



ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 NORTH GRAND AVENUE EAST, P.O. BOX 19276, SPRINGFIELD, ILLINOIS 62794-9276 • (217) 782-3397

JB PRITZKER, GOVERNOR

JOHN J. KIM, DIRECTOR

217-524-3300
TDD 217/782-9143

October 29, 2021

CERTIFIED MAIL #7011 1150 0001 0858 4101
RETURN RECEIPT REQUESTED

Sugar Camp Energy, LLC
Attn: Gary Vancil
11525 N. Thompsonville Road
Macedonia, Illinois 62860

Re: Proposed Compliance Commitment Agreement
Violation Notices L-2021-00131 and L-2021-00132
LPC #0554645002– Franklin County
Macedonia/Sugar Camp Energy, LLC
Compliance File

Dear Gary Vancil:

The Illinois Environmental Protection Agency (“Illinois EPA”) has reviewed the proposed Compliance Commitment Agreement (“CCA”) terms submitted by you in a letter dated July 21, 2021 and received July 26, 2021, in another letter dated August 6, 2021 and received by the Illinois EPA on August 11, 2021, and finally in a letter dated October 28, 2021 and received by the Illinois EPA on October 29, 2021 in response to Violation Notices dated June 23, 2021 on behalf of Sugar Camp Energy, LLC (“Respondent”). Pursuant to the authority vested in the Illinois EPA under Section 31(a)(7)(i) of the Illinois Environmental Protection Act (“Act”), 415 ILCS 5/31(a)(7)(i), attached to this letter is a proposed CCA, which contains terms and conditions that the Illinois EPA has determined are necessary in order for Respondent to attain compliance with the Act and Illinois Pollution Control Board Regulations.

Pursuant to Section 31(a)(7.5) of the Act, 415, ILCS 5/31(a)(7.5), within 30 days of your receipt of this proposed CCA, Respondent or its duly authorized representative must either (1) agree to and sign the proposed CCA, and submit the signed and dated CCA by certified mail to Illinois EPA; or (2) notify the Illinois EPA by certified mail that Respondent rejects the proposed CCA.

The proposed CCA shall only become effective upon your timely submittal of the signed CCA as discussed above, and upon final execution by the Illinois EPA. Failure by Respondent to execute and submit the proposed CCA within 30 days of receipt shall be deemed a rejection of the CCA by operation of law. Upon timely receipt of the signed CCA, the Illinois EPA will send you a fully executed copy of the CCA for your records.

In addition, the proposed CCA is not subject to amendment or modification prior to execution by Respondent and the Illinois EPA. Any amendment or modification to the proposed CCA by Respondent prior to execution by Respondent and the Illinois EPA shall be deemed a rejection of the proposed CCA by operation of law. The proposed CCA may only be amended subsequent to its effective date, in writing, and by mutual agreement between the Illinois EPA and Respondent.

Written communications, including a signed and dated CCA or a notice that the Respondent rejects the proposed CCA, should be directed to:

Illinois EPA – Bureau of Land #24
Attn.: James Jennings
1021 North Grand Avenue East
P.O. Box 19276
Springfield, Illinois 62794-9276

If you have questions regarding this matter, please contact Connie Letsky at the following email address: Connie.Letsky@Illinois.gov or at (618) 346-5140.

Sincerely,



James Jennings, Manager
Waste Reduction and Compliance Section
Bureau of Land

Enclosure – Proposed CCA

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

IN THE MATTER OF:)
)
Sugar Camp Energy, LLC)
Macedonia / Franklin County) ILLINOIS EPA VN L-2021-00131 and
LPC #0554645002) VN L-2021-00132
) BUREAU OF LAND

COMPLIANCE COMMITMENT AGREEMENT

I. Jurisdiction

1. This Compliance Commitment Agreement (“CCA”) is entered into voluntarily by the Illinois Environmental Protection Agency (“Illinois EPA”) and, Sugar Camp Energy, LLC (“Respondent”) (collectively, the “Parties”) under the authority vested in the Illinois EPA pursuant to Section 31(a)(7)(i) of the Illinois Environmental Protection Act. 415 ILCS 5/31(a)(7)(i).

II. Alleged Violations

2. Respondent (Sugar Camp Energy, LLC) operates the subject property located at 11351 North Thompsonville Road in Macedonia, Illinois (“the subject property”). Pursuant to Violation Notice L-2021-00131 and VN-L-2021-00132 (“the VNs”), issued on June 23, 2021, the Illinois EPA contends that Respondent has violated the following provisions of the Act and Illinois Pollution Control Board (“Board”) Regulations, and the Underground Injection Control Permit No. UIC-016-SCM (the “Permit”):
 - a) 415 ILCS 5/12(g);
 - b) 415 ILCS 5/21(d)(1);
 - c) 415 ILCS 5/21(d)(2);
 - d) 35 Ill. Adm. Code 702.141;
 - e) 35 Ill. Adm. Code 704.150(c)(2)(d);
 - f) Permit Condition A.12.a;
 - g) Permit Condition B.4.d;
 - h) Permit Condition B.7;

- i) Permit Condition B.8;
- j) Permit Condition H.1;
- k) Permit Condition H.5;
- l) Permit Condition H.12.b;
- m) Permit Condition H.26.c; and
- n) Permit Condition H.26.g.

