

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

ADA CARBON SOLUTIONS (RED RIVER),
LLC

AI # 152139

PROCEEDINGS UNDER THE LOUISIANA
ENVIRONMENTAL QUALITY ACT
LA. R.S. 30:2001, ET SEQ.

* Settlement Tracking No.
* SA-AE-20-0112
*
* Enforcement Tracking No.
* AE-PP-13-01370
*
*
*
*
*

SETTLEMENT

The following Settlement is hereby agreed to between ADA Carbon Solutions (Red River), LLC (“Respondent”) and the Department of Environmental Quality (“DEQ” or “the Department”), under authority granted by the Louisiana Environmental Quality Act, La. R.S. 30:2001, et seq. (“the Act”).

I

Respondent is a limited liability company that owned and/or operated an activated carbon production facility located in Coushatta, Red River Parish, Louisiana (“the Facility”).

II

On June 22, 2018, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. AE-PP-13-01370 (Exhibit 1).

The following violations, although not cited in the foregoing enforcement action, are included within the scope of this settlement:

In the Respondent's 2017 Title V First Semiannual Monitoring Report dated September 27, 2017, the Respondent reported visible emissions recordkeeping requirement failures for the

following dates: September 1 through September 15, 2017, and September 18, 2017, for Bin Vents- Receivers (CRG0003), September 1 through September 15, 2017, for Material Handling Systems (CRG0010), and September 19, 2017 for Production Line No. 1 (EQT0001). Specifically, daily visible emissions records were either not complete or not available for these sources. Each failure to maintain accurate and complete visible emissions records for each emission source is also a violation of Specific Requirement Nos. 20, 21, 43, and 98 of Title V Permit No. 2420-00027-V9, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

In the Respondent's 2017 Title V First Semiannual Monitoring Report dated September 27, 2017, the Respondent reported the failure to operate the selective non-catalytic reduction system (SNCR) when operating 3 or more furnaces on March 2, 2017 (13 hours), March 25-26, 2017 (29 hours), and March 28-30, 2017 (48 hours). This is a violation of Specific Requirement 100 of Title V Permit No. 2420-00027-V9, LAC 33:III.501.C.4, LAC 33:III.509, and La. R.S. 30:2057(A)(2). The Respondent implemented a revised process control strategy to automatically alert operators when the SNCR is offline while operating three or more furnaces.

In the Respondent's 2017 Title V First Semiannual Monitoring Report dated September 27, 2017, the Respondent reported the failure to meet 90% of the monthly data availability for CEMS system while the facility was operating. Specifically, on April 14-16, 2017 the CEMS was left offline for 51 hours while the plant was operating. This is a violation of Specific Condition 7 of PSD Permit No. PSD-LA-727 (M-3), Specific Requirements 169 and 173 of Title V Permit No. 2420-00027-V9, LAC 33:III.501.C.4, LAC 33:III.509, and La. R.S. 30:2057(A)(2).

In the Respondent's 2017 Title V First Semiannual Monitoring Report dated September 27, 2017, and 2017 Title V Second Semiannual Monitoring Report dated March 28, 2018, the Respondent reported the failure to monitor and record sulfur content of incoming natural gas feed for

the 1st, 2nd, and 3rd quarter of 2017. This is a violation of Specific Condition 8 of PSD Permit No. PSD-LA-727 (M-3), Specific Requirement 169 of Title V Permit No. 2420-00027-V9, LAC 33:III.501.C.4, LAC 33:III.509, and La. R.S. 30.2057(A)(2).

In the Respondent's 2017 Title V First Semiannual Monitoring Report dated September 27, 2017, the Respondent reported the failure to inspect fabric filter vents every 6 months. Specifically, 6 month visual inspection of filter elements was not completed for the following EQTs: 0040, 0082, 0083, 0084, 0088, 0089, 0071, 0072, 0073, 0074, 0075, 0076, 0077, 0078, 0079, 0080, 0081, 0132, 0134, 0135, 0136, 0137, 0138, 0139, 0140, 0141, 0142, 0143, 0144, 0145, 0146, 0160, 0198, 0206, 0215, and 0225. This is a violation of Specific Requirement 12 of PSD Permit No. PSD-LA-727 (M-3), Specific Requirement 169 of Title V Permit No. 2420-00027-V9, LAC 33:III.501.C.4, LAC 33:III.509, and La. R.S. 30.2057(A)(2).

