



**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

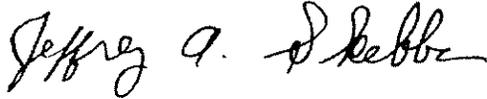
- Submit revised Title V deviation reports for third quarter 2009, fourth quarter 2009 and first quarter 2010. List the deviation for failure to complete testing by July 3, 2009, on emissions unit P035; and
  - Submit a revised 2009 Title V Annual Compliance Certification Report showing the same testing 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

/llr

pc: Lisa Holscher, U.S. EPA-Region V  
Tom Kalman-DAPC-CO  
Mark Budge-DAPC-NWDO  
DAPC-NWDO File  
NWDO Follow-up File  
Certified Receipt Number 7009 1680 0002 4297 4029

| SENDER: COMPLETE THIS SECTION  | COMPLETE THIS SECTION ON DELIVERY  |
|--|--|
| <ul style="list-style-type: none"><li>Complete items 1, 2, and 3: Also complete item 4 if Restricted Delivery is desired.</li><li>Print your name and address on the reverse so that we can return the card to you.</li><li>Attach this card to the back of the mailpiece, or on the front if space permits.</li></ul> | <p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by <i>R. Williams</i> C. Date of Delivery <i>9/21/10</i></p>   |
| <p>1. Article Addressed to:<br/><i>MR. PATRICK CONRATH, Site Director<br/>LUCAS COSA, LLC<br/>PO Box 628<br/>Lima, Ohio 45802</i></p>  | <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br/>If YES, enter delivery address below:</p> <p>3. Service Type<br/><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail<br/><input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise<br/><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p> |

7009 1680 0002 4297 4029