



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 6
1445 ROSS AVENUE, SUITE 1200
DALLAS, TX 75202-2733

19 DEC 2017

VIA: US Mail and amy.hui@intrepidpotash.com

Amy Hui
Intrepid Potash, Inc.
210 Red Cloud Road
Carlsbad, New Mexico 88220

Re: Fully Executed CAFO in the Matter of Intrepid Mining (RCRA-06-2018-0908)

Dear Ms. Hui:

Enclosed is a copy of the fully executed the Consent Agreement and Final Order ("CAFO") which resolves the above stylized matter. As you are aware, the CAFO includes an assessment of a civil penalty and compliance order pursuant to Section 3008 of the Resource Conservation and Recovery Act, within 45 days of the file stamped date on this CAFO, please remit the penalty in the manner set forth in Paragraph 40 of this CAFO. You have elected to participate in a Supplemental Environmental Project ("SEP"), and proof of the Satisfactory completion of the SEP is due to our office within 270 days from the file stamped date on this CAFO.

The U.S. Environmental Protection Agency, Region 6, appreciates your cooperation throughout this process. If you have questions, please do not hesitate to contact me at (214) 665-9798 or by email: gallegostjacob@epa.gov.

Sincerely,

Jacob Gallegos, Esq.
Assistant Regional Counsel

Enclosure

FILED

7 DEC 19 11 31

REGIONAL DEPUTY CLERK
EPA REGION VI

UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY
REGION 6
DALLAS, TX

IN THE MATTER OF:

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§ Consent Agreement and Final Order
§ USEPA Docket No. RCRA-06-2017-0908
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Intrepid Potash Inc.
1996 Potash Mine Road
Carlsbad, New Mexico 88220

RESPONDENT EPA ID Nos.:
NMD000333211 (West Plant)
NMR000002204 (East Plant)

CONSENT AGREEMENT AND FINAL ORDER

1. PRELIMINARY STATEMENT

1. This Consent Agreement and Final Order ("CAFO") is entered into by the United States

Environmental Protection Agency, Region 6 ("EPA" or "Complainant") and Intrepid Potash, Inc. ("Intrepid" or "Respondent" herein), and concerns the West Plant, East Plant, and North Plant facilities located at 1996 Potash Mine Road in Carlsbad, New Mexico 88220 (referred

to individually as "facility" and collectively as "facilities" herein).

2. Notice of this action has been given to the State of New Mexico, under Section 3008(a)(2) of

the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6928(

In re: Intrepid Potash, Inc. RCRA-06-2017-0947

3. For purposes of this CAFO, the relevant New Mexico Administrative Code, Title 20, Chapter 4, Part 1 has incorporated by reference 40 Code of Federal Regulations ("CFR") Parts 260, 262, and 270.
4. For the purpose of these proceedings, Respondent admits the jurisdictional allegations herein; however, the Respondent neither admits nor denies the specific factual allegations and conclusions of law contained in this CAFO.
5. This CAFO states a claim upon which relief may be granted.
6. The Respondent explicitly waives any right to contest the allegations and its right to appeal the proposed final order contained in this CAFO, and waives all defenses which have been raised or could have been raised to the claims set forth in the CAFO.
7. The CAFO resolves only those violations which are alleged herein.
8. The Respondent consents to the issuance of the CAFO hereinafter recited, consents to the assessment and payment of the stated civil penalty in the amount and by the method set out in this CAFO, and consents to the specific stated compliance order.

11. JURISDICTION

9. This CAFO is issued by the EPA pursuant to Section 3008(a) of RCRA, 42 U.S.C. 6928, as amended by the Hazardous and Solid Waste Amendments of 1984 ("HSWA") and is simultaneously commenced and concluded through the issuance of this CAFO under 40 Code of Federal Regulations ("C.F.R.") 22.13(b) and 22.18(b)(2) and (3).
10. Respondent agrees to undertake and complete all actions required by the terms and conditions of this CAFO. In any action by the EPA or the United States to enforce the terms of this CAFO, Respondent agrees not to contest the authority or jurisdiction of the EPA to issue or enforce this CAFO, and agrees not to contest the validity of this CAFO or its terms or conditions.

