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OhioEPA

State of Ohio Environmental Protection Agency

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April 30, 2009

Ms. Mary Ellen Perkins
Senior Paralegal, BP Legal
BP America, Inc.
4101 Winfield Road
Mail Code 4 West
Warrensville, Illinois 60555

RE: BP Corporation North America, Inc.
Toledo Refinery – OHD 005 057 542
Lima Refinery – OHD 005 051 826
Financial Assurance

Dear Ms. Perkins

On April 25, 2009, Ohio EPA conducted a review of financial assurance and liability coverage documentation on file for the above referenced BP Corporation North America Inc. (BPNA) Lima and Toledo Refineries. I evaluated the facilities for compliance with closure/post-closure cost estimate, financial assurance for closure/post-closure care and liability coverage requirements as set forth in Ohio Administrative Code (OAC) rules 3745-66-42 through 3745-66-47, and Ohio Hazardous Waste Permit Conditions A.27 (a)(b)(c); B.36,B.37 and B.38, E.9(ii); and G.6 for Toledo Refinery as well as Permit Conditions A.27(b)(i)(ii)(iii) and B.36, B.37 and B.38 and E.9(h) for the Lima Refinery.

To demonstrate compliance with the financial assurance requirements for closure/post-closure care and liability requirements, BPNA uses the Guarantee/Chief Financial Officer's Financial Test mechanism. Documentation received March 30, 2009 included Chief Financial Officers' letter, Corporate Guarantee for Closure and Post-Closure Care, Guarantee for Liability Coverage, Special Report from Ernest & Young LLP and the annual auditor's report.

GENERAL CONCERN:

Previously, I requested a detailed explanation as to how each unit's cost were calculated and why cost has decreased for some of the units. I received a document in April 2008 of detail cost for each unit which showed detail cost per unit.

I also requested permit modifications for financial assurance be submitted for the financial assurance documentation as required by your permits. However, modifications have not been provided as requested previously or submitted with the March 30, 2009 submittal.

Upon review of the above documentation, **BPNA is in violation of the Toledo and Lima Refinery Permit Conditions A.27 (a)(b)(c) and A.27 (b)(i)(ii)(iii),** because the financial assurance permit classification modifications have not been submitted for the purpose of updating the permit application.

To abate the above violations provide the appropriate permit modifications. Permit modifications (mod) for your 2007, 2008, and 2009 financial assurance documentation has not been submitted, as required by your permits. The current annual cost estimate update requires a modification (administrative and information changes) for the above referenced facilities. Other changes in financial assurance not found in the appendix to ORC 3745-50-51 will require a permit mod determination by the Ohio EPA Division of Hazardous Waste Management.

In addition, *provide a detail explanation as to why the cost estimates for post-closure and corrective action have decreased.* Because post-closure and corrective action activity is ongoing, please submit an updated detail cost estimate for each unit and an explanation per unit to explain why these costs have decreased/ increased. For future reference, submit third-party vendor quotes with your 2010 financial assurance

Submit this information to me within thirty (30) days of receipt of this letter.

If you have any questions, or need further clarification of any matter mentioned in this letter, please do not hesitate to call me at (614) 644-2951. I will be happy to assist you in any way possible.

Sincerely,

Tina Jennings

Tina Jennings
Compliance Assurance Section
Division of Hazardous Waste Management

cc: Michael Terpinsk/Wendy Miller/, DHWM, NWDO
Kristin Durnell, DHWM. RISS
Michael Darr, BP America
Shawn Sellars, ERAS, DHWM