

U.S. ENVIRONMENTAL PROTECTION AGENCY
REGION 2

IN THE MATTER OF:

Former St. Croix Petrochemical Corporation
Facility
St. Croix, U.S. Virgin Islands

St. Croix Petrochemical Corporation,
Respondent

SETTLEMENT AGREEMENT
Index Number: RCRA-02-2024-7301

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I. JURISDICTION

1. This Settlement Agreement is entered into pursuant to the Solid Waste Disposal Act, as amended (commonly referred to as RCRA), 42 U.S.C. §6991 *et seq.*, the Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”), 42 U.S.C. §9601 *et seq.*, and the authority of the Attorney General of the United States to compromise and settle claims of the United States. The St. Croix Petrochemical Corporation (“SCPC”) consents to and shall not contest the authority of the U.S. Environmental Protection Agency (“EPA”) to enter into this Settlement Agreement or to implement or enforce its terms.

II. BACKGROUND

2. Hess Oil Virgin Islands Corp. (“HOVIC”), a subsidiary of Amerada Hess Corporation, began to operate a major oil refinery located at 1 Estate Hope in Christiansted on St. Croix, U.S.V.I., in or about 1965 (“Refinery”). During the period from 1973 to at least 1992, HOVIC leased an approximately 20-acre portion of the Refinery property to SCPC, which operated a para-xylene manufacturing facility at that location (“SCPC Facility”). SCPC was a joint venture of HOVIC and Hercules Islands Corp. (“Hercules”).

3. HOVIC continued to operate the Refinery until 1998, when it was taken over by HOVENSA L.L.C. (“HOVENSA”), a joint venture of HOVIC and PDVSA V.I., Inc., a subsidiary of *Petróleos de Venezuela, S.A.*, the national oil company of Venezuela. HOVENSA continued to operate the Refinery until 2012, when active operations were shut down. On September 15, 2015, HOVENSA filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. *In re Hovensa*, No. 1:15-10003-MFW (Bankr. D.V.I.). In connection with this bankruptcy case, certain refinery assets were sold to Limetree Bay Terminals, LLC, which later transferred those assets to Limetree Bay Refining, LLC (“Limetree Refining”). Limetree Refining took steps to start up certain refinery operations in 2020. In 2021, Limetree Refining shut down active refinery operations pursuant to an EPA order. On July 12, 2021, Limetree Refining and certain related entities filed for relief under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of Texas. *In re Limetree Bay Services, LLC, et al.*, No. 4:21-bk-3235. On January 21, 2022, Limetree Refining, in connection with the bankruptcy case, sold certain refinery assets to West Indies Petroleum Limited and Port Hamilton Refining and Transportation, LLLP.

4. EPA alleges that in connection with SCPC’s production of para-xylene at the SCPC Facility, para-xylene and other hydrocarbons were released to the soil and migrated to the groundwater at the SCPC Facility.

5. EPA alleges that in connection with the operation of the Refinery, hydrocarbons were released to the soil and migrated to the groundwater at the Refinery.

6. In December 1988, EPA issued a RCRA Permit, No. VID980536080, to HOVIC (“RCRA Permit”), which authorized HOVIC to treat, store or dispose of hazardous waste. In November 1999, the RCRA Permit was renewed and issued to HOVENSA. The renewed RCRA Permit, which remains in effect and has since been modified, includes corrective action measures. Among other things, these corrective action measures require the permittee under the

RCRA Permit to remediate groundwater at locations where the level of hydrocarbons or of certain dissolved constituents fail to meet corrective action goals.

7. Pursuant to the Debtor's Second Amended Plan of Liquidation ("Plan") in the HOVENSA bankruptcy case, an environmental response trust ("ERT") was established to, among other things, continue to implement the obligations of HOVENSA under the RCRA Permit. In connection with the Plan, certain property of HOVENSA was transferred to the ERT, including the real property where the former SCPC Facility was located. In May 2017, the RCRA Permit was transferred from HOVENSA to the ERT; the ERT has been implementing corrective measures at the former HOVENSA facility pursuant to the terms of the RCRA Permit since at least May 2017. The ERT alleges that it is a remediating entity and does not own or operate any refining, terminal, power generation, or wastewater treatment units, nor does it allege that it currently operates any treatment, storage or disposal units subject to regulation under the RCRA Permit. The ERT further alleges that it does administer post closure care at two hazardous waste land farms that were closed under the Permit.

8. During the period from approximately 1986 to 2017, SCPC paid for, or reimbursed the holder of the RCRA Permit (HOVIC, HOVENSA and finally the ERT) or their contractors, for at least a portion of the RCRA corrective action costs at the SCPC Facility attributable to the para-xylene/hydrocarbon contamination caused by SCPC.

9. In 2017, the ERT's contractor ceased the pumping and treatment of groundwater at the former SCPC Facility.

10. The ERT has informed SCPC that the ERT has incurred unreimbursed past costs in the amount of at least \$386,537 remediating groundwater contamination from the location of the former SCPC Facility. The ERT demanded that SCPC reimburse it for such costs. The ERT alleges that the costs of completing the remediation of the groundwater contamination at the SCPC Facility will be about \$4.9 million.

11. EPA, which is one of the beneficiaries of the ERT, has an interest in ensuring that the ERT has sufficient funds to complete all of its groundwater cleanup obligations under the RCRA Permit.

12. EPA contends that SCPC could be subject to an enforcement action by EPA under Sections 3013 and 7003 of RCRA, 42 U.S.C. §§ 6934 and 6973, and/or Sections 106 and 107(a) of CERCLA, 42 U.S.C. §§ 9606 and 9607(a), if SCPC fails to take action to address the para-xylene/hydrocarbon contamination at the former SCPC Facility.

