



**Environmental
Protection Agency**

Ted Strickland, Governor
Lee Fisher, Lt. Governor
Chris Korleski, Director

Re: Allen County
INEOS USA, LLC
Premise #0302020371
Notice of Violation/HPV
GC5, GC7

September 24, 2010

CERTIFIED MAIL

Mr. Patrick Conrath, Site Director
INEOS USA, LLC
P. O. Box 628
Lima, Ohio 45802

Dear Mr. Conrath:

This letter shall serve as a follow-up to the June 23, 2010, inspection of the above referenced facility by Jeffrey Skebba, Andrea Moore and Alyse Johnson of the Division of Air Pollution Control/Northwest District Office (DAPC/NWDO). The purpose of the inspection was to determine the compliance status of all air contaminant emissions units located there.

Based on discussions and observations during the inspection, and a review of the company's files, my findings are as follows:

1. The company's Title V permit requires completion of stack testing for emissions unit P035, acrylonitrile plant No. 2 reactor and absorption section. Specifically, testing of this emissions unit (on the absorber off gas incinerator exhaust stack) was required for particulate emissions, sulfur dioxide, nitrogen oxides, carbon monoxide and non-methane hydrocarbons (including determination of the weight percent reduction of volatile organic compounds) within six months prior to the permit expiration date of January 3, 2010. Thus, testing was required to be completed no later than July 3, 2009. Testing was completed on July 8, 2010.

This is a violation of terms A.V.2.a, A.V.2.b and A.V.2.e in the Title V permit and ORC section 3704.05. The company could have avoided the violation by requesting a Director's letter for extension of the test date.

The following corrective actions are required to be submitted in Air Services by October 29, 2010:

Mr. Patrick Conrath, Site Director
September 24, 2010
Page 2

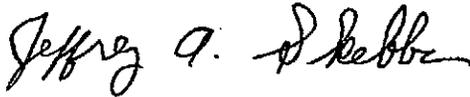
- Submit revised Title V deviation reports for third quarter 2009, fourth quarter 2009 and first quarter 2010. List the deviation for failure to complete testing by July 3, 2009, on emissions unit P035; and
 - Submit a revised 2009 Title V Annual Compliance Certification Report showing the same testing deviations for third quarter 2009 and fourth quarter 2009.
2. Compliance with emissions limits was being maintained with parametric monitoring ranges established in letters to the company for the following emissions units:
- P038 - catalyst spray dryer and No. 2 calciner (based on October 21, 2005 letter);
 - P068 - Barex plant No. 2 paste line (based on October 21, 2005 letter); and
 - P075 - acrylonitrile plant (based on December 6, 2005 letter)
3. Leak detection and repair (LDAR) records were reviewed for components required to be monitored. The records indicated that the required monitoring frequencies have been met and leak rates were within the allowable percentage of components in the applicable regulations. In addition, a random audit of 11 components where leaks had been detected between July 2008 and March 2010 was conducted, and it was found that all necessary follow-up repairs and monitoring were scheduled properly within regulatory time frames. There were no components with active leak tags.
4. Operating parameters for the absorber off gas incinerator at the acrylonitrile plant, including firebox temperature and continuous emission monitoring data for nitrogen oxides and carbon monoxide, were found to be in compliance with respective Title V permit terms and conditions.

With the exception noted in item No. 1 above, all other emissions units appear to be in compliance with applicable air pollution control regulations of Ohio EPA at this time. Please note, however, that submittal of the revised reports in item No. 1 above does not preclude the Director from seeking civil penalties pursuant to ORC section 3704.06 for these violations. The decision on whether to pursue or decline to pursue such penalties regarding this matter is dependent on several factors, one of which is the company's future compliance with applicable Ohio EPA requirements.

Mr. Patrick Conrath, Site Director
September 24, 2010
Page 3

If you have any questions and/or comments, please contact me at (419) 373-3128.

Sincerely,



Jeffrey A. Skebba
Environmental Specialist
Division of Air Pollution Control

/lr

pc: Lisa Holscher, U.S. EPA-Region V
Tom Kalman-DAPC-CO
Mark Budge-DAPC-NWDO
DAPC-NWDO File
NWDO Follow-up File
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