

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS

UNITED STATES OF AMERICA,)	
STATE OF ILLINOIS,)	
STATE OF LOUISIANA, and the)	
STATE OF MONTANA)	
)	
Plaintiffs,)	
)	Case No. 05 C 5809
v.)	
)	The Honorable Rebecca R. Pallmeyer
EXXON MOBIL CORPORATION and)	
EXXONMOBIL OIL CORPORATION)	
)	
Defendants.)	
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STIPULATION AND AGREEMENT REGARDING
THE ASSESSMENT AND PAYMENT OF CERTAIN STIPULATED PENALTIES

The United States, on behalf of the U.S. Environmental Protection Agency (“EPA”), and Defendants Exxon Mobil Corporation and ExxonMobil Oil Corporation (referred to collectively herein as “ExxonMobil”) enter into this Stipulation and Agreement in order to document their agreement regarding the assessment and payment of certain stipulated penalties under the Consent Decree in this case. Relevant background information and the specific terms of the parties’ agreement are set forth below.

1. The Plaintiffs filed this action on October 11, 2005, alleging violations of multiple environmental laws at six of ExxonMobil’s domestic petroleum refineries. At the same time, the United States moved to lodge the proposed Consent Decree between the Plaintiffs and ExxonMobil, and the Court granted the motion to lodge the Decree on October 14, 2005.

2. In response to an “Unopposed Motion to Enter Consent Decree” filed by the United States, the Court approved and entered the Consent Decree on December 13, 2005.

3. Subsection V.H and Appendices C and D of the Consent Decree mandated that all identified heaters, boilers, and other fuel gas combustion devices at ExxonMobil's refineries comply, as of specified dates, with Clean Air Act regulatory requirements for "fuel gas combustion devices" under the New Source Performance Standards for Petroleum Refineries, as codified at 40 C.F.R. Part 60, Subpart J (referred to herein as "NSPS Subpart J"). Among other things, NSPS Subpart J imposes limits on the concentration of sulfur-containing compounds in the gas burned in any regulated fuel gas combustion device, and it establishes requirements to monitor the sulfur content of the fuel gas.

4. In 2007, ExxonMobil disclosed to EPA that the company had discovered that particular heaters at the company's Baytown, Texas refinery may have operated in violation of requirements for fuel gas combustion devices under NSPS Subpart J and the Consent Decree, including the requirement to burn only NSPS-compliant fuel gas and the requirement to monitor the sulfur content of all of the gas streams burned in those heaters. Those heaters were due to comply with NSPS Subpart J requirements as of the date of Consent Decree entry (i.e., December 13, 2005), but the potential non-compliance continued for months past that date due to ExxonMobil's belated discovery of the problems and the time and effort that was required to re-route the potential non-compliant gas streams and install new monitoring equipment.

5. Consistent with its reporting obligations under Consent Decree Paragraph 161, ExxonMobil also has self-disclosed other more limited instances of potential non-compliance with certain Consent Decree requirements at its refineries in Beaumont, Texas, Torrance, California, and Baton Rouge, Louisiana, as described in Paragraphs 9 through 11, below.

6. Consent Decree Section XI makes ExxonMobil liable for payment of specific stipulated penalty amounts for certain violations of Consent Decree requirements, including the requirement to comply with NSPS Subpart J. Consent Decree Paragraph 214 requires that

ExxonMobil make payment of stipulated penalties within 60 days after receipt of a formal written demand for payment by the United States or an Applicable Co-Plaintiff. Paragraph 214 also allows the United States and the Applicable Co-Plaintiff, in their unreviewable discretion, to waive payment of any portion of stipulated penalties that may accrue under the Consent Decree.

7. This Stipulation and Agreement documents the undersigned parties' agreement to resolve potential claims for stipulated penalties for the alleged past Consent Decree violations addressed herein, without adjudication of any issue of fact or law. This agreement does not represent an admission of guilt or an admission of violation of the Consent Decree or underlying regulations.

8. ExxonMobil shall pay a total of \$5,930,000 in stipulated penalties for alleged violations of NSPS Subpart J requirements at the company's Baytown, Texas refinery, as follows: (i) violations at Furnace LXU1B5 between December 13, 2005 and November 2, 2007; (ii) violations at Furnace LXU2B1 between December 13, 2005 and October 13, 2007; and (iii) violations at Furnace CLEU3F1 between December 13, 2005 and February 22, 2007.