111. FACTUAL ALLEGATIONS AND CONCLUSIONS OF LAW

11. Respondent is a foreign profit corporation, incorporated under the laws of the State of Delaware and authorized, On April 14, 2008, to do business in the State of New Mexico.
12. Respondent is a "person" within the meaning of Section 1004(15) of RCRA, 42 U.S.C.
13. 6903(15) and 40 C.F.R. 260.10.
14. Respondent owns and/or operates the potash and salt solar evaporation mines and the underground langbeinite extraction operation, located at 1996 Potash Mine Road in Carlsbad, Eddy County, New Mexico.
15. Respondent produces and sells potash, langbeinite, salt, magnesium chloride, brines and water to agricultural, animal feed and industrial customers,
16. In May 2014, EPA conducted site visits at several Treatment Storage and Disposal Facilities ("TSDs") not owned or operated by Intrepid and pursuant to Section 3007 of RCRA, 42 U.S.C. 6927 obtained additional information on Intrepid's hazardous wastes that it offered for transport and treatment ("Responses").
17. During the period of January 2016 through April 2016, EPA conducted a RCRA investigation and records review ("Investigation") of Intrepid's performance as a generator of hazardous waste.
18. During the Investigation and review of Responses, EPA discovered that Respondent, at a minimum, generated and offered transport and treatment the following waste, during 2012 through 2015:
 - i. F003, Spent Solvents (Non-halogenated): Methanol;

In re: Intrepid Potash, Inc. RCRA-06-2017-0908

ii. Paint Waste

19. The waste streams identified in Paragraph 18 are "hazardous waste" as defined in 40 C.F.R. §§261.21, 261.24, and 261.31.
20. From the Investigation, EPA determined that during the period of 2012 through 2015, Respondent generated the hazardous waste streams identified in Paragraph 18.
21. Respondent is a "generator" of "hazardous wastes" as the term is defined in 40 C.F.R. 260.10.
22. Each facility is a "solid waste management facility" within the meaning of Section 1004(29) of RCRA, 42 U.S.C 6903(29); a "facility" within the meaning of 40 C.F.R. 260.10; includes a "hazardous waste management unit" within the meaning of 40 C.F.R. 260.10.
23. As a generator of hazardous waste, Respondent is subject to Sections 3002 and 3010 of RCRA, 42 U.S.C 6922 and 6930, and the regulations set forth at 40 C.F.R Parts 262 and/or 270.

West Plant

Claim I. Notification Requirements

24. The allegations in Paragraphs 1-23 are realleged and incorporated herein by reference.
25. Within the meaning of 40 C.F.R. 260.10 Respondent is a "generator" of hazardous waste.
26. Pursuant to Section 3010(a) of RCRA, 42 U.S.C. 6930(a), any person generating a characteristic or listed hazardous waste shall file with the Administrator or authorized State a notification stating

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the location and general description of such activity and the identified 01' listed hazardous wastes handled by such person.

27. At the time of the Investigation, Respondent did not file a timely and adequate subsequent RCRA 3010 Notification of hazardous waste activities with the Administrator or with the authorized State, during the various times in the period of 2012-2015 where the facility operated as a Small Quantity Generator of Hazardous Waste, while being registered as a Very Small Quantity Generator, in violation of Section 3010(a) of RCRA, 42 U.S.C. § 69300).

Claim fl. Failure to fully comply with manifest requirements.

28. The allegations in Paragraphs I -27 are realleged and incorporated herein by reference.
29. 40 CFR. §262.20(a)(1) requires generators of hazardous waste, who transports, or offers for transport a hazardous waste for offsite treatment, storage, or disposal, to prepare a manifest, in accordance to the requirements contained in the Appendix to 40 C.F.R. Part 262.
30. During the Investigation, EPA determined that on two separate instances, Respondent shipped hazardous waste, and instead of using the required manifest, used a bill of lading.
31. Through its use of a bill of lading to ship hazard waste, and its failure to ship waste out using a manifest, Respondent has violated the manifesting requirements set forth at 40 C.F.R.