13. SCPC has certified that it has been a defunct corporation with no active business since 1992 and that its only remaining asset is a bank account containing \$1,750,669.48 plus additional interest that may have accrued in the account since May 31, 2023. SCPC has also certified that it has no insurance available that would cover its potential liability with respect to the para-xylene/hydrocarbon contamination.

14. EPA has determined, based on certain financial information ("Financial Information") and insurance information ("Insurance Information") submitted by SCPC, as well

as SCPC's certification concerning its financial and insurance status, that SCPC has limited financial ability to pay for the past and future costs incurred and to be incurred by the ERT in remediating the para-xylene/hydrocarbon contamination caused by SCPC.

15. The ERT and SCPC are contemporaneously entering into a settlement agreement, which is attached hereto as Appendix A ("SCPC/ERT Agreement"), pursuant to which SCPC has agreed to pay the ERT the amount of \$1,753,106.29, plus interest that may have accrued from July 31, 2023 through the date of payment, to resolve the ERT's claims related to the past and future costs of addressing SCPC's para-xylene contamination at or from the former SCPC Facility in accordance with the terms of that agreement.

16. SCPC admits to no liability arising out of the transactions or occurrences alleged by EPA and ERT.

17. Prompt settlement with SCPC is practicable and in the public interest.

18. EPA and SCPC agree that: (a) this Settlement Agreement has been negotiated by the Parties in good faith; (b) settlement of this matter without further litigation and without any further admission or adjudication of any issue of fact or law is appropriate and will avoid prolonged and complicated litigation between the Parties; and (c) this Settlement Agreement is fair, reasonable, and in the public interest.

NOW, THEREFORE, it is hereby AGREED TO and ORDERED:

III. PARTIES BOUND

19. This Settlement Agreement is binding upon EPA and upon SCPC. Unless EPA otherwise consents, (a) any change in ownership or corporate or other legal status of SCPC, including any transfer of assets, or (b) any transfer of the SCPC Facility or any portion thereof, does not alter any of SCPC's obligations under this Settlement Agreement.

20. In any action to enforce this Settlement Agreement, SCPC may not raise as a defense the failure of any officer, director, employee, agent, contractor, subcontractor, or any person representing SCPC to take any action necessary to comply with this Settlement Agreement. SCPC shall provide notice of this Settlement Agreement to each person representing SCPC with respect to SCPC's obligations regarding the SCPC Facility under this Settlement Agreement.

IV. STATEMENT OF PURPOSE

21. The objectives of the Parties in entering into this Settlement Agreement is for SCPC to resolve its alleged civil liability regarding the SCPC Facility under Sections 3013 and 7003 of RCRA, 42 U.S.C. §§ 6934 and 6973, and under Sections 106 and 107(a) of CERCLA, 42 U.S.C. §§ 9606 and 9607(a), subject to the covenants and reservations in Sections VII and VIII, and, as a result, effectuate the payment of the Settlement Amount to the ERT under the terms of the SCPC/ERT Agreement.

V. DEFINITIONS

22. Terms not otherwise defined in this Settlement Agreement shall have the meanings assigned in RCRA or CERCLA or in regulations promulgated under RCRA or CERCLA. Whenever the terms set forth below are used in this Settlement Agreement, the following definitions apply:

“CERCLA” means the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. §§ 9601-9675.

“Day” or “day” means a calendar day. In computing any period under this Settlement Agreement, the day of the event that triggers the period is not counted and, where the last day is not a working day, the period runs until the close of business of the next working day. A “Working day” means any day other than a Saturday, Sunday, or federal or Virgin Islands holiday.

“Effective Date” means the date upon which EPA issues written notice to SCPC that the public comment period under Paragraph 41 has closed and that comments received, if any, do not require modification of or EPA withdrawal from this Settlement Agreement.

“EPA” means the United States Environmental Protection Agency.

“Including” or “including” means “including but not limited to.”

“Financial Information” means those financial documents identified in Appendix C.

“Insurance Information” means those insurance documents identified in Appendix C.

“Paragraph” or “¶” means a portion of this Settlement Agreement identified by an Arabic numeral or an upper or lower case letter.

“Party” means EPA or SCPC, and “Parties” means EPA and SCPC.

“RCRA” means the Solid Waste Disposal Act, as amended, 42 U.S.C. §§ 6901-6992k (also known as the Resource Conservation and Recovery Act).

“Section” means a portion of this Settlement Agreement identified by a Roman numeral.

“SCPC” means the St. Croix Petrochemical Corporation.

“SCPC/ERT Agreement” means the agreement entered into by SCPC and the ERT attached hereto at Appendix A.

“SCPC Facility” means the approximately 20-acre facility leased by SCPC from HOVIC during the period from 1973 to at least 1992 and located at the HOVIC refinery at 1 Estate Hope in Christiansted on St. Croix, U.S.V.I., as well as any area where para-xylene or hydrocarbons disposed of at the facility has come to be located. A map showing the general location of the SCPC Facility is attached hereto as Appendix B.

“Settlement Agreement” means this settlement agreement and all appendices attached hereto (listed in Section XI).

“Settlement Amount” means the amount of \$1,753,106.29, plus any interest that may have accrued on that amount from July 31, 2023, through the date of payment.

“United States” means the United States of America and each department, agency, and instrumentality of the United States, including EPA.

“Waste Material” means (a) any “hazardous substance” under Section 101(14) of CERCLA; (b) any pollutant or contaminant under Section 101(33) of CERCLA; and (c) any “solid waste” or “hazardous waste” under Section 1004(27) and 1004(5) of RCRA, respectively.

