

**KOCH PETROLEUM GROUP'S PINE BEND REFINERY VOLUNATRY  
MERCURY REDUCTION COMMITMENT WITH THE MINNESOTA POLLUTION  
CONTROL AGENCY**

APRIL 18, 2000

I. Introduction & Purpose

- A. Koch Petroleum Group L.P. in Minnesota, hereinafter referred to as KPG-MN, is a duly owned subsidiary of Koch Industries, Inc.
- B. KPG-MN owns and operates a petroleum refinery in Rosemount, Minnesota. That facility is the only KPG-MN asset covered by this voluntary Commitment document. No other KPG-MN or KII asset is the subject of this Commitment document.
- C. KPG-MN supports the State of Minnesota's Voluntary Mercury Reduction Program as set forth in the MN Stat. 116.915.
- D. KPG- MN understands that the Minnesota Pollution Control Agency, hereinafter referred to as the MPCA, has been designated as the lead state agency to implement Minnesota's Voluntary Mercury Reduction Program.
- E. This Commitment represents the full extent of KPG-MN's participation in the MPCA's Voluntary Mercury Reduction Program. No other participation, expressed or implied, is covered by this Commitment document.
- F. This Commitment has been developed to conform with the MPCA's Voluntary Mercury Reduction Agreement Guidelines (dated March, 2000).

II. Commitments—Plans and Objectives

- A. KPG-MN will conduct a mercury mass balance of its Pine Bend refinery process to estimate the amount of mercury released into the environment and the amount contained in the products or material streams produced by the refining processes.
- B. KPG-MN will engage a laboratory(s) using sampling and analytical method(s) which are consistent with MPCA guidance (see above) and which provide sufficiently low detection limits to provide meaningful information.
- C. KPG-MN will characterize and, where possible, quantify the efforts undertaken at the refinery since 1990 to reduce mercury at the refinery and associated operations.
- D. KPG-MN will inventory mercury containing materials and equipment currently used at the refinery and develop a plan to reduce or eliminate the use of those items where appropriate, cost-effective, and consistent with KPG-MN's health and safety policies.

III. Implementation & Reporting Schedules

- A. The refinery mercury mass balance will be completed by October 31, 2000.
- B. KPG-MN will document historical efforts (back to 1990 and before, if feasible) to eliminate or reduce mercury at the refinery. This information will be summarized and submitted to the MPCA in order to obtain early reduction credits which could

be authorized under subsequent state or federal regulatory programs. This effort will be completed by August 31, 2000.

- C. KPG-MN will complete the inventory of mercury containing materials and equipment used currently at the refinery and develop a plan to reduce or eliminate the use of those items, where appropriate, cost-effective and consistent with KPB-MN's health and safety policies by December 31, 2000.

#### IV. Data Verification and Measurement Protocols

- A. KPG-MN will submit sufficient information to the MPCA to verify that release estimates and reduction efforts are as accurate as possible, repeatable and reasonable. To that end, sampling and laboratory QA/QC information will also be included in the report.
- B. KPG-MN will make every reasonable effort to comply with the MPCA's guidelines for Measurement Protocols and Data Reporting. Where deviations are necessary, these will be discussed with MPCA staff prior to undertaking the sampling and analysis.

#### V. Maintenance and Availability of Records

- A. KPG-MN will retain all records pertinent to this voluntary Commitment throughout the duration of this Commitment.
- B. These records will be available to MPCA for review and will be provided within a reasonable period of time after the request by the MPCA.

#### VI. Progress Reports to MPCA

- A. KPG-MN will provide annual progress reports to the MPCA by July 1<sup>st</sup> of each year.
- B. KPG-MN will submit an interim progress report to the MPCA by January 15, 2001. This progress report will address the status of Items A, B, and C under Part III of this Agreement.

#### VII. Primary Contacts

- A. Debra L. McGovern, Regulatory Affairs Manager, is the primary contact for matters relating to the content of the Commitment. Lowell Miller Stolte is the alternate contact for matters relating to the content of this Commitment.
- B. KPG-MN will notify the Agency in writing if the primary contact(s) for this Commitment change.

#### VIII. General Provisions

- A. KPG-MN commits to implement the terms of this Commitment in good faith. If disputes arise, it is KPG-MN's expectation that both parties will attempt to resolve

any disputes related to the terms of this Commitment or the MPCA's voluntary mercury reduction program through good faith negotiations.

- B. KPG-MN expects that, given the voluntary nature of this Commitment, the MPCA will share any draft press releases so that KPG can review them for accuracy and completeness prior to issuance.
- C. KPG-MN requests that the MPCA not release this Commitment to the public until a Certificate of Participation has been issued to KPG-MN by the MPCA.
- D. KPG understands that the MPCA will issue KPG a Certificate of Participation after the Commitment has been deemed to meet the following criteria, as set forth in the Agency's March, 2000 Guidelines:
  - 1) focuses on reducing mercury releases or related research;
  - 2) outlines how KPG-MN's results will be tracked and measured; and
  - 3) goes beyond existing regulatory requirements.
- E. KPG-MN also understands that at the end of the MPCA's program--if KPG-MN meets or exceeds the plan's goals that KPG-MN will be issued another Certificate indicating KPG-MN's contribution to the program's success.

IX. Commitment Authorization

KPG-MN will implement the terms of this voluntary Commitment to the best of its ability and is duly authorized when signed and dated by the authorized officer designated below.

Koch Petroleum Group, L.P. in Minnesota

By: \_\_\_\_\_  
Jeffrey C Wilkes

Date: \_\_\_\_\_

Title: Refinery Manager and Vice-President of Minnesota Operations