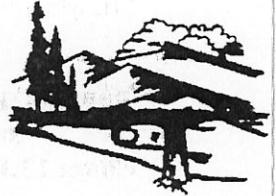




# Department of Environmental Quality

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

Friday, August 6, 2010

Certified #7007 0710 0000 3817 5567

Return Receipt Requested

Mr. Jim Maguire  
Refinery Manager  
Sinclair Oil Corporation (40.025)  
P O Box 277  
Sinclair, WY 82334

## RE: Issuance of Notice of Violation

Enclosed is a Notice of Violation (NOV) issued to your facility for violation(s) of the Wyoming Hazardous Waste Rules and Regulations (HWRR) and the May 30, 2007, as modified September 4, 2008, Hazardous Waste Management Facility Permit. On April 25, 2010, Sinclair Wyoming Refinery personnel notified WDEQ Spill Response personnel of a release occurring at the refinery. On April 27, 2010, WDEQ, SHWD/Inspection/Compliance personnel were notified to investigate this release and did so with several visits to the SWRC refinery in Sinclair. Our investigations have identified the violations outlined below with details in the attached NOV.

- Count 1: Failure to meet benzene effluent limits** as alleged with more specific details in the attached NOV. This is also a violation of Permit Condition I.D.1.a.
- Count 2: Failure to remedy deteriorations or malfunctions** as alleged with more specific details in the attached NOV. This is also a violation of Permit Condition I.D.6.
- Count 3: Failure to analyze regulated wastes** as alleged with more specific details in the attached NOV. This is also a violation of Permit Condition I.E.
- Count 4: Failure to make a hazardous waste determination** as alleged with more specific details in the attached NOV. This is also a violation of Permit Condition I.E.1.
- Count 5: Failure to notify of new hazardous waste management activity** as alleged with more specific details in the attached NOV.
- Count 6: Failure to have a hazardous waste disposal permit** as alleged with more specific details in the attached NOV.
- Count 7: Failure to conduct periodic inspection of hazardous waste management units** as alleged with more specific details in the attached NOV.
- Count 8: Failure to prepare and maintain a cost estimate for closure and to demonstrate financial assurance for the cost of closure, post-closure care, and liability for damages to third parties** as alleged with more specific details in the attached NOV.
- Count 9: Failure to meet land disposal restriction (LDR) notification requirements and treatment standards** as alleged with more specific details in the attached NOV. This is also a violation of Permit Condition I.I.
- Count 10: Failure to implement groundwater monitoring system for land disposal units (surface impoundments)** as alleged with more specific details in the attached NOV.
- Count 11: Failure to meet minimum technology requirements for hazardous waste surface impoundments** as alleged with more specific details in the attached NOV.



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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



Mr. Maguire, 8/6/2010

**Count 12: Failure to make an initial determination for volatile organic emissions for hazardous waste surface impoundments** as alleged with more specific details in the attached NOV.

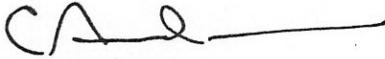
**Count 13: Failure to adhere to violations of provisions of the Environmental Quality Act § 35-11-903 causing damages to wildlife** as alleged with more specific details in the attached NOV. This is also a violation of Permit Condition I.D.1.b.

**Count 14: Imminent and substantial endangerment** as alleged with more specific details in the attached NOV.

WDEQ has endeavored to resolve a pattern of ongoing violations/concerns with SWRC failing to dedicate appropriate personnel, operating modifications and equipment to assure the basic tenant and RCRA requirement of adequate secondary treatment of refinery wastewater. WDEQ also believes SWRC has derived economic benefit from its failure to take necessary steps for compliant operation of the ABTU.

If you have any questions regarding this letter or the attached NOV or wish to discuss voluntary settlement, please contact Bob Breuer at 307.473.3454 or Charles Plymale at 307.335.6951 within ten (10) days of receipt of this letter. The undersigned is also available in Cheyenne at 307.777.7752.

Sincerely,



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

C: Bob Breuer, SHWD/Casper      Charles Plymale, SHWD/Lander      Jerry Breed, SHWD/Cheyenne  
Matt Buchholz, SHWD/Cheyenne

**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) )  
P.O. BOX 277 )  
SINCLAIR WY 82334 ) DOCKET NO. 4713-10

**NOTICE OF VIOLATION**

NOTICE IS HEREBY GIVEN THAT:

On April 25, 2010, Sinclair Wyoming Refinery personnel notified WDEQ, Spill response of a release occurring at the refinery.

