UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 6
1445 ROSS AVENUE, SUITE 1200
DALLAS, TX 75202-2733

September 20, 2012

CERTIFIED MAIL - RETURN RECEIPT REQUESTED: 7010 1060 0002 1872 6483

Mr. Frederec Green
President and Chief Operating Officer
Delek Refining Ltd.
7102 Commerce Way
Brentwood, TN 37027

Re: Consent Decree, styled United States of America v. Tyler Holding Company and Delek Refining, Ltd., Civil Action No. 6:09cv319 – Response to Tail Gas (TG) Flaring Incident Ending May 21, 2012, at the Tyler, Texas Refinery

Dear Mr. Green:

The U.S. Environmental Protection Agency (EPA) received a report dated July 3, 2012, for a TG flaring incident which began May 13, 2012, and ended on May 21, 2012, at the Delek Refining, Ltd. (Delek) refinery in Tyler, Texas. This TG flaring incident generated reportable emissions of sulfur dioxide (SO_2). The total SO_2 released was 2,418.1 pounds (1.21 tons) over seven days and sixteen hours (184 total hours). Delek reported that a plant-wide power outage occurred May 9, 2012. As a result, Delek performed unscheduled maintenance on several units, including the sulfur recovery plant and the Shell Claus Off-gas Treatment (SCOT) unit. Operations personnel tried to restart the SCOT unit on May 13, 2012, but the start up blower failed due to corrosion, at which time the TG flaring event began. The flaring of excess emissions continued until the blower was replaced on May 21, 2012. Delek indicated that the facility will add a nitrogen purge to the SCOT start-up blower to reduce future corrosion.

Based on Delek's report, EPA concludes that the SCOT unit could have been restarted earlier – and the flaring event likely avoided - if the start-up blower had not required replacement due to corrosion. The root cause of the TG incident indicates a failure to maintain equipment in a manner consistent with good engineering practice. Therefore, EPA finds that the TG incident meets the criteria of Paragraph 20.c. of the Consent Decree, and is subject to a stipulated penalty under Paragraph 22.b. EPA assesses a penalty amount of one thousand two hundred ten ($1,210.00) dollars (1.21 tons x $1,000 per ton). The total penalty amount shall be paid to the United States within sixty (60) days of receipt of this demand, in accordance with Paragraph 79 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. Please also send a copy of the letter accompanying the payment to Elizabeth Cannon of EPA by email at cannon.elizabeth@epa.gov. If you have any questions about this response, please contact Diana L. Lundelius of my staff at (214) 665-7468 or by email at lundelius.diana@epa.gov.

Sincerely,

John Blevins
Director
Compliance Assurance and
Enforcement Division

cc: Chief, Environmental Enforcement Section, U.S. Department of Justice
Phillip Brooks, U.S. EPA, Headquarters
Gregory Fried, U.S. EPA, Headquarters

cc (electronic): Rosie Trimble, U.S. Department of Justice
Kim White, U.S. EPA, Cincinnati
Michael De La Cruz, Texas Commission on Environmental Quality
Don Whaley, Delek Refining, Ltd.
Kent Thomas, Delek US Holdings, Inc.
Andrew Lapayowker, Tyler Holding Company, Inc.
Clare Sullivan, Matrix New World