VI. PAYMENT TO ERT

23. **Payment to ERT.** Within 60 days after the Effective Date of this Settlement Agreement, SCPC shall pay the Settlement Amount to the ERT. SCPC shall send notices of the payment to EPA in accordance with ¶ 36.

VII. COVENANTS BY EPA

24. **Covenants for SCPC.** Subject to ¶¶ 26 and 27, EPA covenants not to sue or to take administrative action against SCPC under Sections 3013 and 7003 of RCRA, 42 U.S.C. §§ 6934 and 6973, or Sections 106 and 107(a) of CERCLA, 42 U.S.C. §§ 9606 and 9607(a), regarding the SCPC Facility.

25. The covenants under ¶ 24 (a) take effect on the date that ERT receives the payment required by ¶ 23 and (b) are conditioned on the satisfactory performance by SCPC of all other requirements of this Settlement Agreement.

26. **General Reservations.** Notwithstanding any other provisions of this Settlement Agreement, EPA reserves, and this Settlement Agreement is without prejudice to, all rights against SCPC regarding:

- a. liability for failure by SCPC to meet a requirement of this Settlement Agreement;
- b. liability arising from the past, present, or future disposal, release, or threat of release of Waste Material other than in connection with the SCPC Facility;
- c. liability based on the ownership of the SCPC Facility by SCPC if such ownership commences after SCPC signs this Settlement Agreement;
- d. liability based on the operation of the SCPC Facility if such operation commences after SCPC signs this Settlement Agreement;
- e. liability based on SCPC’s transportation, treatment, storage, or disposal of Waste Material that occurs after SCPC signs this Settlement Agreement;

f. liability for damages for injury to, destruction of, or loss of natural resources, and for the costs of any natural resource damage assessments; and

g. criminal liability.

27. Ability-To-Pay Certification and Reservation

a. The undersigned representative of SCPC certifies that SCPC: (1) has submitted to EPA Financial Information that fairly, accurately, and materially sets forth its financial circumstances, and those circumstances have not materially changed between the time the Financial Information was submitted to EPA and the date that SCPC signed this Settlement Agreement; (2) has fully disclosed any information regarding the existence of any insurance policies or indemnity agreements that may cover claims regarding cleanup of the SCPC Facility, and has submitted to EPA upon request any such insurance policies, indemnity agreements, and information, (3) has been a defunct corporation with no active business since 1992 and that its only remaining asset is a bank account containing \$1,753,106.29, plus interest that may have accrued in the account since July 31, 2023, and (4) has no insurance available that would cover its potential liability with respect to the para-xylene contamination.

b. The covenants under ¶ 24 are conditioned on the veracity and the completeness of the Financial Information and the Insurance Information provided to EPA by SCPC and the financial, insurance, and indemnity certification made by SCPC in ¶ 27.a. If the Financial Information or the Insurance Information provided by SCPC, or the financial, insurance, or indemnity certification made by SCPC in ¶ 27.a is subsequently determined by EPA to be false or, in any material respect, inaccurate, SCPC shall forfeit the \$1,753,106.29 payment made by SCPC to the ERT under the SCPC/ERT Agreement, and the covenants and the contribution protection provided to SCPC under this Settlement Agreement will be null and void. Such forfeiture will not constitute liquidated damages and will not in any way foreclose the United States' right to pursue any other causes of action arising from SCPC's false or materially inaccurate information. The United States reserves, and this Settlement Agreement is without prejudice to, the right to reinstitute or reopen this action or to commence a new action against SCPC seeking relief, in any manner it deems appropriate, if the Financial Information or the Insurance Information provided by SCPC, or the financial, insurance, or indemnity certification made by SCPC in ¶ 27.a, is false or, in any material respect, inaccurate.

VIII. COVENANTS BY SCPC

28. Covenants by SCPC

a. Subject to ¶ 29, SCPC covenants not to sue and shall not assert any claim or cause of action against EPA and its contractors and employees under Section 7002(a) of RCRA, CERCLA, the United States Constitution, the Tucker Act, 28 U.S.C. § 1491, the Equal Access to Justice Act, 28 U.S.C. § 2412, Virgin Islands law, or at common law regarding the SCPC Facility.

b. Subject to ¶ 29, SCPC covenants not to seek reimbursement from the Hazardous Substance Superfund established by Section 9507 of the Internal Revenue Code through CERCLA or any other law for costs regarding the SCPC Facility.

29. **SCPC's Reservation.** The covenants in ¶ 28 do not apply to any claim or cause of action brought, or order issued, after the Effective Date by the United States to the extent such claim, cause of action, or order is within the scope of a reservation under ¶¶ 26.b through 26.f or 27.

30. SCPC waives (a) all claims and causes of action it may have against any other person regarding the SCPC Facility under RCRA, and (b) all claims or causes of action (including claims or causes of action under Section 107(a) or 113 of CERCLA that it may have for response costs regarding the SCPC Facility against any other person who is a potentially responsible party under CERCLA at the SCPC Facility.

IX. EFFECT OF SETTLEMENT; CONTRIBUTION

31. The Parties agree that this Settlement Agreement constitutes an administrative settlement under which SCPC has, as of the Effective Date, resolved its liability to the United States within the meaning of Sections 113(f)(2) and 113(f)(3)(B) of CERCLA; and SCPC is entitled, as of the Effective Date, to protection from contribution actions or claims as provided by Section 113(f)(2) of CERCLA, or as may be otherwise provided by law, for the "matters addressed" in this Settlement Agreement. The "matters addressed" in this Settlement Agreement are all response actions taken or to be taken and all response costs incurred or to be incurred at or in connection with the SCPC Facility by the United States or any other person, except for the Government of the Virgin Islands; provided, however, that if EPA exercises rights under the reservations in ¶¶ 26.a through 26.f or ¶ 27, the "matters addressed" in this Settlement Agreement will no longer include those response costs or response actions or natural resource damages that are within the scope of the exercised reservation.

