

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:

(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.* ...

¹FCE 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

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

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 SO₂ 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 SO₂ 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
NO _x 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
NO _x 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 Average Limits	Rolling Emission	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 SO₂ emissions at all times.

Failure to achieve 95% removal of SO₂ 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 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

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 NO_x and SO₂ 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 ft³ (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	NO _x (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	NO _x (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

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](https://www.ecfr.gov/current/title-40/part-63/appendix-Table%202c%20to%20Subpart%20ZZZZ%20of%20Part%2063).

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 biennial 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

Annual Compliance Certifications ("ACC"), Semiannual Reports ("SAR"), and other recordkeeping:

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 NO_x and SO₂ 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-TV2.**⁵³

Specific Condition 18 of Permit No. 2017-0914-TV2, 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

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.

Consent Decree 5:15-cv-00290-F, Paragraph 17, establishes SO₂ process system operation emissions limits and control technology.

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 SO₂ 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 NO_x 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 NO_x 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 NO_x 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 SO₂ limits.**
- **Records to demonstrate compliance with heat load, startup, and shutdown 365-day NO_x limit.**
- **Records to demonstrate compliance with 7-day and 365-day NO_x 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, 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