

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

IN THE MATTER OF:

AFIN: 70-00040

Case #: CAO-25-0100

LSB Chemical L.L.C.
4500 NW AVE
EL DORADO, AR 71730

Consent Administrative Order

This Consent Administrative Order (CAO) is issued pursuant to the authority delegated under the federal Clean Air Act, 42 U.S.C. § 7401 et seq., and the federal regulations issued thereunder. In addition, this CAO is issued pursuant to the authority of the Arkansas Water and Air Pollution Control Act (the Act), Ark. Code Ann. § 8-4-101 et seq., 8 Code of Arkansas Rules (CAR) pt. 10, 8 CAR pt. 11, 8 CAR pt. 40, 8 CAR pt. 41, and 8 CAR pt. 42.

The issues herein having been settled by agreement of LSB Chemical L.L.C. (Respondent) and the Director of the Arkansas Department of Energy and Environment, Division of Environmental Quality (DEQ), it is hereby agreed and stipulated that the following Findings of Fact and Order and Agreement be entered.

Findings of Fact

1. Respondent operates a [chemical manufacturing facility located at 4500 North West Avenue in El Dorado, Union County, Arkansas \(Site\)](#).
2. [DEQ issued Air Title V Permit 0573-AOP-R25 \(Permit\) to Respondent on September 11, 2024.](#)

3. Arkansas Code Annotated § 8-4-217(a)(3) provides:
 - (a) It shall be unlawful for any person to:

...

(3) Violate any provisions of this chapter or of any rule or order adopted by the Arkansas Pollution Control and Ecology Commission under this chapter or of a permit issued under this chapter by the Division of Environmental Quality.
4. Pursuant to Ark. Code Ann. § 8-4-103(c)(1)(A)-(B):
 - (A) Any person that violates any provision of this chapter and rules, permits, or plans issued pursuant to this chapter may be assessed an administrative civil penalty not to exceed ten thousand dollars (\$10,000) per violation.
 - (B) Each day of a continuing violation may be deemed a separate violation for purposes of penalty assessment.
5. On June 12, 2025, DEQ performed a full air compliance evaluation at the Site covering the reporting period of July 1, 2023 through April 30, 2025.
6. On July 11, 2025, DEQ notified Respondent of the evaluation results. This was intended to provide Respondent with the opportunity to review the non-compliance items and submit any additional information Respondent deemed appropriate regarding the issues. A written response addressing the non-compliance items was to be submitted by August 11, 2025.
7. On August 6, 2025, DEQ received Respondent's written response regarding the actions taken to correct the non-compliance items. Respondent stated the following:
 - a. On June 1, 2024, the Sulfuric Acid Plant (SN-07) experienced a malfunction and shutdown due to a mechanical pump failure. The Intermediate Pressure Pump

ceased pumping acid over the absorption tower, which resulted in the elevated SO₂ emissions.

- b. On March 4, 2025, the DMW Nitric Acid Plant (SN-13) experienced a shutdown and startup sequence, which resulted in the elevated NO_x emissions. This occurred after multiple days of intermittent shutdowns due to cooling system issues and speed control adjustments.
 - c. The Startup Shutdown Malfunction (SSM) report would be revised to reflect the June 1, 2024 and March 4, 2025 events.
8. On August 28, 2025, DEQ notified Respondent via a Notice of Non-Compliance (NNC) stating that formal enforcement was proceeding regarding the violations in the list below.
9. On January 8, 2026, DEQ proposed a consent administrative order. On February 18, 2026, Respondent provided a response that requested revisions to the list of violations and a penalty reduction.
10. List of Violations:
 - (a) Failure to comply with a delegated NSPS requirement. (8 CAR § 41-204 and 40 C.F.R. § 60)

Respondent's facility is subject to the provisions of 40 C.F.R., Part 60, Subpart H—Standards of Performance of New Stationary Sources for Sulfuric Acid Plants (Subpart H).

Specific Condition 74 requires that Respondent shall not exceed the SO₂ emissions limit of 4 lb/ton at SN-07.

Specific Condition 78(a) and 40 CFR 60.82 (Subpart H) states that Respondent shall not exceed the SO₂ emission rate of 2kg/ton of acid production at SN-07.

During the evaluation, a review of records indicated that Respondent exceeded the SO₂ emissions rate limit by emitting 9 lb/ton and 7 lb/ton at SN-07 for two (2) hours on June 1, 2024, which violates Specific Conditions 74 and 78 of the Permit and Subpart H.

(b) Exceedance of a non-criteria pollutant emission limit. (8 CAR § 40-701)

Specific Condition 92 requires that Respondent shall not exceed the NH₃ limit of 10 lb/hr at the E2 Plant Chemical Steam Scrubber (SN-41).

During the evaluation, a review of records indicated that Respondent exceeded the NH₃ limits for four (4) hours on April 1, 2025, and two (2) hours on April 6, 2025, which violates Specific Condition 92 of the Permit.

(c) Failure to meet record keeping or reporting conditions that are for enforcement of a non-criteria pollutant emission limit or 8 CAR pt. 40 opacity limit. (8 CAR § 40-904)

Plantwide Condition 9 requires that Respondent shall maintain a SSM plan for SN-07, SN-13, and SN-41.

During the evaluation, a review of the SSM plan indicated that the SSM plan is not maintained in a way to determine compliance accurately, which violates Plantwide Condition 9 of the Permit.

(d) Exceedance of a criteria pollutant emission limit. (8 CAR § 41-401)

Specific Condition 1 requires that Respondent shall not exceed the NO_x emission limit of 16.7 lb/hr at SN-13.

Specific Condition 6 requires that Respondent shall not exceed the NO_x emission rate of 1.0 lb/ton of 100 nitric acid production at SN-13.