On April 27, 2010, WDEQ, SHWD/Inspection/Compliance personnel was notified to investigate this release. The violations identified during this investigation are as follows:

**Count 1: Failure to meet benzene effluent limits.** On June 11, 2007, Sinclair Wyoming Refining Company (SWRC), was issued a hazardous waste renewal permit for the Aggressive Biological Treatment Unit (ABTU). SWRC was in violation of Permit Condition, Part IV(B).(D).7, for exceeding the ABTU effluent limitation of 0.5 mg/L benzene on two occasions (December 2009 and April 2010) and Permit Condition, Part I.D.6., for not properly operating and maintaining all facility systems of treatment and control to achieve compliance with the permit. This is also a violation of Permit Condition I.D.1.a.

**Count 2: Failure to remedy deteriorations or malfunctions.** Chapter 10, Section 2(f)(iii) of the Wyoming Hazardous Waste Rules and Regulations (HWRR) requires owners or operators to remedy any deterioration or malfunction of equipment or structures. SWRC's repeated violations of benzene levels in the ABTU effluent and repeated (nearly continuous) carryover of untreated free-phase oil, emulsions and oily solids are a result of deterioration and/or malfunction of equipment and therefore a violation of Chapter 10, Section 2(f)(iii). This is also a violation of Permit Condition I.D.6.

**Count 3: Failure to analyze regulated wastes.** Chapter 10, Section 2(d)(i)(C)(I) of the Wyoming HWRR requires an analysis of regulated wastes, at a minimum, to be repeated when the owner or operator is notified, or has reason to believe, that the process or operation generating the hazardous wastes has changed. With several new, major process units and raw material (crude oil) significantly different from historic sources, there is significant evidence SWRC should have recognized these substantial changes would impact waste characteristics. The repeated violations indicate SWRC failed to update their waste analysis to identify treatment problems experienced as a result of changes to processes and in raw material. This is also a violation of Permit Condition I.E.

**Count 4: Failure to make a hazardous waste determination.** Chapter 8, Section 1(b)(i) of the Wyoming HWRR requires waste generators to characterize waste to determine whether wastes are hazardous. Chapter 2, Section 4(b)(i) of the Wyoming HWRR designates any solids or sludges derived from any management of "primary refinery wastewater" as listed hazardous waste (listing code "F037"). SWRC failed to make a hazardous waste determination to document it had generated and disposed F037 hazardous waste in an oil/water separator impoundment. This is also a violation of Permit Condition I.E.1.



**Count 5: Failure to notify.** Chapter 8, Section 1(c)(i) of the Wyoming HWRR requires that all persons who manage (i.e., treat, store, dispose) hazardous wastes must notify the Department of their activities. SWRC failed to notify the Department of its hazardous waste storage and disposal activities regarding the F037 in an oil/water separator impoundment.

**Count 6: Failure to have a hazardous waste disposal permit.** Chapter 1, Section 1(h)(ii) and (iii) of the Wyoming HWRR require a permit to dispose of hazardous waste in a land disposal unit. Chapter 3, Section 2(a)(vi) of the Wyoming HWRR require the owner/operator to obtain a permit prior to constructing such a unit. SWRC disposed of a generated F037 hazardous waste in an oil/water separator impoundment. SWRC has neither obtained nor applied for a permit from the Department for this hazardous waste disposal unit.

**Count 7: Failure to conduct periodic inspection of hazardous waste management units.** Chapter 11, Section 4(f) and Chapter 11, Sections 11 and 12 of the Wyoming HWRR require owners or operators of hazardous waste storage and disposal units to conduct routine, periodic (at least weekly) inspections of containers and disposal units and daily inspections of hazardous waste tanks, to detect and correct problems. The oil/water separator impoundment is a hazardous waste disposal unit and is subject to these inspection requirements. SWRC has not conducted weekly inspections of this hazardous waste impoundment for the period the wastes have been disposed and/or stored at the facility.

