



State of Ohio Environmental Protection Agency

Northwest District Office

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

Re: Allen County
Lima Refining Company
Premise #0302020012
Warning Letter/Return to
Compliance/HPF

January 21, 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 Third Quarter 2009 Excess Emissions Report (EER) submitted by Lima Refining Company on October 29, 2009, 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 continuous emission monitor (CEM) data capture less than the minimum acceptable 95 percent and/or excess emissions for the following:

1. Fluid Catalytic Cracker/Carbon Monoxide (FCC/CO) Boiler, Emissions Unit P010:
 - a. 92.93 percent data capture (7.07 percent CEM down time) for the nitrogen oxides CEM which is located on the regenerator flue gas outlet prior to the CO boiler;
 - b. 87.92 percent data capture (12.08 percent CEM down time) for the sulfur dioxide CEM located on the electrostatic precipitator exhaust stack; and
 - c. 94.25 percent data capture (5.75 percent CEM down time) for the sulfur dioxide CEM which is located on the regenerator flue gas outlet prior to the CO boiler.
2. East Side Refinery Fuel Gas System, Common Header for Emissions Units B026, B027 and B028:

The hydrogen sulfide CEM which measures fuel gas quality prior to being fired in emissions units B026 – CE Boiler, B027 – Coker Furnace, and B028 – Process Heater for Catalytic Gasoline Hydrotreating Unit, indicated excess hydrogen sulfide emissions greater than the allowable 162 parts per million for 6.39 percent of total source operating time for these three emissions units.

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

Item No. Referenced Above	Permit Terms/Rule Violated	Permit No./Effective Date
1.b.	Part III, terms A.III.5 and A.III.7	Title V Modification/ 11-28-05
2.	B026: Part III, term A.I.2.c B027: Part III, term A.I.2.b B028: Part III, term A.I.2.b	Title V Modification/ 11-28-05
2.	40 CFR 60.104(a)(1)	Not Applicable
1.b and 2.	Ohio Revised Code 3704.05.	Not Applicable

In addition, DAPC/NWDO is informing the company that the CEM data capture noted in item Nos. 1.a. and 1.c. above for the regenerator flue gas outlet is less than the minimum acceptable 95 percent. However, these are not considered violations, since emissions limitations for nitrogen oxides and sulfur dioxide are not yet established for the regenerator flue gas until a later date, per the federal consent decree addendum dated November 20, 2007.

The following table shows the primary causes, date, duration and corrective action for each CEM down time and excess emission occurrence:

Item No. Referenced Above	Primary Cause	Date	Duration (minutes)	Corrective Action
1.a.	Pinhole leaks in probe	8/11/09 to 8/12/09	910	Replaced probe, and manual calibration
	Faulty ribbon cable and failed light source	9/6/09 to 9/9/09	4,968	Replaced ribbon cable, lamp, stepper motor and CPU boards; repaired heater; and stock extra ribbon cable as spare part
	Plugged oxygen sample line	various	1,257	Steamed out sample line

Item No. Referenced Above	Primary Cause	Date	Duration (minutes)	Corrective Action
1.b	Stack ports plugged and calibration drift	7/8/09 to 7/9/09	1,594	Cleared pluggage and manual calibration
	Leaking pressure bypass valve on sample pump and calibration drift	7/19/09 to 7/20/09	1,575	Replaced valve and manual calibration
	Electrostatic precipitator stack flow meter problem	7/25/09 to 7/26/09	993	Blew back impulse lines
	Calibration drift	8/4/09 to 8/5/09	1,487	Blew back sample lines
	Plugged filter and calibration drift	8/15/09 to 8/16/09	1,533	Cleared pluggage and manual calibration
	Monitor flow problem and calibration drift	9/4/09, 9/5/09, 9/9/09, 9/10/09, 9/27/09 and 9/28/09	5,238	Added steam to unused air line in bundle to eliminate moisture in sample line, replaced umbilical line
	Impulse line plugged	9/19/09 to 9/21/09	2,131	Blew down impulse lines
1.c.	Pinhole leaks in probe	8/11/09 to 8/12/09	910	Replaced probe, and manual calibration
	Faulty ribbon cable and failed light source	9/6/09 to 9/9/09	4,968	Replaced ribbon cable, lamp, stepper motor and CPU boards; repaired heater; and stock extra ribbon cable as spare part
	Plugged oxygen sample line	various	1,257	Steamed out sample line

Mr. Roy Warnock
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Page Four

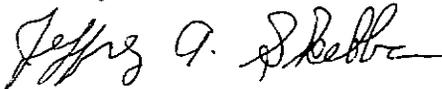
Item No. Referenced Above	Primary Cause	Date	Duration (minutes)	Corrective Action
2.	Burning untreated fuel gas due to sulfur recovery unit absorber shut down. Absorber knockout drum shell had severe corrosion	7/22/09 to 7/28/09	8,460	Reduced FCC and coker unit feed rates and completed absorber knockout drum repair

The company took prompt corrective actions to minimize CEM down time and minimize excess emissions for the east side refinery fuel gas system. Based on these actions, we have determined that the compliance plan is acceptable. The actions taken have corrected the violations and these CEMs are now being operated in compliance with the permit requirements. Please note, however, that this 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

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pc: Lisa Holscher, U.S. EPA – Region V
Tom Kalman - DAPC/CO
Don Waltermeyer - DAPC/NWDO
~~DAPC/NWDO/EI/te~~
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