East Plant

Claim IIL Failure to fully comply with manifest requirements.

32. The allegations in Paragraphs 1-31 are realleged and incorporated herein by reference.
33. 40 C.F.R. §262.20(a)(1) requires generators of hazardous waste, who transports, or offers for transport a hazardous waste for offsite treatment, storage, or disposal, to prepare a manifest, in accordance to the requirements contained in the Appendix to 40 C.F.R. Part 262.
34. During the Investigation, EPA determined that on two separate instances, Respondent shipped hazardous waste, and instead of using the required manifest, used a bill of lading.
35. Through its use of a bill of lading to ship hazard waste, and its failure to ship waste out using a manifest, Respondent has violated the manifesting requirements set forth at 40 CFR. 5262.20.

IV. COMPLIANCE ORDER

36. Pursuant to Section 3008(a) of RCRA, 42 U.S.C. 6928(a), Respondent is hereby ordered to take the following actions, and within ninety (90) calendar days of the effective date of the settlement agreement, Respondent shall provide in writing the following:
- A. Respondent shall certify that it has reviewed all environmental requirements (Federal and State) that are applicable to Intrepid as generator of hazardous waste and has developed and implemented a RCRA compliance plan designed to ensure

In re: Intrepid Potash, Inc. RCRA-06-2017-0908

that Respondent is meeting the regulations applicable to a generator, including but not limited to: (a) making hazardous waste determinations; (b) managing its hazardous wastes; and (c) reporting and offering for transportation and treatment its hazardous waste;

B. Respondent shall certify that it has accurately complied with its RCRA Section 3010

Notification; and

C. Respondent shall provide, with its certification, a copy of Respondent's RCRA compliance plan as described in subparagraph A above.

37. In all instances in which this CAFO requires written submission to EPA, the submittal made by Respondent shall be signed by an owner or officer of Intrepid and shall include the following certification:

"i certify under the penalty of law that this document and all its attachments were prepared by me or under my direct supervision in accordance with a system designed to assure that qualified personnel properly gathered and evaluated the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.'"

Copies of all documents required by this CAFO shall be sent to the following:

U.S. Environmental Protection Agency
Compliance Assurance and Enforcement Division
Hazardous Waste Enforcement Branch
Compliance Enforcement Section (6EN-HC)
1445 Ross Avenue

In re: Intrepid Potash, Inc. RCRA-06-2017-0908

Dallas, TX 75202-2733 Attn:
Bill Mansfield

V. TERMS OF SETTLEMENT

i. Penalty Provisions

38. Pursuant to the authority granted in Section 3008 of RCRA, 42 U.S.C, 6928, and upon consideration of the entire record herein, including the above referenced Factual Allegation and Conclusions of Law, which are hereby adopted and made a part hereof, upon the seriousness of the alleged violations, and Respondent's good faith efforts to comply with the applicable regulations, it is ordered that Respondent be assessed a civil penalty of Fifty-One

Thousand Nine Hundred Two Dollars (\$51 ,992.00),

39. The penalty shall be paid within (45) calendar days of the effective date of this CAFO and made payable to the Treasurer United States,

40. The following are Respondent's options for transmitting the penalties:

Regular Mail}, U.S. Postal Mail (including certified mail) or U.S. Postal Service Express

Mail, the check should be remitted to:

U.S. Environmental Protection Agency
Fines and Penalties Cincinnati Finance
Center
P.O. Box 979077
St. Louis, MO 63197-9000

Overnight Mail (non-US. Postal Service), the check should be remitted to:

U.S. Bank
Government Lockbox 979077
US EPA Fines and Penalties
1005 Convention Plaza

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SL-MO-C2-GL
St. Louis, MO 63101
314-418-1028

Wire Transfer:

Federal Reserve Bank of New York
ABA: 021030004
Account No. 68010727 SWIFT
address = FRNYUS33
33 Liberty Street
New York, NY 10045

The case name and docket number (In the Matter of Intrepid Potash, Inc. Docket No. RCRA-06-2017-) shall be clearly documented on or within your chosen method of payment to ensure proper credit.

