IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS

UNITED STATES OF AMERICA, STATE OF ILLINOIS, STATE OF LOUISIANA, STATE OF NEW JERSEY, COMMONWEALTH OF PENNSYLVANIA, NORTHWEST CLEAN AIR AGENCY, Plaintiffs, v. CONOCOPHILLIPS COMPANY, WRB REFINING, LP Defendants.	CIVIL ACTION NO. H-05-258 JUDGE SIM LAKE

THIRD AMENDMENT TO CONSENT DECREE

WHEREAS, on January 27, 2005, Plaintiff, the United States of America ("United States"), on behalf of the Environmental Protection Agency ("EPA"), Co-Plaintiff the State of Illinois ("Illinois"), on behalf of the Illinois Environmental Protection Agency ("IEPA"), Co-Plaintiff the State of Louisiana ("Louisiana"), on behalf of the Louisiana Department of Environmental Quality ("LDEQ"), Co-Plaintiff the State of New Jersey ("New Jersey"), at the request and on behalf of the New Jersey Department of Environmental Protection ("NJDEP"), Co-Plaintiff the Commonwealth of Pennsylvania ("Pennsylvania"), on behalf of the Pennsylvania Department of Environmental Protection ("PaDEP"), and Co-Plaintiff the Northwest Clean Air Agency ("NWCAA") (collectively "Plaintiffs") filed a complaint in this

action against and simultaneously lodged a consent decree with ConocoPhillips Company ("COPC");

WHEREAS, on December 5, 2005, this Court entered the consent decree (the "December 2005 Consent Decree") that fully resolved the claims in the complaint;

WHEREAS, on May 1, 2007, a First Amendment to the December 2005 Consent Decree was entered;

WHEREAS, on September 27, 2007, this Court approved a stipulated order adding WRB Refining LLC, ("WRB Refining") as a party to the Consent Decree for certain obligations at the Wood River and Borger Refineries as the owner of those refineries;

WHEREAS, on August 11, 2008, a Second Amendment to the December 2005 Consent Decree was entered;

WHEREAS, the December 2005 Consent Decree as modified by the First and Second Amendments and the addition of WRB Refining as a Defendant hereinafter shall be referred to as the "Consent Decree" or "Decree";

WHEREAS, as reflected in this Third Amendment, Plaintiffs, COPC, and WRB Refining ("the Parties") have agreed upon certain additional modifications pursuant to Paragraph 437 of the Consent Decree;

WHEREAS, in 2006, COPC and/or WRB Refining developed an application for and sought a permit to install certain process equipment, including a coker, and pollution control technologies at the Wood River Refinery;

WHEREAS, on August 5, 2008, after public comment and a review before the Environmental Appeals Board, COPC and WRB Refining received IL Permit No. 06050052 for the proposed project;

WHEREAS EPA has alleged, and COPC and WRB Refining each have denied, that COPC and WRB Refining commenced construction of the new coking unit ("Coker 2") prior to securing the final Prevention of Significant Deterioration ("PSD") and Nonattainment New Source Review ("Nonattainment NSR") permit;

WHEREAS EPA also has alleged, and COPC and WRB Refining each have denied, that COPC and WRB Refining failed to adequately evaluate emissions in their 2006 permit application and consequently will fail to: (i) install (when the installation is complete) proper control technology, (ii) take appropriate limitations, and/or (iii) engage in appropriate work practices to limit emissions from Coker 2;

WHEREAS this Third Amendment sets forth the process for determining possible controls, limitations, and/or work practices for emissions from Coker 2;

WHEREAS Coker 2 is a delayed coking unit;

WHEREAS, COPC and/or WRB Refining collectively will be referred to as "COPC" in Part V.Q of this Decree;

WHEREAS on March 11, 2009, COPC certified completion of all actions required by the 2006 Benzene Waste Operations NESHAP ("BWON") compliance plan at the Trainer Refinery;

WHEREAS by signing this Consent Decree, COPC certifies compliance with the BWON at the Trainer Refinery;

WHEREAS, in annual reports filed in 2008, 2009, and 2010, COPC and WRB certified compliance with the BWON at the Wood River Refinery in 2007, 2008 and 2009;

WHEREAS by signing this Consent Decree, COPC and WRB certify completion of all actions necessary to remedy non-compliance with the BWON in 2008 and the first three months of 2009 at the Borger Refinery;

WHEREAS by signing this Consent Decree, COPC and WRB certify compliance with the BWON at the Borger Refinery;

WHEREAS, the Parties recognize, and the Court by entering this Third Amendment finds, that this Third Amendment has been negotiated at arm's length and in good faith and that this Third Amendment is fair, reasonable, and in the public interest;

NOW THEREFORE, before the taking of any testimony, without adjudication of any issue of fact or law, and upon the consent and agreement of the Parties, it is hereby ORDERED, ADJUDGED, and DECREED as follows:

AMENDED AND RESTATED SECTIONS

The Consent Decree shall remain in full force and effect in accordance with its terms, except that new Paragraphs numbered 11(NNNN)-11(ZZZZ), 98A, 259A-259Q, 269A, 277A, 288B, 288C, 288D, 407A, 412B, 412C, and 412D, are added and Paragraphs 11(C),11(II), 43, 47, 57A, 77, 98, 111, 138, 180, 250, 275, 276, 278, and 279A are revised. Additionally, Appendix A is revised and Appendices A-1, J, K, and L are added.

11. Definitions

C. "Acid Gas Flaring Device" or "AG Flaring Device" shall mean any device at the Covered Refineries that is used for the purpose of combusting Acid Gas and/or Sour Water Stripper Gas, except facilities in which gases are combusted to produce sulfur or sulfuric acid. The AG Flaring Devices currently in service at the Covered Refineries are included in Appendix A and Appendix A-1 to the Consent Decree. To the extent that, during the duration of the Consent Decree, any Covered Refinery utilizes AG Flaring Devices other than those specified in Appendix A and A-1 for the purpose of combusting Acid Gas and/or Sour Water Stripper Gas, those AG Flaring Devices shall be covered under this Consent Decree.

II. "Hydrocarbon Flaring Device" or "HC Flaring Device" shall mean a device at the Covered Refineries that is used to safely control (through combustion) any excess volume of a refinery-generated gas other than Acid Gas and/or Sour Water Stripper Off Gas and/or Tail Gas. The HC Flaring Devices currently in service at the Covered Refineries are included in Appendix A and Appendix A-1to the Consent Decree, but shall also include the Paratone Flaring Device on the grounds of the Bayway Refinery. To the extent that, during the duration of the Consent Decree, any Covered Refinery utilizes HC Flaring Devices other than those specified in Appendix A or A-1 or the Paratone Flaring Device for the purpose of combusting any excess of a refinery-generated gas other than Acid Gas and/or Sour Water Stripper Gas, those HC Flaring Devices shall be covered under this Consent Decree.

* * * * *

NNNN. "Coker 2" shall mean the delayed coking unit at the Wood River Refinery which is permitted in IL Permit No. 06050052; Coker 2 includes, but is not limited to, the Coke Drums, the Quench Water System, and the associated coke handling systems.

OOOO. "Coke Drum" shall mean a pressurized vessel where coke is formed. Coker 2 has the following Coke Drums: V-35108, V-35109, V-35110, V-35111.

PPPP. "Coke Drum Overhead Pressure" or "Coke Drum OH Pressure" shall mean the pressure inside a Coke Drum, as measured on the coke drum overhead vapor line, during the coke steaming and quenching operations prior to commencing Coke Drum Venting.

QQQQ. "Coke Drum Overhead Pressure Limit" or "Coke Drum OH Pressure Limit" shall mean the highest Coke Drum Overhead Pressure allowed before Coke Drum Venting can be commenced.

RRRR. "Coke Drum Steam Vents" or "Steam Vents" shall mean all openings, including associated valves and piping, on Coke Drums that are used to vent vapors to the

atmosphere. "Coke Drum Steam Vents" do not include the opening at the top of the Coke Drum used to insert the coke cutting device or the opening at the base of the Coke Drum used to discharge coke. The Coker 2 Coke Drums have the following Coke Drum Steam Vents:

Identification of Coke Drum	Identification of Coke Drum Steam Vents
V-35108	V-35108 vent
V-35109	V-35109 vent
V-35110	V-35110 vent
V-35111	V-35111 vent

SSSS. "Coke Drum Venting" or "Venting" shall mean the opening of one or more of a Coke Drum's Steam Vents to the atmosphere.

TTTT. "Coke Drum OH Pressure Minimization Demonstration" or "Minimization Demonstration" shall mean the evaluation that COPC shall conduct on Wood River Coker 2 in accordance with Paragraph 259A of this Consent Decree.

UUUU. "PSIG" or "psig" shall mean pounds per square inch gauge.

VVVV. "Quench Water" shall mean the water, in liquid phase, used to cool coke after it is formed in a Coke Drum.

WWWW. "Quench Water Fill and Soak Time" shall mean the duration of time between the commencement of the initial addition of Quench Water to a Coke Drum after discontinuing the steam sweep and the commencement of the final draining of Quench Water from a Coke Drum after opening the Steam Vent(s).

XXXX. "Quench Water Make-Up" shall mean the water, in liquid phase, added to the Quench Water System to compensate for water loss.

YYYY. "Quench Water System" shall mean the system used to receive, manage, treat, or convey Quench Water commencing from the point of discharge from the coke fines

settling basin continuing through to the Coke Drum. This System may include one or more of the following: drains, junction boxes, sewer lines, sumps (excluding the clean water basin sump), pits (excluding the coke pit and coke fines settling basin), clarifiers, and/or tanks.

ZZZZ. "Quench Water Tank" shall mean any tank that holds Quench Water. For Wood River Coker 2, this definition includes the tank designated by COPC as Tank # TM075. To the extent that COPC uses any other tank to hold Coker 2 Quench Water, this definition also shall apply to it.

