



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

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

JUL 8 2013

CERTIFIED MAIL - RETURN RECEIPT REQUESTED: 7011 3500 0000 0359 6501

Mr. William S. Smith
Director Refinery Operations
Valero Corpus Christi Refinery
P.O. Box 9370
Corpus Christi, TX 78469-9370

Re: *United States et al. v. Valero Refining Company, et. al.*-
Civil Action Number SA-05-CA-0569
Acid Gas Flaring Incident of March 14, 2012
Valero Corpus Christi East Refinery

Dear Mr. Smith:

The United States Environmental Protection Agency (EPA) received a report dated May 14, 2012, regarding the acid gas (AG) flaring incident that occurred on March 14, 2012, at the Valero Refining Company (Valero) Corpus Christi East Refinery located in Corpus Christi, TX. Valero reported that the AG flaring lasted a total of 1.5 hours and resulted in a release of 15.9 tons of sulfur dioxide (SO₂). EPA notes that this is the first AG incident in a 12-month rolling period.

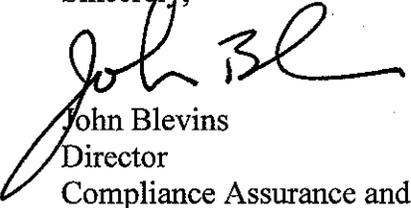
According to the report dated May 14, 2012, the acid gas incident (AGI) occurred as a result of an intermittent flaring from a pressure relief valve. The report stated that a pressure relief valve was set at 15 psig instead of 50 psig and was intermittently relieving to the flare due to over pressuring of that section of line during a planned start-up of the Gas Oil Treater unit.

Upon review of the information submitted by Valero, EPA determines that the incident resulted from the failure to operate and maintain a part, equipment or system in a manner consistent with good engineering practice and assesses a penalty of twenty-seven thousand five hundred dollars (\$27,500.00), with 50% (\$13,750.00) to be paid to the State of Texas and 50% (\$13,750.00) to be paid to the United States within sixty (60) days of receipt of this demand, in accordance with Paragraph 319 of the Consent Decree.

To expedite the processing of the payment of stipulated penalties, please clearly identify the incident date, Civil Action Number, and amount of the penalty on the check, if paying by check, and in the letter accompanying payment by check or wire transfer. Please also send a copy of the letter accompanying the payment to Diana Lundelius of EPA at lundelius.diana@epa.gov.

If you have any questions about this response, please contact Amanda Ferguson of my staff at (214) 665-8420, or by email at ferguson.amanda@epa.gov.

Sincerely,



John Blevins
Director
Compliance Assurance and
Enforcement Division

cc (electronic): Diana Lundelius, U.S. EPA, Region 6
Pamela Elder-Schweers, U.S. EPA, Region 6
Claire Sullivan, Matrix New World
Kim White, U.S. EPA, Cincinnati

cc: Mr. Kirk Saffel, Vice President
Environmental & Safety Affairs
Valero Energy Corporation

Richard Walsh, Esquire
Valero Energy Corporation

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

W. Benjamin Fisherow, Chief
Environmental Enforcement Section
Environment and Natural Resources Division
U.S. Department of Justice

Robert Pittman, United States Attorney
Western District of Texas

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

Claire Sullivan
Matrix New World Engineering, Inc.

Ramiro Garcia, Jr., Deputy Director
Office of Compliance & Enforcement
Texas Commission on Environmental Quality

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