



Sugar Camp Energy, LLC
11525 N. Thompsonville Rd.
Macedonia, IL 62860

July 11, 2022

Illinois Environmental Protection Agency
Division of Water Pollution Control
Attn: Rob Yoggerst/ CAS #19
P.O. Box 19276
Springfield, IL 62794-9276
Robert.yoggerst@illinois.gov

Re: Violation Notice: Sugar Camp Energy, LLC
IL0078565 – W055801004
Violation Notice No.: W-2021-50215

Dear Mr. Yoggerst:

Sugar Camp Energy, LLC (“SCE”) was issued Violation Notice (“VN”) W-2021-50215 from the Illinois Environmental Protection Agency (“IEPA”) dated January 5, 2022 for alleged violations of environmental laws, regulations, or permits as set forth in Attachment A of the VN. The VN included the directive to provide a written response via certified mail to the IEPA within 45 days of receipt. As a result of administrative changes or other unknown circumstances, Sugar Camp was unaware of the VN and the corresponding compliance deadline.

SCE was issued a Notice of Intent (“NOI”) to Pursue Legal Action from the IEPA dated May 6, 2022 for failure to respond to VN W-2021-50215 prior to the compliance deadline. As stated in the NOI, it provided opportunity to schedule a meeting with representatives of the IEPA to attempt resolution for the violations of the Act, regulations and permits specified in Attachment A (of VN W-2021-50215). Some correspondence occurred between IEPA legal counsel and SCE legal counsel and the meeting was ultimately scheduled and took place on June 30, 2022. During the meeting, some details were provided by SCE for events leading to the VN as well as an explanation of activity progression relative to the recommendations offered by IEPA in VN W-2021-50215 Attachment B. Further elaboration of the verbal discussion is described as follows:

VN W-2021-50215 states the following: “On October 20, 2021, the Illinois EPA received a call from Sugar Camp Energy personnel reporting a release of wastewater from a fan bleeder shaft construction site. Failure of a pencil pump during the bleeder fan shaft construction operation resulted in a wastewater release from the mud stacking area of the site. Water carried solids through a wooded area approximately ¼ mile to a culvert under Akin Road continuing north in an unnamed tributary to Akin Creek. Samples of the wastewater collected by Illinois EPA staff identified violations of applicable water quality standards.”

Recommendation #1 – Repair the pump and cease discharging drilling water from the mud stack pad.

Response – Well Pump 1 was used to dewater strata formation enabling shaft construction without significant infiltration. After electrical failure, the pump was removed from service and replaced on 10/19/21, but significant water infiltration occurred while the pump was out of service. As a result, shot rock that had been mucked from the shaft and stockpiled in the spoil area was overly saturated. Some of the water released from the spoil accumulated in a localized surface depression created by frequently turning around the haulage equipment used to transport spoil to the stockpile. Haulage equipment was operated through the undrained area pushing the accumulated wastewater carrying solids beyond the alternate sediment control measures which included silt fence and straw bales. Wastewater discharge from the site was discontinued on 10/20/21.

Recommendation #2 – Direct all drainage from the site to the cutting dewatering pond south of the shaft site.

Response – Shortly after the wastewater discharge incident, a substantial berm was constructed in the area where wastewater discharge occurred and the localized undrained area created by frequently turning around the haulage equipment was filled with shaft spoil material forcing drainage toward the construction dewatering pond. The haulage equipment turnaround site was relocated to prevent future water accumulation. All shaft construction activity was completed on 3/09/22 and site gradient was modified to ensure that drainage was directed toward the temporary containment pond on the south end of the site.

Since any potential for reoccurrence of the incident at the site has been permanently ceased and the nature of the ventilation shaft construction work was intermittent with similar projects typically occurring no more frequently than once or twice every 4-5 years, SCE requests resolution of the action based on the prompt and sustained actions described.

If you have any questions or concerns, or if you wish to discuss this matter in any particular, please do not hesitate to contact me.

Respectfully,

A handwritten signature in blue ink that reads "James Mills". The signature is stylized with a large, looped "J" and a cursive "Mills".

Authorized Person



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) 558-1333

May 6, 2022

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
7015 0640 0005 6906 4751

Sugar Camp Energy, LLC
c/o Illinois Corporation Service Company
801 Adlai Stevenson Drive
Springfield, IL 62703

Re: **Notice of Intent to Pursue Legal Action: Sugar Camp Energy, LLC**
Facility No. IL0078565
Violation Notice: W-2021-50215

Dear sir or madam,

This Notice of Intent to Pursue Legal Action is provided pursuant to Section 31(b) of the Illinois Environmental Protection Act ("Act"), 415 ILCS 5/31(b) (2020). The Illinois Environmental Protection Agency ("Illinois EPA") is providing this notice because Sugar Camp Energy, LLC has failed to respond adequately to the Violation Notice dated January 5, 2022, which was issued by the Illinois EPA within the time frame required by Section 31 of the Act.