* * * * *

43. NO_x Baseline Data and NO_x Model. By the dates set forth below, for the following baseline time periods, for the following FCCUs, COPC will submit to EPA and the Applicable Co-Plaintiff two reports: (1) a report of twelve (12) months of baseline data; and (2) a report describing a model to predict uncontrolled NO_x concentration and mass emission rate:

FCCU	Baseline Start	Baseline End	Report
LAR Wilmington FCCU	12/31/05	12/31/06	2/28/07
Sweeny FCCU 3	6/30/06	6/30/07	8/31/07
Borger 29 and 40 (if COPC provides notification under Paragraph 39)	12/31/07	12/31/08	2/28/09

The baseline data will include all data considered in development of the model on a daily average basis and, at a minimum, the following data on a daily average basis:

(a) Regenerator dense bed, dilute phase, cyclone and flue gas temperatures;

(b) Coke burn rate in pounds per hour;

(c) FCCU feed rate in barrels per day;

(d) FCCU feed API gravity;

(e) Estimated percentage or directly measured percentage (if available) of each type of FCCU feed component (i.e. atmospheric gas oil, vacuum gas oil, atmospheric tower bottoms, vacuum tower bottoms, etc.);

(f) Amount and type of hydrotreated feed (i.e. volume % of feed that is hydrotreated and the type of hydrotreated feed such as AGO, VGO, CGO, ATB, VTB, etc.);

(g) FCCU feed sulfur and basic nitrogen content, as a weight %, except that if, after thirty (30) days of daily monitoring of the FCCU feed nitrogen content, the variability of the feed nitrogen content, as measured by the standard deviation of the data, is less than 30% of the mean, or the mean is less than 2.0 ppmw, then COPC may commence monitoring and recording the feed nitrogen content through daily sampling composited on a weekly basis for the remainder of the baseline period; in addition, COPC may propose, for EPA approval, alternate sulfur and nitrogen data collection requirements.

(h) CO boiler firing rate and fuel type, if applicable;

(i) CO boiler combustion temperature, if applicable

(j) Total Catalyst addition rate;

(k) NO_x and SO_2 Reducing Catalyst Additive and addition rates, conventional combustion promoter addition rates, and Low NO_x Combustion Promoter addition rates;

(l) Hourly and daily SO_2, NO_x, CO, and O_2 concentrations at the point of emission to the atmosphere by means of a CEMS; and

(m) Any other parameters that COPC identifies before the end of the demonstration period.

Upon request by EPA, COPC will submit any additional data that EPA determines it needs to evaluate the model. The report describing the model will include a description of how the model was developed including which parameters were considered, why parameters were eliminated, efforts and results of model validation, and the statistical methods used to arrive at the equation to predict uncontrolled NO_x concentration and mass emission rate.

* * * * *

47. NO_x Reducing Catalyst Additives – Demonstration Period and Report

(a) By no later than the dates set forth in the table in Paragraph 47(b), while using Low NO_x Combustion Promoter (if it is needed and effective), COPC will commence and complete a demonstration of the EPA-approved NO_x Reducing Catalyst Additive at the optimized addition rates that COPC proposes unless EPA proposes different optimized addition rates. Delays by EPA in approving the optimized addition rate may result in extensions of the demonstration period and extensions of relevant deadlines as agreed by the parties.

(b) By no later than the following dates, COPC will report to EPA and the Applicable Co-Plaintiff the results of the demonstration ("NO_x Additive Demonstration Report"). The NO_x Additive Demonstration Report will include, at a minimum, the NO_x and O_2 CEMS data recorded during the demonstration period and all baseline data on a daily average basis for the demonstration period.

FCCU	Demonstration Start	Demonstration End	Report Due
LAR Wilmington	3/31/08	12/31/10	3/1/11
Sweeny 3	3/31/09	5/31/11	8/1/11
Borger 29 and 40 (if COPC provides notification under Paragraph 39)	9/30/10	3/31/12	5/31/12

(c) Except as noted below for Borger Unit 40, during the Demonstration Period, COPC will both physically add NO_x Reducing Catalyst Additive and operate each FCCU, CO Boiler (where installed) and FCCU feed hydrotreaters (where installed) in a manner that minimizes NO_x emissions to the extent practicable without interfering with conversion or processing rates.

(d) Based on the optimization study conducted pursuant to Paragraph 46, the use of NOx Reducing Catalyst Additives at Borger 40 has not been shown to be effective. COPC proposed and EPA agreed that no NOx Reducing Catalyst Additive is to be used during the Demonstration Period. During the Demonstration Period, the Borger 40 FCCU and FCCU feed hydrotreaters shall be operated in a manner that minimizes NO_x emissions to the extent practicable without interfering with conversion or processing rates.

* * * *

57A. Installation and Operation of a WGS at Sweeny FCCU 3. COPC will complete the installation and begin operation of a WGS at Sweeny FCCU 3 by no later than January 31, 2010. COPC will design the WGS to achieve an SO_2 concentration of 25 ppmvd or lower on a 365-day rolling average basis and 50 ppmvd or lower on a 7-day rolling average basis at 0%

oxygen. By no later than July 31, 2010, COPC will comply with an SO_2 concentration limit of 25 ppmvd or lower on a 365-day rolling average basis and 50 ppmvd or lower on a 7-day rolling average basis at 0% oxygen.

* * * * *

77. PM Emission Limits for the Bayway, Borger 29, Borger 40, Sweeny 3, Trainer, Wood River 1 and Wood River 2 FCCUs. COPC will continue to operate the wet gas scrubber at the Bayway Refinery and will design the wet gas scrubbers at the Borger 29, Borger 40, Sweeny 3, Trainer, Wood River 1 and Wood River 2 FCCUs to achieve an emission limit of 0.5 pound PM per 1000 pounds of coke burned on a 3-hour average basis. To the extent that, under Paragraph 58 of this Consent Decree, COPC does not install wet gas scrubbers at Borger FCCUs 29 and 40, this requirement will not apply. By no later than the following dates for the following FCCUs, COPC will comply with an emission limit of 0.5 pound PM per 1000 pounds of coke burned on a 3-hour average basis determined by the testing protocol in Paragraph 83:

Bayway	Date of Lodging
Borger 29 (if applicable)	December 31, 2006
Borger 40 (if applicable)	December 31, 2015
Sweeny 3	January 31, 2010
Trainer	December 31, 2006
Wood River 1	December 31, 2008
Wood River 2	December 31, 2012

* * * * *

98. By December 31, 2008, COPC will install sufficient Qualifying Controls and have applied for emission limits from the appropriate permitting authority sufficient to achieve two-

thirds of the NO_x emission reductions required by Paragraph 95, provided however, that COPC shall be entitled to install its planned retrofits on the Crude Charge Heater (191-H-1), the Reformer Depentanizer Reboiler (139-H-4) and the Naphtha HDT (291-H-2) heater at the Alliance Refinery during its turnaround beginning January 9, 2009. By no later than March 31, 2009, COPC will provide EPA and the Applicable Co-Plaintiff with a report showing how it satisfied the requirements of this Paragraph.

98A. By June 30, 2010, COPC will install sufficient Qualifying Controls on the Alkylation Isostripper Reboiler (491-H-1) and the Alkylation Depropanizer Reboiler (491-H-2) at the Alliance Refinery and have applied for emission limits from LDEQ to achieve 142 tons of the remaining NO_x emission reductions required by Paragraph 95. Documentation of these reductions shall be included in the June 30, 2010 NOx Control Plan submittal.

* * * * *

111. NSPS Applicability of Heaters and Boilers at the Alliance Refinery. By no later than the Date of Lodging for all heaters and boilers at the Alliance Refinery except for heater 191-H-1, and by no later than February 16, 2009, for heater 191-H-1, the heaters and boilers at the Alliance Refinery will be affected facilities, as that term is used in the NSPS, 40 C.F.R. Part 60, and will be subject to and comply with the requirements of NSPS Subparts A and J for fuel gas combustion devices.

* * * * *

138. NSPS Subpart J Applicability of Flaring Devices. COPC owns and operates the Flaring Devices that are identified in Appendix A and A-1. The Flaring Devices listed in Appendix A are or will become affected facilities as that term is used in the NSPS Subpart J at such time as COPC certifies compliance and accepts NSPS Subpart J applicability under Paragraphs 142 - 143. The Flaring Devices listed in Appendix A-1 must comply with NSPS

Subpart J or Ja (as applicable) at the time they are put into service. A Covered Refinery shall notify EPA that it has placed a flare in Appendix A-1 into service within thirty (30) days of the date the flare is placed in service or the Date of Lodging of the Third Amendment, whichever is later.

* * * * *

180. Implementation of Actions Necessary to Correct Non-Compliance: Santa Maria Refinery. If the results of the BWON Compliance Review and Verification Report indicate that the Santa Maria Refinery has a TAB of over 10 Mg/yr, COPC will submit to EPA, by no later than one-hundred eighty (180) days after completion of the BWON Compliance Review and Verification Report, a plan that identifies with specificity: (a) the actions that the Refinery will take to ensure that, by no later than one-hundred eighty (180) days after submission of the plan, the Refinery's TAB, for the duration of this Consent Decree, remains below 10 Mg/yr; or (b) if the Refinery cannot ensure a consistent TAB of below 10 Mg/yr within one-hundred eighty (180) days, then the compliance strategy and schedule that COPC will implement to ensure that the subject Refinery complies with the 6 BQ compliance option by no later than one year after submission of the plan.

