

U. S. ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D. C.

)	
In the Matter of:)	
)	
Sinclair Oil Corporation,)	Administrative Settlement
)	Agreement
Respondent.)	AED/MSEB # 8028
)	

This Administrative Settlement Agreement (ASA) is made and entered into by and between the United States Environmental Protection Agency (EPA) and Sinclair Oil Corporation (Respondent or Sinclair), regarding Respondent's compliance with the requirements of the Clean Air Act (the Act) and the regulations promulgated thereunder at 40 C.F.R. Part 80 (fuels regulations).

Purpose:

1. The purpose of this ASA is to resolve alleged violations by Respondent with the requirements of the Act and the fuels regulations.

Statutory and Regulatory Authority:

2. EPA promulgated Subpart E (anti-dumping) and Subpart I (diesel sulfur), of the fuels regulations pursuant to Sections 211 (c), (i), and (k) of the Act, 42 U.S.C. §§ 7545 (c), (i), and (k).
3. The anti-dumping program at 40 C.F.R. Subpart E, sets emission limits for conventional gasoline and prohibits refiners and importers from selling gasoline that exceeds the emission standards. The emission limits are set in Section 211(k)(8) of the Act, 42 U.S.C. § 7545(k)(8), and 40 C.F.R. § 80.101. Pursuant to 40 C.F.R. §§ 80.46, 80.101, 80.104, 80.105, 80.106, and 80.8, refiners and importers of

conventional gasoline must comply with sampling, testing, product transfer document, record keeping and reporting requirements.

4. The diesel sulfur regulations set forth in 40 C.F.R. Subpart I control the amount of sulfur in diesel fuel. 40 C.F.R. § 80.520(a) subject motor vehicle diesel fuel to a per-gallon maximum sulfur content of 15 parts per million (ppm). 40 C.F.R. § 80.610(a) prohibits any person from producing, importing, selling, offering for sale, dispensing, supplying, offering for supply, storing, or transporting motor vehicle diesel fuel that does not comply with the applicable standards under Subpart I.

Definitions

5. 40 C.F.R. § 80.2(i) defines a refiner as any person who owns, leases, operates, controls, or supervises a refinery.
6. 40 C.F.R. § 80.2(h) defines a refinery to mean any facility, including but not limited to, a plant, a tanker truck or a vessel, where gasoline is produced, including any facility at which blendstock is added to gasoline.
7. "Gasoline" is defined in 40 C.F.R. § 80.2(c) to mean any fuel sold in any State for use in motor vehicles and motor vehicle engines, and commonly or commercially known or sold as gasoline.
8. "Conventional gasoline" is defined in 40 C.F.R. § 80.2(ff) to mean "any gasoline which has not been certified under § 80.40."
9. "Previously certified gasoline, or PCG" is defined in § 80.2(d) to mean "a gasoline or RBOB that previously has been included in a batch for purposes of complying with the standards in Subparts D, E, H, and J of this part, as appropriate."

10. "Motor vehicle diesel fuel" is defined in 40 C.F.R. § 80.2(y) to mean "any diesel fuel or other distillate fuel that is used, intended for use, or made available for use in motor vehicles or motor vehicle engines."

Background

11. The violations in this case occurred at the following facilities which are, or were at the time of the alleged violations, owned and operated by Sinclair, through its wholly owned subsidiaries:

- a. Sinclair Wyoming Refining Company located in Sinclair, Wyoming
- b. Sinclair Casper Refining Company located in Casper, Wyoming
- c. Sinclair Tulsa Refining Company located in Tulsa, Oklahoma

12. On September 28, 2007, March 8, 2008, and in subsequent submittals, Sinclair informed the EPA about several compliance issues. Based upon this information, and the EPA's investigations of Sinclair's compliance with the fuels regulations, the EPA alleges that Respondent violated:

- a. 40 C.F.R. § 80.610(a) by producing, importing, selling, offering for sale, dispensing, supplying, offering for supply, storing or transporting 341,922 gallons of motor vehicle diesel fuel that failed to comply with the 15 ppm sulfur content standard set forth in 40 C.F.R. § 80.520(a) at the Sinclair Wyoming refinery located in Sinclair, Wyoming, during the 2006 and 2007 reporting periods.
- b. 40 C.F.R. § 80.101(g)(9)(iii) by failing to determine the properties of three batches (542,682 gallons) of previously certified gasoline that were used as a

blending component to produce three batches of conventional gasoline at its Casper Refinery in Casper, Wyoming, during the 2006 reporting period.

- c. 40 C.F.R. § 80.106 for failing to have required information on product transfer documents for conventional gasoline transferred from Sinclair's Tulsa Refinery in Tulsa, Oklahoma, on the following occasions:

- 1) Shipment 4472128 on or about April 15, 2007 (54,216 gallons) for fuel transferred to Magellan Pipeline.
- 2) Shipment 4500526 on or about June 28, 2007 (54,420 gallons) for fuel transferred to Magellan Pipeline.
- 3) Shipment 4503151 on or about July 11, 2007 (55,612 gallons) for fuel transferred to Magellan Pipeline.
- 4) Shipment 4509259 on or about July 18, 2007 (49,946 gallons) for fuel transferred to Magellan Pipeline.
- 5) Shipment 4538650 on or about September 27, 2007 (56,138 gallons) for fuel transferred to Magellan Pipeline.
- 6) Shipment 4577094 on or about December 22, 2007 (55,989 gallons) for fuel transferred to Magellan Pipeline.