41. The Respondent shall send a simultaneous notice of such payment to the following:

Lorena S. Vaughn
Regional Hearing Clerk (6RC-D)
US. EPA, Region 6
1445 Ross Avenue
Dallas, Texas 75202-2733

Mark Potts, Branch Chief
Waste Enforcement Branch (6EN-H)
Compliance Assurance and Enforcement Division
U.S. EPA, Region 6
1445 Ross Avenue
Dallas, Texas 75202-2733
Attention: Bill Mansfield

Your adherence to this request will ensure proper credit is given when penalties are received by EPA.

42. Pursuant to 31 U.S.C. 3717 and 40 C.F.R. 13.1 1, unless otherwise prohibited by law,

In re: Intrepid Potash, Inc. RCRA-06-2017-0908

EPA will assess interest and [ate payment penalties on outstanding debts owed to the United States and a charge to cover the cost of processing and handling a delinquent claim. Interest on the civil penalty assessed in this CAPO will begin to accrue on the effective date of the CAFO and will be recovered by EPA on any amount of the civil penalty that is not paid within thirty (30) calendar days of the civil penalty's due date and will be assessed at the rate of the United States Treasury tax and loan rate in accordance with 40 C.F.R. 13.11 (a). Moreover, the costs of the Agency's administrative handling of overdue debts will be charged and assessed monthly throughout the period the debt is overdue, 40 C.F.R.

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13.11 (b). EPA will also assess a \$15.00 administrative handling charge for administrative costs on unpaid penalties for the forty-five (45) day period after the payment is due and an additional \$15.00 for each subsequent thirty (30) day period the penalty remains unpaid. In addition, a penalty charge of up to six percent per year will be assessed monthly on any portion of the debt which remains delinquent more than ninety (90) days. 40 C.F.R, §

13.11 (b). Should a penalty charge on the debt be required, it shall accrue from the first day payment is delinquent. 31 C.F.R. 901 Other penalties for failure to make a payment may also apply.

iii Penalty Conditions of Settlement

47. The Respondent hereby certifies that as of the date of the execution of this CAFO, the facility is now, to the best of its knowledge, in compliance with all applicable requirements of 40 CFR

In re: Intrepid Potash, Inc. RCRA-06-2017-0908

Parts 260, 262 and/or 270 as incorporated by reference in the New Mexico Administrative Code pertaining to the alleged violations set forth in the Amended Complaint.

48. As a Penalty Condition of Settlement, Respondent agrees to the performance of a

Supplemental Environmental Project (SEP) as follows:

a. Intrepid proposes to hire an independent third-party to hold hazardous waste management training in Carlsbad, New Mexico. Training shall be provided to hazardous waste generators in the area and Intrepid personnel.

1, Facilitate, at its sole expense, the training identified in Exhibit "A;"

b. Respondent further certifies to the truth and accuracy of each of the following:

1. That all cost information provided to the EPA in connection with the EPA's approval of the SEP is complete and accurate and that Defendant in good faith estimates that the cost to implement the SEP is no less than \$7,450.00;

2. That, as of the date of its execution of this CAFO, Respondent is not required to perform or develop the SEP by any federal, state, or local law or regulation and is not required to perform or develop the SEP by agreement, grant, or as injunctive relief awarded in any other action in any other forum;

3. That the SEP is not a project that the Respondent was planning or intending to construct, perform, or implement other than in settlement of the claims resolved in this CAFO.

