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

September 8, 2008

Mr. C. Patrick Havener
Vice President,
Wyoming Refining Company
PO BOX 820
Newcastle, WY 82701

Re: Notice of Violation

Dear Mr. Havener:

Enclosed you will find a Notice of Violation (NOV) issued to Wyoming Refining Company by the Department of Environmental Quality, Air Quality Division for failing to comply with the SO_2 emission limits for the Crude Heater (H-03) and Alky Reboiler (H-06) as required by condition 12 of permit MD-1500A.

As the Department and this Division consider the failure to comply with air quality regulatory requirements and 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
Tanner Shatto
Keith Guille

BEFORE THE
DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE OF WYOMING

IN THE MATTER OF THE NOTICE OF VIOLATION ISSUED TO WYOMING REFINING COMPANY, MR. C. PATRICK HAVENER, VICE PRESIDENT, P.O. BOX 820, NEWCASTLE, WY 82701	)))))	**DOCKET NO.** 4360-08

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. The Department of Environmental Quality, Division of Air Quality, has found Wyoming Refining Company (Wyoming Refining) to be in violation of MD-1500A issued in accordance with 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 Newcastle Refinery located in Weston County, Wyoming.

2. W.S. 35-11-801(a) 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-1500A was issued to Wyoming Refining Company on May 30, 2007. Permit MD-1500A was issued to modify operations at the Newcastle Refinery to allow heater H-15 to swing between vacuum flasher and crude heater service and increase the firing rate for H-15 from 6.2 to 12 MMBtu/hr, install a loop to route either crude tower overhead or reflux flows or both to cooler E-1002 in the vacuum flasher and back to the crude tower, install a line to route naptha streams to the spare fin fan in the diesel hydrosulfurization (HDS) unit before going to tank storage, and install additional pumping capacity for transferring jet fuel to tank storage.

5. Condition 12 of permit MD-1500A establishes emission limits for SO_2 and NO_x for various heaters and boilers, to include both Crude Heater (H-03) and Alky Reboiler (H-06). The SO_2 emission limit for Crude Heater (H-03) is set at 161.4 TPY and Alky Reboiler (H-06) is set at 58.8 TPY.

6. Wyoming Refining Company submitted a letter dated July 3, 2008 to submit revisions to the Annual Compliance Certification for the year 2007 which addressed SO_2 emission exceedances for the Crude Heater (H-03) and Alky Reboiler (H-06). Recalculation of heater ton-per-year SO_2 emissions showed the exceedances for Crude Heater (H-03) of 168.2 TPY and Alky Reboiler (H-06) 58.9 TPY, respectively.

6. Said violation consists of failing to comply with the SO_2 emission limits for the Crude Heater (H-03) and Alky Reboiler (H-06) as required by condition 12 of permit MD-1500A.

7. 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.

8. 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 12 day of September, 2008.

David A. Finley
Administrator
Air Quality Division

John 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.)