



State of Ohio Environmental Protection Agency

Northwest District Office

347 North Dunbridge Rd.
Bowling Green, OH 43402-9398

TELE: (419) 352-8461 FAX: (419) 352-8468
www.epa.ohio.gov

Ted Strickland, Governor
Lee Fisher, Lieutenant Governor
Chris Korleski, Director

Re: Allen County
Lima Refining Company
Premise #0302020012
Notice of Violation/HPF
Violation types GC7 and M3A

May 7, 2010

CERTIFIED MAIL

Mr. Roy Warnock, Vice President & General Manager
Lima Refining Company
1150 South Metcalf Street
Lima, Ohio 45804-1145

Dear Mr. Warnock:

The Fourth Quarter 2009 Excess Emissions Report (EER) submitted by Lima Refining Company on February 1, 2010, has been reviewed by the Division of Air Pollution Control/Northwest District Office (DAPC/NWDO) and our Central Office (DAPC/CO). Data summaries in the EER indicate emissions units with continuous emission monitor (CEM) data capture less than the minimum acceptable 95 percent and excess emissions greater than five percent of source operating time during the quarter for the following:

1. Fluid Catalytic Cracker/Carbon Monoxide (FCC/CO) Boiler, Emissions Unit P010:
 - a. 90.70 percent data capture (9.30 percent CEM down time) for the sulfur dioxide CEM which is located on the regenerator flue gas outlet prior to the CO boiler; and
 - b. Emissions of carbon monoxide from the regenerator flue gas outlet exceeded the limitation of 500 parts per million at zero percent-oxygen, as a block hourly average for 20.82 percent of total source operating time.
2. Claus 1 and Claus 2 Sulfur Recovery Units, and Butane/Butylene Treater, Emissions Units P040 and P041: emissions of sulfur dioxide from the tail gas incinerator exhaust exceeded the limitation of 250 parts per million (dry basis) at zero percent excess air for 21.84 percent of total source operating time.

The excessive CEM down time and excess emissions are violations of the following:

| Item No. Referenced Above | Permit Terms/Rule Violated | Permit No./Effective Date |
|---------------------------|--|---|
| 1.b | 40 CFR 63.1565(a)(1) and Table 8 of 40 CFR, Part 63, Subpart UUU | Applicable limit to be incorporated into Title V renewal permit |
| 2. | Title V permit, Part III, term A.I.1 and 40 CFR 60.104(a)(2)(i) | Title V modification effective 11/28/05 |
| 1.b and 2. | Ohio Revised Code 3704.05. | Not Applicable |

Mr. Roy Warnock, Vice President & General Manager
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In addition, DAPC/NWDO is informing the company that the CEM data capture noted in item No. 1.a above for the regenerator flue gas outlet is less than the minimum acceptable 95 percent. However, this is not considered a violation, since this emissions limitation for sulfur dioxide will not be established for the regenerator flue gas until a later date, per the federal consent decree addendum dated November 20, 2007.

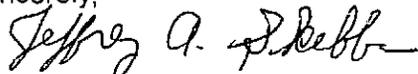
Attached is a table that shows the primary causes, date, duration and corrective action for each CEM down time and excess emission occurrence.

Since the duration of the excess carbon monoxide and sulfur dioxide emissions for emissions unit P010, P040 and P041 represent a significant amount of operating time during the Fourth Quarter 2009, please submit a written response by ~~June 11, 2010~~. Include in the response an explanation for how the company will improve operations to minimize the excess emissions for the FCC/CO boiler, Claus 1 and Claus 2 Sulfur Recovery Units, and Butane/Butylene Treater.

Please note, however, that submittal of the written response 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.

If you have any questions, feel free to contact me at (419) 373-3128.

Sincerely,



Jeffrey A. Skebba
Environmental Specialist
Division of Air Pollution Control

Enclosure

/llr

pc: Lisa Holscher, U.S. EPA-Region V
Mary McAuliffe, U.S. EPA-Region V
Tom Kalman-DAPC/CO
Don Waltermeyer - DAPC/NWDO
DAPC-NWDO File
NWDO Follow-up File
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