



FILED

10:06 am, 12/18/08

Stephan Harris
Clerk of Court

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF WYOMING

UNITED STATES OF AMERICA,)	
)	Civil No. 2:08-cv-00020-WFD
Plaintiff,)	
)	
OKLAHOMA DEPARTMENT OF)	FIRST AMENDMENT TO
ENVIRONMENTAL QUALITY)	CONSENT DECREE
and STATE OF WYOMING,)	
)	
Plaintiff-Intervenors,)	
v.)	
)	
SINCLAIR WYOMING REFINING COMPANY,)	
SINCLAIR CASPER REFINING COMPANY,)	
and)	
SINCLAIR TULSA REFINING COMPANY,)	
)	
Defendants.)	
)	

WHEREAS, the United States filed a complaint in this matter on January 15, 2008, alleging violations of the Clean Air Act, 42 U.S.C. §§ 7401-7671q, and other environmental laws at three petroleum refineries owned and operated by Defendants Sinclair Wyoming Refining Company, Sinclair Casper Refining Company, and Sinclair Tulsa Refining Company (collectively referred to herein as the “Sinclair Refineries”), the Oklahoma Department of Environmental Quality and the State of Wyoming intervened in the action, and the United States thereafter lodged a proposed Consent Decree between the Plaintiffs and the Defendants resolving the allegations raised in the complaint and the complaints in intervention.

WHEREAS, the Court approved and entered the Consent Decree on June 30, 2008 (hereinafter the “2008 Consent Decree”).

WHEREAS, the 2008 Consent Decree specified that the Court would retain continuing jurisdiction for the purpose of enforcing and modifying the Decree.

WHEREAS, Paragraph 345 of the 2008 Consent Decree provides that any material modifications to the Decree shall be in writing, shall be signed by the U.S. Environmental Protection Agency (“EPA”), the Applicable Co-Plaintiff, and the Sinclair Refineries, and shall be effective upon approval by the Court. In contrast, non-material modifications do not require Court approval, although Paragraph 345 of the 2008 Consent Decree specifies that non-material modifications shall be filed with the Court after being executed by EPA and the Sinclair Refineries.

WHEREAS, the parties to this First Amendment To Consent Decree (the “First Decree Amendment”) have agreed to certain material modifications to the 2008 Consent Decree, as set forth herein. Court approval is required for these material modifications. The modifications address certain injunctive obligations relating to the three refineries, so the State of Wyoming and the Oklahoma Department of Environmental Quality are parties to this agreement, as Applicable Co-Plaintiffs, along with the United States and the Sinclair Refineries (collectively, the “Parties”).

WHEREAS, as specified herein, this First Decree Amendment increases the required reduction in emissions of nitrogen oxides from Combustion Units listed in Appendix B from 838 to 875, requires that this reduction be obtained by December 31, 2009 (one year sooner than required in the original Consent Decree), and requires the Sinclair Refineries to obtain 41% of the reductions by December 31, 2008 (as opposed to the 80% required in the original Consent

Decree). The other changes proposed in the First Decree Amendment conform the language of the Consent Decree to the Parties' intent during the negotiations.

WHEREAS, the Parties recognize, and the Court by entering this First Decree Amendment finds, that this First Decree Amendment has been negotiated at arms-length and in good faith and that this First Decree 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 CONSENT DECREE PROVISIONS

The 2008 Consent Decree shall remain in full force and effect in accordance with its terms, except that Paragraphs 42, 45, 46, 178.b., and 321 and Appendix D are revised as set forth below and shall become effective no later than December 31, 2008, if entered by this Court.

* * * *

42. On or before December 31, 2009, the Sinclair Refineries will use Qualifying Controls to reduce NO_x emissions from the Combustion Units listed in Appendix B by at least 875 tons per year, so as to satisfy the following inequality:

n

$$\sum_{i=1}^n [(E_{\text{actual}})_i - (E_{\text{allowable}})_i] \geq 875 \text{ tons of NO}_x \text{ per year}$$

i = 1

Where:

$(E_{\text{allowable}})_i$ = [(The permitted allowable pounds of NO_x per million BTU for Combustion Unit i, or, the requested portion of the permitted reduction pursuant to Paragraph 192(c))/(2000 pounds per ton)] x [(the lower of permitted or maximum heat input rate capacity in million BTU per hour for Combustion Unit i) x (the lower of 8760 or permitted hours per year)];

$(E_{\text{actual}})_i$ = The tons of NO_x per year prior actual emissions during the refinery baseline years (unless prior actual emissions exceed allowable emissions, then use allowable) as shown in Appendix B for each Combustion Unit i listed in Appendix B; and

n = The number of Combustion Units with Qualifying Controls from those listed in Appendix B that are selected by the Sinclair Refineries to satisfy the requirements of the equation set forth in this Paragraph.