In the Respondent's 2017 Title V Second Semiannual Monitoring Report dated March 28, 2018, the Respondent reported the failure to inspect fabric filter vents every 6 months. Specifically, 6 month visual inspection of filter elements were not completed for the following EQTs: 0078, 0079, 0080, 0081, 0082, 0083, 0084, 0139, 0140, 0141, 0142, 0143, 0144, 0145, 0146, 0206, and 0225. This is a violation of Specific Requirement 12 of PSD Permit No. PSD-LA-727 (M-3), Specific Requirement 169 of Title V Permit No. 2420-00027-V9, LAC 33:III.501.C.4, LAC 33:III.509, and La. R.S. 30.2057(A)(2).

In the response to Notice of Potential Penalty, Enforcement Action No. AE-PP-13-01370, dated July 31, 2018, the Respondent reported an exceedance of the operating hour limitation for emergency fire water pump (EQT0162). Specifically, the Respondent operated EQT0162 for more than 100 hours in calendar year 2015. This is a violation of Specific Requirement 114 of Title V Permit No. 2420-00027-V7, LAC 33:III.501.C.4, 40 CFR 60.4211(f)(2)(i), which language has been

adopted as a Louisiana regulation in LAC 33:III.3003, and La. R.S. 30.2057(A)(2). Additionally, in the response dated July 31, 2018, the Respondent stated that a draft amended report was located for the 2015 Annual Compliance Certification but could not verify through a search on the Electronic Document System that the report was submitted to LDEQ.

III

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

IV

Nonetheless, Respondent, without making any admission of liability under state or federal statute or regulation, agrees to pay, and the Department agrees to accept, a payment in the amount of TWENTY-FOUR THOUSAND AND NO/100 DOLLARS (\$24,000.00), of which One Thousand Two Hundred Fourteen and 98/100 Dollars (\$1,214.98) represents the Department's enforcement costs, in settlement of the claims set forth in this agreement. The total amount of money expended by Respondent on cash payments to the Department as described above, shall be considered a civil penalty for tax purposes, as required by La. R.S. 30:2050.7(E)(1).

V

Respondent further agrees that the Department may consider the inspection report(s), permit record(s), the Notice of Potential Penalty and this Settlement for the purpose of determining compliance history in connection with any future enforcement or permitting action by the Department against Respondent, and in any such action Respondent shall be estopped from objecting to the above-referenced documents being considered as proving the violations alleged herein for the sole purpose of determining Respondent's compliance history.

VI

This agreement shall be considered a final order of the Secretary for all purposes, including, but not limited to, enforcement under La. R.S. 30:2025(G)(2), and Respondent hereby waives any right to administrative or judicial review of the terms of this agreement, except such review as may be required for interpretation of this agreement in any action by the Department to enforce this agreement.

VII

This settlement is being made in the interest of settling the state's claims and avoiding for both parties the expense and effort involved in litigation or an adjudicatory hearing. In agreeing to the compromise and settlement, the Department considered the factors for issuing civil penalties set forth in La. R. S. 30:2025(E) of the Act.

VIII

As required by law, the Department has submitted this Settlement Agreement to the Louisiana Attorney General for approval or rejection. The Attorney General's concurrence is appended to this Settlement Agreement.

IX

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Red River Parish, Louisiana. The advertisement, in form and wording approved by the Department, announced the availability of this settlement for public view and comment and the opportunity for a public hearing. Respondent has submitted an original proof-of-publication affidavit and an original public notice to the Department and, as of the date this Settlement is executed on behalf of the Department, more than forty-five (45) days have elapsed since publication of the notice.