III. Compliance Activities

- 3. The Illinois EPA received Respondent's response to the VNs, which included proposed terms for a CCA. The Illinois EPA has reviewed Respondent's proposed CCA terms and considered whether any additional terms and conditions are necessary to address the alleged violations set forth in the VNs.
- 4. By signing this CCA, Respondent certifies that, as of July 31, 2021, the Respondent installed the Annulus Protection Skid at UIC well #1 at the subject property which the Illinois EPA has determined is necessary to address the alleged violation set forth in the VNs.
- 5. Respondent agrees to recommission the injection well systems at the subject property, which the Illinois EPA has determined is necessary to address the alleged violations set forth in the VNs, by implementing the following schedule:
 - a) **By November 8, 2021**, the Respondent shall submit organized monthly operating records for both UIC wells #1 and #2
 - b) **By November 8, 2021**, the Respondent shall submit gauge calibration certifications gauges used on the UIC wells
 - c) **By December 31, 2021**, the Respondent shall perform inspection of UIC well #1 system
 - d) **By March 31, 2022**, the Respondent shall perform startup operations to confirm safe/proper Annulus Pressure System (APS) operation for UIC #1 well.
 - e) **By March 31, 2022**, the Respondent shall evaluate if additional repairs are necessary for UIC #1 well.
 - f) **By March 31, 2022**, the Respondent shall conduct the following internal and external mechanical integrity compliance tests on UIC #1 well:

- i. Annulus Pressure Test (APT).
 - ii. Mechanical Integrity Test (MIT).
 - iii. Fall-Off Test (FOT) also known as ambient pressure monitoring test.
- g) **By June 30, 2022**, the Respondent shall submit results and Request Authorization to Operate UIC #1 well.
- h) **By June 30, 2022**, the Respondent shall evaluate if repairs additional repairs are necessary for UIC #2 well. In addition, conduct internal and external mechanical integrity compliance tests on UIC #2 well, including APT, MIT and FOT.

The Illinois EPA will conduct a follow-up inspection to verify that Respondent has returned to compliance with the alleged violations identified in Section II of this CCA.

IV. Terms and Conditions

6. Respondent shall comply with all provisions of this CCA, including, but not limited to, any appendices to this CCA and all documents incorporated by reference into this CCA. Pursuant to Section 31(a)(10) of the Act, if Respondent complies with the terms of this CCA, the Illinois EPA shall not refer the alleged violations that are the subject of this CCA, as described in Section II above, to the Office of the Illinois Attorney General or the State's Attorney of the county in which the alleged violations occurred. Pursuant to Section 31(a)(7.6) of the Act, successful completion of the Compliance Activities identified in Section III of this CCA or an amended CCA shall be a factor to be weighed in favor of the Respondent by the Office of the Illinois Attorney General in determining whether to file a complaint on its own motion for the violations alleged in the VNs.
7. This CCA is solely intended to address the violations alleged in the VNs. The Illinois EPA reserves, and this CCA is without prejudice to, all rights of the Illinois EPA against Respondent with respect to noncompliance with any term of this CCA, as well as to all other matters. Nothing in this CCA is intended as a waiver, discharge, release, or covenant not to sue for any claim or cause of action, administrative or judicial, civil or criminal, past or future, in law or in equity, which the Illinois EPA may have against Respondent, or any other person as defined by Section 3.315 of the Act. This CCA in no way affects the responsibilities of Respondent to comply with any other federal, state or local laws or regulations, including but not limited to the Act, and the Board Regulations and the Permit.
8. Pursuant to Section 42(k) of the Act, Respondent shall be liable for an additional civil penalty of \$2,000 for violation of any of the terms or conditions of this CCA, in addition to any other remedy or penalty that may apply, whether civil or criminal.
9. This CCA shall apply to and be binding upon the Illinois EPA and on Respondent and Respondent's officers, directors, employees, agents, successors, assigns, heirs, trustees,

receivers, and upon all persons, including but not limited to contractors and consultants, acting on behalf of Respondent, as well as upon subsequent purchasers of Respondent's property.

10. In any action by the Illinois EPA to enforce the terms of this CCA, Respondent consents to and agrees not to contest the authority or jurisdiction of the Illinois EPA to enter into or enforce this CCA, and agrees not to contest the validity of this CCA or its terms and conditions.

11. This CCA shall only become effective:

a) If, within 30 days of receipt, Respondent executes this CCA and submits it, via certified mail, to:

James Jennings
Manager, Waste Reduction and Compliance Section
Illinois EPA
1021 North Grand Ave. East
Springfield, Illinois 62794

and

b) Upon execution by all Parties.

If Respondent fails to execute and submit this CCA to the Illinois EPA by certified mail within 30 days of receipt, this CCA shall be deemed rejected by operation of law.

