Department of Environmental Quality

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

Matthew H. Mead, Governor

John Corra, Director

August 8, 2012

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 obtain a PSD permit for the operation the Newcastle Refinery prior to the change in operation of heater H-22 which caused a significant increase in net emissions of CO for the facility.

As the Department and this Division consider the failure to comply with 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 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 this matter, please feel free to contact me or Karen Godman.

Sincerely,

Steven A. Dietrich

Steven A. Dietrich
Administrator
Air Quality Division

cc: Nancy Vehr
Bob 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,	)	**DOCKET NO. 5028-12**
MR. C. PATRICK HAVENER, VICE PRESIDENT,	)	
P.O. BOX 820,	)	
NEWCASTLE, WY 82701	)	

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. The Department of Environmental Quality, Division of Air Quality, has found Wyoming Refining Company to be in violation of the Wyoming Environmental Quality Act and Chapter 6, Section 4 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(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."

3. Chapter 6, Section 4 of the Wyoming Air Quality Standards and Regulations prescribes the applicability and procedures for assessing and issuing Prevention of Significant Deterioration (PSD) permits to sources under Wyoming's permitting program.

4. Chapter 6, Section 4 of the Wyoming Air Quality Standards and Regulations looks specifically at emissions from a facility and the applicable net emissions increase with respect to any regulated NSR pollutant emitted by a major stationary source. It notes any other increase and decrease at the major stationary source that are contemporaneous with the particular change and are otherwise creditable. This physical change or change in the method of operation of the facility would be deemed a major modification subject to review under the Chapter 6, Section 4 (PSD) permitting regulations, where the net emissions increase would exceed the "significant" level of the designated pollutant and emission rate.

5. On November 2, 2006 a Permit Application Analysis was conducted for Wyoming Refining, Inc. for increases in the crude charge rate, which considered the installation of a new 24.0 MMBtu/hr heater H-22. One proposed scenario within this analysis incorporated H-22 and other changes for other heaters and service, which did evaluate net emissions from this change and found regulated NSR pollutants to be below Prevention of Significant Deterioration (PSD) Thresholds.

6. On May 1, 2012, the Air Quality Division received application AP-1333, which also reported stack test results from heater H-22 conducted December 7, 2010. These test results showed that the changes in operation and other contemporaneous changes of heater H-22 caused a significant increase in net emissions of Carbon Monoxide (CO) from the Newcastle Refinery. This increase in net emissions of CO would have initiated the PSD process. The failure to correctly report net emission increases for CO and thereby not have the appropriate review is a violation of the PSD permitting requirements for CO.

7. Said violations consist of failing to obtain a PSD permit for the operation the Newcastle Refinery prior to the change in operation of heater H-22 which caused a significant increase in net emissions of CO for the facility.

8. 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.

9. This notice is being sent to you pursuant to W.S. 35-11-701(c), which requires that, in any case of 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 8th day of AUGUST, 2012.

Steven A. Dietrich
Administrator
Air Quality Division

John V. Corra
Director
Department of Environmental Quality

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