**Count 8: Failure to prepare and maintain a cost estimate for closure and to demonstrate financial assurance for the cost of closure, post-closure care, and liability for damages to third parties.** Chapter 5, Section 1(c) of the Wyoming HWRR requires owners of hazardous waste treatment, storage or disposal facilities to prepare an estimate of the costs for a third party to close the hazardous waste facility in the event the owner is financially unable. Chapter 5, Section 1(c) of the Wyoming HWRR require owners of hazardous waste disposal facilities to prepare an estimate of the costs for a third party to conduct monitoring and maintenance of the closed facility during the thirty year post-closure monitoring period. Chapters 5, Section 1(d) of the Wyoming HWRR require owners of hazardous waste treatment, storage or disposal facilities to have and maintain evidence of financial assurance mechanisms allowed by the regulations. Chapter 5, Section 1(h) of the Wyoming HWRR require owners of hazardous waste treatment, storage and disposal facilities to have and maintain liability insurance to cover damages to third parties from sudden accidental occurrences, and non-sudden accidental occurrences, in specified dollar amounts. SWRC had not estimated the closure or post-closure costs for the oil/water separator impoundment. SWRC has not provided a liability mechanism for the oil/water separator impoundment as required by the hazardous waste regulations.

**Count 9: Failure to meet land disposal restriction (LDR) notification requirements and treatment standards.** Chapter 13, Sections 1, 3, 4, and 5 of the Wyoming HWRR require large quantity generators to comply with the LDR requirements, including making a determination if a waste can be land disposed, and whether it meets the treatment and storage standards (location standards, labeling standards, record keeping standards and storage for no longer than one (1) year without authorization). SWRC has failed to adhere to LDR requirements and treatment standards for wastes managed in the oil water separator impoundment. This is also a violation of Permit Condition I.I.

**Count 10: Failure to implement groundwater monitoring system for land disposal units (surface impoundments).** Chapter 11, Section 8 of the Wyoming HWRR states owners or operators of surface impoundments which are used to manage hazardous wastes must implement a groundwater monitoring program. SWRC has not implemented a groundwater monitoring program for the oil/water separator impoundment.

**Count 11: Failure to meet minimum technology requirements for hazardous waste surface impoundments.** Chapter 11, Section 12 of the Wyoming HWRR requires owners or operators using surface impoundments to manage hazardous waste to meet minimum technology requirements for design and operation, including that surface impoundments have two separate liners with leak detection systems beneath each liner. SWRC has disposed of hazardous waste in an oil/water separator impoundment not meeting minimum technology requirements.

**Count 12: Failure to make an initial determination for volatile organic emissions for hazardous waste surface impoundments.** Chapter 11, Section 30 (d)(iii)(A) of the Wyoming HWRR requires an initial determination of volatile organic concentrations from hazardous waste surface impoundments using the procedures specified in Chapter 11, Section 30(e)(i) of the Wyoming HWRR. SWRC did not make an initial determination for volatile organics for the oil/water separator impoundment.

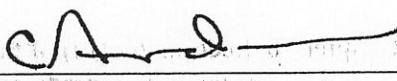
**Count 13: Failure to adhere to violations of provisions of the Environmental Quality Act § 35-11-903 causing damages to wildlife.** Wyo. Stat. Ann. § 35-11-903 states that "any person who violates the Act, or any rule or regulation promulgated thereunder, and thereby causes the death of fish, aquatic life or game or bird life is, in addition to other penalties provided by the Act, liable to pay to the state, an additional sum for the reasonable value of the fish, aquatic life, game or bird life destroyed." SWRC violated this provision when the release at the SWRC facility resulted in death of wildlife. This is also a violation of Permit Condition I.D.1.b.

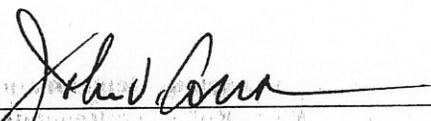
**Count 14: Imminent and substantial endangerment.** Chapter 1, Section 1(k) of the Wyoming HWRR prohibits handling, storage, treatment, or disposal of any waste material or hazardous waste in a manner which may present an imminent and substantial endangerment to health or the environment. The SWRC release starting April 25, 2010 combined with previous violations of benzene levels in ABTU effluent, numerous, at times continuous, episodes of free-phase oil on the ABTU and consequent impacts to wildlife at the evaporation pond are an imminent and substantial endangerment to health or the environment. Further, SWRC's causative failures to thoroughly evaluate the ability of its systems to treat wastes and/or wastewaters resulting from a significantly changed raw material represented negligence and, willful violations of the Act and the Wyoming HWRR. Ongoing failures to assure adequate personnel, operations and equipment further indicated SWRC lack of adequate response to appropriately resolve the consequent endangerment to health or the environment.

ANY PERSON who violates any provision of the Environmental Quality Act, or any rules, standard, permit, license, or variance adopted thereunder 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 9 day of August, 2010

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

  
\_\_\_\_\_  
John V. Corra  
Director  
Dept. of Environmental Quality