32. SCPC shall, with respect to any suit or claim brought by it for matters related to this Settlement Agreement, notify EPA in writing no later than 60 days prior to the initiation of such suit or claim. SCPC shall, with respect to any suit or claim brought against it for matters related to this Settlement Agreement, notify EPA within 10 days after service of the complaint on SCPC. In addition, SCPC shall notify EPA within 10 days after service or receipt of any Motion for Summary Judgment and within 10 days after receipt of any order from a court setting a case for trial.

33. **Res Judicata and Other Defenses.** In any subsequent administrative or judicial proceeding initiated by the United States for injunctive relief, recovery of response costs, or other appropriate relief relating to the SCPC Facility, SCPC shall not assert, and may not maintain, any defense or claim based upon the principles of waiver, res judicata, collateral estoppel, issue preclusion, claim-splitting, or other defenses based upon any contention that the claims raised by the United States in the subsequent proceeding were or should have been brought in the instant matter; provided, however, that nothing in this Paragraph affects the enforceability of the Covenants by EPA set forth in Section VII.

34. **Statute of Limitations.** The period commencing upon SCPC's signature and ending when the ERT receives SCPC's payment under Section VI ("Tolling Period") is not included in computing of any statute of limitations potentially applicable to any action brought by the United States against SCPC related to the "matters addressed," as defined in ¶ 31. SCPC shall not assert in any action brought by the United States regarding the "matters addressed" any affirmative defense, including laches, estoppel, waiver, or other equitable defense based on the running of any statute of limitations during the Tolling Period. If EPA notifies SCPC that it will not make this Settlement Agreement effective, the Tolling Period applicable to SCPC ends 90 days after the date such notice is sent by EPA.

35. Nothing in this Settlement Agreement diminishes the right of the United States under Section 113(f)(2) and (3) of CERCLA to pursue any person other than SCPC to obtain additional response costs or response action and to enter into settlements that give rise to contribution protection pursuant to Section 113(f)(2).

X. NOTICES AND SUBMISSIONS

36. All agreements, approvals, consents, deliverables, modifications, notices, notifications, objections, proposals, reports, waivers, and requests specified in this Settlement Agreement must be in writing unless otherwise specified. Whenever a notice is required to be given, or a deliverable is required to be sent, by one Party to another under this Settlement Agreement, it must be sent as specified below. In the case of emailed notices, there is a rebuttable presumption that such notices are received on the same day that they are sent. Any Party may change the method, person, or address applicable to it by providing notice of such change to all Parties.

As to EPA:

via email to:

Ricardito Vargas, EPA Project Coordinator
vargas.ricardito@epa.gov
Re: Former SCPC Facility at Former Hovensa Facility

Amy Chester, Assistant Regional Counsel
chester.amy@epa.gov
Re: Former SCPC Facility at former Hovensa Facility

As to SCPC:

Timothy B. Goodell
President and Director of SCPC c/o
Hess Corporation
1185 Avenue of the Americas
40th Floor
New York, New York 10036

Steve Spalding
Assistant Secretary
Hercules LLC
8145 Blazer Drive
Wilmington, DE 19808

XI. INTEGRATION AND APPENDICES

37. This Settlement Agreement constitutes the entire agreement among the Parties regarding the subject matter of the Settlement Agreement and supersedes all prior

representations, agreements and understandings, whether oral or written, regarding the subject matter of the Settlement Agreement.

38. The following appendices are attached to and incorporated into this Settlement Agreement:

“Appendix A” is the SCPC/ERT Agreement.

“Appendix B” is a map showing the general location of the SCPC Facility.

“Appendix C” is the list of Financial Information.

XII. SIGNATORIES

39. The undersigned representatives of EPA and the Department of Justice and each undersigned representative of SCPC certifies that he or she is fully authorized to enter into the terms and conditions of this Settlement Agreement and to execute and legally bind such Party to this document.

XIII. ATTORNEY GENERAL APPROVAL

40. The Attorney General or his or her designee has approved this Settlement Agreement.

XIV. PUBLIC COMMENT

41. This Settlement Agreement is subject to a public comment period of at least 30 days. EPA may modify or withdraw its consent to this Settlement Agreement if comments received disclose facts or considerations that indicate that this Settlement Agreement is inappropriate, improper, or inadequate.

The undersigned party hereby enters into this Settlement Agreement in *In the Matter of Former St. Croix Petrochemical Facility*

THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY:

Date: 11/27/23

By: Pat Evangelista
Pat Evangelista
Director
Superfund and Emergency Management Division
U.S. Environmental Protection Agency
Region 2
290 Broadway
New York, NY 10007

Digitally signed by Pat Evangelista
Date: 2023.11.27 12:53:58 -05'00'

Date: 12/4/23

By: ALYSSA ARCAYA
Alyssa Arcaya
Deputy Regional Administrator
U.S. Environmental Protection Agency
Region 2
290 Broadway
New York, NY 10007

Digitally signed by ALYSSA ARCAYA
Date: 2023.12.04 11:22:26 -05'00'

The undersigned party hereby enters into this Settlement Agreement in *In the Matter of Former St. Croix Petrochemical Facility*

FOR THE U.S. DEPARTMENT OF JUSTICE:

Ellen M. Mahan
Deputy Section Chief
U.S. Department of Justice
Environment and Natural Resources Division
Environmental Enforcement Section

Date: December 8, 2023 By: _____




David L. Gordon
Senior Counsel
U.S. Department of Justice
Environment and Natural Resources Division
Environmental Enforcement Section
P.O. Box 7611, Washington, DC 20044-7611
(202) 532-5456
david.l.gordon@usdoj.gov

The undersigned party hereby enters into this Settlement Agreement in *In the Matter of Former St. Croix Petrochemical Facility*

ST. CROIX PETROCHEMICAL CORPORATION:

Date: _____

By: _____


Timothy B. Goodell
President and Director of SCPC c/o Hess
Corporation
1185 Avenue of the Americas
40th Floor
New York, New York 10036

APPENDIX A

SETTLEMENT AGREEMENT BETWEEN THE HOVENSA ENVIRONMENTAL RESPONSE TRUST AND ST. CROIX PETROCHEMICAL CORPORATION REGARDING THE SCPC FACILITY

This agreement is made as of the date stated on the Execution Page between and among the Hovensa Environmental Response Trust (“ERT”) and the St. Croix Petrochemical Corporation (“SCPC”) (collectively the “Parties”) whose authorized representatives have executed counterparts of this Settlement Agreement (hereinafter the “Agreement”).

I. BACKGROUND

1. Hess Oil Virgin Islands Corp. (“HOVIC”), a subsidiary of Amerada Hess Corporation, began to operate a major petroleum oil refinery located at 1 Estate Hope in Christiansted on St. Croix, U.S.V.I., in or about 1965 (“Refinery”). During the period of time from 1973 to at least 1992, HOVIC leased an approximately 20-acre portion of the Refinery property to SCPC, which operated a para-xylene manufacturing facility at that location (“SCPC Facility”). SCPC was a joint venture of HOVIC and Hercules Islands Corp. (“Hercules”).

2. HOVIC continued to operate the Refinery until 1998, when it was taken over by HOVENSA L.L.C. (“HOVENSA”), a joint venture of HOVIC and PDVSA V.I., Inc., a subsidiary of Petróleos de Venezuela, S.A., the national oil company of Venezuela. HOVENSA continued to operate the Refinery until 2012, when active operations were shut down. On September 15, 2015, HOVENSA filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. *In re Hovensa*, No. 1:15-10003-MFW (Bankr. D.V.I.). In connection with this bankruptcy case, certain refinery assets were sold to Limetree Bay Terminals, LLC, which later transferred those assets to Limetree Bay Refining, LLC (“Limetree Refining”). Limetree Refining took steps to start up certain refinery operations in 2020. In 2021, Limetree Refining shut down active refinery operations pursuant to an Environmental Protection Agency (“EPA”) order. On July 12, 2021, Limetree Refining and certain related entities filed for relief under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of Texas. *In re Limetree Bay Services, LLC, et al.*, No. 4:21-bk-3235. On January 21, 2022, Limetree Refining, in connection with the bankruptcy case, sold certain refinery assets to West Indies Petroleum Limited and Port Hamilton Refining and Transportation, LLLP.

3. ERT alleges that in connection with SCPC’s production of para-xylene at the SCPC Facility, para-xylene and other hydrocarbons were released to the soil and migrated to the groundwater at the SCPC Facility.

4. ERT alleges that in connection with the operation of the Refinery, hydrocarbons were released to the soil and migrated to the groundwater at the Refinery.

5. In December 1988, EPA issued a RCRA Permit, No. VID980536080, to HOVIC (“RCRA Permit”), which authorized HOVIC to treat, store or dispose of hazardous waste. In November 1999, the RCRA Permit was renewed and issued to HOVENSA. The renewed RCRA Permit, which remains in effect and has since been modified, includes corrective action measures. Among other things, these corrective action measures require the permittee under the RCRA

Permit to remediate groundwater at locations where the level of hydrocarbons or of certain dissolved constituents fail to meet corrective action goals.

6. Pursuant to the Debtor's Second Amended Plan of Liquidation ("Plan") in the HOVENSA bankruptcy case, the Hovensa Environmental Response Trust ("ERT") was established to, among other things, continue to implement the obligations of HOVENSA under the RCRA Permit. In connection with the Plan, certain property of HOVENSA was transferred to the ERT, including the real property where the former SCPC Facility was located. In May 2017, the RCRA Permit was transferred from HOVENSA to the ERT; the ERT alleges that it has been implementing corrective measures at the former HOVENSA facility pursuant to the terms of the RCRA Permit since at least May 2017. The ERT alleges that it is a remediating entity and does not own or operate any refining, terminal, power generation, or wastewater treatment units, nor does it allege that it currently operates any treatment, storage or disposal units subject to regulation under the Permit. The ERT further alleges that it does administer post closure care at two hazardous waste land farms that were closed under the Permit.

7. During the period from approximately 1986 to 2017, SCPC paid for, or reimbursed the holder of the RCRA Permit (HOVIC, HOVENSA and finally the ERT) or their contractors, for at least a portion of the RCRA corrective action costs at the Refinery attributable to the para-xylene/hydrocarbon contamination caused by SCPC at the SCPC Facility.

8. In 2017, the ERT's contractor ceased the pumping and treatment of groundwater at the former SCPC Facility to address contamination resulting from SCPC's operations at the SCPC Facility because it was no longer being paid for this work.

In 2020, HOVIC was merged into Hess Oil New York Corp., which subsequently changed its name to HONX, Inc. ("HONX").