* * * * *

250. Chronic Leakers. A valve will be classified as a "chronic leaker" under this Paragraph if it leaks above 5000 ppm twice in any consecutive four (4) quarters, unless the valve has not leaked in the six (6) consecutive quarters prior to the relevant process unit turnaround. Following the identification of a "chronic leaker" non-control valve, COPC will replace, repack, or perform similarly effective repairs on the chronic leaker during the next process unit turnaround occurring at the later of June 30, 2005, or six (6) months after the Date of Entry of this Decree. If, prior to the next process unit turnaround, COPC is able to, and in fact does,

replace, repack or perform similarly effective repairs on a valve that has been classified as a chronic leaker, it shall no longer be classified as a chronic leaker. Records of such replacements, repacking, or other repairs shall be maintained as part of the Semi-Annual Reports submitted pursuant to Paragraph 279. After Entry of this Decree, COPC and EPA may agree in writing to modifications of the chronic leaker requirements of this Paragraph 250 and any such modifications will be considered non-material under Paragraph 437.

* * * * *

Q. VOC, PM, TRS, and H_2S Emission Reductions from Wood River Coker 2

259A. Control of VOC, PM, TRS, and H_2S Emissions from Wood River Coker 2 Coke Drum Steam Vents: Minimization Demonstration for Coke Drum OH Pressure Limit ("Coke Drum OH Pressure Minimization Demonstration" or "Minimization Demonstration"). COPC shall conduct a Minimization Demonstration for Coker 2 in accordance with this Paragraph to determine whether the Coke Drums, as designed and installed, safely can achieve a Coke Drum OH Pressure Limit of 2 psig.

(a) By no later than three months prior to the initial startup of Coker 2, COPC shall submit to EPA a protocol for the Coke Drum OH Pressure Minimization Demonstration in accordance with and which contains all of the information required by Appendix J. The objective of the Minimization Demonstration shall be to determine the lowest Coke Drum OH Pressure that the Coker 2 Coke Drums can achieve with a reasonable certainty of compliance while not operating the Coker 2 Coke Drums in an unsafe manner.

(b) By no later than nine months after the initial startup of Coker 2, COPC shall complete the Minimization Demonstration in accordance with the protocol. During the Demonstration, COPC shall use best efforts to minimize the Coker 2 Coke Drum OH Pressure without operating the Coker 2 Coke Drums in an unsafe manner.

(c) By no later than ninety days after completing the Minimization Demonstration, COPC shall submit a Minimization Demonstration Report ("Demonstration Report") consistent with the requirements of Paragraph 259B.

259B. Control of VOC, PM, TRS, and H_2S Emissions from Wood River Coker 2 Coke Drum Steam Vents: Minimization Demonstration Report. COPC shall submit, to EPA and Illinois EPA, consistent with the requirements of Paragraph 433 (Notice), a Minimization Demonstration Report that is organized in accordance with and contains all of the information required in Appendix J. In the Demonstration Report, COPC shall either:

(a) Agree to comply, as of the date of the submission of the Demonstration Report, with a Coke Drum OH Pressure Limit of 2 psig for the Coker 2 Coke Drums, in which case, COPC shall comply with that Limit commencing on the date of submission of the Demonstration Report; or

(b) Not agree to comply, as of the date of the submission of the Demonstration Report, with a Coke Drum OH Pressure Limit of 2 psig for the Coker 2 Coke Drums, in which case, COPC also shall include in the Demonstration Report a proposed Interim Coke Drum OH Pressure Limit for the Coker 2 Coke Drums that is no greater than 5.0 psig. COPC shall comply with its proposed Interim Coke Drum OH Pressure Limit from the date of submission of the Demonstration Report until the date of the final Interim Coke Drum OH Pressure Limit established by EPA pursuant to Paragraph 259C.

259C. Control of VOC, PM, TRS, and H_2S Emissions from Wood River Coker 2 Coke Drum Steam Vents: EPA Response to Proposed Interim Coke Drum OH Pressure Limit. If, in the Demonstration Report, COPC does not agree to comply, as of the date of the submission of the Report, with a Coke Drum OH Pressure Limit of 2 psig for the Coker 2 Coke Drums, then EPA will review COPC's proposed Interim Coke Drum OH Pressure Limit and will establish a final Interim Coke Drum OH Pressure Limit. That limit: *(1)* shall be the most stringent that can be met with a reasonable certainty of compliance while not operating the Coke Drums in an unsafe manner; and *(2)* shall not, by virtue of this Interim Limit alone, limit the Coker 2 feed rate to anything less than its design feed rate of 65,000 bpd fresh feed for each 18-hour maximum online drum cycle. Fresh feed does not include recycle streams. EPA will determine the Interim Coke Drum OH Pressure Limits based on the information developed during the Minimization Demonstration, a reasonable certainty of compliance, and any other information that is available

to EPA and COPC and relevant. COPC shall comply with the final Interim Coke Drum OH Pressure Limit no later than 30 days after EPA establishes the limit. Any disputes arising under this Paragraph shall be resolved in accordance with the dispute resolution provisions of this Decree.

259D. Control of VOC, PM, TRS, and H_2S Emissions from Wood River Coker 2 Coke Drum Steam Vents: Undertaking Changes to Meet a 2 psig Coke Drum OH Pressure Limit. If, in the Demonstration Report, COPC does not agree to comply, as of the date of submission of the Report, with a Coke Drum OH Pressure Limit of 2 psig for the Coker 2 Coke Drums, then COPC will make the changes necessary to achieve and comply with a Coke Drum OH Pressure Limit of 2 psig as soon as practicable but by no later than the earlier of: (i) the first Scheduled Turnaround for Coker 2 after initial startup of Coker 2; or (ii) five and one-half years after the initial startup of Coker 2.

259E. Control of VOC, PM, TRS, and H_2S Emissions from Wood River Coker 2 Coke Drum Steam Vents: Establishing an Alternative Final Coke Drum OH Limit Between 2 psig and 5 psig: Testing. At any time after COPC submits its Minimization Demonstration Report pursuant to Paragraph 259B, COPC may notify EPA and Illinois EPA, consistent with the requirements of Paragraph 433 (Notice), in writing of its intent to conduct testing to determine if the VOC, PM, TRS, and H_2S emissions resulting from venting at increasing Coke Drum OH pressures between 2 psig and 5 psig are no more than emissions of VOCs, PM, TRS, and H_2S which result from venting at 2 psig. If such emissions are no higher, COPC may propose to establish and comply with one or more Alternative Coke Drum OH Limits between 2 psig and 5 psig (as alternative operating scenarios) in lieu of complying with a Coke Drum OH Pressure Limit of 2 psig for the Coker 2 Coke Drums. Prior to conducting such testing, COPC shall:

(a) Consult with EPA to develop a testing protocol that will provide sufficient data to determine the typical VOC, PM, TRS and H_2S emissions when

venting at a Coke Drum OH Pressure of 2.0 psig, 5.0 psig, and if in effect, the interim Coke Drum OH Pressure limit established in 259C;

(b) Submit, to EPA and Illinois EPA, consistent with the requirements of Paragraph 433 (Notice), with its notification a test protocol which outlines how and when COPC will conduct its emissions tests. At a minimum, the protocol will include:

(i) A description of how COPC will temporarily operate Coker 2 drums to comply with a Coke Drum OH Pressure Limit of 2 psig during the testing if it is not already complying with a limit of 2 psig at the time of testing;

(ii) The anticipated operating parameters that the Coke Drums will be operated at during the test(s);

(iii) The proposed additional alternative Coke Drum OH Pressure(s) to be used during the emissions testing;

(iv) The duration of each test run at each condition; and

(v) Anticipated testing dates and tester name.

COPC shall conduct the emissions test in accordance with the protocol as submitted or as revised after discussions with EPA. Following the testing, COPC shall continue to comply with the applicable Interim or Final Coke Drum OH Pressure limit in place prior to the testing until EPA approval to use the Alternative Final Coke Drum OH Limit is granted pursuant to Paragraph 259G.

259F. Control of VOC, PM, TRS, and H_2S Emissions from Wood River Coker 2 Coke Drum Steam Vents. Adoption of Alternative Final Coke Drum OH Limit: Report. By no later than 90 days after completing the testing in Paragraph 259E, COPC shall submit to EPA for approval an "Alternative Final Coke Drum OH Limit Report" which shall include:

(a) The results of the tests for VOC, PM, TRS, and H_2S emissions from a Coke Drum Steam Vent using the protocol and methods specified in Paragraph 259E, including specifically describing the level of emissions of each pollutant at each Coker 2 Coke Drum OH Pressure level tested; and

(b) Where testing demonstrates that one or more alternative Coke Drum OH Pressure venting levels between 2 psig and 5 psig does not result in any

increased emissions of VOC, PM, TRS, and H_2S, combined from all Coker 2 Coke Drums, a proposed Alternative Final Coker 2 Coke Drum OH Pressure Limit; and

(c) Where testing demonstrates that one or more alternative Coke Drum OH Pressure venting levels between 2 psig and 5 psig results in any increase in emissions of VOC, PM, TRS, and H_2S, combined from all Coker 2 Coke Drums, COPC shall so notify EPA. Thereafter, COPC will continue to comply with a Coke Drum OH Pressure limit of either: (i) 2.0 psig, if agreed to in Paragraph 259B(a); or (ii) the Interim Limit established pursuant to Paragraph 259C. If COPC continues to comply with the Interim Limit established in Paragraph 259C, then, at the time required in Paragraph 259D, COPC will comply with a Final Limit of 2.0 psig. COPC also will comply with the obligation to obtain a permit or SIP revision in Paragraph 259Q.

COPC also shall submit to Illinois EPA any Alternative Final Coke Drum OH Limit Report that it submits to EPA.