During the evaluation, a review of records indicated that Respondent exceeded the NO_x

emission limits for five (5) hours on March 4, 2025, which violates Specific Conditions 1 and 6 of the Permit.

Order and Agreement

WHEREFORE, the parties stipulate and agree as follows:

1. Within thirty (30) calendar days of the effective date of this CAO, Respondent shall submit a revised SSM Plan and revised SSM Reporting Forms to DEQ to address SN-07, SN-13, and SN-41 in reference to Plantwide Condition 9. This should include revising the table references, updating the notification system, and adding the protocol to the report. Upon receipt of the revised SSM Plan and SSM Reporting Forms, DEQ may request additional information or revisions.
2. In compromise and full settlement of the violations specified in the Findings of Fact, Respondent agrees to pay a civil penalty of THIRTEEN THOUSAND SEVEN HUNDRED DOLLARS (\$13,700.00), of which ten percent (10%) shall be paid as reimbursement to DEQ for administrative costs associated with this CAO. Payment is due within thirty (30) calendar days after the effective date of this CAO. Payment can be made online using the Financials tab of your site in SEEK or mailed in by check. The Compliance Action Number should be referenced in the memo line of paper checks and be made payable to: DEQ, Fiscal Division, 5301 Northshore Drive, North Little Rock, Arkansas 72118-5317. In the event that Respondent fails to pay the civil penalty within the prescribed time, DEQ shall be entitled to attorneys' fees and costs associated with collection.
3. All requirements of this CAO are subject to approval by DEQ. In the event of any deficiency, Respondent shall, within the timeframe specified by DEQ, submit any

additional information or changes requested, or take additional actions specified by DEQ to correct any such deficiencies. Failure to respond adequately to the notice of deficiency within the timeframe specified by DEQ constitutes a failure to meet the requirements established by this CAO and is subject to the civil penalties established in the following Paragraph.

4. Failure to meet any term(s) of this CAO or the applicable approved schedules provided for herein constitutes a violation of this CAO. If Respondent fails to meet any term(s) of this CAO, Respondent shall pay, on demand, to DEQ civil penalties according to the following schedule:

(a) First day through the fourteenth day:	\$100 per day
(b) Fifteenth day through the thirtieth day:	\$500 per day
(c) More than thirty days:	\$1,000 per day

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

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

by which those measures will be implemented.

6. DEQ may grant an extension of any provision of this CAO, provided that Respondent requests such an extension in writing and provided that the delay or anticipated delay has or will be caused by circumstances beyond the control of and without the fault of Respondent. The time for performance may be extended for a reasonable period, but in no event longer than the period of delay resulting from such circumstances. The burden of proving that any delay is caused by circumstances beyond the control of and without the fault of Respondent and the length of the delay attributable to such circumstances shall rest with Respondent. Failure to notify DEQ promptly, as provided in the previous paragraph of the Order and Agreement, shall be grounds for a denial of an extension.
7. This CAO is subject to public review and comment in accordance with Ark. Code Ann. § 8-4-103(d) and therefore is not effective until thirty (30) calendar days after public notice of the CAO is given. DEQ retains the right and discretion to rescind this CAO based on comments received within the thirty (30) day public comment period. Notwithstanding the public notice requirements, the corrective actions necessary to achieve compliance shall be taken immediately.
8. As provided by 8 CAR pt. 11, this matter is subject to being reopened upon Pollution Control and Ecology Commission (Commission) initiative or in the event a petition to set aside this CAO is granted by the Commission.
9. Nothing contained in this CAO shall relieve Respondent of any obligations imposed by any other applicable local, state, or federal laws. Except as specifically provided herein, nothing contained in this CAO shall be deemed in any way to relieve Respondent of responsibilities contained in the permit.

10. Nothing in this CAO shall be construed as a waiver by DEQ of its enforcement authority over alleged violations not specifically addressed herein. In addition, this CAO neither exonerates Respondent from any past, present, or future conduct that is not expressly addressed herein, nor relieves Respondent of the responsibilities for obtaining any necessary permits.
11. The individual signing this CAO represents that he or she is an Officer of Respondent, being duly authorized to execute and bind Respondent to the terms contained herein. Execution of this CAO by an individual other than an Officer of Respondent shall be accompanied by a resolution granting signature authority to that individual as duly ratified by the governing body of the entity.

It is so ordered.

Consent Administrative Order - Approval Form

version 1.8

(Submission #: HQJ-EVJC-NT45V, version 1)

Digitally signed by:
SEEK Prod - Internal
Date: 2026.06.24 12:59:13 -05:00
Reason: Copy Of Record
Location: State of Arkansas

Details

Submission ID HQJ-EVJC-NT45V

Form Input

Consent Administrative Order

Case Number
CAO-25-0100

Consent Administrative Order Attachment
ENF - CAO.pdf - 06/02/2026 01:01 PM
Comment
NONE PROVIDED

Agreements and Signature(s)

SUBMISSION AGREEMENTS

- ☒ I am the owner of the account used to perform the electronic submission and signature.
- ☒ I have the authority to submit the data on behalf of the facility I am representing.
- ☒ I agree that providing the account credentials to sign the submission document constitutes an electronic signature equivalent to my written signature.
- ☒ I have reviewed the electronic form being submitted in its entirety, and agree to the validity and accuracy of the information contained within it to the best of my knowledge.

Respondent Signatory Authority

I certify that I am authorized to execute this CAO and to legally bind Respondent to its terms and conditions.

Signed By Howard Stevens on 06/15/2026 at 7:19 AM

Chief Administrator of Environment and DEQ Director, Arkansas Department of Energy and Environment

This CAO is agreed to and ordered as of the date of my signature.

Signed By Bailey Taylor on 06/24/2026 at 12:58 PM