In re: Intrepid Potash, Inc. RCRA-06-2017-0908

4. That Respondent has not received and will not receive credit for the SEP in any other enforcement action.
 5. That Respondent will not receive reimbursement for any portion of the SEP from another person or entity.
 6. That for federal income tax purposes, Respondent agrees that it will neither capitalize into inventory or basis nor deduct any costs or expenditures incurred in performing the SEP;
 7. That Respondent is not a party to any open federal financial assistance transaction that is funding or could fund the same activity as the SEP described in paragraph 48.a;
- c. Any public statement, oral or written, in print, film, or other media, made by Respondent making reference to the SEP under this CAFO shall include the following language: "This project was undertaken in connection with the settlement of an administrative enforcement action taken by the U.S.

Environmental Protection Agency to enforce federal laws.'

49. Satisfactory completion of the SEP is defined as Respondent having done the activities identified in paragraph 48.a. by two-hundred and seventy (270) days of the effective date of this CAFO;

50. If Respondent fails to satisfactorily complete the SEP by 270 days of the effective date of this CAFO, Respondent agrees to lump-sum stipulated penalties of at least 150% SEP cost, minus documented amounts already expended by Respondent in pursuit of the SEP, payable no later than (30 days from deadline) according to the payment instructions in this CAFO. In the event that circumstances outside Respondent's control (e.g. shipping delays, discontinuation or unavailability of equipment subject to the SEP) will delay or make impossible the timely performance of some or all of the SEP, Respondent will provide notice to EPA within fifteen (15) calendar days of Respondent's actual notice of such circumstances and may, at its election, propose a reasonable alternative schedule and/or substitution of equivalent equipment to EPA to be satisfactorily completed in lieu of payment of stipulated penalties. EPA may, in its discretion, accept Respondent's proposal, which acceptance shall not be unreasonably withheld.

51. The EPA may, in the unreviewable exercise of its discretion, reduce or waive stipulated penalties otherwise due under this CAFO.

In re: Intrepid Potash, Inc. RCRA-06-2017-0908

52. At such time as the Respondent believes that it has satisfactorily completed the SEP, Respondent agrees to submit a final SEP completion report. The report shall provide evidence of SEP completion that will include vendor invoices or receipts, correspondence from the SEP recipient, and document all SEP expenditures. The report will: (1) quantify the benefits associated with the project;

(2) set forth how the benefits were measured or estimated, or (3) explain why it is infeasible to quantify any benefits associated with the project. The final SEP report will be signed, and Respondent represents that the signing representative will be fully authorized by Respondent to certify that the terms and conditions of this CAFO have been met. The certification should include the following statement:

I certify under penalty of law that I have examined and am familiar with the information submitted in this document and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is, to the best of my knowledge, true, accurate, and complete. I am aware that there are significant penalties for knowingly submitting false information, including the possibility of fines and imprisonment.

The certification required above shall be sent to:

Mark Potts, Branch Chief
Waste Enforcement Branch (6EN-H)
Compliance Assurance and Enforcement Division
U.S. EPA, Region 6
1445 Ross Avenue
Dallas, Texas 75202-2733
Attention: Bill Mansfield

In re: Intrepid Potash, Inc. RCRA-06-2017-0908

43. Each party shall bear its own costs and attorney's fees. Furthermore, Respondent specifically waives its right to seek reimbursement of its costs and attorney's fees under the Equal Access to Justice Act (5 U.S.C. 504), as amended by the Small Business Regulatory Enforcement Fairness Act (P.L. 04-121), and any regulations promulgated pursuant to those Acts*

iii. Termination and Satisfaction

44. When the Respondent believes that it has complied all the requirements of this CAFO, including compliance with the Compliance Order and the payment of the civil penalty, Respondent shall so certify in writing and in accordance with the certification language set forth in Section IV, (Compliance Order), Paragraph 40. Unless the EPA, Region 6 objects in writing with specific reasons within sixty (60) days of EPA's receipt of Respondent's certification, then this CAFO is terminated on the basis of Respondent's certification.