12. Pursuant to Section 31(a)(7.5) of the Act, this CCA shall not be amended or modified prior to execution by the Parties. Any amendment or modification to this CCA by Respondent prior to execution by all Parties shall be considered a rejection of the CCA by operation of law. This CCA may only be amended subsequent to its effective date, in writing, and by mutual agreement between the Illinois EPA and Respondent's signatory to this CCA, Respondent's legal representative, or Respondent's agent.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

AGREED:

FOR RESPONDENT:

BY: 
Signature of Respondent or
Authorized Representative

DATE: 11/5/21

Gary Vancil Jr. Environmental Engineer
Print or Type Name of Respondent
or Authorized Representative and Title

FOR THE ILLINOIS ENVIRONMENTAL PROTECTION AGENCY:

BY: _____
James Jennings, Manager
Waste Reduction and Compliance Section
Bureau of Land

DATE: _____



ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 NORTH GRAND AVENUE EAST, P.O. BOX 19276, SPRINGFIELD, ILLINOIS 62794-9276 • (217) 782-3397

JB PRITZKER, GOVERNOR

JOHN J. KIM, DIRECTOR

217-524-3300
TDD 217/782-9143

May 12, 2022

CERTIFIED MAIL # 7020 0640 0000 4965 6928
RETURN RECEIPT REQUESTED

Sugar Camp Energy, LLC
Attn: James Miller
11351 N. Thompsonville Road
Macedonia, Illinois 62860

Re: Proposed Compliance Commitment Agreement
Violation Notice L-2021-00131 and L-2021-00132
BOL #0554645002 – Franklin County
Macedonia/Sugar Camp Energy, LLC
Compliance File

Dear James Miller:

The Illinois Environmental Protection Agency (“Illinois EPA”) has reviewed the proposed Compliance Commitment Agreement (“CCA”) terms submitted by you in a letter dated April 1, 2022 and received by the Illinois EPA on April 5, 2022 in response to Violation Notice dated October 29, 2021 on behalf of Sugar Camp Energy, LLC (“Respondent”). Pursuant to the authority vested in the Illinois EPA under Section 31(a)(7)(i) of the Illinois Environmental Protection Act (“Act”), 415 ILCS 5/31(a)(7)(i), attached to this letter is a proposed CCA, which contains terms and conditions that the Illinois EPA has determined are necessary in order for Respondent to attain compliance with the Act and Illinois Pollution Control Board Regulations.

Pursuant to Section 31(a)(7.5) of the Act, 415, ILCS 5/31(a)(7.5), within 30 days of your receipt of this proposed CCA, Respondent or its duly authorized representative must either (1) agree to and sign the proposed CCA, and submit the signed and dated CCA by certified mail to Illinois EPA; or (2) notify the Illinois EPA by certified mail that Respondent rejects the proposed CCA.

The proposed CCA shall only become effective upon your timely submittal of the signed CCA as discussed above, and upon final execution by the Illinois EPA. Failure by Respondent to execute and submit the proposed CCA within 30 days of receipt shall be deemed a rejection of the CCA by operation of law. Upon timely receipt of the signed CCA, the Illinois EPA will send you a fully executed copy of the CCA for your records.

In addition, the proposed CCA is not subject to amendment or modification prior to execution by Respondent and the Illinois EPA. Any amendment or modification to the

2125 S. First Street, Champaign, IL 61820 (217) 278-5800
1101 Eastport Plaza Dr., Suite 100, Collinsville, IL 62234 (618) 346-5120
9511 Harrison Street, Des Plaines, IL 60016 (847) 294-4000
595 S. State Street, Elgin, IL 60123 (847) 608-3131

2309 W. Main Street, Suite 116, Marion, IL 62959 (618) 993-7200
412 SW Washington Street, Suite D, Peoria, IL 61602 (309) 671-3022
4302 N. Main Street, Rockford, IL 61103 (815) 987-7760

proposed CCA by Respondent prior to execution by Respondent and the Illinois EPA shall be deemed a rejection of the proposed CCA by operation of law. The proposed CCA may only be amended subsequent to its effective date, in writing, and by mutual agreement between the Illinois EPA and Respondent.

Written communications, including a signed and dated CCA or a notice that the Respondent rejects the proposed CCA, should be directed to:

Illinois EPA – Bureau of Land #24
Attn.: James Jennings
1021 North Grand Avenue East
P.O. Box 19276
Springfield, Illinois 62794-9276

If you have questions regarding this matter, please contact Connie Letsky at the following email address: Connie.Letsky@Illinois.gov or at (618) 346-5140.

Sincerely,

A handwritten signature in dark ink, appearing to read 'J. Jennings', with a large, stylized initial 'J' and 'S'.

James Jennings, Manager
Waste Reduction and Compliance Section
Bureau of Land

Enclosure – Proposed CCA

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

IN THE MATTER OF:)
)
Sugar Camp Energy, LLC)
Macedonia / Franklin County) ILLINOIS EPA VN L-2021-00131 and
LPC #0554645002) VN L-2021-00132
) BUREAU OF LAND

COMPLIANCE COMMITMENT AGREEMENT

I. Jurisdiction

1. This Compliance Commitment Agreement (“CCA”) is entered into voluntarily by the Illinois Environmental Protection Agency (“Illinois EPA”) and, Sugar Camp Energy, LLC (“Respondent”) (collectively, the “Parties”) under the authority vested in the Illinois EPA pursuant to Section 31(a)(7)(i) of the Illinois Environmental Protection Act. 415 ILCS 5/31(a)(7)(i).

II. Alleged Violations

2. Respondent (Sugar Camp Energy, LLC) operates the subject property located at 11351 North Thompsonville Road in Macedonia, Illinois (“the subject property”). Pursuant to Violation Notice L-2021-00131 and VN-L-2021-00132 (“the VNs”), issued on June 23, 2021, the Illinois EPA contends that Respondent has violated the following provisions of the Act and Illinois Pollution Control Board (“Board”) Regulations, and the Underground Injection Control Permit No. UIC-016-SCM (the “Permit”):
 - a) 415 ILCS 5/12(g);
 - b) 415 ILCS 5/21(d)(1);
 - c) 415 ILCS 5/21(d)(2);
 - d) 35 Ill. Adm. Code 702.141;
 - e) 35 Ill. Adm. Code 704.150(c)(2)(d);
 - f) Permit Condition A.12.a;
 - g) Permit Condition B.4.d;
 - h) Permit Condition B.7;

- i) Permit Condition B.8;
- j) Permit Condition H.1;
- k) Permit Condition H.5;
- l) Permit Condition H.12.b;
- m) Permit Condition H.26.c; and
- n) Permit Condition H.26.g.