13. Respondent informed and represented to EPA that it has implemented a comprehensive plan to comply with the fuels regulations and prevent future violations.

Civil Penalty:

14. Respondent shall pay a civil penalty of \$343,000 to the United States of America within thirty (30) calendar days after the effective date of this Agreement (penalty due date). Late payment of the penalty is subject to interest and fees as specified in 31 U.S.C. § 3717. Respondent shall pay the amount by either:

- a. Certified check or cashier's check payable to the "United States of America," and mailed via the United States Postal Service to:

U.S. Environmental Protection Agency
Fines and Penalties
Cincinnati Finance Center
P.O. Box 979077

St. Louis, MO 63197-9000
ATTN: AED/MSEB # 8028

Simultaneously, Respondent shall fax a photocopy of the check to (303) 312-6003 to the attention of Natalie Firestine, and email a scanned copy of the check to the attention Natalie Firestine at Firestine.Natalie@epa.gov. Respondent shall identify the check with the case number and Respondent's name; or

- b. Respondent may make an online payment through the Department of the Treasury by visiting WWW.PAY.GOV. In the "Search Public Forms" field, enter "SFO 1.1," click "EPA Miscellaneous Payments - Cincinnati Finance Center" and complete the "SFO Form Number 1.1." Within twenty-four hours of payment, Respondent shall fax a copy of the online payment receipt to (303) 312-6003 to the attention of Natalie Firestine, and email a scanned copy of the check to the attention Natalie Firestine at Firestine.Natalie@epa.gov.

Stipulated Penalties:

15. Respondent shall pay stipulated penalties of \$1,000 per day for failure to timely pay the penalty, retire credits or provide proof thereof, pursuant to Paragraph 14.

General Provisions:

16. EPA and Respondent (the Parties), desiring to settle and resolve this matter, in consideration of the mutual covenants and agreements contained herein, which consideration is acknowledged by the parties to be adequate, agree as set forth herein. By agreeing to the terms of this ASA, Respondent makes no admission of law or fact with respect to any of the allegations set forth in this ASA.
17. This ASA becomes effective upon the date executed by EPA (effective date of the ASA), at which time a copy will be returned to Respondent.
18. Notwithstanding any other provision of this ASA, upon default or failure of Respondent to comply with the terms of this ASA, EPA may refer this matter to the United States Attorney General for collection pursuant to section 205(c) of the Act,

42 U.S.C. § 7524(c), commence an action to enforce this ASA or to recover the civil penalty pursuant to section 205 of the Act, or pursue any other remedies available to it. Respondent expressly waives its right to assert that such action is barred by 28 U.S.C. § 2462, other statutes of limitation, or other provisions limiting actions as a result of the passage of time. Respondent acknowledges that its tax identification number may be used for the purpose of collecting or reporting any delinquent monetary obligation arising from this ASA. (*See* 31 U.S.C. § 7701.)

19. The Respondent represents that the individual or individuals executing this ASA on behalf of Respondent are authorized to do so and that such execution is intended and is sufficient to bind Respondent, its agents, assigns, or successors.
20. Respondent waives its rights, if any, to a hearing, trial or any other proceeding on any issue of fact or law relating to the matters consented to herein.
21. The validity, enforceability, and construction of all matters pertaining to this ASA shall be determined in accordance with applicable federal law.
22. This ASA is contingent upon the truthfulness, accuracy and completeness of Respondent's disclosures and representations to EPA under this ASA, including but not limited to representations described in Paragraphs 11, 12 and 13 of this ASA.
23. In any enforcement or penalty action arising out of this ASA or the subject matter of this ASA:
 - a. The Parties agree that the settlement of this matter is in the public interest and that this ASA is the most appropriate means of resolving the matter; and

b. The Parties further agree that jurisdiction to settle this matter exists pursuant to section 211 of the Act, 42 U.S.C. § 7545, 40 C.F.R. Part 80 and other provisions of law.

Effect of Agreement:

24. This ASA resolves the EPA's civil claims for the violations alleged in Paragraph 12.

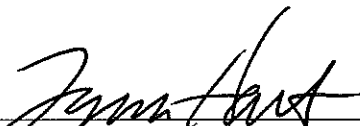
The resolution of claims set forth in this Paragraph shall take effect upon the receipt by the United States of the civil penalty payment required by Paragraph 14.

25. Nothing herein shall limit the right of EPA to proceed against Respondent in the event of default or noncompliance with this ASA for violations of section 211 of the Act, 42 U.S.C. § 7545, which are not the subject matter of this ASA, for other violations of law, or with respect to other matters not within the scope of the ASA.

This ASA in no way affects or relieves Respondent of their responsibility to comply with other state, federal, or local laws or regulations.

The following agree to the terms of this ASA:

Sinclair Oil Corporation

By:  Date: 10/22/12
Typed or Printed Name: Lynn Hart
Typed or Printed Title: Vice President
Federal Tax Identification Number: 20-3986441

*Administrative Settlement Agreement – In the Matter of Sinclair Oil Corporation-
AED/MSEB # 8028*

United States Environmental Protection Agency

By: _____

Phillip A. Brooks
Director
Air Enforcement Division

Date: _____