



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

VIA ELECTRONIC MAIL

Howard Stevens
Cherokee Nitrogen General Manager
LSB Industries – Cherokee Facility
1080 Industrial Drive
Cherokee, Alabama 35616
hstevens@lsbindustries.com

Re: Cherokee Nitrogen – Cherokee, Alabama
Notice of Potential Violation and Opportunity to Confer

Dear Howard Stevens:

Information currently available to the U.S. Environmental Protection Agency suggests that Cherokee Nitrogen may have committed violations of Section 112(r)(7) of the Clean Air Act (CAA), 42 U.S.C. § 7412(r)(7), and its Risk Management Program (RMP) regulations found at 40 C.F.R. Part 68. By this letter, the EPA is extending to you an opportunity to advise the Agency via a conference call, or in writing, of any further information the EPA should consider with respect to the potential violations.

Specifically, from August 30 through September 01, 2022, an authorized representative of the EPA conducted a compliance monitoring inspection at the facility located at 1080 Industrial Drive Cherokee, Alabama (the facility) to determine compliance with the CAA and RMP regulations, and observed the following potential violations:

1. The owner or operator did not complete a compilation of all required written process safety information pertaining to the equipment in the process, including accurate piping and instrument diagrams (P&ID's), as required by 40 C.F.R. § 68.65(d)(1)(ii);
2. The owner or operator did not document that equipment complies with recognized and generally accepted good engineering practices, as required by 40 C.F.R. § 68.65(d)(2);
3. The owner or operator did not address in the process hazard analysis (PHA): (1) The hazards of the process; (2) Engineering and administrative controls applicable to the hazards and their interrelationships such as appropriate application of detection methodologies to provide early warning of releases; (3) Consequences of failure of engineering and administrative controls; and (4) Stationary source siting, as required by 40 C.F.R. § 68.67(c);

4. The owner or operator did not establish a system to promptly address the PHA team's findings and recommendations; assure that the recommendations are resolved in a timely manner and that the resolution is documented; document what actions are to be taken; complete actions as soon as possible; develop a written schedule of when these actions are to be completed; and communicate the actions to operating, maintenance and other employees whose work assignments are in the process and who may be affected by the recommendations or actions, as required by 40 C.F.R. § 68.67(e);
5. The owner or operator did not develop and implement written operating procedures that provide clear instructions for safely conducting activities involved in each covered process consistent with the process safety information and that address all required elements, including precautions necessary to prevent exposure, including engineering controls, administrative controls, and personal protective equipment, as required by 40 C.F.R. § 68.69(a)(3)(ii);
6. Inspections and tests were not performed on process equipment, as required by 40 C.F.R. § 68.73(d)(1);
7. The owner or operator did not certify that they have evaluated compliance with the provisions of 40 C.F.R. Part 68, Subpart D at least every three years to verify that procedures and practices developed under Subpart D are adequate and are being followed, as required by 40 C.F.R. § 68.79(a);
8. The owner or operator did not promptly determine and document an appropriate response to each of the findings of the compliance audit, and document that deficiencies have been corrected, as required by 40 C.F.R. § 68.79(d);
9. The owner or operator did not establish a system to promptly address and resolve incident report findings and recommendations, and document resolutions and corrective actions, as required by 40 C.F.R. § 68.81(e); and
10. The owner or operator did not issue hot work permits that satisfy the requirements of 40 C.F.R. § 68.85(b), including documentation that the fire prevention and protection requirements in 29 C.F.R. 1910.252(a) have been implemented prior to beginning the hot work operations, accurate information regarding the date(s) authorized for hot work, and identification of the object on which hot work is to be performed.

The EPA has authority under Section 113 of the CAA, 42 U.S.C. § 7413, to pursue enforcement actions for violations of Section 112(r)(7) of the CAA and its RMP regulations found at 40 C.F.R. Part 68, including the issuance of compliance orders, the assessment of administrative penalties and/or the initiation of civil or criminal actions. To resolve the potential violations identified above, the EPA requests that a representative of the facility contact Jordan Noles, of my staff at (404) 562-9105, or via email at noles.jordan@epa.gov, within **seven (7) calendar days** of receipt of this letter to make arrangements to schedule a teleconference to discuss the potential violations and the EPA's possible enforcement action. Please note that the EPA will have legal representation during these discussions. Please inform Jordan Noles if you intend to have legal representation present as well.

You may voluntarily submit any documentation or information that you would like the EPA to review in advance of any teleconference on the matter as to why you believe the EPA should not take an enforcement action with respect to the above-mentioned potential violations. If you decide to submit

such documentation or information, the EPA respectfully requests that you do so two weeks in advance of the teleconference. If you have questions regarding the type of information that should be submitted to the EPA or any other questions regarding this matter, please contact Jordan Noles at the contact information identified above.

Sincerely,

**JASON
DRESSLER**

Digitally signed by JASON
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Date: 2023.05.02
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Jason Dressler
Chief
North Air Enforcement Section