iv. Effective Date of Settlement

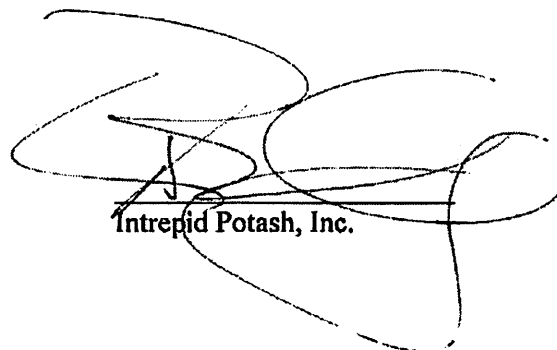
45. This CAFO shall become effective upon filing with the Regional Hearing Clerk.
THE UNDERSIGNED PARTIES CONSENT TO THE ENTRY OF THIS CONSENT

AGREEMENT AND FINAL ORDER:

FOR THE RESPONDENT:

Date:

6/28/2017



Intrepid Potash, Inc.

In re: Intrepid Potash, Inc. RCRA-06-2017-0908

FOR THE COMPLAINANT:

Date: 12/12/17



Cheryl T. Seager

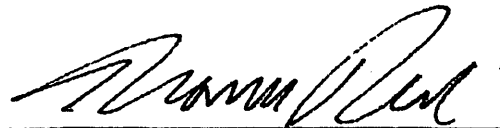
Director
Compliance Assurance and
Enforcement Division

FINAL ORDER

Pursuant to the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, 40 CFR Part 22, the foregoing CAFO is hereby ratified, This Final Order shall not in any case affect the right of EPA or the United States to pursue appropriate injunctive or other equitable relief or criminal sanctions for any violations of law. This Final Order shall resolve only those causes of action alleged herein. Nothing in this Final Order shall be construed to waive, extinguish or otherwise affect Respondent's (or its officers, agents, servants, employees, successors, or assigns) obligation to comply with all applicable federal, state, and local statutes and regulations, including the regulations that were the subject of this action. The Respondent is ordered to comply with the terms of settlement and the civil penalty payment instructions as set forth in the CAFO, Pursuant to 40 CFR 22.31 (b) this Final Order shall become effective upon filing with the Regional I-leaving

Clerk.

Date: 12-19-17



Thomas Rucki
Regional Judicial Officer

CERTIFICATE OF SERVICE

I hereby certify that on the day of December, 2017, the original of the foregoing Consent Agreement and Final Order was hand delivered to the Regional Hearing Clerk, U.S. EPA - Region 6, 1445 Ross Avenue, Dallas, Texas 75202-2733, and that a true and correct copy of the CAFO was sent to the following by the method identified below:

CERTIFIED MAIL - RETURN RECEIPT REQUESTED 70073020100015228601

Corporation Service Company
123 East Marcy street, Suite 101
Santa Fe, New Mexico 87501

Sandra Hardy
for Ms. Lori Jackson
Paralegal



/NTREP/D

Intrepid Potash — New Mexico, LLC
Post Office Box 101
Carlsbad, NM 88221
575.234.3881

EXHIBIT A

17 November 2017

EPA Region 6 — Hazardous Waste Enforcement Branch
1445 Ross Avenue, Suite 1200
Dallas, TX 75202-2733
Attn: Mr. Jacob Gallegos and Mr. Bill Mansfield

Re: Intrepid Potash New Mexico, LLC
Proposal for Supplemental Environmental Project

Dear Mr. Gallegos and Mr. Mansfield:

As part of the enforcement action initiated under a letter from Mr. Mark Potts, Branch Chief for the Hazardous Waste Enforcement Branch of the Environmental Protection Agency ("EPA") Region 6, dated March 24, 2016¹ regarding potential Resource Conservation and Recovery Act ("RCRA") violations, Intrepid Potash —New Mexico, LLC ("Intrepid") is submitting this proposal for Supplemental Environmental Project ("SEP") as a component of the penalty settlement. This SEP proposal was prepared within guidelines provided in EPA's Supplemental Environmental Projects Policy, 2015 Update, issued on March 10, 2015 ("SEP Policy").

