



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

February 26, 2010

Mr. Michael Bellinger,
Sinclair Wyoming Refining Company
PO BOX 277,
Sinclair, WY 82334

RE: Notice of Violation

Dear Mr. Bellinger:

Enclosed you will find a Notice of Violation (NOV) issued to Sinclair Wyoming Refining Company by the Department of Environmental Quality, Air Quality Division, for failing to: 1) verify the accuracy of the fuel gas meters for the Reformer Naptha Splitter Heater for the year 2009 and the Hydrocracker H5 Heater for the years 2007, 2008 and 2009, 2) perform required testing for the 781 Reformer Stabilizer Heater (Source 16) within 30 days of achieving maximum firing rate, but no later than 90 days following initial startup, 3) perform required NO_x testing (lb/hr and lb/MMBtu) for Hydrocracker Heater H1/H2, Hydrocracker Heater H3, Hydrocracker Heater H4 and Hydrocracker Heater H5 within 30 days of achieving maximum firing rate, but no later than 90 days following initial startup, 4) perform testing for NO_x and SO₂ of the 25-HT-101 Heater within 60 days of startup and 5) obtain permits for the three air compressors at this site. These violations were observed during an inspection conducted by the Air Quality Division at your facility on July 9, 2009.

As the Department and this Division consider the failure to comply with air quality permitting and permitting requirements 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 Notice of Violation prior to referral to 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 this matter, please feel free to contact me or Ms. Karen Godman.

Sincerely,

David A. Finley
Administrator
Air Quality Division

cc: Robert Gill, Glenn Spangler, Chris Hanify, Nancy Vehr, Keith Guille



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

**IN THE MATTER OF THE NOTICE OF VIOLATION
ISSUED TO SINCLAIR WYOMING REFINING COMPANY
MR. MICHAEL BELLINGER, REFINERY MANAGER,
PO BOX 277, SINCLAIR, WY 82334**

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DOCKET NO. 4655-10

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. The Department of Environmental Quality, Division of Air Quality, has found Sinclair Wyoming Refining Company to be in violation of various permits/waivers issued in accordance with W.S. 35-11-801(a) of the Wyoming Environmental Quality Act and Chapter 6, Section 2 of the Wyoming Air Quality Standards and Regulations and also to be in violation of the permitting requirements of W.S. 35-11-801(c) and Chapter 6, Section 2 of the Wyoming Air Quality Standards and Regulations in the operation of the Sinclair Wyoming Refining Company located in Carbon County, Wyoming.

2. W.S. 35-11-801(a) 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-1381A was issued to Sinclair Wyoming Refining Company on May 23, 2007. Condition 29 requires that annually Sinclair verify the accuracy of each fuel gas meter utilizing 40 CFR Part 60, Appendix A, Reference Methods 1-4 and 19.

5. On July 9, 2009, Mr. Glenn Spangler conducted an inspection and record review of the Sinclair Refinery. During this inspection, it was noted that fuel gas meter testing was not completed for the Reformer Naptha Splitter Heater for the year 2009 and the Hydrocracker H5 Heater for the years 2007, 2008 and 2009. These are violations of condition 29 of permit MD-1381A.

6. Permit MD-1381A2 was issued to Sinclair Wyoming Refining Company on January 29, 2008. Conditions 7 and 11 require testing for the 781 Reformer Stabilizer Heater (Source 16) within 30 days of achieving maximum firing rate, but no later than 90 days following initial startup. The permit considered changes in the method of operation or increased utilization due to startup and operation of the new Coker Unit.

7. On July 9, 2009, Mr. Glenn Spangler conducted an inspection and record review of the Sinclair Refinery. During this inspection, it was noted that the Coker Unit startup date was reported as June 14, 2008 which would require 781 Reformer Stabilizer Heater (Source 16) testing to be conducted by September 14, 2008. According to Division records, neither a test protocol nor a test report has been received by the Division for this required testing. This is a violation of conditions 7 & 11 of permit MD-1381A2.

8. Permit MD-1381A2 was issued to Sinclair Wyoming Refining Company on January 29, 2008. Conditions 7, 10 and 11 require initial compliance NO_x testing (lb/hr and lb/MMBtu) for Hydrocracker Heater H1/H2, Hydrocracker Heater H3, Hydrocracker Heater H4 and Hydrocracker Heater H5 within 30 days of achieving maximum firing rate, but no later than 90 days following initial startup.

9. On July 9, 2009, Mr. Glenn Spangler conducted an inspection and record review of the Sinclair Refinery. During this inspection, it was noted that these heaters were started in May 2009, which would require that initial testing be performed by August 2009. According to Division records, initial testing for NO_x for these heaters has not been received.

10. Waiver AP-9297 was issued to Sinclair Wyoming Refining Company on April 20, 2009. The waiver was issued to allow hydrogen used by the #4 HDS unit to go through heater 25-HT-101 (ID#60) until repairs could be made to heater 25-HT-102. Condition 3 of Waiver AP-9297 requires EPA Reference Method Testing for NO_x and SO₂ within 60 days of startup. A test protocol is required to be submitted at least 15 days prior to the scheduled test date.

11. On July 9, 2009, Mr. Glenn Spangler conducted an inspection and record review of the Sinclair Refinery. During this inspection, it was noted that Sinclair notified the Division that the #4 HDS Unit startup date was April 23, 2009. According to Division records, neither a test protocol nor a test report has been submitted to the Division for this required testing.

12. W.S. 35-11-801(c) states, "A permit to construct is required before the construction or modification of any industrial facility capable of causing or increasing air or water pollution in excess of standards established by the department is commenced."

13. Chapter 6, Section 2(a)(i) of the Wyoming Air Quality Standards and Regulations states, "Any person who plans to construct any new facility or source, modify any existing facility or source, or to engage in the use of which may cause the issuance of or an increase in the issuance of air contaminants into the air of this state shall obtain a construction permit from the State of Wyoming, Department of Environmental Quality, before any actual work is begun on the facility."

14. On July 9, 2009, Air Quality Division Engineer, Mr. Glenn Spangler conducted an inspection the Sinclair Refinery. Upon inspection, three portable diesel air compressors were observed to the north of the Boilerhouse. During subsequent discussion, Sinclair stated that the air compressors were in place in standby operation due to valve problems at a plate and frame exchanger. A review of the Air Quality Division's files showed that the three air compressors were not permitted. Sinclair failed to obtain an air quality permit for the three air compressors at this site in violation of W.S. 35-11-801(c) of the Wyoming Environmental Quality Act and Chapter 6, Section 2(a) Wyoming Air Quality Standards and Regulations.

15. Said violations consist of failing to: 1) verify the accuracy of the fuel gas meters for the Reformer Naptha Splitter Heater for the year 2009 and the Hydrocracker H5 Heater for the years 2007, 2008 and 2009, 2) perform required testing for the 781 Reformer Stabilizer Heater (Source 16) within 30 days of achieving maximum firing rate, but no later than 90 days following initial startup, 3) perform required NO_x testing (lb/hr and lb/MMBtu) for Hydrocracker Heater H1/H2, Hydrocracker Heater H3, Hydrocracker Heater H4 and Hydrocracker Heater H5 within 30 days of achieving maximum firing rate, but no later than 90 days following initial startup, 4) perform testing for NO_x and SO₂ of the 25-HT-101 Heater within 60 days of startup and 5) obtain permits for the three air compressors at this site. These are violations 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.

16. 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.

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17. 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 28 day of FEB, 2010.



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.)