III. Compliance Activities

- 3. The Illinois EPA received Respondent's response to the VNs, which included proposed terms for a CCA. The Illinois EPA has reviewed Respondent's proposed CCA terms and considered whether any additional terms and conditions are necessary to address the alleged violations set forth in the VNs.
- 4. On December 6, 2021, the Illinois EPA executed a CCA with Respondent. On April 5, 2022, the Illinois EPA received a request from Respondent to amend the December 6, 2021 CCA. The Illinois EPA has reviewed Respondent's proposed amended terms and considered whether any additional terms and conditions are necessary to address the alleged violations set forth in the VN.
- 5. Unless expressly stated otherwise, this CCA incorporates all Compliance Activities and Terms and Conditions from the CCA executed on December 6, 2021.
- 6. Respondent agrees to recommission the injection well systems at the subject property, which the Illinois EPA has determined is necessary to address the alleged violations set forth in the VNs, **by June 30, 2022**, the Respondent shall:
 - a) Perform startup operations to confirm safe/proper Annulus Pressure System (APS) operation for UIC #1 well.
 - b) Evaluate if additional repairs are necessary for UIC #1 well.
 - c) Conduct the following internal and external mechanical integrity compliance tests on UIC #1 well:
 - i. Annulus Pressure Test (APT).
 - ii. Mechanical Integrity Test (MIT).
 - iii. Fall-Off Test (FOT) also known as ambient pressure monitoring test.

These provisions supersede Section III(5)(d)-(f) of the December 6, 2021 CCA.

The Illinois EPA will conduct a follow-up inspection to verify that Respondent has returned to compliance with the alleged violations identified in Section II of this CCA.

IV. Terms and Conditions

7. Respondent shall comply with all provisions of this CCA, including, but not limited to, any appendices to this CCA and all documents incorporated by reference into this CCA. Pursuant to Section 31(a)(10) of the Act, if Respondent complies with the terms of this CCA, the Illinois EPA shall not refer the alleged violations that are the subject of this CCA, as described in Section II above, to the Office of the Illinois Attorney General or the State's Attorney of the county in which the alleged violations occurred. Pursuant to Section 31(a)(7.6) of the Act, successful completion of the Compliance Activities identified in Section III of this CCA or an amended CCA shall be a factor to be weighed in favor of the Respondent by the Office of the Illinois Attorney General in determining whether to file a complaint on its own motion for the violations alleged in the VNs.
8. This CCA is solely intended to address the violations alleged in the VNs. The Illinois EPA reserves, and this CCA is without prejudice to, all rights of the Illinois EPA against Respondent with respect to noncompliance with any term of this CCA, as well as to all other matters. Nothing in this CCA is intended as a waiver, discharge, release, or covenant not to sue for any claim or cause of action, administrative or judicial, civil or criminal, past or future, in law or in equity, which the Illinois EPA may have against Respondent, or any other person as defined by Section 3.315 of the Act. This CCA in no way affects the responsibilities of Respondent to comply with any other federal, state or local laws or regulations, including but not limited to the Act, and the Board Regulations and the Permit.
9. Pursuant to Section 42(k) of the Act, Respondent shall be liable for an additional civil penalty of \$2,000 for violation of any of the terms or conditions of this CCA, in addition to any other remedy or penalty that may apply, whether civil or criminal.
10. This CCA shall apply to and be binding upon the Illinois EPA and on Respondent and Respondent's officers, directors, employees, agents, successors, assigns, heirs, trustees, receivers, and upon all persons, including but not limited to contractors and consultants, acting on behalf of Respondent, as well as upon subsequent purchasers of Respondent's property.
11. In any action by the Illinois EPA to enforce the terms of this CCA, Respondent consents to and agrees not to contest the authority or jurisdiction of the Illinois EPA to enter into or enforce this CCA, and agrees not to contest the validity of this CCA or its terms and conditions.
12. This CCA shall only become effective:

- a) If, within 30 days of receipt, Respondent executes this CCA and submits it, via certified mail, to:

James Jennings
Manager, Waste Reduction and Compliance Section
Illinois EPA
1021 North Grand Ave. East
Springfield, Illinois 62794

and

- b) Upon execution by all Parties.

If Respondent fails to execute and submit this CCA to the Illinois EPA by certified mail within 30 days of receipt, this CCA shall be deemed rejected by operation of law.

13. Pursuant to Section 31(a)(7.5) of the Act, this CCA shall not be amended or modified prior to execution by the Parties. Any amendment or modification to this CCA by Respondent prior to execution by all Parties shall be considered a rejection of the CCA by operation of law. This CCA may only be amended subsequent to its effective date, in writing, and by mutual agreement between the Illinois EPA and Respondent's signatory to this CCA, Respondent's legal representative, or Respondent's agent.