PROPOSED SEP

As part of the SEP, Intrepid proposes to hire an independent third-party to hold hazardous waste management training in Carlsbad, New Mexico. Training shall be extended to hazardous waste generators in the local area and also attended by Intrepid personnel. Training shall be conducted over one day, as described in Attachment 1.

¹ The subject letter is dated March 24, 2014, however, by context of the letter, it is assumed that the letter should be dated March 24, 2016.

SEP EVALUATION

As stated in Section I.B of the SEP Policy,

To include a proposed project in a settlement as a SEP, Agency enforcement and compliance personnel should'

- (1) Ensure that the project conforms to the basic definition of a SEP (Section III);
- (2) Ensure that all legal guidelines are satisfied;
- (3) Ensure that the project fits within one (or more) of the designated categories of a SEP (Sections V and VI);
- (4) Determine the appropriate amount of penalty mitigation to reflect the project 's environmental and/or public health benefits using the evaluation criteria (Sections VIII and IX); and
- (5) Ensure that the project satisfies all of " the EPA procedures, settlement requirements and other criteria " (Sections X-XII).

This proposal contains an evaluation of Items (1) through (3) of the above stated components.

Conformity to the Basic Definition of a SEP

Training will provide greater assurance of proper hazardous waste management and is environmentally beneficial. Intrepid is providing this proposal to EPA for review, such that it may be incorporated into a legally enforceable document, to commence upon EPA approval. This proposed SEP is not a requirement under any other regulatory body.

Satisfaction of Legal Guidelines

The proposed hazardous waste management training is consistent with the provisions of the underlying statutes that are the basis of this enforcement action and is expected to reduce the likelihood of future violations of the underlying statutes and, as such, has sufficient nexus.

The scope of the SEP is described in greater detail in Attachment I.

Designated Categories

The proposed SEP falls within the two categories: Pollution Prevention and Environmental Compliance Promotion. Under Pollution Prevention, in accordance with Section V.B of the SEP Policy, "Source reduction projects may include. . . improvements in...training...."
Under Environmental Compliance, in accordance with Section V.F of the SEP Policy, "An environmental compliance promotion project provides training or technical support to other

members of the regulated community in order to: (1) identify, achieve, and maintain compliance with applicable statutory and regulatory requirements (2) go beyond compliance by reducing the generation, release, or disposal of pollutants beyond legal requirements.' In conclusion, thank you for your consideration of this proposed SEP. If the SEP is acceptable, please advise how the cost of the SEP would affect the settlement amount. If you have questions regarding this matter, please contact me (575-725-7009 / amy.hui@intrepidpotash.com).

Sincerely,



Amy Hui
Environmental Manager
Intrepid Potash — New Mexico, LLC

Attachment 1 — Scope of Proposed Supplemental Environmental Project ("SEP")

The proposed SEP shall be completed within 270 days following entry into an agreement with EPA to perform this SEP, generally in accordance with the following time frame:

- Within 90 days of EPA agreement of SEP, Intrepid shall notify hazardous waste generators within a 25-mile radius of Intrepid operating facilities in Carlsbad, New Mexico, of training opportunity. Intrepid shall identify such hazardous waste generators by use of EPA's Envirofacts and/or EPA's Enforcement and Compliance History Online ("ECHO") tool.
- Within 120 days of EPA agreement of SEP, Intrepid shall coordinate for the training event, including rental of facility for training, communication with parties who will attend the training, and engagement of training personnel. • Within 180 days of EPA agreement of SEP, training shall be conducted.
- Within 270 days of EPA agreement of SEP, Intrepid shall provide a SEP completion report to provide evidence of SEP completion, including a list of people who attended the training, training materials, and documentation of expenditures.

The estimated cost of the SEP is provided in Table I. Training is assumed to be conducted by a third party, FC&E Engineering, LLC. The cost estimate for training is provided in Table I.

Table I — Estimated Cost of Proposed SEP

Task	Estimated Cost
Provide hazardous waste management training for surrounding hazardous waste generators — 1 day of training	\$6,500
Rental of facility to hold training	\$200
Provide lunch for training session	
Total	\$7,450