

U.S. ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C.

In the Matter of:)
)
Suncor Energy (U.S.A.) Inc.)
)
Respondent.)
)

SETTLEMENT AGREEMENT
AED/MSEB No. 7237

THIS SETTLEMENT AGREEMENT is made and entered into by and between the United States Environmental Protection Agency (EPA) and Suncor Energy (U.S.A.) Inc., which is headquartered at 7800 East Orchard Rd., Greenwood Village, Colorado 80111 (Respondent).

Preliminary Statement

1. This case involves alleged violations of Section 211 of the Clean Air Act (CAA), 42 U.S.C. § 7545, and the regulations promulgated thereunder at 40 C.F.R. Part 80 (Regulation of Fuels and Fuel Additives), which require conventional gasoline to meet certain emission standards.
2. On September 8, 2005, Respondent voluntarily informed EPA about possible compliance issues relating to one batch of gasoline that it produced at its Denver East refinery on July 24, 2005, and one batch of gasoline that it produced at its Denver West refinery on July 26, 2005.
3. Based upon the information set forth in its self-disclosure and additional information provided to EPA by Respondent, EPA alleges that Respondent violated 40 C.F.R. § 80.27(a)(2)(ii) by selling, offering for sale, supplying or introducing into commerce a 3,000 barrel batch of gasoline with a Reid vapor pressure (RVP) that exceeded the

applicable volatility standard from its Denver East refinery on July 24, 2005, and a 16,000 barrel batch of gasoline with an RVP that exceeded the applicable volatility standard from its Denver West refinery on July 26, 2005. EPA also alleges that Respondent violated 40 C.F.R. § 80.330 by failing to collect and analyze a representative sample of the batch of gasoline that Respondent produced at its Denver East Refinery on July 24, 2005, prior to the time that the gasoline left the refinery, for the purpose of determining the sulfur content of the gasoline by using the test methods set forth in 40 C.F.R. § 80.46;

4. The parties, desiring to settle and resolve this matter, in consideration of the mutual covenants and agreements contained herein, which consideration is acknowledged by the parties to be adequate, agree as set forth herein.

Terms of Agreement

5. The parties stipulate and agree to the matters identified in this Paragraph. It is further agreed that these stipulations are applicable to this settlement agreement (Agreement) and any enforcement or penalty arising out of this Agreement or the subject matter of this Agreement:
 - a. The parties agree that the settlement of this matter is in the public interest and that this Agreement is the most appropriate means of resolving the matter;
 - b. Jurisdiction to settle this matter exists pursuant to Section 211 of the CAA, 42 U.S.C. § 7545, 40 C.F.R. Part 80 and other provisions of law;
 - c. At all relevant times, Respondent was a refiner within the meaning of 40 C.F.R. § 80.2(i).

- d. This Agreement resolves, as to the Respondent, the violations alleged in Paragraph 3. Nothing in this Agreement shall be deemed or construed as an admission of liability by Respondent with respect to the violations alleged in paragraph 3.
 - e. Respondent asserts that it has corrected its practices to address the conditions that gave rise to the alleged violations and to prevent their future occurrences.
6. Under this Agreement, Respondent agrees to pay a civil penalty of \$30,000 to the United States of America by no later than thirty days from the effective date of this Agreement. Late payment of the civil penalty is subject to interest pursuant to Paragraph 7 and stipulated penalties pursuant to Paragraph 9 of this Agreement. The civil penalty shall be paid by check made payable to the "United States of America," and the payment shall be mailed to:

U.S. Environmental Protection Agency
Washington Accounting Operations
P.O. Box 360277M
Pittsburgh, Pennsylvania 15251
Attn: AED/MSEB - 7237

A photocopy of the check shall be telefaxed simultaneously to:

Jeff Kodish, Attorney
U.S. Environmental Protection Agency
12345 West Alameda Parkway, Suite 214
Denver, CO 80228
(303) 236-9514

7. Interest, at the statutory judgment rate provided for in 31 U.S.C. § 3717, will begin to accrue the day after the civil penalty agreed herein is due. Pursuant to 31 U.S.C. § 3717, Respondent must pay the following amounts on any amount overdue: Any unpaid portion

of a civil penalty must bear interest at the rate established by the Secretary of the Treasury pursuant to 31 U.S.C. § 3717(a)(1).

8. Under 28 U.S.C. § 162(f), penalties paid pursuant to this Agreement are not deductible for federal tax purposes.
9. Respondent agrees to pay stipulated penalties of \$100 per day for failure to timely pay the penalty, or provide proof thereof, pursuant to Paragraph 6.
10. The parties further agree that upon default or failure to comply with Paragraphs 6 and/or 9, EPA may refer this matter to the Department of Justice for collection pursuant to Section 211(d) of the CAA, 42 U.S.C. § 7545(d), commence an action to enforce this Agreement or to recover the civil penalty pursuant to Section 211 of the CAA; or pursue any other remedies available to it.
11. Nothing herein shall limit the right of EPA to proceed against Respondent in the event of default or noncompliance with this Agreement; for violations of Section 211 of the CAA, 42 U.S.C. § 7545, which are not the subject matter of this Agreement; or for other violations of law; or with respect to other matters not within the scope of this Agreement.
12. Respondent specifically agrees that in the event of such default or failure to comply with this Agreement, EPA may proceed in an action based on the allegations set forth herein, and Respondent expressly waives its right to assert that any action based upon the allegations set forth herein is barred by 28 U.S.C. § 2462, other statutes of limitation, or other provisions limiting actions as a result of passage of time.
13. If any provision or provisions of this Agreement are held to be invalid, illegal or unenforceable, Respondent expressly waives its right to assert that any action based upon

the allegations set forth herein is barred by 28 U.S.C. § 2462, other statutes of limitation, or other provisions limiting actions as a result of passage of time.

14. This Agreement becomes effective upon the date signed by the EPA, after which time a copy will be forwarded to the Respondent.
15. Each party hereby represents to the other that the individuals executing this Agreement on behalf of the party are authorized to do so and that such execution is intended and is sufficient to bind the party and, as applicable, its officers, agents, directors, owners, heirs, assigns, and successors.
16. Respondent waives its rights, if any, to a hearing, trial or any other proceeding on any issue of fact or law relating to matters agreed to herein.
17. The validity, enforceability and construction of all matters pertaining to this Agreement shall be determined in accordance with applicable federal law.
18. The effect of the settlement is conditional upon the accuracy of Respondent's disclosures and representations made in Paragraph 5 (e).
19. Upon completion of the terms of this Agreement, this matter shall be deemed terminated and resolved.
20. This Agreement in no way affects, or relieves Respondent of responsibility to comply with other state, federal or local law or regulations.

The following agree to the terms of this Agreement:

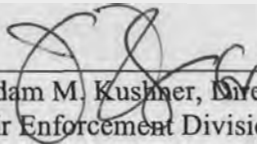
Suncor Energy (U.S.A.) Inc.

WILLIAM H. BUCKALEW

By: GENERAL MANAGER, REFINING & PIPELINES Date: JULY 25, 2007
Typed Name
Typed Title

**Administrative Settlement Agreement
In the Matter of: Suncor Energy (U.S.A.) Inc.
AED/MSEB # 7237**

United States Environmental Protection Agency

By: 
Adam M. Kushner, Director
Air Enforcement Division
Office of Enforcement and Compliance Assurance

Date: 8-23-07