AGREED:

FOR RESPONDENT:

BY: James Mills
Signature of Respondent or
Authorized Representative

DATE: 6/27/22

Authorized Representative
Print or Type Name of Respondent
or Authorized Representative and Title

FOR THE ILLINOIS ENVIRONMENTAL PROTECTION AGENCY:

BY: _____
James Jennings, Manager
Waste Reduction and Compliance Section
Bureau of Land

DATE: _____



ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 NORTH GRAND AVENUE EAST, P.O. BOX 19276, SPRINGFIELD, ILLINOIS 62794-9276 • (217) 782-3397

JB PRITZKER, GOVERNOR

JOHN J. KIM, DIRECTOR

217-524-3300
TDD 217/782-9143

July 18, 2022

CERTIFIED MAIL # 7011 1150 00001 0858 1520
RETURN RECEIPT REQUESTED

Sugar Camp Energy, LLC
Attn: James Miller
11351 N. Thompsonville Road
Macedonia, Illinois 62860

Re: Amended Proposed Compliance Commitment Agreement
Violation Notice L-2021-00131 and L-2021-00132
BOL #0554645002 – Franklin County
Macedonia/Sugar Camp Energy, LLC
Compliance File

Dear James Miller:

The Illinois Environmental Protection Agency (“Illinois EPA”) has reviewed the proposed Compliance Commitment Agreement (“CCA”) terms submitted by you in a letter dated April 1, 2022 and received by the Illinois EPA on April 5, 2022 in response to Violation Notice dated October 29, 2021 on behalf of Sugar Camp Energy, LLC (“Respondent”). Pursuant to the authority vested in the Illinois EPA under Section 31(a)(7)(i) of the Illinois Environmental Protection Act (“Act”), 415 ILCS 5/31(a)(7)(i), attached to this letter is a proposed CCA, which contains terms and conditions that the Illinois EPA has determined are necessary in order for Respondent to attain compliance with the Act and Illinois Pollution Control Board Regulations.

Pursuant to Section 31(a)(7.5) of the Act, 415, ILCS 5/31(a)(7.5), within 30 days of your receipt of this proposed CCA, Respondent or its duly authorized representative must either (1) agree to and sign the proposed CCA, and submit the signed and dated CCA by certified mail to Illinois EPA; or (2) notify the Illinois EPA by certified mail that Respondent rejects the proposed CCA.

The proposed CCA shall only become effective upon your timely submittal of the signed CCA as discussed above, and upon final execution by the Illinois EPA. Failure by Respondent to execute and submit the proposed CCA within 30 days of receipt shall be deemed a rejection of the CCA by operation of law. Upon timely receipt of the signed CCA, the Illinois EPA will send you a fully executed copy of the CCA for your records.

In addition, the proposed CCA is not subject to amendment or modification prior to execution by Respondent and the Illinois EPA. Any amendment or modification to the

2125 S. First Street, Champaign, IL 61820 (217) 278-5800
1101 Eastport Plaza Dr., Suite 100, Collinsville, IL 62234 (618) 346-5120
9511 Harrison Street, Des Plaines, IL 60016 (847) 294-4000
595 S. State Street, Elgin, IL 60123 (847) 608-3131

2309 W. Main Street, Suite 116, Marion, IL 62959 (618) 993-7200
412 SW Washington Street, Suite D, Peoria, IL 61602 (309) 671-3022
4302 N. Main Street, Rockford, IL 61103 (815) 987-7760

proposed CCA by Respondent prior to execution by Respondent and the Illinois EPA shall be deemed a rejection of the proposed CCA by operation of law. The proposed CCA may only be amended subsequent to its effective date, in writing, and by mutual agreement between the Illinois EPA and Respondent.

Written communications, including a signed and dated CCA or a notice that the Respondent rejects the proposed CCA, should be directed to:

Illinois EPA – Bureau of Land #24
Attn.: James Jennings
1021 North Grand Avenue East
P.O. Box 19276
Springfield, Illinois 62794-9276

If you have questions regarding this matter, please contact Connie Letsky at the following email address: Connie.Letsky@Illinois.gov or at (618) 346-5140.

Sincerely,

A handwritten signature in black ink, appearing to be 'J. Jennings', written over a faint circular stamp or watermark.

James Jennings, Manager
Waste Reduction and Compliance Section
Bureau of Land

Enclosure – Proposed CCA

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

IN THE MATTER OF:)
)
Sugar Camp Energy)
Macedonia / Franklin County) ILLINOIS EPA VN L-2021-00131 and
BOL #0554645002) VN L-2021-00132
) BUREAU OF LAND

COMPLIANCE COMMITMENT AGREEMENT

I. Jurisdiction

1. This Compliance Commitment Agreement (“CCA”) is entered into voluntarily by the Illinois Environmental Protection Agency (“Illinois EPA”) and, Sugar Camp Energy (“Respondent”) (collectively, the “Parties”) under the authority vested in the Illinois EPA pursuant to Section 31(a)(7)(i) of the Illinois Environmental Protection Act. 415 ILCS 5/31(a)(7)(i).