9. The ERT has informed SCPC that the ERT has incurred past costs in the amount of at least \$386,537 remediating groundwater contamination from the location of the former SCPC Facility that has not been reimbursed by SCPC and has demanded that SCPC reimburse it for such costs.

10. The ERT alleges that the costs of completing the remediation of the groundwater contamination at the SCPC Facility will be about \$4.9 million and has demanded that SCPC agree to reimburse the ERT for such costs.

11. EPA has informed SCPC that it could be subject to enforcement action by EPA under Sections 106 and 107(a) of the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), 42 U.S.C. §§ 9606 and 9607(a) and/or Sections 3013 and 7003 of the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. §§ 6934 and 6973, if it fails to take action to address the para-xylene/hydrocarbon contamination at the former SCPC Facility.

12. SCPC has certified that it has been a defunct corporation with no active business since 1992 and that its only remaining asset is a bank account containing \$1,753,106.29. SCPC

has certified that it has no insurance available that would cover its potential liability with respect to the para-xylene contamination.

13. EPA has determined, based on the Financial Information and Insurance Information submitted by SCPC, that SCPC has limited financial ability to pay for the past and future costs incurred and to be incurred by the ERT in remediating the para-xylene/hydrocarbon contamination caused by SCPC.

14. In order to resolve the dispute between the EPA and SCPC as well as the dispute between the ERT and SCPC, SCPC has entered into two settlement agreements. First, the ERT and SCPC have entered into this settlement agreement (the "Agreement"), pursuant to which SCPC has agreed to pay the ERT the Settlement Amount which payment shall resolve the ERT's claims related to the past and future costs of addressing SCPC's para-xylene contamination at the former SCPC Facility in accordance with the terms of this Agreement. Second, the EPA and SCPC are contemporaneously entering into a Settlement Agreement (the "EPA/SCPC Agreement"), pursuant to which EPA has provided a covenant not to sue. The covenant not to sue in the EPA/SCPC Agreement is contingent upon the SCPC making the Settlement Amount to the ERT as required by this Agreement.

15. The ERT and SCPC agree that: (a) this Settlement Agreement has been negotiated by the Parties in good faith; (b) settlement of this matter without further litigation and without the any further admission or adjudication of any issue of fact or law is appropriate and will avoid prolonged and complicated litigation between the Parties; and (c) this Settlement Agreement is acceptable.

NOW, THEREFORE, it is hereby AGREED TO and ORDERED:

II. PARTIES BOUND

16. This Settlement Agreement is binding upon the ERT and upon SCPC. Unless the ERT consents, (a) any change in ownership or corporate or other legal status of SCPC, including any transfer of assets, or (b) any transfer of the SCPC Facility or any portion thereof, does not alter any of SCPC's obligations under this Settlement Agreement.

17. In any action to enforce this Settlement Agreement, SCPC may not raise as a defense the failure of any officer, director, employee, agent, contractor, subcontractor, or any person representing SCPC to take any action necessary to comply with this Settlement Agreement. SCPC shall provide notice of this Settlement Agreement to each person representing SCPC with respect to SCPC's obligations under this Settlement Agreement.

III. STATEMENT OF PURPOSE

18. The objectives of the Parties in entering this Settlement Agreement is for SCPC to resolve its liability for any claims or causes of action that have or could be asserted by the ERT regarding the contamination on or under the SCPC Facility that was caused by the SCPC

operations, including but not limited to, liability under Section 7002 of RCRA, 42 U.S.C. § 6972 and Sections 107(a) or 113(f) of CERCLA, 42 U.S.C. §§ 9607(a) and 9613(f) and and, as a result, effectuate the payment the Settlement Amount by SCPC to the ERT under the terms of this Agreement.

IV. DEFINITIONS

19. Terms not otherwise defined in this Settlement Agreement shall have the meanings assigned in RCRA or CERCLA or in regulations promulgated under RCRA or CERCLA. Whenever the terms set forth below are used in this Settlement Agreement, the following definitions apply:

“Agreement” means this Settlement Agreement.

“CERCLA” means the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. §§ 9601-9675.

“Covered Matters” means any and all liabilities associated with the contamination existing at or migrating from the SCPC Facility caused or contributed to by the actions or operations of the SCPC Parties.

“Day” or “day” means a calendar day. In computing any period under this Settlement Agreement, the day of the event that triggers the period is not counted and, where the last day is not a working day, the period runs until the close of business of the next working day. “Working day” means any day other than a Saturday, Sunday, or federal or Virgin Islands holiday.

“Effective Date” means the date upon which EPA issues written notice that the public comment period under the EPA/SCPC Agreement has closed and that comments received, if any, do not require modification of or EPA withdrawal from the EPA/SCPC Agreement.

“EPA” means the United States Environmental Protection Agency.

“EPA/SCPC Agreement” means the agreement entered into by the EPA and SCPC.

“Including” or “including” means “including but not limited to.”

“Paragraph” or “¶” means a portion of this Settlement Agreement identified by an Arabic numeral or an upper or lower case letter.

“Parties” means the ERT and SCPC.

“RCRA” means the Solid Waste Disposal Act, 42 U.S.C. §§ 6901-6992k, as amended (also known as the Resource Conservation and Recovery Act).

“Section” means a portion of this Agreement identified by a Roman numeral.

“Settlement Amount” means \$1,753,106.29, plus any interest that may have accrued from July 31, 2023, through the date on which this Agreement is fully executed.

“SCPC” means the St. Croix Petrochemical Corporation.

“SCPC Parties” means SCPC, HONX, and Hercules.