259G. Control of VOC, PM, TRS, and H_2S Emissions from Wood River Coker 2 Coke Drum Steam Vents: Alternative Final Coke Drum OH Limit: EPA Approval. Following receipt of an Alternative Final Coke Drum OH Limit Report that seeks EPA's approval of an Alternative Final Coke Drum OH Limit, EPA will respond in writing to the request. EPA may approve the request, approve the request with conditions, approve part of the request and disapprove other parts, or disapprove the request. If EPA disapproves the request, then COPC shall continue to operate the Coke Drum with the appropriate Interim or Final Coke Drum OH Pressure Limit unless and until the results of a dispute resolution proceeding under Section XV of this Decree establish an Alternate Final Coke Drum OH Limit. Disputes arising under this Paragraph 259G will be resolved in accordance with Section XV.

259H. Control of VOC, PM, TRS, and H2S Emissions from Wood River Coker 2 Coke Drum Steam Vents: Limitation on Quench Water Fill and Soak Time. Commencing no later than the date upon which COPC submits its Minimization Demonstration Report pursuant to Paragraph 259B, COPC shall operate the Coker 2 Coke Drums at all times, except during periods

of Malfunction, with a minimum Quench Water Fill and Soak Time of 5.75 hours unless and until a shorter minimum Quench Water Fill and Soak Time is established pursuant to Paragraphs 259I – 259K. After COPC has included a minimum Quench Water Fill and Soak Time established pursuant to either this Paragraph or Paragraphs 259I – 259K in a federally enforceable permit, nothing in this Paragraph or Consent Decree shall prohibit COPC from seeking to shorten the permitted minimum Quench Water Fill and Soak Time provided that emissions increases, if any, from the proposed new minimum Quench Water Fill and Soak Time are properly permitted.

259I. Control of VOC, PM, TRS, and H2S Emissions from Wood River Coker 2 Coke Drum Steam Vents: Shorter Limitation on Quench Water Fill and Soak Time: Testing. At any time after COPC submits the Demonstration Report in Paragraph 259B, COPC may notify EPA and Illinois EPA, consistent with the requirements of Paragraph 433 (Notice), in writing of its intent to conduct testing to determine the effect on emissions of VOCs, PM, TRS, and H_2S through shortening the minimum Quench Water Fill and Soak Time set forth in Paragraph 259H. Prior to conducting such testing, COPC shall:

(a) Consult with EPA to develop (a) testing protocol (s) that will provide sufficient data to adequately evaluate the emissions impact of shortening the minimum Quench Water Fill and Soak Time; and

(b) Submit to EPA and Illinois EPA, consistent with the requirements of Paragraph 433 (Notice), with its notification a test protocol which outlines how and when COPC will conduct its emissions tests. At a minimum, the protocol will include:

(i) The proposed parameters that the Coke Drums will be operated at during the test(s);

(ii) The proposed shorter minimum Quench Water Fill and Soak Times to be used during the emissions testing;

(iii) The duration of each test run at each Quench Water Fill and Soak Time; and

(iv) Anticipated testing dates and tester name.

COPC shall conduct the emissions test in accordance with the protocol as submitted or as revised after discussions with EPA.

259J. Control of VOC, PM, TRS, and H_2S Emissions from Wood River Coker 2 Coke Drum Steam Vents: Shorter Limitation on Quench Water Fill and Soak Time: Report. By no later than 90 days after completing the testing in Paragraph 259I, COPC shall submit to EPA for approval an "Alternative Quench Water Fill and Soak Time Report" which shall include:

(a) The results of the test for VOC, PM, TRS, and H2S emissions from a Coke Drum Steam Vent using the protocol and methods specified in Paragraph 259I, including specifically describing the level of emissions of each pollutant at each Quench Water Fill and Soak Time tested;

(b) Where testing demonstrates that a minimum Quench Water Fill and Soak Time shorter than 5.75 hours does not result in more than five (5) tons per year of increased emissions of VOC, PM, TRS, and H2S, combined from all Coker 2 Coke Drums, a proposed shorter Minimum Quench Water Fill and Soak time than 5.75 hours; and

(c) Where testing demonstrates that a minimum Quench Water Fill and Soak Time shorter than 5.75 hours results in more than five (5) tons per year of increased emissions of VOC, PM, TRS, and H_2S, combined from all Coker 2 Coke Drums, COPC shall so notify EPA. Thereafter, COPC will continue to comply with a minimum Quench Water Fill and Soak Time of 5.75 hours and will comply with the obligation to obtain a permit or SIP revision in Paragraph 259Q.

COPC also shall submit to Illinois EPA any Alternative Quench Water Fill and Soak Time Report that it submits to EPA.

259K. Control of VOC, PM, TRS, and H2S Emissions from Wood River Coker 2 Coke Drum Steam Vents: Shorter Limitation on Quench Water Fill and Soak Time: EPA Approval. Following receipt of an Alternative Quench Water Fill and Soak Time Report that seeks EPA's approval of a Minimum Quench Water Fill and Soak Time shorter than 5.75 hours, EPA will respond in writing to the request. EPA may approve the request, approve the request with conditions, approve part of the request and disapprove other parts, or disapprove the request. If

EPA disapproves the request, then COPC shall continue to operate the Coker Drum with a minimum Quench Water Fill and Soak Time of 5.75 hours unless and until the results of a dispute resolution proceeding under Section XV of this Decree establish a shorter minimum Quench Water Fill and Soak Time. Disputes arising under this Paragraph 259K will be resolved in accordance with Section XV. In any such dispute, COPC shall bear the burden of proving that its proposed shorter Minimum Quench Water Fill and Soak Time(s) will not result in more than five (5) tons per year of increased emissions of VOC, PM, TRS, and H2S, combined from all Coker 2 Coke Drums.

259L. Control of VOC, TRS, and H_2S Emissions from the Wood River Coker 2 Quench Water System: Control of All Components and Pieces of Equipment Except the Quench Water Tank. Commencing upon the initial startup of Wood River Coker 2, for all components and pieces of equipment within the Quench Water System, except the Quench Water Tank, COPC shall maintain a hard-piped system that has no emissions points to the atmosphere.

259M. Control of VOC, TRS, and H_2S Emissions from the Wood River Coker 2 Quench Water System: Emissions Test on Quench Water Tank. COPC shall test emissions from the Coker 2 Quench Water Tank in accordance with the following schedule:

(a) By no later than six months after the initial startup of Coker 2, COPC shall complete a test on VOC, TRS, and H_2S emissions from the Coker 2 Quench Water Tank in accordance with the methods and protocol set forth in Parts I and II of Appendix K; and

(b) By no later than nine months after the initial startup of Coker 2, COPC shall submit, to EPA and Illinois EPA, consistent with the requirements of Paragraph 433 (Notice), a test report that is organized in accordance with and contains, at a minimum, all of the information required by Part III of Appendix K.

259N. Control of VOC, TRS, and H_2S Emissions from the Wood River Coker 2 Quench Water Tank: Control. By no later than ten months after the initial startup of Coker 2, COPC shall either:

(a) Notify EPA and Illinois EPA, consistent with the requirements of Paragraph 433 (Notice), of its agreement to install, operate, and maintain a cover and closed-vent system on the Coker 2 Quench Water Tank that will route all vapors to a control device with at least 98 percent control efficiency (*e.g.*, enclosed combustion device, dual carbon canisters, recovery to fuel gas system). If COPC so notifies EPA, COPC will complete the work necessary to comply with this Subparagraph 259N(a) as expeditiously as practicable but by no later than the earlier of: (i) the first Scheduled Turnaround for Coker 2 after the initial startup of Coker 2; or (ii) five and one-half years after the initial startup of Coker 2; or

(b) Submit, for EPA approval, a Coker 2 Quench Water Tank Control Proposal consistent with EPA guidance for LAER analyses for control of VOCs, TRS, and H_2S from the Coker Quench Water Tank. The Proposal shall consider, at a minimum, the installation of a cover and closed-vent system on the Tank that routes all vapors to a control device with at least 98 percent control efficiency (*e.g.*, enclosed combustion device, dual carbon canisters, recovery to fuel gas system), but also may include any other technically-feasible controls (including operating limits). The Proposal also will provide a schedule by which COPC will complete the work as expeditiously as practicable.

COPC also shall submit to Illinois EPA any Coker 2 Quench Water Tank Control Proposal that it submits to EPA.

259O. Control of VOC, TRS, and H_2S Emissions from the Wood River Coker 2 Quench Water Tank: EPA Response to COPC's Coker 2 Quench Water Tank Control Proposal. If COPC submits a Coker 2 Quench Water Tank Control Proposal pursuant to Subparagraph 259N(b), EPA will determine the schedule and the limits and controls for the Coker 2 Quench Water Tank that reflect a LAER-equivalent level of control. COPC shall comply with EPA's determination in accordance with the schedule set by EPA. In setting the schedule, EPA shall take into consideration the duration of time between EPA's receipt of COPC's Coker 2 Quench Water Tank Control Proposal and EPA's response. Any disputes arising under this Paragraph will be resolved in accordance with the dispute resolution provisions of this Decree. In any such dispute over the schedule, COPC will bear the burden of proving that EPA's schedule is

unreasonable. In any such dispute over the Coker 2 Quench Water Tank limits and controls, COPC will bear the burden of proving that such controls are not equivalent to LAER.

259P. Control of VOC, TRS, and H_2S Emissions from Wood River Coker 2: Operating Practices.

(a) Except as provided in Subparagraph 259P(b) and (c), commencing upon the initial startup of Coker 2, COPC shall use only the following for Coker 2 Quench Water Make-Up:

(i) Water that is fresh (*i.e.*, water brought into the Wood River Refinery that has not been in contact with process water or process wastewater);
(ii) Non-contact cooling water blowdown;
(iii) Water that has been stripped in a sour water stripper;
(iv) Water from other refinery sources where the water has a TOC concentration of less than 745ppm and a total sulfide concentration of less than 35 ppm; or
(v) Some combination of water from (i) – (iv).