II. Alleged Violations

2. Respondent owns and operates the subject property located at 11351 North Thompsonville Road in Macedonia, Illinois (“the subject property”). Pursuant to Violation Notice L-2021-00131 and VN L-2021-00132 (“the VN”), issued on June 23, 2021, the Illinois EPA contends that Respondent has violated the following provisions of the Act, Illinois Pollution Control Board (“Board”) Regulations, and the Underground Injection Control Permit No.UIC-016-SCM (the “Permit”):
 - a) 415 ILCS 5/12(g);
 - b) 415 ILCS 5/21(d)(1);
 - c) 415 ILCS 5/21(d)(2);
 - d) 35 Ill. Adm. Code 702.141;
 - e) 35 Ill. Adm. Code 704.150(c)(2)(D);
 - f) Permit Condition A.12.a;
 - g) Permit Condition B.4.d;
 - h) Permit Condition B.7;

- i) Permit Condition B.8;
- j) Permit Condition H.1;
- k) Permit Condition H.5;
- l) Permit Condition H.12.b;
- m) Permit Condition H.26.c; and
- n) Permit Condition H.26.g.

III. Compliance Activities

- 3. The Illinois EPA received Respondent's response to the VN, which included proposed terms for a CCA. The Illinois EPA has reviewed Respondent's proposed CCA terms and considered whether any additional terms and conditions are necessary to address the alleged violations set forth in the VN.
- 4. On December 6, 2021, the Illinois EPA executed a CCA with Respondent. On April 5, 2022, the Illinois EPA received a request from Respondent to amend the December 6, 2021 CCA. On June 27/July 7, 2022, the Illinois EPA executed an amended CCA with the Respondent. On July 5, 2022, the Illinois EPA received a request from Respondent to further amend the June 27/July 7, 2022 amended CCA. The Illinois EPA has reviewed Respondent's proposed amended terms and considered whether any additional terms and conditions are necessary to address the alleged violations set forth in the VN.
- 5. Unless expressly stated otherwise, this CCA incorporates all Compliance Activities and Terms and Conditions from the CCAs executed on December 6, 2021 and May 16, 2022.
- 6. Respondent agrees to recommission the injection well systems at the subject property, which the Illinois EPA has determined is necessary to address the alleged violations set forth in the VNs, **by August 31, 2022**, the Respondent shall:
 - a) Perform startup operations to confirm safe/proper Annulus Pressure System (APS) operation for UIC #1 well.
 - b) Evaluate if additional repairs are necessary for UIC #1 well.
 - c) Conduct the following internal and external mechanical integrity compliance tests on UIC #1 well:
 - i. Annulus Pressure Test (APT).
 - ii. Mechanical Integrity Test (MIT).

- iii. Fall-Off Test (FOT) also known as ambient pressure monitoring test.
- d) The Respondent shall submit results and request authorization to operate UIC #1 well.

By October 31, 2022, the Respondent shall evaluate if additional repairs are necessary for UIC #2 well. In addition, conduct internal and external mechanical integrity compliance tests on UIC #2 well, including APT, MIT, and FOT.

These provisions supersede Section III(5)(d)-(f) of the December 6, 2021 CCA and Section III(6) of the May 16, 2022 CCA.

The Illinois EPA will conduct a follow-up inspection to verify that Respondent has returned to compliance with the alleged violations identified in Section II of this CCA.

IV. Terms and Conditions

- 7. Respondent shall comply with all provisions of this CCA, including, but not limited to, any appendices to this CCA and all documents incorporated by reference into this CCA. Pursuant to Section 31(a)(10) of the Act, if Respondent complies with the terms of this CCA, the Illinois EPA shall not refer the alleged violations that are the subject of this CCA, as described in Section II above, to the Office of the Illinois Attorney General or the State's Attorney of the county in which the alleged violations occurred. Pursuant to Section 31(a)(7.6) of the Act, successful completion of the Compliance Activities identified in Section III of this CCA or an amended CCA shall be a factor to be weighed in favor of the Respondent by the Office of the Illinois Attorney General in determining whether to file a complaint on its own motion for the violations alleged in the VN.
- 8. This CCA is solely intended to address the violations alleged in the VN. The Illinois EPA reserves, and this CCA is without prejudice to, all rights of the Illinois EPA against Respondent with respect to noncompliance with any term of this CCA, as well as to all other matters. Nothing in this CCA is intended as a waiver, discharge, release, or covenant not to sue for any claim or cause of action, administrative or judicial, civil or criminal, past or future, in law or in equity, which the Illinois EPA may have against Respondent, or any other person as defined by Section 3.315 of the Act. This CCA in no way affects the responsibilities of Respondent to comply with any other federal, state or local laws or regulations, including but not limited to the Act, the Board Regulations, and the Underground Injection Control Permit No.UIC-016-SCM.
- 9. Pursuant to Section 42(k) of the Act, Respondent shall be liable for an additional civil penalty of \$2,000 for violation of any of the terms or conditions of this CCA, in addition to any other remedy or penalty that may apply, whether civil or criminal.
- 10. This CCA shall apply to and be binding upon the Illinois EPA and on Respondent and Respondent's officers, directors, employees, agents, successors, assigns, heirs, trustees,

receivers, and upon all persons, including but not limited to contractors and consultants, acting on behalf of Respondent, as well as upon subsequent purchasers of Respondent's property.

11. In any action by the Illinois EPA to enforce the terms of this CCA, Respondent consents to and agrees not to contest the authority or jurisdiction of the Illinois EPA to enter into or enforce this CCA, and agrees not to contest the validity of this CCA or its terms and conditions.

12. This CCA shall only become effective:

a) If, within 30 days of receipt, Respondent executes this CCA and submits it, via certified mail, to:

James Jennings
Manager, Materials Management and Compliance Section
Illinois EPA
1021 North Grand Ave. East
Springfield, Illinois 62794

and

b) Upon execution by all Parties.