X

Payment is to be made within ten (10) days from notice of the Secretary's signature. If payment is not received within that time, this Agreement is voidable at the option of the Department. Payments are to be made by check, payable to the Department of Environmental Quality, and mailed or delivered to the attention of Accountant Administrator, Financial Services Division, Department of Environmental Quality, Post Office Box 4303, Baton Rouge, Louisiana, 70821-4303. Each payment shall be accompanied by a completed Settlement Payment Form (Exhibit A).

XI

In consideration of the above, any claims for penalties are hereby compromised and settled in accordance with the terms of this Settlement.

XII

Each undersigned representative of the parties certifies that he or she is fully authorized to execute this Settlement Agreement on behalf of his or her respective party, and to legally bind such party to its terms and conditions.

ADA CARBON SOLUTIONS (RED RIVER), LLC

BY: [Signature]
(Signature)

Dennis Sewell
(Printed)

TITLE: Vice President of Manufacturing

THUS DONE AND SIGNED in duplicate original before me this 8th day of June, 20 21, at Coushatta, LA.

[Signature]
NOTARY PUBLIC (ID # 63038)
Exp. Date: 2-16-2026

(stamped or printed)

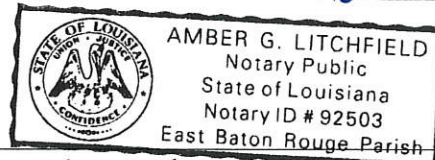
LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Chuck Carr Brown, Ph.D., Secretary

BY: [Signature]

Lourdes Iturralde, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 19th day of August, 20 21, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 92503)



(stamped or printed)

Approved: [Signature]

Lourdes Iturralde, Assistant Secretary

JOHN BEL EDWARDS
- GOVERNOR



CHUCK CARR BROWN, PH.D.
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

June 22, 2018



CERTIFIED MAIL (7004 2510 0006 3852 9950)
RETURN RECEIPT REQUESTED

ADA CARBON SOLUTIONS (RED RIVER), LLC
c/o C T Corporation System
Agent for Service of Process
3867 Plaza Tower Dr.
Baton Rouge, LA 70816

**RE: NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-PP-13-01370
AGENCY INTEREST NO. 152139**

Dear Sir(s):

On or about July 17, 2013, July 19, 2013, and July 23, 2016 inspections of the Greenfield Activated Carbon Facility (faciity), an activated carbon production facility, owned and/or operated by **ADA CARBON SOLUTIONS (RED RIVER), LLC (RESPONDENT)**, were performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Air Quality Regulations. Additionally, the Department conducted file reviews for the facility on or about May 13, 2015, and February 5, 2018. The facility is located at 201 Red River Mine Road in Coushatta, Red River Parish, Louisiana. The facility operated and/or operates under the following Title V and Prevention of Significant Deterioration permits:

PERMIT	ISSUE DATE	EXPIRATION DATE
Prevention of Significant Deterioration (PSD) Permit No. PSD-LA-727(M-1) Title V Air Permit No. 2420-00027-V3	December 22, 2011	N/A
Title V Air Permit No. 2420-00027-V4	May 24, 2013	May 28, 2013
Prevention of Significant Deterioration (PSD) Permit No. PSD-LA-727 (M-2) Title V Air Permit No. 2420-00027-V5	December 20, 2013	December 20, 2018
Title V Air Permit No. 2420-00027-V6	December 20, 2013	N/A
Title V Air Permit No. 2420-00027-V7	April 25, 2014	December 20, 2018
Title V Air Permit No. 2420-00027-V8	July 24, 2014	December 20, 2018
Title V Air Permit No. 2420-00027-V9	January 29, 2015	December 20, 2018
Title V Air Permit No. 2420-00027-V10	December 5, 2016	December 5, 2021
Prevention of Significant Deterioration (PSD) Permit No. PSD-LA-727 (M-3) Title V Air Permit No. 2420-00027- V9	December 5, 2016	June 5, 2018
Title V Air Permit No. 2420-00027-V10	February 8, 2017	December 5, 2021
	February 7, 2018	December 5, 2021

ADA Carbon Solutions (Red River), LLC

AE-PP-13-01370

Page 2

While the investigation by the Louisiana Department of Environmental Quality (the Department) is not yet complete, the following violations were noted during the course of the inspections and subsequent file reviews:

- A. On or about July 9, 2013, at 10:43 am the Respondent reported an emergency venting incident (T149547) for approximately twelve (12) minutes. Specifically, the operator started the furnace at a previous feed causing the draft to swing and an emergency vent to open. The venting resulted in the release of approximately 2.1 pounds of benzene and 256 pounds of volatile organic compounds (VOCs). The release was deemed preventable due to human error. The unauthorized release of emissions due to operator error is a violation of LAC 33:III.905, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- B. On or about July 18, 2013, the Respondent reported a release (T-149744) of pre-process product for approximately thirteen (13) minutes. Specifically, maintenance personnel triggered the release of approximately 8,000 pounds of granular activated carbon from the multi-hearth furnace #4. The release was deemed preventable due to human error. The unauthorized release of air contaminants due to maintenance personnel error is a violation of LAC 33:III.905, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- C. In the Respondent's 2013 First Semiannual Monitoring Report, 2015 Second Semiannual Monitoring Report, and 2016 First Semiannual Monitoring Report dated September 30, 2013, March 18, 2016, and September 28, 2016, respectively, the Respondent reported failures to operate the activated carbon injection (ACI) unit when operating three (3) or more furnaces. Specifically, during one (1) 3-day period in 2013, the Respondent operated three (3) or more furnaces at the facility without operating the ACI unit, in violation of Title V Air Permit No. 2420-00027-V3 (Specific Requirement 54), LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2). Additionally, the Respondent operated three (3) or more furnaces at the facility without operating the ACI unit for approximately 61 hours from October 16, 2015 through October 19, 2015 and for approximately 8 hours on June 21, 2016, in violation of (Specific Requirement 44) Title V Air Permit No. 2420-00027-V7, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).
- D. In the Respondent's 2013 Second Semiannual Monitoring Report, 2014 First Semiannual Monitoring Report, 2014 Second Semiannual Monitoring Report, 2015 First Semiannual Monitoring Report, and 2017 First Semiannual Monitoring Report dated March 26, 2014, September 24, 2014, February 27, 2015, September 24, 2015, and September 27, 2017, respectively, the Respondent reported visible emissions recordkeeping requirement failures for Multi-Hearth Furnace Production Lines (CRG0001), Coal Handling Equipment (CRG0002), Bin Vents-Receivers (CRG0003), Silo Receiver and Bin Vents (CRG0005), Material Handling Systems (CRG0010), Bulk Bagging and Loading (CRG0011), and Production Line No. 1 (EQT0001). Specifically, daily visible emissions records were either not complete or not available for these sources on the following dates in violation of the specific requirement listed below:

ADA Carbon Solutions (Red River), LLC

AE-PP-13-01370

Page 3

Date	Emissions Source	Permit	Specific Requirements		
9/3/2013	CRG0001 CRG0002 CRG0003 CRG0005	2420-00027-V3	28, 87, 93, 101		
9/13/2013					
12/1/2013					
1/6/2014					
2/8-26/2014*		2420-00027-V4	50, 78, 84, 91		
3/4/2014*					
3/16/2014*					
3/23-24/2014*					
3/26-27/2014*					
3/30/2014					
4/1/2014*					
4/3-4/2014*					
4/12-13/2014*					
4/17-20/2014*					
4/29-30/2014*					
5/1/2014*				2420-00027-V5	50, 78, 84, 91
5/12/2014*					
5/15/2014*					
5/17-18/2014*					
5/29/2014*					
6/13/2014*					
6/15/2014*					
6/24/2014*					
7/7/2014					
7/13-14/2014					
8/7-9/2014		2420-00027-V6	50, 78, 84, 92		
9/3/2014					
9/19/2014					
12/17/2014					
1/10-11/2015*					
2/1/2015*					
2/16-17/2015*					
5/24/2015*					
6/10/2015*					
6/19/2015*					
6/24/2015*					
4/3/2017	CRG0002, which specifies 17 Point Sources in the deviation report			2420-00027-V9	17, 20, 21, 26, 27, 42, 43, 47 and 98
4/9/2017*					
6/1/2017*					
	CRG0005, which specifies 5 Point Sources in the deviation report				

ADA Carbon Solutions (Red River), LLC

AE-PP-13-01370

Page 4

Date	Emissions Source	Permit	Specific Requirements
	CRG0010, which specifies 9 Point Sources in the deviation report CRG0011, which specifies 1 Point Sources in the deviation report EQT0001		
* Inspection form was noted as incomplete			

Each failure to maintain accurate and complete visible emissions records for each emission source is also a violation of LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).