The Illinois EPA is providing this notice because it may pursue legal action for the violations of environmental statutes, regulations and permits specified in Attachment A. The Notice of Intent to Pursue Legal Action provides the opportunity to schedule a meeting with representatives of the Illinois EPA to attempt to resolve the violations of the Act, regulations and permits specified in Attachment A. If a meeting is requested, it must be held within thirty (30) days of receipt of this notice unless an extension of time is agreed to by the Illinois EPA.

If you wish to schedule a meeting with representatives of the Illinois EPA or have any questions, please contact me at Joshua.Leopold@illinois.gov (preferred) or (217) 558-1333 within twenty (20) days of your receipt of this notice.

Sincerely,

Joshua Leopold
Assistant Counsel
Division of Legal Counsel

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

Attachment A

Sugar Camp Energy, LLC—IL0078565 VIOLATION NOTICE NO. W-2021-50215

A review of information available to the Illinois EPA indicates the following violations of statutes, regulations, or permits. Included with each type of violation is an explanation of the activities that the Illinois EPA believes may resolve the violation including an estimated time period for resolution.

Discharge of Contaminants

Cease and desist from discharging contaminants that cause or threaten to cause water pollution. Review operational and maintenance procedures and correct the deficiencies which caused the violation. Compliance is expected to be pursued immediately.

<u>Violation Date</u>	<u>Violation Description</u>
10/20/2021	No person shall cause, threaten or allow the discharge of any contaminants into the environment in any State so as to cause or tend to cause water pollution in Illinois, either alone or in combination with matter from other sources, or so as to violate regulations or standards adopted by the Pollution Control Board under this Act.
Rule/Reg.:	Section 12(a) and (f) of the Act, 415 ILCS 5/12(a) and (f) (2020)

Deposited Contaminants

Cease and desist from depositing contaminants that cause or threaten to cause water pollution. Compliance is expected to be pursued immediately.

<u>Violation Date</u>	<u>Violation Description</u>
10/20/2021	Deposited contaminants on the ground in such a manner that caused or threatened to cause a water pollution hazard.
Rule/Reg.:	Section 12(d) of the Act, 415 ILCS 5/12(d) (2020)

Offensive Conditions

Review and evaluate operational procedures in order to correct the deficiencies which caused the violations. Discharges must not cause a violation of water quality standards. Compliance is expected to be achieved immediately.

<u>Violation Date</u>	<u>Violation Description</u>
10/20/2021	Waters of the State shall be free from sludge or bottom deposits, floating debris, visible oil, odor, plant, oil, odor, plant or algal growth, color or turbidity of other than natural origin.
Rule/Reg.:	Section 12(a) and (d) of the Act, 415 ILCS 5/12(a) (2020), 35 Ill. Adm. Code 302.203

Offensive Discharge

Review and evaluate the operational procedures in order to correct the deficiencies which caused the violations. Discharges must not cause a violation of water quality standards. Compliance is expected immediately.

<u>Violation Date</u>	<u>Violation Description</u>
10/20/2021	No effluent shall contain settleable solids, floating debris, visible oil, grease, scum or sludge solids. Color, odor and turbidity must be reduced to below obvious levels.
Rule/Reg.:	Section 12(a) and (d) of the Act, 415 ILCS 5/12(a) and (d) (2020), 35 Ill. Adm. Code 304.105 and 304.106

Unpermitted Discharge

Implement necessary actions to prevent any further unpermitted discharge. Apply for and obtain an NPDES Permit from the Illinois EPA for the discharge or submit appropriate documentation that the discharge has been permanently eliminated and a permit is no longer required. Develop procedures to ensure that all required permits are obtained timely. Compliance is expected within 30 days

<u>Violation Date</u>	<u>Violation Description</u>
10/20/2021 - Present	Except as in compliance with the provisions of the Act, Board regulations, and the CWA & (Clean Water Act), and the provisions and conditions of the NPDES (National Pollutant Discharge Elimination System) permit issued to the discharger, the discharge of any contaminant or pollutant by any person into the waters of the State from a point source shall be unlawful.
Rule/Reg.:	Section 12(a) and (f) of the Act, 415 ILCS 5/12(a) and (f) (2020), 35 Ill. Adm. Code 309.102(a)

Water Quality Violations

Review and evaluate the operational procedures in order to correct the deficiencies which caused the violations. Discharges must not cause a violation of water quality standards. Compliance is expected immediately.

<u>Violation Date</u>	<u>Violation Description</u>
10/20/2021	Discharge of contaminants caused a violation of water quality standards for iron.
Rule/Reg.:	Section 12(a) of the Act, 415 ILCS 5/12(a) (2020), 35 Ill. Adm. Code, 302.208, 304.105