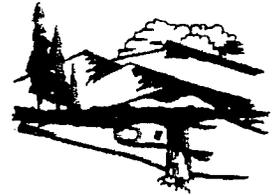




# Department of Environmental Quality



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

December 30, 2009

Certified #7008 0150 0001 1174 2405  
Return Receipt Requested

M.P. Bellinger  
Refinery Manager  
Sinclair Wyoming Refining Company  
Sinclair Wyoming Refinery (40.025)  
P O Box 277  
Sinclair, WY 82334

**RE: Issuance of Notice of Violation, Docket No. 4615-09**

Dear Mr. Bellinger.

Enclosed is a Notice of Violation (NOV) issued to your facility for violations of the Wyoming Hazardous Waste Rules and Regulations (HWRR). On May 3, 2009, Sinclair Wyoming Refining Co. (SWRC) in Sinclair, WY, reported the release of approximately 65,000 barrels (bbl) of light straight run (LSR, a gasoline intermediate) from Tank 518. Evidence indicates the release resulted from the sinking of the TK 518 floating roof and its support legs penetrating the tank floor at several locations.

We believe there is significant evidence SWRC failed to respond to several indications of serious concerns with Tank 518 in a timely or otherwise adequate manner, resulting in one of the largest surface and subsurface contamination events in recent Wyoming history. For these reasons, we believe the violations summarized below apply to the lack of adequate and/or timely responses by SWRC to prevent the release.

- Count 1: Failure to properly respond to releases of hazardous wastes or constituents [HWRR, Chapter 10, Section 3(b)]. With documentation of ignitable, hazardous material leaking into pontoons, de-stabilizing the Tank 518 floating roof and no attempt to remove or recover the leaking material, SWRC discarded the materials and generated a waste.
- Count 2: Failure to adhere to general facility standards to identify and correct problems before they harm human health and the environment [HWRR, Chapter 10, Sections 2(f)(i) and 2(f)(ii)(D) and 2(f)(iii)].

Herschler Building • 122 West 25th Street • Cheyenne, WY 82002 • <http://deq.state.wy.us>

ADMIN/OUTREACH (307) 777-7937 FAX 777-3610	ABANDONED MINES (307) 777-6145 FAX 777-6462	AIR QUALITY (307) 777-7391 FAX 777-5616	INDUSTRIAL SITING (307) 777-7369 FAX 777-5973	LAND QUALITY (307) 777-7756 FAX 777-5864	SOLID & HAZ. WASTE (307) 777-7752 FAX 777-5973	WATER QUALITY (307) 777-7781 FAX 777-5973
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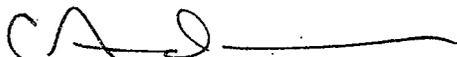


We have previously expressed concerns with SWRCs' timely completion of full investigations into root causes of this incident. As most are aware, comprehensive investigations help minimize future incidents and industry convention is to include access to the internals of failed equipment and provide metallurgical or other physical evidence to support any root cause analysis. After numerous reminders and our October 21, 2009 letter, we received SWRCs' October 30, 2009 correspondence with the "Accident/Incident Investigation Form". However, we have yet to see the more objective, scientific and conventional evidence that is based on direct internal/metallurgical investigations of Tank 518. Our experience is industry convention considers such direct scientific evidence imperative to minimize future incidents. SWRCs' ongoing delays to fully access the tank wreckage to provide such evidence continues to be a source of frustration.

Related to the above discussions, it is also SWRC responsibility to properly manage any wastes still within the wreckage of Tank 518. Chapter 2, Section 1(d)(iii) of the HWRR outlines a requirement to properly manage any wastes in a manufacturing process unit if hazardous wastes remain in the unit "more than 90 days after the unit ceases to be operated for manufacturing, or for storage or transportation of product or raw materials". Information available to us indicates Tank 518 has not been fully opened and cleaned since 1987, indicating there may be significant tank bottom wastes sitting in the deteriorating remnants of the tank. This has been among several reasons for our continued insistence SWRC must meet its responsibilities to fully investigate and properly manage the remnants of Tank 518. We will continue to meet our obligations and require more diligent SWRC efforts to do the same with identifying and characterizing any wastes remaining in Tank 518. Identification and characterization of tank bottom wastes remaining in what is left of Tank 518 should be done by March 1, 2010.

