UNITED PARCEL SERVICE

Ms. Rachel Rodgers
Senior In-House Corporate Counsel
Hilcorp Energy Company
1111 Travis Street,
Houston, Texas 77002

Re: Clean Air Act Administrative Compliance Order, EPA Docket No. CAA-04-2018-1639; and Information Request

Dear Ms. Rachel Rodgers:

Pursuant to Section 113(a)(3) of the Clean Air Act (the Act), 42 U.S.C. § 7413(a)(3), the United States Environmental Protection Agency is issuing the enclosed Administrative Compliance Order (Order) (Enclosure A), requiring Hilcorp Energy Company (Hilcorp) to comply with certain requirements of the New Source Performance Standards (NSPS) Subpart OOOOa of the Act at its Annie Hill facility located in Mobile County, Alabama.

This Order is based on information in the EPA's possession indicating that Hilcorp has violated Subpart OOOOa of the NSPS of the Act by failing to maintain and operate any affected facility including associated air pollution control equipment in a manner consistent with good air pollution control practice for minimizing emissions. Documentation of this information is presented in the enclosed electronic compact disk (Enclosure B, file number: MOV_0369). ~~Documentation of the leaking capped scrubber is also included in the compact disc (file number: MOV_0375) for reference to the Information Request (Enclosure D).~~ If Hilcorp fails to comply with this Order, EPA may undertake additional enforcement activities under Section 113 of the Act, or other statutory or regulatory authorities.

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The EPA hereby requires Hilcorp Energy Company (Hilcorp) to provide information, located in the Information Request (Enclosure D), regarding its Annie Hill tank battery located in Chaincula, Alabama. EPA requires this investigation to determine Hilcorp's compliance status with the Clean Air Act (the Act), 42 U.S.C. § 7401 et seq., and the regulations promulgated thereunder. A copy of the video has been included in the contact disc (file number: MOV_0375) to show the piece of equipment the information request is pertaining to. The EPA Administrator delegated this authority to the Director of the Air, Pesticides and Toxics Management Division, Region 4.

Under Section 114(a) of the Act, 42 U.S.C § 7414(a), EPA has the authority to require Hilcorp to establish and maintain records, make reports, install monitoring equipment, sample emissions, submit compliance certifications and provide other information for the purpose of determining compliance or carrying out any provision of the Act, or for other purposes. Pursuant to Section 114(a) of the Act, the EPA requires Hilcorp to provide a report and respond to the Information Request ~~enclosed herein as Enclosure D~~ to the EPA Region 4 office **within 20 days** of the effective date of the enclosed Order. The effective date is set forth in Section G of the enclosed Order. The report should include information describing the actions that were taken within 15 days as prescribed by Paragraph 22 of the Order, or the actions that have already been taken prior to the issuance of the Order, including the specific actions

required to repair or replace the components which led to the continuous releases of volatile organic compounds, and the corrective measures implemented to prevent releases from occurring in the future.

Please be aware, there are significant penalties for knowingly submitting false statements and information, including the possibility of fines or imprisonment pursuant to Section 113(c)(2) of the Act, and 18 U.S.C. §§ 1001 and 1341. The information should be sent to the following Region 4 address:

U.S. EPA - Region 4
Air, Pesticides and Toxics Management Division
Air Enforcement and Toxics Branch
61 Forsyth Street, S.W.
Atlanta, Georgia 30303
Attn: Ms. Megan Arias

You are entitled to assert a claim of business confidentiality covering all or part of any required information, in the manner described at 40 C.F.R. § 2.203(b). Information subject to a claim of business confidentiality will be made available to the public only in accordance with the procedures set forth at 40 C.F.R. Part 2, Subpart B. Unless a confidentiality claim is asserted at the time the required information is provided, the EPA may make this information available to the public without further notice to you. The substantive criteria used to determine whether business information is entitled to confidential treatment is contained in 40 C.F.R. § 2.208, and includes a satisfactory showing by you that disclosure of the information is likely to cause substantial harm to the business' competitive position, among other things. See Enclosure C for confidential business information assertion and substantiation requirements, if there is a claim of business confidential information.

This request is exempt from the requirements of the Paperwork Reduction Act of 1980, 44 U.S.C. § 3501 et seq., because it seeks the collection of information by an agency from specific individuals or entities as part of an administrative action or investigation.

Pursuant to the Order, Hilcorp may request a conference with the EPA to discuss this matter. The request must be submitted in writing within ten (10) days from the date Hilcorp is in receipt of the Order. Hilcorp has the option to request an in-person conference or to have one conducted via conference call and may also elect to have legal counsel present. If you have any questions concerning the Order or the information request, please contact Megan Arias at (404) 562-8968.

Sincerely,

Carol L. Kemker
Acting Director
Air, Pesticides and Toxics Management Division

Enclosures: A) Compliance Order
B) Compact Disk
C) Confidential Business Information
D) Information Request

cc: ADEM Contact name (with Enclosure A)

cc: Mr. Greg Singleton,
Field Operator, Hilcorp Energy Company

ENCLOSURE C

Confidential Business Information (CBI)
Assertion and Substantiation Requirements

A. Assertion Requirements

You may assert a business confidentiality claim covering part or all of the information you submit, other than emissions data and information or data that is otherwise publicly available, as described in 40 CFR 2.203(b). If no business confidentiality claim accompanies the information when it is received by EPA, EPA may make the information available to the public without further notice. To make a confidentiality claim, submit the requested information and indicate that you are making a claim of confidentiality. Any document over which you make a claim of confidentiality should be marked by placing on or attaching to the information, at the time it is submitted to EPA, a cover sheet, stamped or typed legend, or other suitable form of notice employing language such as "trade secret" or "proprietary" or "business confidential" and a date if any when the information should no longer be treated as confidential. **You must be specific by page, paragraph, and sentence when identifying the information subject to your claim**. Allegedly confidential portions of otherwise non-confidential documents should be clearly identified. Information covered by such a claim will be disclosed by the EPA only to the extent permitted and by means of the procedures set forth by Section 114(c) of the Clean Air Act (the Act), and 40 C.F.R. Part 2, Subpart B. The EPA will construe the failure to furnish a confidentiality claim with your response to the attached letter as a waiver of that claim, and the information may be made available to the public without further notice to you.

