



HOLLYFRONTIER.

May 13, 2014

Saba Tahmassebi, Ph.D., P.E.
Chief Engineer,
Land Protection Division
Oklahoma Department of Environmental Quality
707 N. Robinson, PO Box 1677
Oklahoma City, OK 73101

RE: Notice of Deficiency – September 11, 2013 RCRA Part B Post-Closure and Corrective Action Permit Application (October 21, 2011)
Holly Refining and Marketing – Tulsa, LLC – Holly Tulsa East Refinery
EPA ID#OKD990750960

Dear Mr. Tahmassebi:

Holly Refining and Marketing - Tulsa LLC (Holly) has prepared this response to the Notice of Deficiency (NOD) issued by the Oklahoma Department of Environmental Quality (ODEQ) in correspondence dated September 11, 2013. The NOD was issued regarding the Resource Conservation & Recovery Act (RCRA) Part B Post-Closure and Corrective Action Permit Application (October 21, 2011) for the Holly East Tulsa Refinery (Facility).

Holly currently holds an active RCRA Post-Closure Permit for the Flare Area Land Treatment Unit (FALTU), Permit #990750960-PC located at the Facility. The Facility previously held an additional permit #990750960-OP for operation of the Walnut Grove Land Treatment Unit (WGLTU).

On November 30, 2009 Holly entered into Consent Order (Case No. 09 —319) with the ODEQ to resolve certain hazardous waste permit related compliance issues in anticipation of Holly's purchase of the Facility from Sinclair on December 1, 2009. The Consent Order mandated the inclusion of the WGLTU post-closure care requirements into the FALTU post-closure permit. Holly was required to submit a RCRA Part B permit modification to ODEQ no later than 150 days from the date of change in ownership of the Facility. On April 30, 2010 Holly submitted a draft RCRA LTU Post-Closure Permit modification (application) to ODEQ for the Facility. On August 12, 2010 Holly received a NOD letter from ODEQ requiring additional information pertaining to the RCRA Part B LTU Post-Closure Permit Application.

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On September 1, 2010 Holly met with ODEQ to present and discuss current environmental conditions at the site and to confer on deficiencies with Holly's RCRA Post-Closure care permit application. During the meeting, Holly suggested that a Facility-wide RCRA permitting approach would be better protective of human health and the environment than the current LTU-based post-closure permitting approach. Evidence to support this conclusion was presented by Holly. A review of current environmental subsurface conditions showed that the LTUs do not appear to be sources for the Facility-wide LNAPL and dissolved phase plumes that are underlying portions of the refinery. Also, no statistically significant soil or groundwater detections had been observed from decades of compliance monitoring at the Flare Area and Walnut Grove LTUs.

The ODEQ subsequently agreed that a Facility-wide post closure and correction action permit would be better protective of human health and the environment for this Facility. ODEQ indicated that Holly would need to enter into a Consent Order to transition the Facility from an LTU-based to a Facility-wide based RCRA Permit. In correspondence dated November 12, 2010, Holly proposed specific modifications to the LTU-based monitoring program from the FALTU Permit.

Holly was notified by ODEQ on November 15, 2010 that the proposed modifications to the monitoring program were conditionally approved provided that Holly add additional interim Facility-wide point of compliance (POC) wells in locations specified by ODEQ prior to the May 2011 sampling event. Holly was also required to designate at least 150 monitoring wells to become the new Facility-wide monitoring well gauging network. The new POC wells were installed between April 11 and April 19, 2011. The wells were developed and surveyed upon completion. The wells were sampled during the May 2011 sampling and gauging event as part of the new Interim POC monitoring well network.

On July 6, 2011 Holly entered into Consent Order (Case No. 11 —100) with the ODEQ to transition the Facility from an RCRA Part B LTU-based post-closure permit to a RCRA Part B Facility-wide post-closure and corrective action permit. The July 2011 Consent Order also required Holly to submit a new RCRA Part B Permit Application for Post-Closure and Corrective Action on or prior to October 21, 2011. The Consent Order additionally required Holly to continue to recover LNAPL from the subsurface, submit a new sampling and analysis plan (SAP) within 60 days of the Consent Order and comply with applicable provisions of the expired

WGLTU Permit and the active FALTU Permit until ODEQ issues a new RCRA Part B Post-Closure and Corrective Action Permit for the Facility.

Holly submitted a SAP to the ODEQ on September 27, 2011. The purpose of the SAP is to bridge the time gap until the Facility RCRA Part B Post-Closure and Corrective Action Permit is approved by providing an ODEQ-approved sampling and analysis program for the Facility. The ODEQ approved the SAP as submitted in a letter dated November 15, 2011. On October 21, 2011 Holly submitted a RCRA Part B Post-Closure and Corrective Action Permit Application for the Facility. The permit application details RCRA Post-Closure and Corrective Action requirements based upon a Facility-wide permitting approach.

The ODEQ, after an Administrative Review, submitted a NOD in response to Holly's RCRA Part B Permit Application in correspondence dated December, 14, 2011. Holly responded to the NOD in correspondence dated March 9, 2011. In a letter dated May 18, 2012, ODEQ found the October 21, 2011 permit application to be administratively complete. The ODEQ submitted an NOD response to Holly dated September 11, 2013 upon completion of the permit technical review. ODEQ determined two deficiencies during the technical review: a missing Part A Application (Attachment 1) and application of bio sludge (bio solids) in the Post Closure Plan (Attachment 2). Below are Holly's responses regarding the two items listed in the NOD.

Part A Application

The Part A application was submitted by Holly at the time of purchase from Sinclair. Attachment 1 contains a copy of the submittal.

Application of Bio-solids

Land application of bio sludge (bio solids) was a practice in place at Walnut Grove and Flare Area LTUs when Holly purchased the East refinery from Sinclair Tulsa Refining Company (STRC). It appears after reviewing the old Sinclair permits, that the use of the WWTP effluent and sludge was included in the Closure Plan for one or both of the LTUs, but was not specified in the Post-Closure Plans.

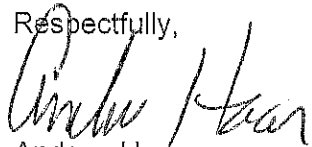
The April 24, 2009 Sinclair Closure Report for the WGLTU includes the following on pg. 4 of 9:

"The last known application of non-hazardous solid waste was 45,000 gallons of final tank sludge and treated effluent from the facility WWTP. STRC continues to use bio-solids and treated effluent for fertilization and irrigation purposes, and is permitted to do the same throughout the post-closure period as necessary."

Holly is in the process of determining other options with respect to managing the bio sludge. Holly requests approximately one year to find and implement a plan to manage this material in an alternative manner. This will likely include evaluation of treatment options, purchasing and installing new equipment and training. At this time, Holly plans to have the new method in place by fourth quarter, 2015.

If you have any questions, or require additional information, please do not hesitate to contact Jaime Looney at (918) 594-3210.

Respectfully,



Andrew Haar
Environmental Manager
Tulsa Refinery

ATTACHMENT A

Part A Application