Given the seriousness of the violations and their consequences, the department is seeking a penalty. If you have any questions regarding this case or wish to discuss voluntary settlement within fifteen (15) days of letter receipt, please contact Bob Breuer at (307) 473-3450 in Casper or Charles Plymale at (307) 335-6951 in the Lander office.

Sincerely,



Carl Anderson, PhD  
Administrator  
Solid and Hazardous Waste Division

cc: Bob Breuer, SHWD/Casper File #  
Charles Plymale, SHWD/Lander File #  
Tim Link, SHWD/Cheyenne File #  
Matt Bucholtz, SHWD/Cheyenne File #  
Linda Jacobson, USEPA Region 8, Denver, CO



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

IN THE MATTER OF THE  
NOTICE OF VIOLATION  
ISSUED TO:

SINCLAIR WYOMING REFINING COMPANY )  
SINCLAIR WYOMING REFINERY (40.025) ) DOCKET NO. 4615-09  
P O BOX 277 )  
SINCLAIR WY 82334 )

**NOTICE OF VIOLATION**

NOTICE IS HEREBY GIVEN THAT:

On May 3, 2009, Sinclair Wyoming Refining Co. (SWRC) in Sinclair, WY, reported the release of approximately 65,000 bbl of light straight run (LSR, a gasoline intermediate) from Tank 518. Evidence indicates the release resulted from the sinking of the TK 518 floating roof and its support legs penetrating the tank floor at several locations.

The department alleges significant evidence exists to indicate SWRC failed to respond to several indications of serious concerns with Tank 518 in a timely or otherwise adequate manner, resulting in one of the largest surface and subsurface contamination events in recent Wyoming history. This evidence includes, but is not limited to previous documentation of pontoon leaks, significant precipitation on days prior to the incident without verifying roof water levels or water draws, tank overfilling/drawdown procedures and other concerns with the conditions of the floating roof for this tank. The violations summarized below apply to the lack of adequate and/or timely responses by SWRC to prevent the release.

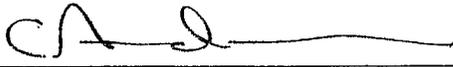
- Count 1: Failure to properly respond to releases of hazardous wastes or constituents [HWRR, Chapter 10, Section 3(b)]. With documentation of ignitable, hazardous material leaking into pontoons, de-stabilizing the Tank 518 floating roof and no attempt to remove or recover the leaking material, SWRC discarded the materials and generated a waste.
- Count 2: Failure to adhere to general facility standards to identify and correct problems before they harm human health and the environment including regular observations of pontoon leak rates and recovery of accumulated material in leaking roof pontoons. [HWRR, Chapter 10, Sections 2(f)(i) and 2(f)(ii)(D) and 2(f)(iii)].

ANY PERSON who violates any provision of the Environmental Quality Act, or any rules, standard, permit, license, or variance adopted there under is liable to a penalty of ten thousand dollars (\$10,000) for each day of violation, which penalty may be recovered in a civil action brought by the Attorney General in the name of the People of the State of Wyoming; and

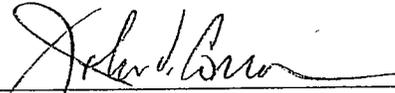
THIS NOTICE OF VIOLATION is being sent to you pursuant to Wyoming Statute 35-11-701(c) which requires that in any case of the failure to correct or remedy an alleged violation the Director of the Department of Environmental Quality shall cause a written notice to be issued and served upon the person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



Signed this 30 day of DEC., 2009



Carl Anderson, Ph.D  
Administrator  
Solid & Hazardous Waste Division



John V. Corra  
Director  
Dept. of Environmental Quality