(b) Notwithstanding the requirements of Subparagraph 259P(a), COPC may use water from the second half of the quench cycle as Coker 2 Quench Water Make-Up if there is a malfunction of: (i) any of the following four Sour Water Strippers: DU-2 sour water concentrator (ID No. V-3974); cracked gas plant sour water concentrator (ID No. V-3318); Distilling West sour water stripper (ID No. V-1713); and the new sulfur plant sour water stripper (ID No. V-18600); or (ii) any of the following four sour water tanks: Tank No. M65, Tank No. 80-6, Tank No. 1714, and Tank No. F72.

(c) At any time after the commencement of the operation of controls on the Coker 2 Quench Water Tank pursuant to either Paragraph 259N(a) or 259O, COPC may submit a request to EPA for approval of a plan to use water from the second half of the quench cycle as Coker Quench Water Make-Up if COPC can demonstrate that such use will not result in more than five (5) tons per year of increased air emissions of VOCs, TRS, and H_2S, combined, from

Coker 2. EPA either may approve the request, approve it with conditions, approve part of the request and disapprove other parts, or disapprove the request. Any disputes arising under this Subparagraph shall be resolved in accordance with the dispute resolution provisions of this Decree. COPC also shall submit to Illinois EPA any request under this Paragraph that it submits to EPA.

(d) Commencing upon the initial startup of Coker 2, COPC shall not feed or dispose into any Coker 2 Coke Drum, during the quench cycle, any oily sludge, oily wastewater, biosolids, or any other wastes.

259Q. No Termination of this Decree with Respect to Provisions Relating to the Wood River Refinery until a Federally-Enforceable Permit or SIP Revision is Final. This Third Amendment sets forth the process for determining controls, limitations, and/or work practices for emissions from Wood River Coker 2. COPC will submit complete application(s) to Illinois EPA to incorporate those emission limits and standards into federally enforceable minor or major new source review permits or other permits that will ensure that the underlying emission limit or standard survives the termination of this Consent Decree prior to seeking termination of the requirements of this Consent Decree that relate to the Wood River Refinery. The requirements in Paragraph 257 relating to the timing of submitting such application(s) shall not apply to the controls, limitations and/or work practices developed under this Subsection V.Q of the Consent Decree; provided however, that no provisions in this Consent Decree relating to the Wood River Refinery shall be subject to termination until these controls, limitations, and work practices are set forth in a federally-enforceable permit or SIP revision. The controls, limitations, and work practices referred to in this Paragraph are as follows:

(a) The final (not interim) Coker 2 Coke Drum OH Pressure Limit resulting from the implementation of the requirements of Paragraphs 259B and 259D or 259G;

(b) The final limitation on the Quench Water Fill and Soak Time set forth in Paragraph 259H or established pursuant to Paragraphs 259I–259K;

(c) The controls set forth in Paragraph 259L;

(d) The final controls and/or limits and/or work practices regarding VOC, TRS, and H_2S emissions from the Coker 2 Quench Water Tank resulting from the implementation of the requirements of Paragraphs 259N(a) or 259O; and

(e) The final operating practices resulting from the implementation of the requirements of Paragraph 259P.

* * * * *

269A. St. Clair, Monroe, or Madison County Diesel Retrofit Project.

a. COPC will implement a Supplemental Environmental Project, the "St. Clair, Monroe, or Madison County Diesel Retrofit Project," in accordance with this Paragraph of the Third Amendment. This SEP shall be completed by no later than December 31, 2012. This SEP shall consist of retrofitting diesel vehicles owned and operated by one or more school districts in St. Clair, Monroe, and/or Madison Counties, Illinois, in an amount equal to Seventy-Seven Thousand Dollars ($77,000). This SEP may include payment for the purchase and installation of EPA or California Air Resources Board ("CARB") verified oxidation catalysts and/or crankcase controls, diesel particulate filters, and/or idle reduction technology. Priority for retrofitting shall be given to vehicles that are anticipated to provide at least an additional three to five years of service. No SEP funds shall be used for testing or demonstration.

b. COPC certifies under penalty of law that it would have agreed to perform a comparably valued, alternative project other than a diesel emissions reduction SEP, if EPA were precluded by law from accepting a diesel emissions reduction SEP.

c. For Federal Income Tax purposes, COPC agrees that it will neither capitalize into inventory or basis nor deduct any costs or expenditures incurred in performing this SEP.

d. COPC shall not use or rely on the emission reductions generated as a result of its performance of the St. Clair, Monroe, or Madison County Diesel Retrofit SEP in any federal or state emission averaging, banking, trading, netting or similar emission compliance program.

* * * * *

275. COPC is responsible for the satisfactory completion of the SEPs/BEPs required under this Consent Decree in accordance with this Section VIII. Upon completion of the SEPs/BEPS set forth in Paragraphs 268 – 272 including 269A, COPC will submit to EPA and the Applicable State/Local Co-Plaintiff a cost report certified as accurate under penalty of perjury by a responsible corporate official. If COPC does not expend the entire projected cost of the applicable SEP/BEP as set forth in this Section VIII, COPC will pay a stipulated penalty equal to the difference between the amount expended as demonstrated in the certified cost report(s) and the projected cost. The stipulated penalty will be paid as provided in Paragraph 377 (Payment of Stipulated Penalties) of the Consent Decree.

276. By signing this Consent Decree and by signing this Third Amendment, COPC certifies that it is not required, and has no liability under any federal, state, regional or local law or regulation or pursuant to any agreements or orders of any court, to perform or develop any of the projects identified in Paragraphs 268 – 274, including 269A. COPC further certifies that it has not applied for or received, and will not in the future apply for or receive: (1) credit as a Supplemental Environmental Project or other penalty offset in any other enforcement action for the projects set forth in Paragraphs 268 – 274, including 269A; (2) credit for any emissions

reductions resulting from the projects set forth in Paragraphs 268 – 274, including 269A in any federal, state, regional or local emissions trading or early reduction program; or (3) a deduction from any federal, state, regional, or local tax based on its participation in, performance of, or incurrence of costs related to the projects set forth in Paragraphs 268 – 272, including 269A.

* * * * *

277A. COPC will include in each report required by Paragraph 279 a progress report for the St. Clair, Monroe, or Madison County Diesel Retrofit SEP. In addition, the report required by Paragraph 279 of this Consent Decree for the period in which the St. Clair, Monroe, or Madison County Diesel Retrofit SEP is completed will contain all of the information required in Paragraph 277(a) – (d) and also shall include documentation of the following for each retrofit undertaken:

a. Vehicle owner with contact name and phone number;

b. Vehicle type (e.g., mass transit bus, school bus);

c. Model year;

d. Engine Manufacturer;

e. Actual, or if not known, estimated or projected, annual miles or hours of operation;

f. Retrofit type (e.g., oxidation catalyst, particulate filter);

g. Retrofit cost per vehicle (separate out installation costs);

h. Actual, or if not known, estimated or projected, annual fuel usage (gal/yr);

i. Actual, or if not known, estimated or projected, annual emissions reductions (PM, HC, CO);

j. Copy of invoices for purchase of control technology;

k. Name of the technology installed as identified on the EPA or CARB webpages:

http://www.epa.gov/otaq/retrofit/verif-list.htm

http://www.epa.gov/otaq/smartway/transport/what-smartway/verified-technologies.htm#idle

http://www.arb.ca.gov/diesel/verdev/vt/cvt.htm

* * * *

278. COPC agrees that in any public statements regarding these SEPs/BEPs including the St. Clair, Monroe, or Madison County Diesel Retrofit SEP, COPC must clearly indicate that these projects are being undertaken as part of the settlement of an enforcement action for alleged violations of the Clean Air Act and corollary state statutes.

* * * *

279A. In the semi-annual report required to be submitted on July 31 of each year, for each Covered Refinery, COPC shall provide a summary of annual emissions data for the prior calendar year to include:

(a) NOx emission tons per year for each heater and boiler greater than 40 mmBTU/hr maximum fired duty;
(b) NOx, emission in tons per year as a sum for all heaters and boilers less than 40 mmBTU/hr maximum fired duty;
(c) SO_2, CO and PM emission in tons per year as a sum for all heaters and boilers;
(d) NOx, SO_2, CO and PM emission in tons per year for each FCCU;
(e) SO_2 emissions from all Sulfur Recovery Plants in tons per year;
(f) SO_2 emissions from all acid gas flaring and tail gas incidents by flare in tons per year; and
(g) NOx, SO_2, PM and CO emissions in tons per year as a sum at each refinery for all other emissions units for which emissions information is required to be included in the Covered Refinery's annual emissions summaries and are not identified above; and
(h) for each of the estimates in (a) through (d) above, the basis for the emissions estimate or calculation (i.e. stack tests, CEMS, emission factor, etc.)

To the extent that the required emissions summary data is available in other reports generated by COPC, such other reports can be attached, or the appropriate information can be extracted from such other reports and attached to this semi-annual report to satisfy this requirement. Any time

during the life of the Decree, COPC may submit a request to EPA to terminate the requirements of this Paragraph 279A, and if, EPA approves, COPC shall no longer be required to provide this additional information.

* * * * *

288B. By no later than thirty (30) days after the Entry of this Third Amendment, COPC will pay a penalty of $49,250 (Forty-Nine Thousand, Two-Hundred Fifty Dollars) to the United States and $49,250 (Forty-Nine Thousand, Two-Hundred Fifty Dollars) to the Commonwealth of Pennsylvania in consideration of the resolution of civil liability set forth in Paragraph 412B of this Third Amendment. Payment shall be made as directed in Paragraph 281 (for the United States) and Paragraph 284 (for the Commonwealth of Pennsylvania).

288C. By no later than thirty (30) days after the Entry of this Third Amendment, COPC will pay a penalty of $249,000 (Two-Hundred Forty-Nine Thousand Dollars) to the United States in consideration of the resolution of civil liability set forth in Paragraph 412C of this Third Amendment. Payment shall be made as directed in Paragraph 281.