“SCPC Facility” means the approximately 20-acre facility leased by SCPC from HOVIC during the period from 1976 to 1992 and located at the HOVIC refinery at 1 Estate Hope in Christiansted in St. Croix, U.S.V.I., as well as any area where para-xylene or hydrocarbons disposed of at the facility has come to be located.

“United States” means the United States of America and each department, agency, and instrumentality of the United States, including EPA.

“Waste Material” means (a) any “hazardous substance” under Section 101(14) of CERCLA; (b) any pollutant or contaminant under Section 101(33) of CERCLA; and (c) any “solid waste” or “hazardous waste” under Section 1004(27) and 1004(5) of RCRA, respectively.

V. PAYMENT TO ERT

20. **Payment to ERT.** Within sixty (60) days after the Effective Date, SCPC shall make a payment to the ERT in the Settlement Amount. The Settlement Amount shall be paid by check payable to the Hovensa Environmental Response Trust, c/o PathForward Consulting Inc. (the “Trustee”) and mailed to One World Trade Center, 8th Floor, Long Beach, CA 90831.

VI. RELEASES AND COVENANTS NOT TO SUE AMONG THE SETTLING PARTIES

21. Upon the ERT’s receipt of the Settlement Amount, the ERT and each of its past, present, and future trustees, successors, and assigns, (“ERT Releasers”) releases, forever discharges, and covenants not to sue the SCPC Parties with respect to any and all claims arising out of or relating to the Covered Matters. Upon effectiveness of the release and covenant not to sue to be provided by the ERT, as described in the previous sentence, SCPC covenants not to sue the ERT, or any of its Trustees, officers, directors, or employees, for Covered Matters. In the event that HONX or Hercules brings an action against the ERT or any of its past, present, or future trustees, successors or assigns, arising out of or related to Covered Matters, the releases and covenants provided to HONX or Hercules in this Paragraph, as applicable, shall be null and void and have no force or effect.

22. **General Reservations.** Notwithstanding any other provisions of this Agreement, ERT reserves, and this Agreement is without prejudice to, all rights against SCPC regarding the failure of SCPC to comply with its obligations under this Agreement.

23. **Statute of Limitations.** The period commencing upon SCPC’s signature and ending when the ERT receives SCPC’s payment under Section V (“Tolling Period”) is not

included in computing of any statute of limitations potentially applicable to any action brought by the ERT against SCPC related to the Covered Matters. SCPC shall not assert in any action brought by the ERT regarding the "Covered Matters" any affirmative defense, including laches, estoppel, waiver, or other equitable defense based on the running of any statute of limitations during the Tolling Period. If EPA notifies SCPC that it will not make the EPA/SCPC Agreement effective, the Tolling Period applicable to SCPC ends 90 days after the date such notice is sent by EPA.

24. Records.

Within 120 days following execution of this Agreement, SCPC shall provide to the ERT, at the ERT's sole cost and expense, copies of all technical records regarding SCPC's past operations at the SCPC Facility and technical records regarding the contamination at or remediation of the SCPC Facility.

25. Denial of Liability and Reservation of Rights

Except as expressly provided by the terms of this Agreement, this Agreement shall not constitute, be interpreted, construed or used as evidence of any admission of fact, law, responsibility, liability or fault, a waiver or release of any right or defense not specifically enumerated, or an estoppel against any Party, by Parties as among themselves, or by any other person not a Party.

26. Successors and Assigns.

This Agreement shall be binding upon the successors and assigns of the Parties. No assignment or delegation by a Party of its obligations under this Agreement will release the assigning Party from its obligations under this Agreement without the prior written consent of the other Party.

27. Advice of Counsel.

Each Party represents that it has sought and obtained any appropriate legal advice it deems necessary prior to entering into this Agreement.

28. Separability.

If any provision of this Agreement is deemed to be invalid or unenforceable, that provision shall be renegotiated and modified so as to give effect to the original intent of the Parties to the maximum extent possible, and in any event the balance of this Agreement shall remain in full force and effect.

29. Survival of Representations, Warranties and Covenants.

The representations, warranties and covenants contained herein are and will be deemed and construed to be continuing representations, warranties and covenants, and will survive the dates of execution of this Agreement.

30. Separate Documents.

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

31. Applicable Law.

For purposes of enforcement or interpretation of the provisions of this Settlement Agreement, the Settling Parties agree that the laws of the Territory of the Virgin Islands shall be applicable, except to the extent the Settling Parties agree, or a court determines federal law applies.

32. Notices

All agreements, approvals, consents, deliverables, modifications, notices, notifications, objections, proposals, waivers, and requests specified in this Agreement must be in writing unless otherwise specified. Whenever a notice is required to be given, or a deliverable is required to be sent, by one Party to another under this Agreement, it must be sent as specified below. In the case of emailed notices, there is a rebuttable presumption that such notices are received on the same day that they are sent. Any Party may change the method, person, or address applicable to it by providing notice of such change to all Parties.

As to ERT

via email to:

Roberto Puga, Principal of PathForward Consulting Inc.,
not in its individual capacity but as Trustee of the Hovensa
Environmental Response Trust
rpuga@pathforwardconsult.com

As to SCPC:

Timothy B. Goodell
President and Director of SCPC c/o
Hess Corporation
1185 Avenue of the Americas
40th Floor
New York, New York 10036

Steve Spalding
Assistant Secretary
Hercules LLC
8145 Blazer Drive
Wilmington, DE 19808

33. Integration.

This Agreement constitutes the entire agreement among the Parties regarding the Covered Matters of the Agreement and supersedes all prior representations, agreements and understandings, whether oral or written, regarding the subject matter of this Agreement.

