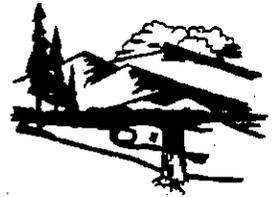




Department of Environmental Quality



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

CERTIFIED MAIL

February 14, 2008

Mr. David J. Danford
Frontier Refining, Inc.
P.O. Box 1588
Cheyenne, Wyoming 82003

RE: Notice of Violation, Docket Number 4208-08

Dear Mr. Danford:

Enclosed is a copy of Notice of Violation, Docket Number 4208-08, for the unauthorized discharge of "condensate oil" with the potential to enter waters of the state by Frontier Refining, Inc. (Frontier) in Cheyenne, Wyoming. The unauthorized discharge, as reported by the adjacent land owners, occurred on February 9, 2008. Water sampling was conducted by Department of Environmental Quality/Water Quality Division personnel on February 11, 2008. These are violations of the Wyoming Environmental Quality Act (Act) and the Wyoming Water Quality Rules and Regulations (WWQRR).

The Notice of Violation also references effluent discharges containing ammonia concentrations in excess of Frontier's permit limits that were recorded in samples taken on December 19th and December 26th, 2007. It is unknown at this point whether such exceedances of the permit limits are continuing.

While neither the attached Notice of Violation nor this letter constitutes an order, it is the recommendation of this office that you take action to eliminate the alleged violations as follows:

Unauthorized release of "condensate oil"

1. Frontier should provide the Water Quality Division with a detailed report that includes information on how the incident occurred, when was it first discovered and what actions were taken to minimize the release and minimize the damage;
2. Frontier should inform the Water Quality Division (WQD) in writing of the steps taken to eliminate unauthorized releases and the steps taken to remediate contamination of the adjacent property. This information should be received by the WQD on or before March 3, 2008;
3. Frontier should inform the Water Quality Division (WQD) in writing of the steps taken to stabilize the bank near the coker unit and reduce the potential for runoff to leave the site. This information should be received by the WQD on or before March 3, 2008;

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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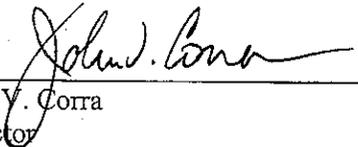


4. Frontier should notify the Water Quality Division (WQD) immediately upon successful cleanup of the affected area and arrange for a site inspection by WQD. Upon notification that the cleanup is acceptable, the WQD will be prepared to discuss a resolution to the Notice of Violation;
5. Please be aware that the WQD will consider the violation to be ongoing until such time that all cleanup actions are complete and acceptable and penalties may be assessed up to \$10,000 for each day of violation.

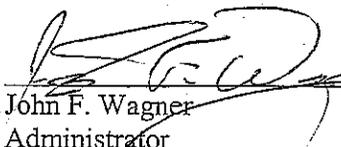
Ammonia exceedance

1. As with the condensate release, Frontier should provide the Water Quality Division with a detailed incident report that describes how the treatment plant upset occurred and the total volume of water discharged to Crow Creek as a result. Also include the date on which the discharge from outfall 3 complied with Frontier's discharge limits and what actions have been taken to ensure that similar incidents do not continue to occur in the future. This information should be received by the WQD on or before March 3, 2008.

The WQD has the authority to resolve violations with an out-of-court settlement agreement through the payment of a penalty by Frontier. If Frontier wishes to pursue resolution of the previously noted violations through such an agreement, please contact Mr. Kevin M. Wells, WYPDES Compliance & Enforcement Coordinator at (307) 777-8669, or Mr. Brian K. Lovett, WYPDES Inspection & Compliance Supervisor at (307) 777-5630, upon successful completion of cleanup activities in item 4. above.



John V. Corra
Director
Department of Environmental Quality



John F. Wagner
Administrator
Water Quality Division

JVC/JFW/KMW/bb/8-0125

Enclosure: Notice of Violation
2/11/08 Inspection Report

cc: Lee Hanley, 8ENF-W-NP, EPA Region 8 (PDF)
Bill J. DiRienzo ► Brian K. Lovett ► Leah J. Krafft (PDF)
IPS (for scanning) ► Docket 4208-08
Keith Guille, DEQ Public Information Officer (PDF)

BEFORE THE
DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE OF WYOMING

**IN THE MATTER OF THE NOTICE OF)
VIOLATION ISSUED TO:)**

**Frontier Refining, Inc.)
P.O. Box 1588)
Cheyenne, Wyoming 82003)**

DOCKET NUMBER 4208-08

NOTICE OF VIOLATION

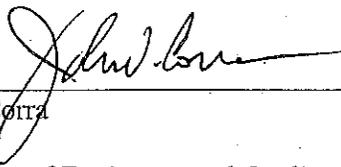
NOTICE IS HEREBY GIVEN THAT:

1. Frontier Refining, Inc. (Frontier) is a petroleum refinery located in Section 5 and 33 of Township 13 North Range 66 West (S5, 33 T13N R66W) in Laramie County, Wyoming;
2. On February 9, 2008, the Department of Environmental Quality, Water Quality Division (WQD) was notified by the adjacent land owner that Frontier had a discharge from a condensate tank. The tank reportedly overflowed due to wave action caused by high winds. This resulted in the unauthorized discharge of condensate water and oil onto the adjacent property to the south, near Crow Creek (class 2C);
3. The discharge referenced above had the potential to impact "waters of the state" as defined under W.S. 35-11-103 (c)(vi) and was not through a permitted discharge point;
4. The Department of Environmental Quality has no record of permits authorizing the discharge to waters of the state from the location referenced above;
5. On January 31, 2007, WQD received documentation of effluent exceedances to Wyoming Pollution Discharge Elimination System (WYPDES) permit number WY0000442. Frontier reported exceedances of total ammonia due to an upset condition in the Wastewater Treatment Plant (WWTP) that inhibited ammonia conversion for several days and that the local municipal treatment facility was also upset and could not accept the wastewater. During this period Frontier reported that its holding ponds were full. Effluent from the WWTP was discharged through outfall 003 into Crow Creek exceeding the monthly average and instantaneous maximum concentrations for total ammonia in samples collected on December 19 and 26, 2007. Frontier has not reported subsequent sampling to indicate that total ammonia concentrations are within permitted limits;
6. By discharging pollution into waters of the state as referenced in item 2 above, Frontier is in violation of W.S. 35-11-301 (a)(i) and Chapter 2 of the Wyoming Water Quality Rules and Regulations which state that no person, except when authorized by a permit issued by the Department of Environmental Quality, shall cause, threaten or allow the discharge of any pollution or wastes into the waters of the state;
7. The discharge referenced above in item 5 has impacted "waters of the state" as defined under W.S. 35-11-103 (c)(vi) and was through a permitted discharge point;
8. This Notice is being sent to you pursuant to W.S. 35-11-701(c)(i), 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;

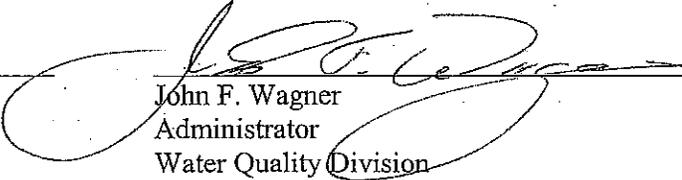
9. Pursuant to Wyoming Statute 35-11-901(a), any person who violates, or any director, officer, or agent of a corporate permittee who willingly and knowingly authorizes, orders, or carries out the violation of any provision of the Environmental Quality Act (Act), or any rule, regulation, standard, or permit adopted hereunder or who violates any determination or order of the council pursuant to this act or any rule, regulation, standard, permit, license, or variance is subject to a penalty not to exceed ten thousand dollars and no cents (\$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. The penalty may be recovered in a civil action brought by the Attorney General in the name of the People of the State of Wyoming. Nothing herein shall preclude the department from negotiating stipulated settlements involving the payment of a penalty, implementation of compliance schedules, or other settlement conditions, in lieu of litigation.

NOTHING IN THIS NOTICE OF VIOLATION (NOV) shall be interpreted to in any way limit or contravene any other remedy available under the Environmental Quality Act, nor shall this NOV be interpreted as being a condition precedent to any other enforcement action.

Signed this 21 day of Feb., 2008.



John V. Corra
Director
Department of Environmental Quality



John F. Wagner
Administrator
Water Quality Division

PLEASE DIRECT ALL INQUIRIES TO: Kevin M. Wells, WYPDES Compliance & Enforcement Coordinator at the Wyoming Department of Environmental Quality, Water Quality Division, Herschler Building, 4th Floor West, 122 West 25th Street, Cheyenne, Wyoming 82002. Telephone 307-777-8669.

JVC/JFW/KMW/bb/8-0125

cc: Aaron Urdiales, 8ENF-W-NP, EPA Region 8 (PDF)
Lee Hanley, 8ENF-W-NP, EPA Region 8 (PDF)
Bill J. DiRienzo ► Brian K. Lovett ► Leah J. Krafft (PDF)
IPS (for scanning) ► Docket 4208-8
Keith Guille, DEQ Public Information Officer (PDF)
DEQ Director