9. ExxonMobil shall pay a total of \$122,500 in stipulated penalties for alleged violations of NSPS Subpart J requirements at Furnaces CUA B2 and CUA B3 at the company's Beaumont, Texas refinery between April 10, 2007 and May 16, 2007.

10. ExxonMobil shall pay a total of \$9,000 in stipulated penalties for alleged violations of the carbon monoxide emission limits applicable to the fluid catalytic cracking unit at the company's Torrance, California refinery between March 24, 2007 and April 1, 2007.

11. ExxonMobil shall pay a total of \$3,000 in stipulated penalties for the alleged violation of the MACT II carbon monoxide emission limit applicable to the fluid catalytic cracking units at the company's Baton Rouge, Louisiana refinery on April 4, 2007. Consistent with Paragraph 214 of the Consent Decree, half of that total penalty amount shall be paid to the

United States and half shall be paid to the State of Louisiana, as specified by Subparagraph 13.b, below.

12. As an exercise of its discretion under Consent Decree Paragraph 214, EPA will not assess, demand, or otherwise seek stipulated penalties for potential violations of NSPS Subpart J monitoring requirements at Furnaces HF3F1, HF3F2, HF3F3, and HF3F4 at the company's Baytown, Texas refinery between December 13, 2005 and March 2, 2007.

13. In accordance with the preceding Paragraphs, ExxonMobil shall pay a total of \$6,064,500 in stipulated penalties within 60 days of the date on which this Stipulation and Agreement is filed with the Court, as follows:

a. \$6,063,000 shall be paid to the United States by an Electronic Funds Transfer ("EFT") to the United States Department of Justice, in accordance with current EFT procedures, referencing DOJ Case Number 90-5-2-1-07030 and the civil action case name and case number for the matter. Payment should be made in accordance with EFT instructions that will be provided to ExxonMobil by the United States Department of Justice. ExxonMobil should provide notice of payment, referencing DOJ Case Number 90-5-2-1-07030 and the civil action case name and case number to the Department of Justice and to EPA, as provided in Consent Decree Paragraph 266 (Notice).

b. and additional \$1,500 shall be paid to the State of Louisiana by a certified check made payable to the Louisiana Department of Environmental Quality and sent to Darryl Serio, Fiscal Director, Office of Management and Finance, LDEQ, P.O. Box 4303, Baton Rouge, LA 70821-4303.

IT IS SO STIPULATED AND AGREED.

Signature Page for Stipulation and Agreement Regarding Assessment and Payment of Certain Stipulated Penalties in United States v. Exxon Mobil Corp., Case No. 05 C 5809 (N.D. Ill.)

FOR THE UNITED STATES OF AMERICA

Dated: 19 November, 2008



RONALD J. TENPAS
Assistant Attorney General
Environment and Natural Resources Division

Dated: 11/19, 2008



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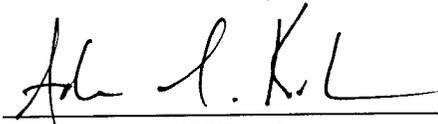
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FOR THE UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY

Dated: December 12, 2008


GRANTA Y. NAKAYAMA
Assistant Administrator
Office of Enforcement and Compliance Assurance
United States Environmental Protection Agency

Dated: December 2, 2008


ADAM M. KUSHNER
Director, Air Enforcement Division
Office of Enforcement and Compliance Assurance
United States Environmental Protection Agency

FOR DEFENDANT
EXXON MOBIL CORPORATION

Dated: Oct 28, 2008



MICHAEL S. BROWN
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Fairfax, VA 22037

FOR DEFENDANT
EXXONMOBIL OIL CORPORATION

Dated: Oct. 28, 2008



THOMAS M. MOELLER
Director, Americas Refining
ExxonMobil Refining & Supply Company
(a division of Exxon Mobil Corporation)
3225 Gallows Road
Fairfax, VA 22037

CERTIFICATE OF SERVICE

I hereby certify that on this date I caused true and correct copies of the foregoing STIPULATION AND AGREEMENT REGARDING THE ASSESSMENT AND PAYMENT OF CERTAIN STIPULATED PENALTIES to be served by the Court's Electronic Case Filing system and by electronic mail and/or first class mail, postage pre-paid, on the following persons, in accordance with Paragraph 261 of the Consent Decree in this case:

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Dated: December 17, 2008

s/ Randall. M. Stone