

ENTERED

August 13, 2018

David J. Bradley, Clerk

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS

UNITED STATES OF AMERICA,
STATE OF ILLINOIS,
STATE OF LOUISIANA,
STATE OF NEW JERSEY,
COMMONWEALTH OF PENNSYLVANIA,
NORTHWEST CLEAN AIR AGENCY,

Plaintiffs,

v.

PHILLIPS 66 COMPANY,
WRB REFINING LP,
MONROE ENERGY, LLC,

Defendants.

CIVIL ACTION NO. 4:05-cv-00258

JUDGE SIM LAKE

**ORDER
FOR PAYMENT OF STIPULATED PENALTIES AND,
IF THE UNITED STATES FILES NOTICE OF
ENTRY OF WOOD RIVER REFINERY CONSENT DECREE,
PARTIAL TERMINATION OF 2005 CONSENT DECREE
(WOOD RIVER REFINERY TERMINATION ONLY)**

This Court, having reviewed the Joint Motion (“Joint Motion”) of Plaintiffs the United States and Illinois and Defendants WRB Refining and Phillips 66 for Payment of Stipulated Penalties and Conditional, Partial Termination of the Consent Decree entered in this Court in the above-captioned action on December 5, 2005 (“2005 Consent Decree”), hereby finds:

The Parties to the Joint Motion desire to resolve a dispute involving alleged stipulated penalties due under the 2005 Consent Decree at a refinery covered by the 2005 Consent Decree

and known as the Wood River Refinery in Southern Illinois. The payment of stipulated penalties is a condition for termination of the 2005 Consent Decree.

The Parties to the Joint Motion executed a proposed Consent Decree involving the Wood River Refinery that includes, *inter alia*, a resolution of the one issue that is still outstanding from the 2005 Consent Decree involving the Wood River Refinery. On the same day as the filing of the Joint Motion in this Court, the United States “lodged” that “Proposed Wood River Refinery Consent Decree” in the United States District Court for the Southern District of Illinois for the purpose of soliciting public comments.

If the Proposed Consent Decree is entered by the United States District Court for the Southern District of Illinois after a review of public comments (if any), then the Parties to this Joint Motion seek to terminate the 2005 Consent Decree as to the Wood River Refinery because, with the payment of stipulated penalties under this Order and the entry of the stand-alone Wood River Refinery Consent Decree, the conditions for termination of the 2005 Consent Decree as to the Wood River Refinery will be satisfied.

Now, therefore, having found cause good for the Joint Motion, this Court hereby

ORDERS:

1. By no later than thirty days after the Date of Entry of this Order, WR3/P66 shall pay a stipulated penalty of \$515,000. Fifty percent (50%) of this penalty (\$257,500) shall be paid to the United States and fifty percent (50%) of this penalty (\$257,500) shall be paid to the Illinois.

2. Payment to the United States shall be made in accordance with Paragraph 281 of the 2005 Consent Decree.

3. Payment to the Illinois shall be made by certified or corporate check made payable to the "Illinois Environmental Protection Agency" for deposit into the Environmental Protection Trust ("EPTF") and shall be sent by first class mail and delivered to:

Illinois Environmental Protection Agency
Fiscal Services
1021 North Grand Avenue East
Post Office Box 19276
Springfield, Illinois 62794-9276

The name and number of the case shall appear on the check. A copy of the certified or corporate check and the transmittal letter shall be sent to:

Chief, Environmental Bureau
Illinois Attorney General's Office
500 South Second Street
Springfield, Illinois 62706

4. Entry of this Order shall resolve the liability of WRB/P66 to the United States and the Illinois for all claims for stipulated penalties that may have accrued or been assessed as of the date of the filing of the Joint Motion for alleged non-compliance with the 2005 Consent Decree at the Wood River Refinery.

5. The United States shall file a notice with this Court ("Notice") after the United States District Court for the Southern District of Illinois acts on the Proposed Wood River Refinery Consent Decree. In this Notice, the United States shall also indicate whether WRB/P66 has paid the stipulated penalties due under this Order.

6. If the Notice indicates that the Proposed Wood River Refinery Consent Decree has not been entered or the stipulated penalties have not been paid, then the 2005 Consent Decree shall not be terminated.

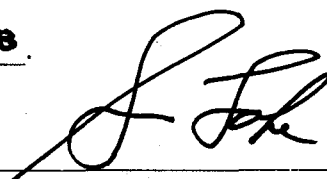
7. If the Notice indicates that the Proposed Wood River Refinery Consent Decree has been entered and stipulated penalties have been paid, then, upon the date of this Court's receipt of the United States' Paragraph 4 notification:

- a. All provisions of the 2005 Consent Decree relating to the Wood River Refinery shall be terminated;
- b. Paragraph 95 of the 2005 Consent Decree will be amended to require Phillips 66 to demonstrate and certify, in accordance with the requirements of Paragraph 95, a total of 2,530.8 tons per year of NOx reductions from the heaters and boilers at all Covered Refineries except for the Trainer Refinery and the Wood River Refinery.

8. The entry of this Order shall not affect, alter, or amend any obligation or requirement pertaining to any refinery or facility covered by the 2005 Consent Decree other than the Wood River Refinery.

9. The entry of this Order will not affect the interest of any of the parties to the 2005 Consent Decree other than the Parties to the Joint Motion.

Dated this 13th day of AUGUST, 2018.



UNITED STATES DISTRICT JUDGE