For purposes of this Paragraph and for demonstrating compliance with this Section V.F, “permitted allowable” in the term $(E_{\text{allowable}})_i$ above, shall be the NO_x emission limit for each Combustion Unit which is the least of the following: (i) the NO_x emission limit, in pounds per MMBTU at HHV (as a 365-day rolling average if based on CEMS, or as a 3-hour average if based on stack tests) based upon any existing federally enforceable permit condition in a permit that meets the requirements Paragraph 181; or (ii) the NO_x emission limit, in pounds per MMBTU at HHV, reflected in any permit application for a federally enforceable permit that meets the requirements of Paragraph 181 that is submitted by the Sinclair Refineries for such Combustion Unit prior to December 31, 2008 (for compliance with Paragraph 45) or December 31, 2009 (for compliance with Paragraph 42). In the event the Sinclair Refineries identify a NO_x emission limit based on a limit then reflected in a pending permit application, they shall not withdraw such application nor may they seek to modify that application to increase the NO_x emission limit reflected in such application without prior EPA approval.

* * * *

45. By December 31, 2008, the Sinclair Refineries will install sufficient Qualifying Controls and have applied for emission limits from the appropriate permitting authority sufficient to achieve 41% of the NOx emission reductions required by Paragraph 42. By no later than March 31, 2009, the Sinclair Refineries will provide EPA and the Applicable Co-Plaintiff with a report demonstrating compliance with the requirements of this Paragraph.

46. By no later than December 31, 2009, Combustion Units with Qualifying Controls will represent at least 30% of the total maximum heat input capacity or, if less, the allowable heat input capacity, as shown in Appendix B, of all of the Combustion Units located at the Sinclair Tulsa and the Sinclair Wyoming Refineries, which shall include 581 Crude Heater Number 2 at the Sinclair Wyoming Refinery. The SCRC shall install Qualifying Controls on the Casper Refinery Number 5 Crude Heater and F202 Feed Heater (FCC) by December 31, 2008. Any Qualifying Controls can be used to satisfy this requirement, regardless of when the Qualifying Controls were installed.

* * * *

178.b. Quarterly Progress Report for the First Calendar Quarter of Each Year. In the quarterly progress report that the Sinclair Refineries submit pursuant to Part IX for the first calendar quarter of each year, the Sinclair Refineries shall include an identification of each audit that was conducted pursuant to the requirements of Paragraphs 154-156 in the previous calendar year including an identification of the auditors, a summary of the audit results, and a summary of the actions that the Sinclair Refineries took or intend to take to correct all deficiencies identified in the audits.

* * * *

321. New Source Performance Standards Subparts A and J-Resolution of Liability. Entry of this Consent Decree shall resolve all civil liability of the Sinclair Refineries to the United States and the Plaintiff-Intervenors for violations of the Applicable NSPS Subparts A and J Requirements, arising from emissions of the following pollutants from the following units, from the date that the claims of the United States and the Plaintiff-Intervenors accrued through the following dates:

<u>Unit</u>	<u>Pollutant</u>	<u>Date</u>
Casper FCCU	SO ₂ PM, CO and Opacity	December 31, 2009 Date of Lodging
Sinclair FCCU	SO ₂ and PM CO and Opacity	December 31, 2009 Date of Lodging
Tulsa FCCU	SO ₂ and PM CO and Opacity	December 31, 2009 Date of Lodging
<u>All Refineries</u>		
All heaters and boilers	SO ₂	Date of Lodging (or Date in Appendix B if other than Date of Lodging)
All SRPs	SO ₂	Date of Lodging
All Flaring and Fuel Gas and Combustion Devices	SO ₂	Date of Lodging

* * * *

Appendix D: List of Fuel Gas Combustion Devices with Delayed NSPS Subpart J Applicability

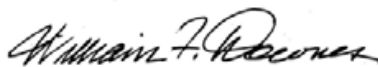
Tulsa Refinery	Crude Unit Atm. Heater	Shut down or comply with the NSPS Subpart J fuel gas standards by December 31, 2010
Tulsa Refinery	Crude Unit Vacuum Heater	Shut down or comply with the NSPS Subpart J fuel gas standards by December 31, 2010

Note: The Sinclair Tulsa Refinery shall not be limited in its use of credits from the shut-down of the Fuel Gas Combustion Devices identified in this Appendix D for NSR netting purposes.

SIGNATORIES

Each of the undersigned representatives certifies that he or she is fully authorized to enter into the First Decree Amendment on behalf of such Parties, and to execute and to bind such Parties to this First Decree Amendment. This First Decree Amendment may be signed in counterparts.

