In the Matter of:

Lima Refining Company
1150 S. Metcalf Street
Lima, Ohio 45804

Respondent

PREAMBLE

It is agreed by the Parties hereto as follows:

I. JURISDICTION

These Director's Final Findings and Orders ("Orders") are issued to the Lima Refining Company (Respondent) pursuant to the authority vested in the Director of the Ohio Environmental Protection Agency ("Ohio EPA") under Ohio Revised Code ("ORC") §§ 6111.03 and 3745.01.

II. PARTIES BOUND

These Orders shall apply to and be binding upon Respondent and successors in interest liable under Ohio law. No change in the composition of Respondent shall in any way alter Respondent's obligations under these Orders.

III. DEFINITIONS

Unless otherwise stated, all terms used in these Orders shall have the same meaning as defined in ORC Chapters 6111 and 3745, and the rules promulgated thereunder.

IV. FINDINGS

The Director has made the following findings:

1. Respondent owns and operates a petroleum refining operation located at 1150 S. Metcalf Street, Lima, Ohio.

2. Respondent produces a variety of products from crude oil including gasoline, diesel fuel, jet fuel, liquid propane gas, coke, benzene and toluene. Process
operations include crude distillation, crude desalting, fluid catalytic cracking, hydrocracking, delayed coking and catalytic reforming.

3. Respondent holds a valid NPDES permit (21G00001*QD) for the discharge of pollutants from its facility to the Ottawa River at River Mike (RM 37.1) that was issued on June 27, 2011.

4. Respondent's NPDES permit contains certain effluent limits including limits for Selenium that are necessary to protect water quality in the Ottawa River.

5. On July 22, 2011, Respondent filed a timely appeal of certain terms and conditions of its NPDES permit.

6. One of Respondent's assignments of error states that effluent limitations imposed by the permit on the discharge of Selenium and the corresponding wasteload allocation, are more stringent than can be justified by information available to any of the parties to this appeal and are unreasonable. Notwithstanding this appeal, the permit limit is in effect and no stay has been sought or obtained regarding permit limits in the NPDES permit.

7. Recently, for reasons not completely understood, levels of Selenium in incoming crude are higher than testing would predict, which has recently resulted in an exceedance of its NPDES permit limit for Selenium.

8. In addition to the recent selenium exceedance, since 2012, Respondent has reported thirty (30) exceedances of its NPDES permit limits for various pollutants, including but not limited to Total Suspended Solids, Nitrogen, Benzene, and Biochemical Oxygen Demand.

9. Pursuant to ORC Section 6111.04(C), no person to whom a permit has been issued shall place or discharge, or cause to be placed or discharged, in any waters of the state any sewage, sludge, sludge materials, industrial waste, or other wastes in excess of the permissive discharges specified under an existing permit.

10. Pursuant to ORC Section 6111.07(A), no person shall violate or fail to perform any duty imposed by ORC Sections 6111.01 to 6111.08 or violate any order, rule, or term or condition of a permit issued or adopted by the Director of Ohio EPA pursuant to those sections. Each day of violation is a separate offense.

11. Respondent intends to add temporary treatment components to better enable it to maintain compliance with its permit limits.
12. Respondent also intends to install a closed loop water recycling process (hereinafter referred to as the "Water Reuse Project") that will eliminate the routine discharge of pollutants into the Ottawa River.

13. The Director has given consideration to, and based his determination on, evidence relating to the technical feasibility and economic reasonableness of complying with these Orders and to evidence relating to conditions calculated to result from compliance with these Orders, and its relation to the benefits to the people of the State to be derived from such compliance in accomplishing the purpose of ORC Chapter 6111.

V. ORDERS

The Director hereby issues the following Orders:

1. Respondent shall achieve compliance with the final effluent limitations of its currently-effective NPDES permit as expeditiously as practicable, but not later than the following schedule:

   a. By March 15, 2017, submit a complete permit to install (PTI) for temporary treatment components necessary to meet NPDES permit limits;

   b. Initiate the installation of temporary treatment components in accordance with an approved PTI within seven (7) days after receiving said PTI;

   c. By June 30, 2017, submit a complete PTI for the Water Reuse Project;

   d. Initiate construction of the water reuse project in accordance with an approved PTI, within 30 days of receiving said PTI; and

   e. Complete installation of the water reuse project within seventeen (17) months of receiving approval for all PTIs required for the project.