Please segregate personnel, medical and similar files from your responses and include that information on separate sheet(s) marked as "Personal Privacy Information" given that disclosure of such information to the general public may constitute an invasion of privacy.

B. Substantiation Requirements

All confidentiality claims are subject to EPA verification and must be made in accordance with 40 C.F.R. Part 2, Subpart B. You bear the burden of substantiating your confidentiality claim and must satisfactorily show that disclosure of the information would be likely to cause substantial harm to your business' competitive position; that you have taken reasonable measures to protect the confidentiality of the information and that you intend to continue to do so; and that the information is not and has not been reasonably obtainable by legitimate means without your consent, among other things. Conclusory

allegations will be given little or no weight.

Before EPA makes a final determination regarding your claim of confidentiality, pursuant to 40 C.F.R. Part 2, Subpart B, EPA will send you a letter asking you to substantiate fully your CBI claim by answering 11 questions. Your comments in response to these questions will be used by the EPA to determine whether the information has been shown to meet the requirements so as to be entitled to confidential treatment. You must provide EPA with a response within the number of days set forth in the EPA request letter. Failure to submit your comments within that time will be regarded as a waiver of your confidentiality claim or claims, and EPA may release the information.

EPA will ask you to specify which portions of the information you consider confidential. You must be specific by page, paragraph, and sentence when identifying the information subject to your claim. Please note that if a page, document, group or class of documents claimed by you to be confidential contains a significant amount of information which the EPA determines is not confidential, your confidentiality claim regarding that page, document, group or class of documents may be denied. Any information not specifically identified as subject to a confidentiality claim may be disclosed without further notice to you. For each item or class of information that you identify as being confidential, EPA will ask you to answer the following questions, giving as much detail as possible, as conclusory allegations will be given little or no weight in EPA's determination:

1. For what period of time do you request that the information be maintained as confidential, e.g., until a certain date, until the occurrence of a specified event, or permanently? If the occurrence of a specific event will eliminate the need for confidentiality, please specify that event.

2. Information submitted to the EPA becomes stale over time. Why should the information you claim as confidential be protected for the time period specified in your answer to question #1?

3. What measures have you taken to protect the information claimed as confidential? Have you disclosed the information to anyone other than a governmental body or someone who is bound by an agreement not to disclose the information further? If so, why should the information be considered confidential?

4. Is the information contained in any publicly available material such as the Internet, publicly available databases, promotional publications, annual reports, or articles? If so, specify which.

5. Is there any means by which a member of the public could obtain access to the information? Is the information of a kind that you would customarily not release to the public?

6. Has any governmental body made a determination as to the confidentiality of the information? If so, please attach a copy of the determination.

7. For each item or category of information claimed as confidential, <u>explain with specificity</u> why release of the information is likely to cause substantial harm to your competitive position. Explain the specific nature of those harmful effects, why they should be viewed as substantial, and the causal relationship between disclosure and such harmful effects. How could your

competitors make use of this information to your detriment?

8. Do you assert that the information is submitted on a voluntary or a mandatory basis? Please explain the reason for your assertion. If you assert that the information is voluntarily submitted information, please explain whether the information is the kind that would customarily not be released to the public.

9. Whether you assert the information as voluntary or involuntary, please address why disclosure of the information would tend to lessen the availability to the EPA of similar information in the future.

10. If you believe any information to be (a) trade secret (s), please so state and explain the reason for your belief. Please attach copies of those pages containing such information with brackets around the text that you claim to be (a) trade secret (s).

11. Explain any other issue you deem relevant (including, if pertinent, reasons why you believe that the information you claim to be CBI is not emission data or effluent data).

Please note that emission data provided under Section 114 of the Act, 42 U.S.C. § 7414, is not entitled to confidential treatment under 40 C.F.R. Part 2. "Emission data" means, with reference to any source of emission of any substance into the air- (A) information necessary to determine the identity, amount, frequency, concentration, or other characteristics (to the extent related to air quality) of any emission which has been emitted by the source (or of any pollutant resulting from any emission by the source), or any combination of the foregoing; (B) information necessary to determine the identity, amount, frequency, concentration, or other characteristics (to the extent related to air quality) of the emissions which, under an applicable standard or limitation, the source was authorized to emit (including, to the extent necessary for such purposes, a description of the manner and rate of operation of the source); and (C) a general description of the location and/or nature of the source to the extent necessary to identify the source and to distinguish it from other sources (including, to the extent necessary for such purposes, a description of the device, installation, or operation constituting the source). 40 C.F.R. §§ 2.301(a)(2)(i)(A), (B) and (C).

Information designated confidential will be disclosed by EPA only to the extent allowed by, and by means of the procedures set forth in, 40 C.F.R. Part 2, Subpart B. If you fail to claim the information as confidential, it may be made available to the public without further notice to you