- E. In the Respondent's 2013 Second Semiannual Monitoring Report dated March 26, 2014, the Respondent reported an exceedance of the permit limits. Specifically, on or about August 19, 2013, from 7:00pm to 8:00pm, the Respondent operated EP-101 Production Line No. 1 (EQT0001) with a sulfur dioxide (SO₂) hourly emission rate of 126.29 lbs/hr exceeding the permit limit of 121.44 lbs/hr. This exceedance is a violation of PSD Permit No. PSD-LA-727 (M-1) Maximum Allowable Emissions Rates, Specific Requirement 182 of Title V Air Permit No. 2420-00027-V3, LAC 33:III.509, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- F. In the Respondent's 2016 First Semiannual Monitoring Report, and 2016 Second Semiannual Report dated September 28, 2016, and March 31, 2017, the Respondent reported exceedances of the permit limits. Specifically, the Respondent operated EP-101 Production Line No. 1 (EQT0001) on or about March 20, 2016, from 2:00pm to 3:00pm, and experienced mechanical issues while installing new urea pump sets on the afterburner. The pump swap resulted in a Nitrogen Oxide (NO_x) hourly emission rate of 95.93 lbs/hr exceeding the permit limit of 92.7 lbs/hr. This exceedance is a violation of PSD Permit No. PSD-LA-727(M-2) Maximum Allowable Emissions Rates, Specific Requirement 182 of Title V Air Permit No. 2420-00027-V7, LAC 33:III.509, LAC 33:III.501.C.4, La R.S. 30:2057(A)(1) and 30:2057(A)(2). Additionally, the Respondent operated EP-101 Production Line No. 1 (EQT0001) on or about September 1, 2016, at 8:00am, and experienced a loss of slurry flow to the Spray Dry Absorbers (SDA) atomizers. The loss of slurry flow resulted in a sulfur dioxide (SO₂) hourly emission rate of 159.85 lbs/hr exceeding the permit limit of 121.44 lbs/hr, and December 22, 2016, at 8:00am with a sulfur dioxide (SO₂) hourly emission rate of 155.56 lbs/hr exceeding the permit limit of 151.66 lbs/hr. This exceedance is a violation of PSD Permit No. PSD-LA-727(M-3) Maximum Allowable Emissions Rates, Specific Requirement 182 of Title V Air Permit No. 2420-00027-V8, LAC 33:III.509, LAC 33:III.501.C.4, La R.S. 30:2057(A)(1) and 30:2057(A)(2).
- G. In the facility's 2014 First Semiannual Monitoring Report, 2014 Second Semiannual Monitoring Report, 2015 First Semiannual Monitoring Report, 2015 Second Semiannual Monitoring Report, and 2016 First Semiannual Monitoring Report dated September 24, 2014, February 27, 2015, September 24, 2015, March 18, 2016, and September 28, 2016, respectively, the Respondent reported a violation with respect to the Department-approved SO₂ Alternative Monitoring Plan (AMP). Specifically, the Respondent failed to continuously monitor activated carbon mass rate (lbs/hr) at the outlet of the multi-hearth furnace (MHF) using weigh belt feeders. According to the 2015 Second Semiannual Monitoring report, the Respondent removed the original weigh belt

ADA Carbon Solutions (Red River), LLC

AE-PP-13-01370

Page 5

feeders in 2010 after determining they were unreliable in providing an accurate measurement of activated carbon mass flow rate. This failure to continuously monitor is a violation of Specific Requirement 1 of Title V Air Permit No. 2420-00027-V5, Title V Air Permit No. 2420-00027-V6, Title V Air Permit No. 2420-00027-V7, Specific Requirement 44 of Title V Air Permit No. 2420-00027-V8, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2). Upon removal of the weigh belt feeders, the Respondent has since used a standard yield calculation based on coal feed rate to obtain a mass balance for calculating SO₂. The Respondent has since updated Specific Requirement 49 of Title V Air Permit No. 2420-00027-V9, which was issued on February 8, 2017, to state the activated carbon mass rate at the outlet of the MHF shall be monitored daily by calculating the activated carbon mass rate (lb/hr). from a standard yield calculation based on MHF coal feed rate (lb/hr).