If Respondent fails to execute and submit this CCA to the Illinois EPA by certified mail within 30 days of receipt, this CCA shall be deemed rejected by operation of law.

13. Pursuant to Section 31(a)(7.5) of the Act, this CCA shall not be amended or modified prior to execution by the Parties. Any amendment or modification to this CCA by Respondent prior to execution by all Parties shall be considered a rejection of the CCA by operation of law. This CCA may only be amended subsequent to its effective date, in writing, and by mutual agreement between the Illinois EPA and Respondent's signatory to this CCA, Respondent's legal representative, or Respondent's agent.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

AGREED:

FOR RESPONDENT:

BY: James Miller
Signature of Respondent or
Authorized Representative

DATE: 7/20/2022

James Miller
Print or Type Name of Respondent
or Authorized Representative and Title

FOR THE ILLINOIS ENVIRONMENTAL PROTECTION AGENCY:

BY: _____
James Jennings, Manager
Materials Management and Compliance Section
Bureau of Land

DATE: _____



ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 NORTH GRAND AVENUE EAST, P.O. BOX 19276, SPRINGFIELD, ILLINOIS 62794-9276 • (217) 782-3397

JB PRITZKER, GOVERNOR

JOHN J. KIM, DIRECTOR

217-524-3300

August 2, 2022

CERTIFIED MAIL # 7011 1150 0001 0858 1667
RETURN RECEIPT REQUESTED

Sugar Camp Energy, LLC
Attn: James Miller
11351 N. Thompsonville Road
Macedonia, Illinois 62860

Re: **Executed Compliance Commitment Agreement**
Violation Notice: L-2022-00131 & L-2022-00132
LPC# 0554645002 – Franklin County
Macedonia/Sugar Camp Energy, LLC
Compliance File

Dear James Miller:

Attached to this letter is a signed and fully executed copy of the Compliance Commitment Agreement (“CCA”) for your records. The CCA between Sugar Camp Energy, LLC and the Illinois Environmental Protection Agency became effective on August 2, 2022. This CCA in no way affects the responsibilities of Respondent to comply with any other federal, state or local laws or regulations, including but not limited to the Act, and the Board Regulations.

If you should have any questions regarding this matter, please contact me at the number above or email me at james.m.jennings@illinois.gov.

Sincerely,

James Jennings, Manager
Waste Reduction and Compliance Section
Bureau of Land

cc: Bureau File

4302 N. Main Street, Rockford, IL 61103 (815) 987-7760
595 S. State Street, Elgin, IL 60123 (847) 608-3131
2125 S. First Street, Champaign, IL 61820 (217) 278-5800
2009 Mall Street Collinsville, IL 62234 (618) 346-5120

9511 Harrison Street, Des Plaines, IL 60016 (847) 294-4000
412 SW Washington Street, Suite D, Peoria, IL 61602 (309) 671-3022
2309 W. Main Street, Suite 116, Marion, IL 62959 (618) 993-7200
100 W. Randolph Street, Suite 4-500, Chicago, IL 60601

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

RECEIVED
AUG 01 2022

EPA/BOL/WRCS

IN THE MATTER OF:)
)
Sugar Camp Energy)
Macedonia / Franklin County)
BOL #0554645002)

ILLINOIS EPA VN L-2021-00131 and
VN L-2021-00132
BUREAU OF LAND

COMPLIANCE COMMITMENT AGREEMENT

I. Jurisdiction

1. This Compliance Commitment Agreement (“CCA”) is entered into voluntarily by the Illinois Environmental Protection Agency (“Illinois EPA”) and, Sugar Camp Energy (“Respondent”) (collectively, the “Parties”) under the authority vested in the Illinois EPA pursuant to Section 31(a)(7)(i) of the Illinois Environmental Protection Act. 415 ILCS 5/31(a)(7)(i).

II. Alleged Violations

2. Respondent owns and operates the subject property located at 11351 North Thompsonville Road in Macedonia, Illinois (“the subject property”). Pursuant to Violation Notice L-2021-00131 and VN L-2021-00132 (“the VN”), issued on June 23, 2021, the Illinois EPA contends that Respondent has violated the following provisions of the Act, Illinois Pollution Control Board (“Board”) Regulations, and the Underground Injection Control Permit No.UIC-016-SCM (the “Permit”):

- a) 415 ILCS 5/12(g);
- b) 415 ILCS 5/21(d)(1);
- c) 415 ILCS 5/21(d)(2);
- d) 35 Ill. Adm. Code 702.141;
- e) 35 Ill. Adm. Code 704.150(c)(2)(D);
- f) Permit Condition A.12.a;
- g) Permit Condition B.4.d;
- h) Permit Condition B.7;

- i) Permit Condition B.8;
- j) Permit Condition H.1;
- k) Permit Condition H.5;
- l) Permit Condition H.12.b;
- m) Permit Condition H.26.c; and
- n) Permit Condition H.26.g.

