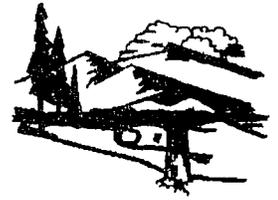




Department of Environmental Quality



To protect, conserve and enhance the quality of Wyoming's environment for the benefit of current and future generations.

Dave Freudenthal, Governor

John Corra, Director

May 28, 2008

Mr. Tom Crull
Refinery Manager
Sinclair Casper Refining Company
P.O. Box 510
Evansville, WY 82636

Re: Notice of Violation

Dear Mr. Crull:

Enclosed you will find a Notice of Violation (NOV) issued to Sinclair Casper Refining Company, Sinclair Casper Refinery by the Department of Environmental Quality, Air Quality Division for failing: 1) to have the East Bay API Separator lid/cover on the unit, resulting in emissions to atmosphere for approximately 4 months, 2) to perform Reference Method 21 testing on the API Separator and 3) to comply with the fuel oil consumption limitation for the # 5 boiler for November and December 2007. These violations were observed during the Air Quality Division's review of 2007 Annual Compliance Certification submitted by Sinclair Casper Refining Company, Sinclair Casper Refinery dated February 1, 2008.

As the Department and this Division consider the failure to comply with air quality permit conditions to be a serious matter, I am recommending the Department refer this violation to the State Attorney General's office requesting a suit be filed in District Court to recover appropriate penalties. If you would like to discuss settlement of this issue prior to action on the referral by the Attorney General's office, please contact Ms. Karen Godman, Air Quality Compliance Program Principal, at 307-777-8601 no later than ten (10) days after receipt of this letter.

Should you have any questions or comments regarding the Notice of Violation, please feel free to contact me or Ms. Karen Godman.

Sincerely,

David A. Finley
Administrator
Air Quality Division

cc: Nancy Vehr
Robert Gill
Karen Godman
Chris Hanify
Keith Guille



**BEFORE THE
DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE OF WYOMING**

IN THE MATTER OF THE NOTICE OF VIOLATION)	
ISSUED TO SINCLAIR CASPER REFINING COMPANY,)	DOCKET NO.
MR. TOM CRULL, REFINERY MANAGER,)	4301-08
P.O. BOX 510, EVANSVILLE, WYOMING 82636)	

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. The Department of Environmental Quality, Division of Air Quality, has found Sinclair Casper Refining Company to be in violation of W.S. 35-11-801 of the Wyoming Environmental Quality Act and Chapter 6, Section 2 of the Wyoming Air Quality Standards and Regulations in the operation of the Sinclair Casper Refinery located in Carbon County, Wyoming.

2. W.S. 35-11-801 of the Wyoming Environmental Quality Act states, "In granting permits, the director may impose such conditions as may be necessary to accomplish the purpose of this act which are not inconsistent with the existing rules, regulations and standards."

3. Chapter 6, Section 2 of the Wyoming Air Quality Standards and Regulations prescribes the applicability and procedures for issuing permits to sources under Wyoming's construction and modification permitting program.

4. Permit MD-87 was issued to Little America Refinery Company (later named Sinclair Casper Refining Company) on July 12, 1988 to modify the waste water treatment facilities by the construction of two API separators and an induced flotation unit at the refinery located at 5700 East HWY 20/26 in Casper, Wyoming. MD-87, Condition 2. a) requires "the fixed roof shall be installed over the separator tank, flotation chamber, flocculation tank or auxillary tank, basin, or other chamber in a manner so as to have no separation between the roof and the separator, tank, basin or chamber wall."

5. During the review of the 2007 Annual Compliance Certification, the District Engineer noted that the API Separator Unit (ME-2411) cover was removed from May 2007 through December 2007. This is a violation of condition 2. a) of permit MD-87.

6. Condition 2. c) of permit MD-87 requires "that the roof, access doors, and openings shall be designed and operated with no detectable emissions, as indicated by an instrument reading of less than 500 ppm above background as determined during an initial and semiannual inspections thereafter by methods specified by the Administrator using Reference Method 21."

7. During the review of the 2007 Annual Compliance Certification, the District Engineer noted that the VOC monitoring of the API Separator Unit (ME-2411) had not been conducted from May 2007 through December 2007. This is a violation of condition 2. c) of permit MD-87.

8. Permit MD-189 was issued to Little America Refinery Company (later named Sinclair Casper Refining Company) on April 1, 1993 to modify the refinery operations by upgrading the existing catalytic hydrosulfurization (CHD) unit from 4,000 barrels per day to 8,000 barrels per day throughput, construct a sour water stripper, and to adjust permitted firing rates for the heaters and boilers to reflect design rates at the refinery located at 5700 East HWY 20/26 in Casper, Wyoming.

9. Condition 7. b) of permit MD-189 limits the fuel oil burned in #4, #5 and # 7 boilers. This fuel oil requirement is set as a control to SO₂ emissions. The fuel consumption limitation for # 5 boiler was set at 209.6 gal/hr, with the resulting maximum SO₂ emissions at 86.59 lb/hr.

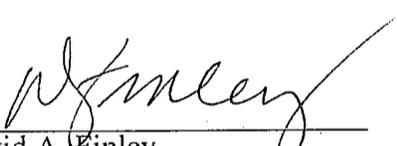
10. During the review of the 2007 Annual Compliance Certification, the District Engineer noted that Sinclair's 2007 November and December Fuel Oil Reports show oil consumption by the # 5 boiler greater than 209.6 gallons per hour, corresponding to SO₂ emissions above the 86.59 lb/hr limit. This is a violation of condition 7. b) of permit MD-189.

11. Said violations consists of failing to: 1) to have the East Bay API Separator lid/cover on the unit, resulting in emissions to atmosphere for approximately 4 months, 2) to perform Reference Method 21 testing on the API Separator and 3) comply with the fuel oil consumption limitation for the # 5 boiler for November and December 2007. These are violations of permits MD-87 and MD-189.

12. Under W.S. 35-11-901(a), any person who violates any provision of Article 2 of [the Environmental Quality Act] ... or any rule, regulation, standard or permit adopted pursuant to those provisions, or who violates any determination or order of the council pursuant to Article 2 of [the Environmental Quality Act] ... is subject to a penalty not to exceed ten thousand dollars (\$10,000.00) for each violation for each day during which the violation continues, a temporary or permanent injunction, or both a penalty and an injunction.

13. This notice is being sent to you pursuant to W.S. 35-11-701(c), which requires that, in any case of the failure to correct or remedy an alleged violation, the Director of the Department of Environmental Quality shall cause a written notice to be issued and served upon the person alleged to be responsible.

DATED this 18 day of JUNE, 2008.



David A. Finley
Administrator
Air Quality Division



John V. Corra
Director
Department of Environmental Quality

Please direct all inquiries to David A. Finley, Administrator, Division of Air Quality, Department of Environmental Quality, Herschler Building, 2nd Floor, 122 W. 25th Street, Cheyenne, Wyoming 82002. (Telephone: 307/777-7393.)