



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**

REGION 6  
1445 ROSS AVENUE, SUITE 1200  
DALLAS, TX 75202-2733

May 8, 2012

CERTIFIED MAIL – RETURN RECEIPT REQUESTED: 7010 2780 0002 4357 7344

Harry D. Wright, Jr.  
Vice President and General Manager  
Valero Three Rivers Refinery  
P. O. Box 490  
Three Rivers, TX 78071-0490

Re: United States of America, et al v. Valero Refining Company, et al  
Civil Action No. SA-05-CA-0569  
Valero Three Rivers Refinery  
June 11, 2011 Acid Gas Flaring Event

Dear Mr. Wright:

This letter is in response to your acid gas flaring report dated August 23, 2011, per Paragraph 242 of the Consent Decree dated November 23, 2005, between the United States and Valero Refining Company. The Root Cause Failure Analysis of the June 11, 2011, flaring incident at the Three Rivers Refinery identified the root cause as “no procedure requiring valves to remain closed.” The block valve downstream of the PV18C control valve was found to have been left opened and there is no specific procedure requiring that the block valve remain closed during normal operations. The reported emissions from the acid gas flaring incident were 28.8 tons of sulfur dioxide over a 423.7 hour period.

Valero implemented the following corrective actions:

1. The startup procedure for the #1 SWS following emergency shutdown or turnaround was updated to include verification that the block valves to the flare are closed and chain locked before beginning operations.
2. The emergency #1 SWS Emergency Shutdown procedure was updated to include closing and locking of the block valves.

After reviewing the acid gas flaring incident report and procedures in place before and after the incident, EPA acknowledges the corrective actions. EPA determined that the excess emissions were caused by a failure of equipment or a system due to a failure by Valero Three Rivers Refinery to operate or maintain the equipment or system in a manner consistent with good engineering practices [Consent Decree, Paragraph 250(c)].

Re: Valero Three Rivers Refinery  
June 11, 2011, Acid Gas Flaring Event

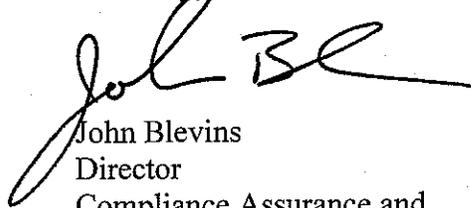
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EPA notes this is the first acid gas flaring incident in a rolling 12-month period. A penalty of \$522,500.00 is being assessed per Paragraph 260(a) based on the reported excess emissions (28.8 tons) and the duration of the emissions (423.7 hours) [19 calendar days X \$27,500/day]. The total stipulated penalty amount assessed for the incident is \$522,500.00 with 50% (\$261,250.00) to be paid to the state of Texas and 50% (\$261,250.00) to be paid to the United States within sixty (60) days of receipt of this demand, in accordance with Paragraph 321 of the Consent Decree.

To expedite the processing of the payment of stipulated penalties, please clearly identify the incident date and amount of the penalty both on the check, if paying by check, and in the letter accompanying payment by check or wire transfer. If Valero Three Rivers Refinery wishes to pay stipulated penalties for multiple incidents with one check or wire transfer, please identify each separate incident date and the penalty amount within the letter. Please also send a copy of the letter accompanying the payment to [braby.sharon@epa.gov](mailto:braby.sharon@epa.gov).

If you have any questions regarding this matter, please contact Daniel Hoyt at (214) 665-7326.

Sincerely,



John Blevins  
Director  
Compliance Assurance and  
Enforcement Division

cc: Bruce Gelber, Chief  
Environmental Enforcement Section  
Environment and Natural Resources Division  
U.S. Department of Justice

Phillip Brooks, Director  
Air Enforcement Division (2242A)  
Office of Civil Enforcement  
U.S. Environmental Protection Agency

David Garcia, Associate Director  
Air/Toxics and Inspection Coordination Branch (6EN-A)  
Compliance Assurance and Enforcement Division  
U.S. Environmental Protection Agency, Region 6

Re: Valero Three Rivers Refinery 3  
June 11, 2011, Acid Gas Flaring Event

Richard Hyde, Deputy Director  
Office of Compliance and Enforcement  
Texas Commission on Environmental Quality

Office of the Attorney General of the State of Texas  
Natural Resource Division  
ATTN: Karen Kornell

Director, Air Enforcement Division  
Office of Civil Enforcement  
c/o Matrix New World Engineering, Inc.

Kirk Saffell, Vice President  
Environmental & Safety Affairs  
Valero Energy Corporation

Richard Walsh, Esquire  
Valero Energy Corporation

Bart E. Cassidy, Esquire  
Manko, Gold, Katcher & Fox, LLP

Via electronic mail:

Sharon Braby, U.S. EPA, Region 6  
Pam Elder-Schweers, U.S. EPA, Region 6  
Gregory Fried, U.S. EPA, HQ  
Claire Sullivan, Matrix Engineering  
Kim White, U.S. EPA, Cincinnati  
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