288D. By no later than thirty (30) days after Entry of this Third Amendment, COPC will pay a penalty of $10,500 (Ten Thousand Five Hundred Dollars) to the United States and $10,500 (Ten Thousand Five Hundred Dollars) to the State of Illinois in consideration of the resolution of civil liability set forth in Paragraph 412D of this Third Amendment. Payment shall be made as directed in Paragraph 281 (United States) and Paragraph 282 (Illinois).

* * * * *

407A. Resolution of Liability for Violations of Applicable NSR/PSD Requirements at the Wood River Refinery. Notwithstanding Paragraph 407, entry of this Third Amendment will resolve all civil liability of COPC and WRB Refining to the United States and to Co-Plaintiff the State of Illinois, on behalf of Illinois EPA: (1) arising from the specific allegations set forth in

EPA Region 5's Notice of Violation EPA-5-08-IL-25, which is attached as Appendix L; and (2) for alleged violations of Applicable NSR/PSD Requirements related to the construction of Coker 2 for the following pollutants: VOCs, PM, TRS, and H2S.

* * * * *

412B. Resolution of Liability for Benzene Waste Operations NESHAP Violations at the Trainer Refinery. Entry of this Third Amendment will resolve all civil liability of COPC to the United States and to the Commonwealth of Pennsylvania for COPC's alleged failure to comply with the 6 BQ compliance option set forth at 40 C.F.R. § 61.342(e) for the years 2006 - 2009 at the Trainer Refinery.

412C. Resolution of Liability for Benzene Waste Operations NESHAP Violations at the Borger Refinery. Entry of this Third Amendment will resolve all civil liability, and liability for stipulated penalties, of COPC and WRB to the United States for the following violations of the BWON Requirements that allegedly occurred at the Borger Refinery: (i) non-compliance, for the calendar year 2008, with the 6 BQ compliance option set forth at 40 C.F.R. § 62.342(e); (ii) non-compliance, for the calendar year 2008, with the requirement in Paragraph 172(c) of this Consent Decree to comply with the 6 BQ compliance option; (iii) non-compliance, for the period between December 1, 2008, and April 18, 2009, with the requirement in Paragraph 188 of this Consent Decree to monitor for carbon canister breakthrough at the carbon canisters installed on the Remediation Pilot Project; and (iv) non-compliance, for the years 2006 - 2008 and the first quarter of 2009, with the requirement in Paragraphs 211(b) and 212 of this Consent Decree to undertake benzene sampling on all uncontrolled waste streams that COPC counts toward its 6 BQ calculation and that contain greater than 0.05 Mg/yr of benzene.

412D. Resolution of Liability for Benzene Waste Operations NESHAP Violations at the Wood River Refinery. Entry of this Third Amendment will resolve all civil liability of COPC and WRB Refining to the United States and to the State of Illinois for COPC's alleged failure to comply with the 6 BQ compliance option set forth at 40 C.F.R. § 61.342(e) for the year 2006 at the Wood River Refinery.

SO ORDERED.

Dated this _____ day of _____, 2012.

_____
UNITED STATES DISTRICT JUDGE

Third Amendment to Consent Decree in the matter of United States et al. v. ConocoPhillips Company, Civil Action No. H-05-0258 (Southern District of Texas).

FOR THE UNITED STATES OF AMERICA

IGNACIA S. MORENO
Assistant Attorney General
Environment and Natural Resources Division
U.S. Department of Justice
Washington, D.C. 20530

ANNETTE M. LANG
Trial Attorney
Environmental Enforcement Section
Environment and Natural Resources Division
U.S. Department of Justice
P.O. Box 7611
Ben Franklin Station
Washington, D.C. 20044-7611
Telephone: (202) 514-4213
Facsimile: (202) 616-6584

Third Amendment to Consent Decree in the matter of United States et al. v. ConocoPhillips Company, Civil Action No. H-05-0258 (Southern District of Texas).

KENNETH MAGIDSON
UNITED STATES ATTORNEY
SOUTHERN DISTRICT OF TEXAS

By: _____

KEVIN C. AIMAN
Assistant United States Attorney
Southern District Bar Number: 30329
Texas Bar Number: 00797884
P.O. Box 61129
Houston, TX 77208
Telephone: 713.567.9516
Facsimile: 713.718.3300
Kevin.Aiman@usdoj.gov

Third Amendment to Consent Decree in the matter of United States et al. v. ConocoPhillips Company, Civil Action No. H-05-0258 (Southern District of Texas).

FOR THE ENVIRONMENTAL PROTECTION AGENCY

2/14/12
Date

PAMELA J. MAZAKAS
Acting Director
Office of Civil Enforcement
Office of Enforcement and Compliance Assurance
U. S. Environmental Protection Agency

2/9/2012
Date

PHILLIP BROOKS
Director, Air Enforcement Division
Office of Civil Enforcement
Office of Enforcement and Compliance Assurance
U. S. Environmental Protection Agency

Third Amendment to Consent Decree in the matter of United States et al. v. ConocoPhillips Company, Civil Action No. H-05-0258 (Southern District of Texas).

FOR CO-PLAINTIFF
THE PEOPLE OF THE STATE OF ILLINOIS

LISA M. MADIGAN
Attorney General
State of Illinois

MATTHEW J. DUNN, Chief
Environmental Enforcement/Asbestos Litigation Division

1/24/12
Date

BY: _____

THOMAS DAVIS, Chief
Environmental Bureau
Assistant Attorney General
500 S. Second St.
Springfield, IL 62706
(217) 782-9031

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1/26/12
Date

BY: _____

JOHN KIM
Director
Illinois Environmental Protection Agency
1021 North Grand Avenue East
P.O. Box 19276
Springfield, IL 62794-9276
(217) 782-5544

Third Amendment to Consent Decree in the matter of United States et al. v. ConocoPhillips Company,Civil Action No. H-05-0258 (Southern District of Texas).

24 January 2012
Date

CHERYL S. NOLAN
Assistant Secretary
Office of Environmental Compliance
Louisiana Department of Environmental Quality

1-24-2012
Date

TED R. BROYLES, II
Trial Attorney
(La. Bar Roll #20456)
Legal Affairs Division
Louisiana Department of Environmental Quality
P.O. Box 4302
Baton Rouge, Louisiana 70821-4302
(225) 219-3985

Third Amendment to Consent Decree in the matter of United States et al. v. ConocoPhillips Company,Civil Action No. H-05-0258 (Southern District of Texas).

FOR CO-PLAINTIFF
STATE OF NEW JERSEY

JEFFREY S. CHIESA
ATTORNEY GENERAL OF NEW JERSEY

January 26, 2012
Date

By: _____

SCOTT B. DUBIN
Deputy Attorney General
New Jersey Department of Law and Public Safety
Division of Law
RJ Hughes Justice Complex
25 Market Street
P.O. Box 093
Trenton, NJ 08625-0093
(609) 633-8713

BOB MARTIN, COMMISSIONER
NEW JERSEY DEPARTMENT OF
ENVIRONMENTAL PROTECTION

JAN. 25, 2012
Date

By: _____

WOLFGANG SKACEL
Assistant Commissioner
Compliance and Enforcement
Mail Code 401-04B
401 East State Street
P.O. Box 420
Trenton, NJ 08625-0420

Third Amendment to Consent Decree in the matter of United States et al. v. ConocoPhillips Company,Civil Action No. H-05-0258 (Southern District of Texas).

FOR CO-PLAINTIFF
COMMONWEALTH OF PENNSYLVANIA

1/24/2012
Date

JAMES REBARCHAK
Regional Manager, Air Quality
Pennsylvania Department of Environmental Protection
2 East Main Street
Norristown, PA 19401
(484) 250-5920

Third Amendment to Consent Decree in the matter of United States et al. v. ConocoPhillips Company,Civil Action No. H-05-0258 (Southern District of Texas).

FOR CO-PLAINTIFF
NORTHWEST CLEAN AIR AGENCY

1/24/12
Date

LAUGHLAN H. CLARK, WSBA # 10996
Zender Thurston P.S.
1700 D St.
P.O. Box 5226
Bellingham, WA 98227
(360) 647-1500

Third Amendment to Consent Decree in the matter of United States et al. v. ConocoPhillips Company, Civil Action No. H-05-0258 (Southern District of Texas).

FOR CONOCOPHILLIPS COMPANY

1-22-12
Date

L.M. ZIEMBA
President, Global Refining
ConocoPhillips
600 N. Dairy Ashford
Houston, Texas 77079
(281) 293-1000

Third Amendment to Consent Decree in the matter of United States et al. v. ConocoPhillips Company,Civil Action No. H-05-0258 (Southern District of Texas).