- H. In the facility's 2014 Second Semiannual Monitoring Report and 2015 First Semiannual Monitoring Report dated February 27, 2015, and September 24, 2015, respectively, the Respondent reported the following incidents of opacity greater than or equal to twenty (20) percent, except for emissions that have an average opacity in excess of twenty (20) percent for not more than one (1) six-minute period in any sixty (60) consecutive minutes:

ID	Description	Exceedance Date	Permit Violation
EQT0039	EP-112 GAC Storage Silo 2 Bin Vent and MHF Material Handling	1/1/2015	2420-00027-V6 Specific Requirement 81
EQT0091	EP-156 Truck Loading from Solids Silo	8/2/2014 8/4-7/2014 8/11-13/2014 8/15/2014 8/17-22/2014 8/25-29/2014 9/2-5/2014	2420-00027-V6 Specific Requirement 105
EQT0091	EP-156 Truck Loading from Solids Silo	9/8-9/2014 9/15/2014 9/19/2014 9/22-26/2014 9/28/2014 9/29/2014 2/3/2015	2420-00027-V6 Specific Requirement 105
EQT0098	EP-271 Mill 3	11/11/2014	2420-00027-V6 Specific Requirement 81
**A variance was issued on 10/9/2014, which expired on 11/15/2014, granting the Respondent authorization to exceed opacity for EQT0091 to conduct ash silo cleanout activities.			

Each opacity exceedance is also a violation of LAC 33:III.1311.C, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

ADA Carbon Solutions (Red River), LLC

AE-PP-13-01370

Page 6

- I. On or about July 17, 2016, the Respondent experienced a release of benzene. Specifically, a fan speed increase to relieve pressure on a furnace resulted in a trip of the emergency vents. The operator in the control room switched the system from auto to manual response and made adjustments to increase speed but the fan did not catch up. The release resulted in an exceedance of the annual 0.005 tpy permit limit for benzene for the facility. The incident resulted in an upset condition and was deemed preventable. The incident resulted in an exceedance of the annual benzene limits for the facility, this is a violation of Title V Air Permit No. 2420-00027-V7, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

- J. On or about July 23, 2016, the Respondent experienced a release (T-171864) of benzene, butadiene, and VOCs due to a loss of power to multi-hearth furnaces on the EP-101 Production Line No. 1 (EQT0001). Specifically, the Respondent had a communication loss in the plant control system, and as a result the system went into fail-safe mode. The release lasted for about three (3) hours and resulted in approximately 121 pounds of benzene, 35 pounds of butadiene, and 14,849 pounds of VOCs. The release was deemed preventable. The incident resulted in an exceedance of the annual benzene limits for the facility, and is a violation of Title V Permit No. 2420-00027-V7, LAC 33:III.501.C.4, La R.S. 30:2057(A)(1) and 30:2057(A)(2).

Pursuant to La. R.S. 30:2050.3(B), you are hereby notified that the issuance of a penalty assessment is being considered for the violation(s) described herein. Written comments may be filed regarding the violation(s) and the contemplated penalty. If you elect to submit comments, it is requested that they be submitted within ten (10) days of receipt of this notice.

Prior to the issuance of any additional appropriate enforcement action, you may request a meeting with the Department to present any mitigating circumstances concerning the violation(s). If you would like to have such a meeting, please contact Madison Kirkland at (225) 219-3165 or Madison.Kirkland@la.gov within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.