III. Compliance Activities

- 3. The Illinois EPA received Respondent's response to the VN, which included proposed terms for a CCA. The Illinois EPA has reviewed Respondent's proposed CCA terms and considered whether any additional terms and conditions are necessary to address the alleged violations set forth in the VN.
- 4. On December 6, 2021, the Illinois EPA executed a CCA with Respondent. On April 5, 2022, the Illinois EPA received a request from Respondent to amend the December 6, 2021 CCA. On June 27/July 7, 2022, the Illinois EPA executed an amended CCA with the Respondent. On July 5, 2022, the Illinois EPA received a request from Respondent to further amend the June 27/July 7, 2022 amended CCA. The Illinois EPA has reviewed Respondent's proposed amended terms and considered whether any additional terms and conditions are necessary to address the alleged violations set forth in the VN.
- 5. Unless expressly stated otherwise, this CCA incorporates all Compliance Activities and Terms and Conditions from the CCAs executed on December 6, 2021 and May 16, 2022.
- 6. Respondent agrees to recommission the injection well systems at the subject property, which the Illinois EPA has determined is necessary to address the alleged violations set forth in the VNs, **by August 31, 2022**, the Respondent shall:
 - a) Perform startup operations to confirm safe/proper Annulus Pressure System (APS) operation for UIC #1 well.
 - b) Evaluate if additional repairs are necessary for UIC #1 well.
 - c) Conduct the following internal and external mechanical integrity compliance tests on UIC #1 well:
 - i. Annulus Pressure Test (APT).
 - ii. Mechanical Integrity Test (MIT).

- iii. Fall-Off Test (FOT) also known as ambient pressure monitoring test.
- d) The Respondent shall submit results and request authorization to operate UIC #1 well.

By October 31, 2022, the Respondent shall evaluate if additional repairs are necessary for UIC #2 well. In addition, conduct internal and external mechanical integrity compliance tests on UIC #2 well, including APT, MIT, and FOT.

These provisions supersede Section III(5)(d)-(f) of the December 6, 2021 CCA and Section III(6) of the May 16, 2022 CCA.

The Illinois EPA will conduct a follow-up inspection to verify that Respondent has returned to compliance with the alleged violations identified in Section II of this CCA.

IV. Terms and Conditions

- 7. Respondent shall comply with all provisions of this CCA, including, but not limited to, any appendices to this CCA and all documents incorporated by reference into this CCA. Pursuant to Section 31(a)(10) of the Act, if Respondent complies with the terms of this CCA, the Illinois EPA shall not refer the alleged violations that are the subject of this CCA, as described in Section II above, to the Office of the Illinois Attorney General or the State's Attorney of the county in which the alleged violations occurred. Pursuant to Section 31(a)(7.6) of the Act, successful completion of the Compliance Activities identified in Section III of this CCA or an amended CCA shall be a factor to be weighed in favor of the Respondent by the Office of the Illinois Attorney General in determining whether to file a complaint on its own motion for the violations alleged in the VN.
- 8. This CCA is solely intended to address the violations alleged in the VN. The Illinois EPA reserves, and this CCA is without prejudice to, all rights of the Illinois EPA against Respondent with respect to noncompliance with any term of this CCA, as well as to all other matters. Nothing in this CCA is intended as a waiver, discharge, release, or covenant not to sue for any claim or cause of action, administrative or judicial, civil or criminal, past or future, in law or in equity, which the Illinois EPA may have against Respondent, or any other person as defined by Section 3.315 of the Act. This CCA in no way affects the responsibilities of Respondent to comply with any other federal, state or local laws or regulations, including but not limited to the Act, the Board Regulations, and the Underground Injection Control Permit No.UIC-016-SCM.
- 9. Pursuant to Section 42(k) of the Act, Respondent shall be liable for an additional civil penalty of \$2,000 for violation of any of the terms or conditions of this CCA, in addition to any other remedy or penalty that may apply, whether civil or criminal.
- 10. This CCA shall apply to and be binding upon the Illinois EPA and on Respondent and Respondent's officers, directors, employees, agents, successors, assigns, heirs, trustees,

receivers, and upon all persons, including but not limited to contractors and consultants, acting on behalf of Respondent, as well as upon subsequent purchasers of Respondent's property.

11. In any action by the Illinois EPA to enforce the terms of this CCA, Respondent consents to and agrees not to contest the authority or jurisdiction of the Illinois EPA to enter into or enforce this CCA, and agrees not to contest the validity of this CCA or its terms and conditions.

12. This CCA shall only become effective:

a) If, within 30 days of receipt, Respondent executes this CCA and submits it, via certified mail, to:

James Jennings
Manager, Materials Management and Compliance Section
Illinois EPA
1021 North Grand Ave. East
Springfield, Illinois 62794

and

b) Upon execution by all Parties.

If Respondent fails to execute and submit this CCA to the Illinois EPA by certified mail within 30 days of receipt, this CCA shall be deemed rejected by operation of law.

13. Pursuant to Section 31(a)(7.5) of the Act, this CCA shall not be amended or modified prior to execution by the Parties. Any amendment or modification to this CCA by Respondent prior to execution by all Parties shall be considered a rejection of the CCA by operation of law. This CCA may only be amended subsequent to its effective date, in writing, and by mutual agreement between the Illinois EPA and Respondent's signatory to this CCA, Respondent's legal representative, or Respondent's agent.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

AGREED:

FOR RESPONDENT:

BY: James Miller
Signature of Respondent or
Authorized Representative

DATE: 7/20/2022

James Miller
Print or Type Name of Respondent
or Authorized Representative and Title

FOR THE ILLINOIS ENVIRONMENTAL PROTECTION AGENCY:

BY: [Signature]
James Jennings, Manager
Materials Management and Compliance Section
Bureau of Land

DATE: 7/14/22