FOR WRB REFINING LP
By ConocoPhillips Company, Operator

1-22-12
Date

L.M. ZIEMBA
Vice President, ConocoPhillips Company
WRB Refining LP
600 N. Dairy Ashford
Houston, Texas 77079
(281) 293-1000

APPENDIX A

LIST OF FLARING DEVICES AT THE COVERED REFINERIES

Refinery	Name of Flare
Alliance	Low Pressure Flare (coker) High Pressure Flare Marine Vapor Recovery Flare – 406 D-15 Marine Vapor Recovery Flare – 406 D-16
Bayway	Poly Flare CLEU Flare ABW Flare Eastside Flare
Borger	East Refinery Flare West Refinery Flare ARDS Flare Cat Flare NGL Non-Corrosive Flare NGL Corrosive Flare Acid Gas Flare Derrick Flare
Ferndale	ZTOF Emergency Ground Flare
LAR Carson	LAR Carson East LAR Carson West
LAR Wilmington	LAR Wilmington North LAR Wilmington South LAR Wilmington Unicracker LPG Flare

Rodeo	19C-1 19C-602
Santa Maria	Main Flare
Sweeny	Unit 7 Flare Units 11/14 Flare Units 7/10D/18 Flare Units 10abc/12/51 LP Flare Units 10abc/12/68 HP Flare Units 15/17/19 Flare Expansion LP Flare Expansion HP Flare Unit 5 Flare Unit 30 Flare VDU/DCU Flare DEA Stripper Flare SW Stripper Flare
Trainer	Main Yard Flare Old Yard Flare Acid Gas Flare SWS Gas Flare
Wood River	Alkylation Flare Aromatics North Flare Aromatics South Flare Distilling West Flare Lube (HCNHT) Flare Distilling Flare Benzene Loading Flare VOC Flare (and Spare)

APPENDIX A-1

LIST OF FLARING DEVICES NEWLY ADDED AT THE COVERED REFINERIES AFTER JANUARY 27, 2005

Refinery	Flare
Santa Maria	Temporary Tank Flare (start up March 26, 2009)
Wood River	North Property Flare (startup 12/6/07) Delayed Coker Unit Flare (start up in 2011) Hydrogen Plant 1 Flare (start up 3/24/06) Hydrogen Plant 2 Flare (start up in 2011)

APPENDIX J

DEMONSTRATION PERIOD DATA

1. For each Coker 2 Coke Drum, for each day in the Demonstration period, provide each of the following parameters in an Excel formatted electronic file:

   a. Fresh feed rate in barrels per day (bpd);
   b. Recycle feed rate in bpd;
   c. Coke produced in tons per day (tpd); and
   d. Number of cycles per day;

2. For each Coker 2 Coke Drum, for each cycle in the Demonstration period, provide each of the following parameters in an Excel formatted electronic file (for durations of time that are to be presented in "hours," two significant digits after the decimal point should be used):

   a. Coke produced in tons;
   b. Beginning and end time and date;
   c. Duration, in hours, of Coke Drum cycle time;
   d. Duration, in hours, of steam-out to fractionator;
   e. Duration, in hours, of steam-out to blowdown system or to flare or to flare gas recovery system;
   f. Duration, in hours, of quench water fill time;
   g. Duration, in hours, of quench water soak time (this includes any duration of time between completion of fill and start of drain);
   h. Duration, in hours, of quench water drain time;
   i. Duration, in hours, of total quench time ("total quench time" includes fill, soak, and drain);
   j. Duration, in hours, of Venting;
   k. Duration, in hours, of coke cutting;
   l. Volume, in gallons, of quench water used;
   m. Coke Drum overhead temperature, in degrees Fahrenheit (F), at the moment Venting begins;
   n. Coke Drum overhead pressure, in psig, at the moment Venting begins;
   o. Blowdown settling drum overhead pressure, in psig, at the moment Venting begins in the corresponding Coke Drum; and
   p. Coke Drum outage (fill distance from the top), in feet.

3. For each Coker 2 Coke Drum, provide the locations of each pressure and temperature measurement within each Coke Drum and blowdown system.

4. Provide a narrative description of the coking cycle for Coker 2 that describes what is done during each step and identifies the typical duration of each step.

5. Provide any other information that EPA determines it needs to review the Demonstration Report.

APPENDIX K

COKER 2 QUENCH WATER TANK TEST METHODS, PROTOCOL AND REPORT

I. Coker 2 Quench Water Tank Test Methods

A. A source test for emissions from the Coker 2 Quench Water Tank shall measure non-methane and non-ethane volatile organic compounds ("VOCs") during normal representative operating conditions. The source test of emissions from the Coker 2 Quench Water Tank shall be conducted using the following methods:

1. Following the design and operating guidance provided in Measurement of Gaseous Emission Rates from Land Surfaces Using an Emission Isolation Flux Chamber - User's Guide, EPA 600/8-86-008 (NTIS PB86-223161), February 1986, conduct flux chamber collection of gases from the liquid surface of the Quench Water Tank, and measure the collected gases for individual VOCs using EPA Method TO-15, for total non-methane hydrocarbons ("TNMHCs") using EPA Method TO-3, for methane, ethane, and atmospheric (*i.e.,* fixed) gases using EPA 3C/ASTM D-1946, and for total organic carbon using Method 25;

2. Quench Water Tank inlet and outlet volatile organic compounds shall be measured by Method 8260B and semi-volatile organic compounds by Method 8270C and with flow measurements, and a mass balance calculation, an estimate of Quench Water Tank emissions shall be calculated. Methods 8206B and 8270C are found in EPA publication SW-846, "Test Methods for Evaluating Solid Waste, Physical/Chemical Methods."

B. A sufficient number of samples and time period of sampling to account for the temporal variation in Coker 2 Quench Water quality shall be undertaken to ensure that a representative estimate of emissions for a full coker cycle is obtained. Sampling shall occur for at least 9 hours but need not be consecutive nor all within one cycle. In the protocol required under Part II below, COPC shall explain its reasoning for the number of samples taken and the time period used.

C. For the entire coker cycle during which any sampling is being undertaken, COPC shall measure and record the operating parameters identified in Paragraphs 1 and 2 of Appendix J, and if applicable, shall state whether any wastes were injected into any coking cycle at any time.

D. All changes to methodology from the above-prescribed methods and requirements shall be specifically reported in a separate section of the protocol required in Part II below and specifically shall be approved in advance. All changes to methodology not planned and approved shall be specifically identified in a separate section of the test report in Part III below.

E. In advance of the source test, COPC shall submit a test protocol pursuant to the requirements in Part II of this Appendix K.

II. Coker 2 Quench Water Tank Test Protocol Requirements and Format

A detailed protocol, describing all test equipment, procedures, and quality assurance (QA) measures to be utilized, will ensure that a complete and representative source test is performed. The protocol must be specific for the test, facility, operating conditions, and parameters to be measured. Adherence to the protocol should eliminate unnecessary delays and costs in the performance of the test, whether the work is done in-house or by a consultant. The term "tester" will be used to refer to the individual(s) performing the emission test, whether in-house or a consultant. The tester should make at least one on-site inspection of the emission point(s), testing ports, source access and other parameters in order to prepare the protocol. The following provides specific guidance pertinent to the major elements of the source test protocol.

A. Project Description. Provide a description of the project, including the following:

1. Dates anticipated for start and completion of testing.

2. Description of plant processes and control equipment, including flow diagrams.

3. Proposed operation during the source test program, including a specific description of the ranges of the values of each operating parameter listed in Paragraphs 1 and 2 of Appendix J that are representative of normal operation. The relevant process(es) shall be operated at an operating capacity, time, and/or level representative of normal operations.

4. Description of plant operating conditions, including but not limited to production rate, fuel rate, process data, and pollution control data.

5. List of operating and emission parameters to be measured and recorded and a description of how each parameter will be monitored and recorded.

B. Project Organization and Responsibility. Include a table or chart showing the project organization and line of authority. List the key individuals, including the Quality Assurance Officer (QAO), who are responsible for ensuring the collection of valid measurement data and the routine assessment of measure systems for precision and accuracy.

C. QA Objectives for Measuring Data. All measurements must be made to ensure that results are representative of the normal operating conditions of the facility. Data quality objectives will be determined for each measurement and compared with the requirements for the specific project. This will ensure that the data collected will be appropriate for their intended use.

D. Sampling Procedure. For each major measurement parameter, provide a description of the sampling procedures to be used.

E. Sample Custody. Sample custody is a part of any good laboratory or field operation. As a minimum, the following sample custody procedures will be addressed in the protocol:

1. Documentation of procedures for preparation of reagents or supplies which become an integral part of the sample (e.g., filters and absorbing reagents).

2. Procedures and forms for recording the exact location and specific considerations associated with sample acquisitions.

3. Prepared sample labels containing all information necessary for effective sample tracking.

F. Calibration Procedures and Frequency. Include calibration procedures and information for each major measurement device, including coefficients, by reference to a standard method or by providing a written description. Provide the frequency planned for recalibration during the test and a list of all calibration standards including their source and traceability. Equipment to be calibrated would include, for example, dry gas meters, orifice meters, Pitot-tubes, thermometers/thermocouples, nozzles, flow meters as well as all process parameter monitors.

G. Documentation. Include sample copies of all data log sheets and examples of any calculations that will be performed on the raw data. Copies of all raw data sheets, including manually and automatically recorded data (strip charts and data logger or computer printouts) will be submitted with the test report.

III. Coker 2 Quench Water Tank Test Report Requirements and Format

The Source Test Report shall include, at a minimum, the following information and shall be organized in the following manner:

A. Introduction. Background test report information pertinent to the test should be presented in this section. This information shall include, but not be limited to, the following:

1. Name and address of the manufacturer of the unit tested;

2. Name and address of the testing organization;

3. Test dates, names of persons present during test, and location of test;

4. Schematic drawings of the unit test, noting emission points, sampling sites, and stack cross sections, with sampling points labeled and dimensions indicated; and

5. A brief discussion of the operating principles of the type of unit tested, including maximum production rate of the unit and operating parameters of any air pollution control device on the unit.

B. Summary. A summary of test findings pertinent to the evaluation of the unit with respect to the applicable emission standard should be presented in this section. This information shall include, but not be limited to, the following:

1. A summary of emission rates, including the concentration and mass of total non-methane/non-ethane organic compounds and organic compound speciation, in parts per million by volume, dry basis (ppmvd), in pounds per hour (lb/hr), tons per year (tpy), pounds per batch of coke, and pounds per ton of coke produced.

2. Isokinetic sampling rates achieved; and

3. The operating level of the unit and any other relevant process, fuel, or control device parameters monitored during the test, including the operating parameters set forth in Paragraphs 1 and 2 of Appendix J, and if applicable, any wastes that were injected into any coking cycle at any time.

C. Procedures. A description of the procedures used in the operation of the sampling train and unit during the tests should be presented in this section. The information shall include, but shall not be limited to, the following:

1. A schematic drawing of the sampling devices used, with each component designated and explained in a legend; and

2. A description of the method used to operate the sampling train and the procedure used to recover the samples collected.

