



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 5  
77 WEST JACKSON BOULEVARD  
CHICAGO, IL 60604-3590

SEP 27 2006

REPLY TO THE ATTENTION OF:

(AE-17J)

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Mr. Matt Smorch  
Refinery Manager  
Countrymark Cooperative, LLP.  
1200 Refinery Road  
Mt. Vernon, IN 47620-9225

Dear Mr. Smorch:

This is to advise you that the United States Environmental Protection Agency (U.S. EPA) has determined that the Countrymark Cooperative, LLP's facility at 1200 Refinery Road, Mount Vernon, Indiana (facility) is in violation of the Clean Air Act (CAA). A list of the requirements violated is provided below. We are today issuing you a Finding of Violation (FOV).

The CAA requires the development of regulations to protect and enhance the quality of the nation's air so as to promote public health and welfare and the productive capacity of its population. To attain and maintain these standards U.S. EPA has developed emission standards such as the New Source Performance Standards (NSPS) and emission standards to reflect the Maximum Achievable Control Technology (MACT). Hazardous air pollutants (HAPs) may cause serious health effects including birth defects and cancer. They may also cause harmful environmental and ecological effects. The NSPSs and MACTs include the following requirements, which apply to your facility:

- 1) Each open-ended valve or line shall be equipped with a cap, blind flange, plug or a second valve and each open-ended valve or line equipped with a second valve shall be

operated in a manner such that the valve on the process fluid end is closed before the second valve is closed.

- 2) An owner or operator must test equipment for compliance with no detectable emissions following Method 21 and an owner or operator of each stationary source must maintain and operate the source, including associated equipment for air pollution control, in a manner consistent with good air pollution control practice for minimizing emissions.
- 3) For valves, a first attempt at a repair shall be made no later than 5 calendar days after each leak is detected.
- 4) No owner or operator subject to the provisions of this subpart shall: Burn in any fuel gas combustion device any fuel gas that contains hydrogen sulfide ( $H_2S$ ) in excess of 230 mg/dscm (0.10 gr/dscf).

EPA finds that Countrymark has violated the above-listed NSPS and MACT requirements.

Section 113 of the CAA gives us several enforcement options to resolve these violations, including: issuing an administrative compliance order, issuing an administrative penalty order, bringing a judicial civil action, and bringing a judicial criminal action. The option we select, in part, depends on the efforts taken by Countrymark Cooperative to correct the alleged violations and the timeframe in which you can demonstrate and maintain continuous compliance with the requirements cited in the FOV.

Before we decide which enforcement option is appropriate, Section 113 of the CAA provides you with the opportunity to request a conference with us about the violations alleged in the FOV. This conference will provide you a chance to present information on the identified violations, any efforts you have taken to comply, and the steps you will take to prevent future violations. Please plan for your facility's technical and management personnel to take part in these discussions. You may have an attorney represent and accompany you at this conference.

The EPA contact in this matter is Shannon Downey. You may call her at (312) 353-2151 if you wish to request a conference. EPA

hopes that this FOV will encourage Countrymark's compliance with the requirements of the Clean Air Act.

Sincerely yours,



Cheryl L. Newton, Acting Director  
Air and Radiation Division

Enclosure

Cc: David McIver, Chief  
Office of Enforcement Air Section  
Indiana Department Environmental Management  
100 North Senate Avenue, Room 1001  
Indianapolis, Indiana 46206-6015

**United States Environmental Protection Agency**

IN THE MATTER OF:	)	
	)	
Countrymark Cooperative, LLP.	)	FINDING OF VIOLATION
Mount Vernon, Indiana	)	
	)	EPA-5-06-31-IN
	)	
Proceedings Pursuant to	)	
the Clean Air Act,	)	
42 U.S.C. §§ 7401 et seq.	)	

**FINDING OF VIOLATION**

Countrymark Cooperative (you or Countrymark) owns and operates a refinery at 1200 Refinery Road, Mount Vernon, Indiana (facility).

U.S. EPA is sending this Finding of Violation (FOV or notice) to you for: (1) improper Method 21 monitoring; (2) violating the H<sub>2</sub>S limits of NSPS Subpart J and your Title V permit; (3) violating MACT Subpart CC and (4) violating NSPS Subpart GGG. The underlying statutory and regulatory requirements include provisions of the Clean Air Act (the Act or CAA), and its implementing regulations.