2. Respondent shall pay the amount of fifty four thousand dollars ($54,000) in settlement of Ohio EPA’s claims for civil penalties, which may be assessed pursuant to ORC Chapter 6111. Within thirty (30) days after the effective date of these Orders, payment to Ohio EPA shall be made by an official check made payable to "Treasurer, State of Ohio" for the total amount. The official check shall be submitted to Brenda Case, or her successor, together with a letter identify the Respondent, to:

   Office of Fiscal Administration
3. In the event that Respondent fails to achieve compliance with the final Selenium effluent limitations of its currently-effective NPDES permit, Respondent shall pay stipulated penalties in accordance with the schedule set forth in Section VII of State of Ohio, ex rel., Betty D. Montgomery vs. BP Oil Company, Case No. CV98-02-0095, a Consent Order to which Ohio EPA and Respondent are subject.

VI. TERMINATION

Respondent's obligations under these Orders shall terminate when Respondent certifies in writing and demonstrates to the satisfaction of Ohio EPA that Respondent has performed all obligations under these Orders and the Chief of Ohio EPA's Division of Surface Water acknowledges, in writing, the termination of these Orders. If Ohio EPA does not agree that all obligations have been performed, then Ohio EPA will notify Respondent of the obligations that have not been performed, in which case Respondent shall have an opportunity to address any such deficiencies and seek termination as described above.

The certification shall contain the following attestation: "I certify that the information contained in or accompanying this certification is true, accurate and complete."

This certification shall be submitted by Respondent to Ohio EPA and shall be signed by a responsible official of the Respondent. For purposes of these Orders, a responsible official is as defined in Ohio Administrative Code Rule 3745-33-03.

VII. OTHER APPLICABLE LAWS

All actions required to be taken pursuant to these Orders shall be undertaken in accordance with the requirements of all applicable local, state and federal laws and regulations. These Orders do not waive or compromise the applicability and enforcement of any other statutes or regulations applicable to Respondent.
VIII. MODIFICATIONS

These Orders may be modified by agreement of the parties hereto. Modifications shall be in writing and shall be effective on the date entered in the journal of the Director of Ohio EPA.

IX. RESERVATION OF RIGHTS

Ohio EPA and Respondent each reserve all rights, privileges, defenses and causes of action, except as specifically waived in Section X of these Orders.

X. WAIVER

In order to resolve disputed claims, without admission of fact, violation or liability, and in lieu of further enforcement action by Ohio EPA for only the violations specifically cited in these Orders, Respondent consents to the issuance of these Orders and agrees to comply with these Orders. Compliance with these Orders shall be a full accord and satisfaction for Respondent’s liability for the violations specifically cited herein.

Respondent hereby waives the right to appeal the issuance, terms and conditions, and service of these Orders, and Respondent hereby waives any and all rights Respondent may have to seek administrative or judicial review of these Orders either in law or equity.

Notwithstanding the preceding, Ohio EPA and Respondent agree that if these Orders are appealed by any other party to the Environmental Review Appeals Commission, or any court, Respondent retains the right to intervene and participate in such appeal. In such an event, Respondent shall continue to comply with these Orders notwithstanding such appeal and intervention unless these Orders are stayed, vacated or modified.

XI. EFFECTIVE DATE

The effective date of these Orders is the date these Orders are entered into the Ohio EPA Director’s journal.
XII. SIGNATORY AUTHORITY

Each undersigned representative of a party to these Orders certifies that he or she is fully authorized to enter into these Orders and to legally bind such party to these Orders.

IT IS SO ORDERED AND AGREED:
Ohio Environmental Protection Agency

Craig W. Butler
Director

3/3/10
Date

IT IS SO AGREED:
Lima Refining Company

J. McKenzie
Signature

Joe McKenzie
Printed or Typed Name

CFO
Title

February 14th, 2017
Date

Signature

Terry Miller

Printed or Typed Name

VP US Refining
Title

Feb 14/2017
Date