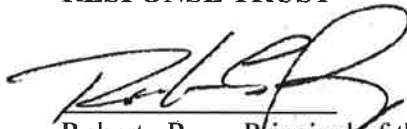
34. **Signatories**

The undersigned representative of the ERT and each undersigned representative of SCPC certifies that he or she is fully authorized to enter into the terms and conditions of this Agreement and to execute and legally bind such Party to this document.

Signature Page for Settlement Agreement Between ERT and SCPC Regarding SCPC Facility

IT IS SO AGREED:

**FOR THE HOVENSA ENVIRONMENTAL
RESPONSE TRUST**

A handwritten signature in black ink, appearing to read 'Roberto Puga', written over a horizontal line.

Roberto Puga, Principal of the PathForward Consulting Inc., not in its individual capacity but as Trustee of the Hovensa Environmental Response Trust

Signature Page for Settlement Agreement Between ERT and SCPC Regarding SCPC Facility

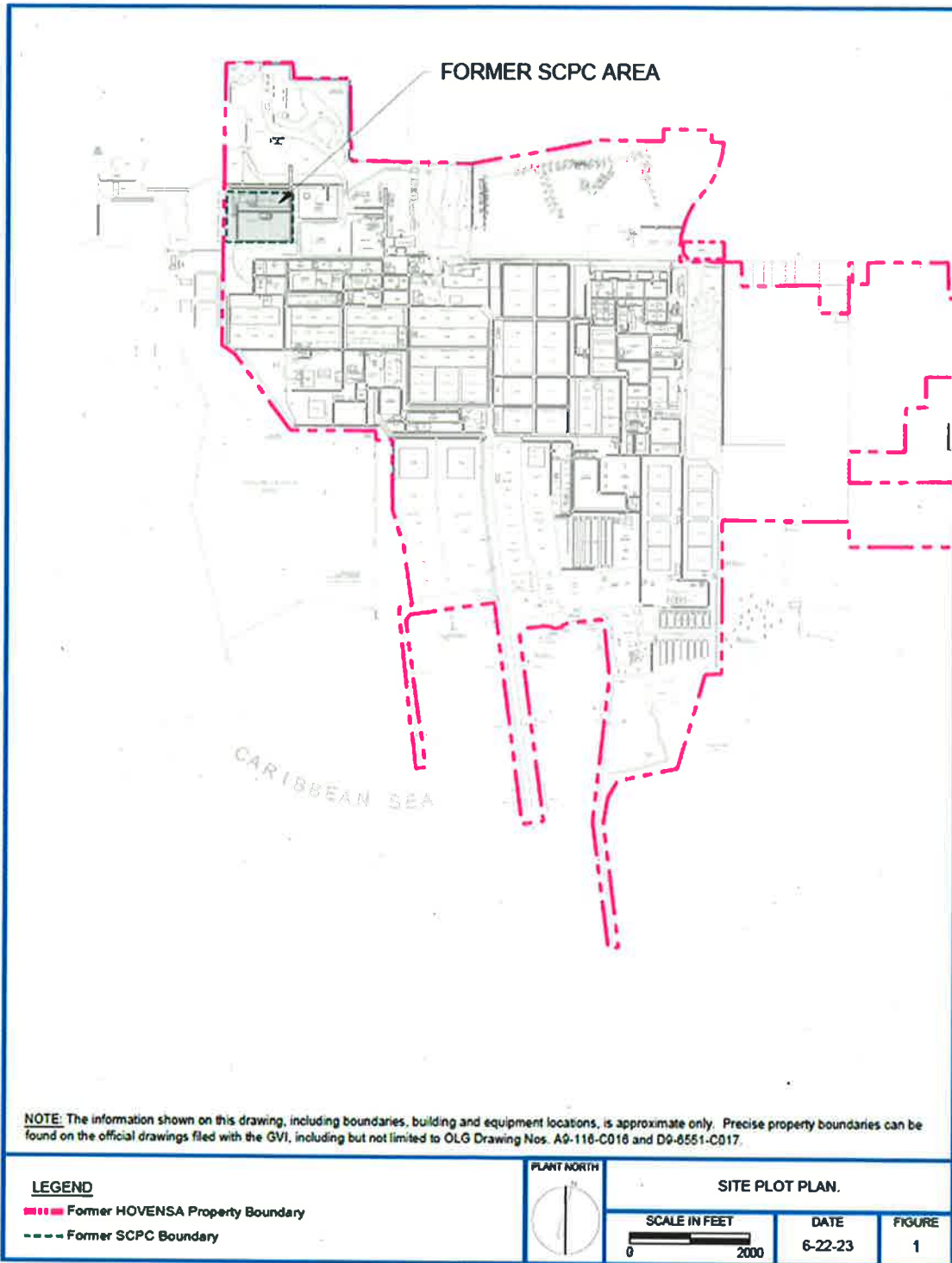
FOR ST. CROIX PETROCHEMICAL CORP.



Date

Timothy B. Goodell
President and Director of SCPC c/o Hess Corporation
1185 Avenue of the Americas
40th Floor
New York, New York 10036

APPENDIX B



APPENDIX C

St. Croix Petrochemical Corporation (SCPC) provided the following financial information to the United States:

- Declaration of Jason Wiley, Associate General Counsel for Hess Corporation, and a Director of HONX, Inc. (formerly HOVIC). This Declaration included the following Exhibits:
 - Exhibit A. Account statements for SCPC's bank account for the months July 2021, July 2022, and April, May, June, and July, 2023;
 - Exhibit B. SCPC's unaudited financial statements for the years ending December 31, 2021, and December 31, 2022;
 - Exhibit C. List of HOVIC's insurance policies, which are represented to be exhausted in Mr. Wiley's declaration.