The Department is required by La. R.S. 30:2025(E)(3)(a) to consider the gross revenues of the Respondent and the monetary benefits of noncompliance in order to determine whether a penalty will be assessed and the amount of such penalty. Please forward the Respondent's most current annual gross revenue statement along with a statement of the monetary benefits of noncompliance for the cited violations to the above named contact person within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**. Include with your statement of monetary benefits the method(s) you utilized to arrive at the sum. If you assert that no monetary benefits have been gained, you are to fully justify this statement.

For each violation described herein, the Department reserves the right to seek civil penalties and the right to seek compliance with its rules and regulations in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such penalties and compliance.

To December 20, 2018

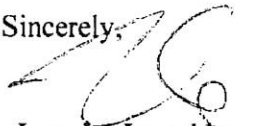
ADA Carbon Solutions (Red River), LLC

AE-PP-13-01370

Page 7

reduce document handling, please refer to the Enforcement Tracking Number and Agency Interest Number on the front of this document on all correspondence in response to this action.

Sincerely,



Lourdes Iturralde

Assistant Secretary

Office of Environmental Compliance

LI/MLK/mlk

Alt ID No. 2420-00027

c: ADA Carbon Solutions
201 Red River Mine Rd.
Coushatta, LA 71019

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
 OFFICE OF ENVIRONMENTAL COMPLIANCE
 ENFORCEMENT DIVISION
 POST OFFICE BOX 4312
 BATON ROUGE, LOUISIANA 70821-4312

**NOTICE OF POTENTIAL PENALTY
 REQUEST TO SETTLE (OPTIONAL)**



Enforcement Tracking No.	AE-PP-13-01370	Contact Name	Madison Kirkland
Agency Interest (AI) No.	152139	Contact Phone No.	225-219-3165
Alternate ID No.	2420-00027	Contact Email	Madison.Kirkland@la.gov
Respondent:	ADA Carbon Solutions (Red River) LLC	Facility Name:	ADA Carbon Solutions
	c/o C T Corporation System	Physical Location:	201 Red River Mine Rd.
	Agent for Service of Process		
	3867 Plaza Tower Dr. Baton Rouge, LA 70816	City, State, Zip:	Coushatta, LA 71019
		Parish:	Red River

SETTLEMENT OFFER (OPTIONAL)

(check the applicable option)

_____ The Respondent is not interested in entering into settlement negotiations with the Department with the understanding that the Department has the right to assess civil penalties based on LAC 33:I.Subpart1.Chapter7.

_____ In order to resolve any claim for civil penalties for the violations in **NOTICE OF POTENTIAL PENALTY** (AE-PP-13-01370), the Respondent is interested in entering into settlement negotiations with the Department and would like to set up a meeting to discuss settlement procedures.

_____ In order to resolve any claim for civil penalties for the violations in **NOTICE OF POTENTIAL PENALTY** (AE-PP-13-01370), the Respondent is interested in entering into settlement negotiations with the Department and offers to pay \$ _____ which shall include LDEQ enforcement costs and any monetary benefit of non-compliance.

- Monetary component = \$ _____
- Beneficial Environmental Project (BEP) component (optional)= \$ _____

• **DO NOT SUBMIT PAYMENT OF THE OFFER WITH THIS FORM- the Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.**

_____ The Respondent has reviewed the violations noted in **NOTICE OF POTENTIAL PENALTY** (AE-PP-13-01370) and has attached a justification of its offer and a description of any BEPs if included in settlement offer.

CERTIFICATION STATEMENT

I certify, under provisions in Louisiana and United States law that provide criminal penalties for false statements, that based on information and belief formed after reasonable inquiry, the statements and information attached and the compliance statement above, are true, accurate, and complete. I also certify that I do not owe outstanding fees or penalties to the Department for this facility or any other facility I own or operate. I further certify that I am either the Respondent or an authorized representative of the Respondent.

Respondent's Signature	Respondent's Printed Name	Respondent's Title
Respondent's Physical Address	Respondent's Phone #	Date

MAIL COMPLETED DOCUMENT TO THE ADDRESS BELOW:

Louisiana Department of Environmental Quality
 Office of Environmental Compliance
 Enforcement Division
 P.O. Box 4312
 Baton Rouge, LA 70821
Attn: Madison Kirkland