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## Air Enforcement: Arkansas Department of Energy & Environment - Division of Environmental Quality and Union County Petroleum Refinery Enter into Consent Administrative Order

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The Arkansas Department of Energy & Environment – Division of Environmental Quality (“DEQ”) and Lion Oil Company, LLC (“Lion”) entered into a December 13th Consent Administrative Order (“CAO”) addressing alleged violations of an air permit. See LIS No. 21-133.

The CAO provides that Lion owns and operates a petroleum refinery (“Refinery”) in Union County, Arkansas.

The refinery holds an Air Operating Permit (“Air Permit”).

Lion is stated to have submitted on January 30, 2018, a 2017 Annual Compliance Certification (“ACC”) to DEQ personnel for review. The report is stated to have covered the reporting period of January 1, 2017, through December 31, 2017. Further, DEQ personnel are stated to have conducted a compliance inspection of the Refinery on August 3, 2018, covering the reporting period of July 2017 through June 2018.

Lion is stated to have submitted on April 30, 2018, a Continuous Emission Monitoring System (“CEMS”) Excess Emission Report (“EER”) for the First Quarter of 2018 to DEQ covering the reporting period of January 1, 2018, through March 31, 2018. In addition, on July 30, 2018, Lion is stated to have submitted a CEMS EER for the Second Quarter of 2018 to DEQ covering the reporting period of April 1, 2018, through June 30, 2018.

Paragraph 10 of the CAO indicates that based on the records in the 2017 ACC Report and previously referenced EERs, along with the August 13th inspection, certain violations were allegedly identified.

DEQ notified Lion of the alleged violations in a letter dated September 19, 2018. Lion addressed such alleged violations in correspondence dated December 3, 2018, and the CAO notes:

The correspondence referred to previously submitted reports and documentation to explain causes and corrective actions for the deviations noted. Respondent provided that at SN-811, the 3rd quarter EER for 2018 did not show an exceedance of the NOx 0.045 lb/MMBtu limit in condition FHR 8. Respondent also provided that an evaluation of operations at SN-867 was being conducted with consideration of permitting the source as a non-emergency engine.

DEQ personnel are stated to have requested additional information pursuant to an April 30, 2019, email in regards to records with actual instances of excess flaring for the years 2017 and 2018, along with certain weather data. This information is stated to have been provided. In addition, Lion in a response to a proposed CAO is stated to have:

. . . detailed improvements to operations in hopes of preventing the likelihood of future emission exceedances from the noncompliant sources. Respondent also requested that the penalty be reduced due to the corrective actions implemented at the facility.

DEQ personnel are stated to have conducted a compliance inspection of the Refinery for the reporting period of July 1, 2019, through June 30, 2020. Such inspection is stated to have indicated that Lion failed to meet the minimum frequency of operation requirements of 95 percent up-time for the Fourth Quarter of 2019 for NO<sub>x</sub>, SO<sub>2</sub>, CO, and O<sub>2</sub> at SN-809.

Lion stated in correspondence dated October 2, 2020, that the down-time at SN-809 was related to a leaking isolation valve that allowed ambient oxygen into the sample going to the analyzer. Further, the company noted that a new valve was installed; thus, eliminating the monitor down-town.

The inspection is also stated to have indicated Lion operated SN-870 a total of 1,223 hours during the 2019 calendar year. This is alleged to have exceeded the 500 total hours that the engine is allowed to be operated during any calendar year.

Lion responded in correspondence dated October 2, 2020, that SN-870 was operated in emergency service after September 23, 2019, to provide firewater service for the Refinery while the electric firewater pump was out of service for maintenance. It further noted that a new emergency firewater pump was installed in December, 2019, bringing the emergency usage to an end.

The inspection is also stated to have indicated that Lion failed to maintain records of the operation of the engine in emergency service, non-emergency service, maintenance checks, and readiness testing.

Lion responded to a CAO proposed by DEQ pursuant to August 19th correspondence stating:

1. In regards to findings in Paragraph 1 for SN-867, Respondent stated that SN-867 ran approximately 37 hours in the year 2019 and 9.9 hours in the year 2020 and has maintained full compliance since the documented findings in Table 1.
2. In regards to findings in Paragraph 10 for SN-822 and SN-823, Respondent stated that after an extensive evaluation of each HP and LP flaring events the correct number of deviations at FLA 1 should be 26 deviations. Respondent stated that the remaining flaring events during the identified periods occurred under startup, shutdown, upset, or malfunction conditions.
3. In regards to findings in Paragraph 10 for FLA 1, Respondent requested the revision to the H<sub>2</sub>S reference of "0.1 pound per day (lb/day)" to "0.1 grains per dry standard cubic feet (gr/dscf)" as referenced in Table 1.

Lion also requested a penalty reduction be considered referencing October 5th DEQ penalty worksheets, noting:

. . . cooperation since the compliance systems to document engine operations in emergency service, non-emergency service, maintenance checks, and readiness testing was updated at SN-870.

The CAO provides that Lion neither admits nor denies the factual and legal allegations contained in the document.

Lion is required to submit within 30 calendar days of the effective date of the CAO a revised ACC Report for the year 2017 to reflect the correct number of deviations that occurred at source FLA 1 for SN-822 and SN-823.

A civil penalty of \$16,220 is assessed.

A copy of the CAO can be downloaded [here](#).