Section 113 of the Act provides you with the opportunity to request a conference with us to discuss the violations alleged in the FOV. This conference will provide you a chance to present information on the identified violations, any efforts you have taken to comply, and the steps you will take to prevent future violations. Please plan for the Facility's technical and management personnel to take part in these discussions. You may have an attorney represent and accompany you at this conference.

## **Explanation of Violations**

The following documents and regulations are relevant to this FOV:

40 C.F.R. Part 60, Subpart GGG and 40 C.F.R. Part 63, Subpart CC Requirements pertaining to leak detection and repair:

### 1. Testing Requirements:

- a) These regulations apply to any facility that is within a petroleum refinery and that was constructed after January 4, 1983. This subpart requires owners and operators to conduct testing using Method 21 according to the methods and schedule that are specified at 40 C.F.R. § 60.485(b). This is also required by condition D.4.7 of Countrymark's Title V permit.
- b) Based on statistical analysis of the results obtained from the April inspection, Countrymark failed to monitor equipment that is subject to NSPS Subpart GGG and MACT Subpart CC using Method 21.

### 2. Leak Repair Requirements:

- a) NSPS Subpart GGG and MACT Subpart CC also require that owners and operators first attempt to repair a valve in a gas/vapor or light liquid service within 5 days of when the leak is first detected. This requirement is found at 40 C.F.R. 60.482-7(d)(2), 40 C.F.R. 63.168(f)(2), and 40 C.F.R. 63.174(d). This is also required by condition D.4.7 of Countrymark's Title V permit.
- b) According to maintenance repair logs provided by Countrymark during EPA's inspection, you failed to repair two leaking valves within five days of detection.

### 3. Open-ended Valve or Line Requirements:

- a) NSPS Subpart GGG and MACT Subpart CC also require that any open-ended valve or line be equipped with a cap, blind flange, plug, or second valve. This requirement is found at 40 C.F.R. 60.482-6(a)(1), and condition D.4.7 of Countrymark's Title V permit.
- b) During its inspection, EPA discovered that Countrymark did not meet this requirement on any of its 11 open-ended valves.

- c) Also, the cap, blind flange, plug, or second valve must seal the end at all times except during operations requiring process fluid flow through the open-ended valve or line. This requirement is found at 40 CFR 60.592(a) and 40 CFR 60.482-6(a)(1).
- d) During inspection, EPA learned that Countrymark failed to seal properly each open end of each open-ended valve or line.

40 C.F.R. Part 60 Subpart J requirements regarding fuel gas:

4. Requirements Pertaining to the Burning of Fuel Gas That Contains Hydrogen Sulfide ( $H_2S$ ):

- a) 40 C.F.R. Part 60, Subpart J states that no owner or operator may burn fuel gas that contains hydrogen sulfide ( $H_2S$ ) in excess of 230 mg/dscm (0.10 gr/dscf). This is the equivalent of approximately 160 ppm. This is also prohibited by condition D.2.5 of Countrymark's Title V permit.
- b) Based on the information Countrymark submitted in response to a Section 114 Request, it was determined that Countrymark has burned fuel gas that contains  $H_2S$  in excess of 230 mg/dscm 109 times in October and November of 2004.

5. On September 16, 1994, Countrymark received an approved Alternative Monitoring Plan (AMP). This AMP was issued based on the understanding from Countrymark that their fuel gas combustion device would not burn any fuel gas containing  $H_2S$  in excess of 10 ppm.

**CERTIFICATE OF MAILING**

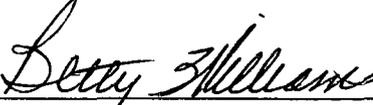
I, Betty Williams, do hereby certify that a Finding of Violation (EPA-5-06-31-IN) of the Clean Air Act was sent by Certified Mail, Return Receipt Requested, to:

Mr. Matt Smorch  
Refinery Manager  
Countrymark Cooperative, LLP.  
1200 Refinery Road  
Mt. Vernon, IN 47620-9225

I also certify that I sent copies of the Finding of Violation (EPA-5-06-31-IN) by first class mail to:

David McIver, Chief  
Office of Enforcement Air Section  
Indiana Department Environmental Management  
100 North Senate Avenue, Room 1001  
Indianapolis, Indiana 46206-6015

on the 28<sup>th</sup> day of September, 2006.

  
Betty Williams, Secretary,  
AECAS (IL/IN)

CERTIFIED MAIL RECEIPT NUMBER: 70010320000614550204