D. Analytical Technique. A description of all analytical techniques used to determine the emissions from the source should be presented in this section.

E. Date and Calculations. All actual data collected and the actual calculations should be presented in this section. This information shall include, but not be limited to the following:

1. All field data collected, including legible copies of field data sheets (raw data) and any transcribed or computer data sheets that might be relevant;

2. Laboratory data, including blanks, tare weights, calibration data, quality assurance samples, and results of the analyses;

3. All calculations used in the determinations of emission rates, process rates, or other factors relevant to the test results, compliance, etc.; and

4. Explanations and calculations substantiating the determination of the number and the location of traverse points used during the test.

F. Chain of Custody. A listing of the chain of custody of the emission test samples should be presented in this section.

G. Appendix. This section shall include, as a minimum, calibration work sheets for sampling equipment.

H. Verification of Production Parameters. Reports, log sheets, strip chart recordings of all relevant operating parameters must be included. All data sheets, strip charts, and print-outs must be sufficiently annotated or explained to make their intention and information clear and understandable.

APPENDIX L

U.S. ENVIRONMENTAL PROTECTION AGENCY
REGION 5

IN THE MATTER OF:	)	
	)	
ConocoPhillips Company	)	**NOTICE OF VIOLATION**
Roxana, Illinois	)	
	)	**EPA-5-08-IL-25**
	)	
Proceedings Pursuant to	)	
the Clean Air Act,	)	
42 U.S.C. §§ 7401 et seq.	)	

NOTICE OF VIOLATION

The U.S. Environmental Protection Agency is issuing this Notice of Violation (NOV) under Section 113(a)(1) of the Clean Air Act (CAA or Act), 42 U.S.C. § 7413(a)(1). EPA finds that ConocoPhillips Company (CP) is violating the Prevention of Significant Deterioration regulations and the non-attainment New Source Review requirements in the Illinois State Implementation Plan, at its Wood River refinery, as follows:

Regulatory Background

1. The following provisions of the prevention of significant (PSD) regulations are relevant to this NOV:

   Attainment PSD

   a. Part C of the Act, 42 U.S.C. §§ 7470-7479, requires the Administrator to promulgate regulations to prevent the significant deterioration of air quality in areas designated as attainment or unclassifiable in accordance with Section 107(d) of the Act, 42 U.S.C. § 7407(d). In accordance with this, the Administrator promulgated regulations at 40 C.F.R. § 51.166 setting forth state implementation plan (SIP) approval requirements for the prevention of significant deterioration of air quality.

   b. Section 161 of the Act, 42 U.S.C. § 7471, and 40 C.F.R. § 51.166(a)(1) require that the States submit SIPs containing emission limitations and other measures necessary to prevent the significant deterioration of air quality.

   c. On June 19, 1978, EPA promulgated PSD regulations pursuant to Part C of the Act. (45 Fed. Reg. 26403). EPA revised the PSD regulations on August 7, 1980 (45 Fed. Reg. 52676), codified at 40 C.F.R. § 52.21 et seq. On December 31,

2002, EPA published revisions to the PSD and non-attainment new source review (NSR) regulations in 40 C.F.R. Parts 51 and 52. (67 Fed. Reg. 80186). These revisions are commonly referred to as "NSR Reform."

d. The State of Illinois has not promulgated its own PSD regulations and, therefore, has not satisfied the requirements of Sections 160-165 of the Act in its SIP. The provisions of 40 C.F.R. § 52.21, except paragraph 40 C.F.R. § 52.21(a)(1), are therefore incorporated, and made a part of, the applicable Implementation Plan for the State of Illinois at 40 C.F.R. § 52.738(b). 45 Fed. Reg. 52676, at 52741.

e. 40 C.F.R. § 52.21(b)(1)(i)(b) defines "major stationary source" as any stationary source which emits, or has the potential to emit, 250 tons per year or more of any air pollutant subject to regulation under the Act.

f. 40 C.F.R. § 52.21(b)(2)(i) defines "major modification" as any physical change or change in the method of operation of a major stationary source that would result in a significant net emissions increase of any air pollutant subject to regulation under the Act.

g. 40 C.F.R. § 52.21(b)(11) defines "begin actual construction," in general, as the initiation of physical onsite construction activities on an emissions unit which are of a permanent nature. Such activities include, but are not limited to, installation of building supports and foundations, laying underground pipework, and construction of permanent storage structures.

h. 40 C.F.R § 52.21(a)(2)(iii) prohibits the actual construction of a major stationary source or modification without a permit which states that the major stationary source or modification will meet the requirements of 40 C.F.R. § 52.21(j) through (r).

i. 40 C.F.R. § 52.21(r) states, among other things, that any owner or operator of a source subject to PSD regulations who constructs or operates a source or modification without applying for and receiving approval under the PSD regulations is subject to an enforcement action.

j. 40 C.F.R. § 52.23 states, among other things, that failure to comply with any provision of 40 C.F.R. Part 52, or with any approved regulatory provision of a SIP, shall render the person or governmental entity so failing to comply in violation of a requirement of an applicable implementation plan and subject to enforcement action under section 113 of the Act.

2. The following provisions of the Illinois SIP are relevant to this NOV:

Non-attainment NSR

a. On December 17, 1992, EPA approved the incorporation of the Illinois nonattainment NSR rules, 35 Illinois Administrative Code (IAC) Part 203, into the Illinois SIP. (57 Fed. Reg. 59928). The NSR rules became effective on February 16, 1993. On September 27, 1995, EPA approved a revision to the Illinois nonattainment NSR rule as part of the SIP. (60 Fed. Reg. 49778). The revision became effective on October 27, 1995.

b. 35 IAC § 203.206(b)(1) defines "major stationary source," in part, for an area designated as nonattainment for ozone, as a stationary source which emits or has the potential to emit volatile organic material in an amount equal to or greater 100 tons per year (tpy) in an area classified as marginal or moderate nonattainment for ozone.

c. 35 IAC § 203.207(a) defines "major modification" as a physical change, or change in the method of operation of a major stationary source that would result in a significant net emissions increase of any pollutant for which the area is designated a nonattainment area.

d. 35 IAC § 203.207(b) provides that any net emissions increase that is significant for volatile organic material or nitrogen oxides shall be considered significant for ozone.

e. 35 IAC § 203.203(a) states that a construction permit is required prior to actual construction of a major new source or major modification.

f. 35 IAC § 203.103 defines "actual construction" as initiation of physical on-site construction activities on an emissions unit which are of a permanent nature. Such activities include, but are not limited to, installation of building supports and foundations, laying of underground pipework, and erection of permanent storage structures.

g. 35 IAC § 203.201 states that in any nonattainment area, no person shall cause or allow the construction of a new major stationary source or major modification that is major for the pollutant for which the area is designated a nonattainment area, except as in compliance with 35 IAC Part 203 for that pollutant. In areas designated nonattainment for ozone, this prohibition shall apply to new major stationary sources or major modifications of sources that emit volatile organic materials or nitrogen oxides.

h. 40 C.F.R. § 52.23 states, among other things, that failure to comply with any approved regulatory provision of a SIP, shall render the person or governmental

entity so failing to comply in violation of a requirement of an applicable implementation plan and subject to enforcement action under section 113 of the Act.

Explanation of Violations

1. On May 15, 2006, CP applied to the Illinois Environmental Protection Agency (IEPA) for a permit to authorize the construction of the Coker and Refinery Expansion (CORE) Project at its Wood River refinery, located in Madison County, Illinois. Madison County has been designated nonattainment for ozone and particulate matter less than 2.5 micrometers in diameter under the Act.

2. On July 19, 2007, IEPA issued the permit to CP. Under EPA's procedural regulations governing PSD permit challenges, a PSD permit issued by a delegated state is effective 30 days after the service of notice of the decision – unless review is requested on the permit under 40 CFR § 124.19. *See* 40 CFR § 124.15(b).

3. On August 21, 2007, several environmental groups petitioned the Environmental Appeals Board (EAB) to review the permit under 40 CFR §124.19.

4. On June 2, 2008, the EAB ruled on the challenge and remanded the permit. A remanded permit does not become effective unless and until the permitting agency satisfactorily addresses the defects identified in the decision, reissues the permit and Agency review procedures have been exhausted. *See* 40 CFR § 124.19(f). The State reissued the remanded permit on August 5, 2008.

5. CP's Wood River refinery is a major source, as defined by 40 C.F.R. § 52.21(b)(1)(i)(b) and 35 IAC § 203.206(b)(1). The CORE Project constitutes a major modification, as defined by 40 C.F.R. § 52.21(b)(2)(i) and 35 IAC § 203.207(a).

6. On July 9, 2008, representatives from EPA inspected the site where CP Wood River is proposing to construct a new coker unit as part of the CORE Project. EPA observed certain activities at the site demonstrating that CP had begun actual construction prior to obtaining an effective permit. These activities included, but were not limited to, excavation and laying gravel.

7. The above listed activities are permanent in nature, are an integral part of the CORE Project, have significantly altered the site, and were costly. Consequently, these activities are within the meaning of "begin actual construction," as defined at 40 C.F.R. § 52.21(b)(11) and "actual construction," as defined at 35 IAC § 203.103.

8. Based on the above, CP violated, and continues to violate, 40 C.F.R. § 52.21(a)(2)(iii), 35 IAC § 203.203(a) and 35 IAC § 203.201.

Environmental Impact of Violations

1. Exposure to the criteria pollutants is associated with numerous effects on human health, including increased respiratory symptoms, hospitalization for heart or lung diseases, and even premature death. The criteria pollutants can also have detrimental effects on plants and ecosystems.

9/4/08
Date

Cheryl L. Newton, Acting Director
Air and Radiation Division