Dated and entered this 18th day of December, 2008.




WILLIAM F. DOWNES
United States District Judge

THE UNDERSIGNED PARTY enters into this First Amendment to Consent Decree in the matter of *United States, et al. v. Sinclair Wyoming Refining Co., et al.*, subject to the public notice and comment requirements of 28 C.F.R. § 50.7.

FOR PLAINTIFF THE UNITED STATES OF AMERICA:

RONALD J. TENPAS
Assistant Attorney General
Environment and Natural Resources Division
United States Department of Justice

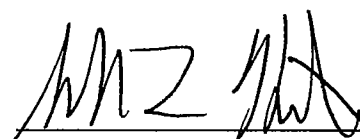
Date: 12/10/08


JAMES D. FREEMAN
Environmental Enforcement Section
United States Department of Justice

THE UNDERSIGNED PARTY enters into this First Amendment to Consent Decree in the matter of *United States, et al. v. Sinclair Wyoming Refining Co., et al.*, subject to the public notice and comment requirements of 28 C.F.R. § 50.7.

FOR PLAINTIFF THE UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY:

Date: December 5, 2008

A handwritten signature in black ink, appearing to read "RH Hill", written over a horizontal line.

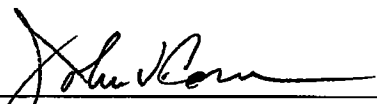
RANDOLPH L. HILL

Acting Director, Office of Civil Enforcement
United States Environmental Protection Agency

THE UNDERSIGNED PARTY enters into this First Amendment to Consent Decree in the matter of *United States, et al. v. Sinclair Wyoming Refining Co., et al.*, subject to the public notice and comment requirements of 28 C.F.R. § 50.7.


FOR PLAINTIFF-INTERVENOR, STATE OF
WYOMING

Date: 11/25/08



JOHN CORRA
Director
Wyoming Department of Environmental Quality

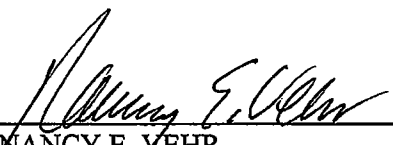
Date: 11/21/08



DAVE FINLEY
Administrator, Air Quality Division
Wyoming Department of Environmental Quality

Approved As To Form:

Date: 11/20/08



NANCY E. YEHR
Senior Assistant Attorney General
Wyoming Attorney General's Office

THE UNDERSIGNED PARTY enters into this First Amendment to Consent Decree in the matter of *United States, et al. v. Sinclair Wyoming Refining Co., et al.*, subject to the public notice and comment requirements of 28 C.F.R. § 50.7.

FOR PLAINTIFF-INTERVENOR, STATE OF
OKLAHOMA

Date: November 24, 2008

A handwritten signature in black ink, appearing to read "Steven A. Thompson". The signature is written in a cursive style with a large initial "S".

STEVEN A. THOMPSON


Executive Director

Oklahoma Department of Environmental Quality

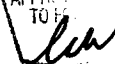
THE UNDERSIGNED PARTIES enter into this First Amendment to Consent Decree in the matter of *United States, et al. v. Sinclair Tulsa Refining Company, et al.*, subject to the public notice and comment requirements of 28 C.F.R. § 50.7.

FOR DEFENDANT SINCLAIR TULSA REFINING COMPANY

Date: _____

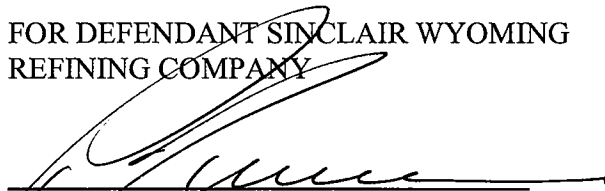


Peter M. Johnson
President, Sinclair Tulsa Refining Company
KWS

APPRO
TO


FOR DEFENDANT SINCLAIR WYOMING REFINING COMPANY

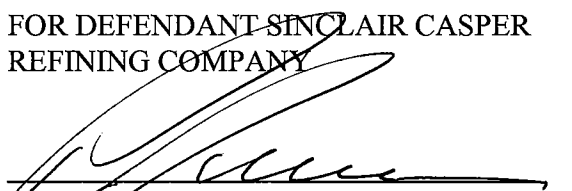
Date: _____



Peter M. Johnson
President, Sinclair Wyoming Refining Company
KWS

FOR DEFENDANT SINCLAIR CASPER REFINING COMPANY

Date: _____



Peter M. Johnson
President, Sinclair Casper Refining Company
KWS