such amendments will be the date on which they are filed by DEQ.

34. The individuals signing this Order certify that they are authorized to sign and to legally bind the parties they represent.


35. This Order shall become effective on the date of the latter of the two signatures below.

Date: 4/28/26

Date: 5/11/2026


RESPONDENT:
CONTINENTAL CARBON CORPORATION

PETITIONER:
**OKLAHOMA DEPARTMENT OF
ENVIRONMENTAL QUALITY**


Phillip Burton
VP Operations


Robert D. Singletary
Executive Director

APPROVED AS TO FORM:


Joseph Daniel, Environmental Attorney
Oklahoma DEQ Office of General Counsel