UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 6
1201 ELM STREET, SUITE 500
DALLAS, TEXAS 75270

March 17, 2021

TRANSMITTED VIA ELECTRONIC MAIL

Lance Thomasson
Environmental Manager
Delek USA – El Dorado Refinery
1000 McHenry St.
El Dorado, AR 71730
lance.thomasson@delekus.com

Re: *United States of America et. al. v. Lion Oil Company – Civil Action No. 03-1028 entered June 12, 2003* – Combined Response to 6/5/2020, 6/20/2020, and 8/26/2020, Tail Gas Incidents at the Delek (Lion Oil) Refinery in El Dorado, Arkansas.

Dear Mr. Thomasson:

The United States Environmental Protection Agency (EPA) received reports dated July 17, August 4, and October 2, 2020, regarding the tail gas (TG) flaring incidents that occurred on June 5, June 20, and August 26, 2020, at the Delek (Lion Oil) Refinery located in El Dorado, Arkansas. EPA has reviewed the reports and has assessed total stipulated penalties of $3,675.00 for the three incidents referenced in the Enclosure, with 50 percent ($1,837.50) paid to the State of Arkansas and 50 percent ($1,837.50) paid to the United States within sixty (60) days of receipt of this demand in accordance with Paragraph 58 of the Consent Decree (CD). The Enclosure includes a consolidated summary of the flaring incident reports with reference to each applicable CD paragraph, as well as the stipulated penalty assessed for each reported incident.

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. If Delek wishes to pay stipulated penalties for multiple incidents with one check or wire transfer, please identify each separate incident date and the penalty amount within the letter. Please also email a copy of the letter accompanying the payment to the EPA Region 6 air consent decree tracking coordinator (Diana Lundelius) at R6CAACDDeliverables@epa.gov.

If you have any questions regarding this matter, please contact Diana Lundelius at (214) 665-7468 or by email at Lundelius.diana@epa.gov.

EPA acknowledges that the COVID-19 pandemic may impact your business. If that is the case, please contact us regarding any specific issues you need to discuss.

Sincerely,

Cheryl T. Seager

Digitally signed by CHERYL SEAGER
DN: c=US, o=U.S. Government, ou=Environmental Protection Agency, cn=CHERYL SEAGER, 0.9.2342.19200300.100.1.1=68001003651793
Date: 2021.03.17 17:14:37 -05'00'

Cheryl T. Seager, Director
Enforcement and
Compliance Assurance Division

Enclosure

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Enclosure
U.S. EPA Region 6 Consolidated Flaring Report Response
Delek USA (Lion Oil) – El Dorado Refinery
Tail Gas Flaring Events

The following table provides a summary of the incidents reported and any stipulated penalties that have been assessed:

Incident Date	Report Date	Incident Type	Applicable CD Paragraph	Tons Released	Penalty Amount Assessed
6/5-6/2020	07/17/2020	TG	20.C.ii.a*	0.86	$675.00
6/20-21/2020	08/04/2020	TG	20.C.ii.a*	0.41	$300.00
8/26-28/2020	10/02/2020	TG	20.C.ii.a*	2.66	$2,700.00
				Total Penalty	$3,675.00

* The stipulated penalty provisions of Paragraph 49.A. shall apply if the Tail Gas Flaring Incident results in emissions of sulfur dioxide at a rate greater than twenty (20.0) pounds per hour continuously for three (3) consecutive hours or more.

The following summaries outline EPA's determinations for each incident:

June 5-6, 2020 – Delek USA (Lion Oil) El Dorado Refinery reported a tail gas flaring incident that occurred on June 5-6, 2020. According to Delek's report, the incident resulted in the release of 0.86 tons of sulfur dioxide (SO_2) due to the focused removal of a sulfur plug intended to reduce the Shell Claus Off-gas Treating (SCOT) unit furnace pressure.

The root cause of the incident was internal debris released during the plug removal, causing furnace pressure to drop rapidly with flame destabilization in the SCOT Mixing Chamber, and leading to the flame scanner tripping on emergency shut down. Because SO_2 emissions exceeded 20.0 pounds per hour for twenty-two (22) hours, this incident is subject to stipulated penalty under Paragraph 49.A. of $675.00 (0.9 tons x $750/ton).

June 20-21, 2020 – Delek USA (Lion Oil) El Dorado Refinery reported a tail gas flaring incident that occurred June 20-21, 2020. According to Delek's report, the incident resulted in the release of 0.41 tons of SO_2 due to loss of flame from instability caused by pressure and air flow disturbances between the SRU Furnace and the SCOT Mixing Chamber.

The root cause of the incident was flame destabilization causing a flame scanner emergency shutdown trip. The flame scanner tubes had elemental sulfur and refractory material blockage from the SCOT tail gas line and Mixing Chamber. Because SO_2 emissions exceeded 20.0 pounds per hour for sixteen (16) hours, this incident is subject to stipulated penalty under Paragraph 49.A. of $300.00 (0.4 tons x $750/ton).

August 26-28, 2020 – Delek USA (Lion Oil) El Dorado Refinery reported a tail gas flaring incident that occurred August 26-28, 2020. According to Delek's report, the incident resulted in the release of 2.66 tons of SO_2 due to a rapid increase of sour acid gas flow to the SRU from introducing a new crude feedstock having a drastic change in sulfur and gravity characteristics.

The root cause of the incident was flame instability in the SCOT heater due to a change in crude feedstock at the refinery. The rapid increase of acid gas flow to the SRU caused disruption in the tail gas loop, resulting in flame instability inside the SCOT Heater that tripped the SCOT Unit off-line. Because SO_2 emissions exceeded 20.0 pounds per hour for forty-one (41) hours, this incident is subject to an automatic stipulated penalty under Paragraph 49.A. of $2,700.00 (2.7 tons x $1000/ton).