

Mr. Brian K. Lever
Manager, Borger Refinery
ConocoPhillips Company
P.O. Box 271
Borger, Texas 79008-0271

Re: Notice of Proposed Permit and
Executive Director's Response to Public Comment
Minor Revision
Permit Number: O1440
ConocoPhillips Company
Borger Refinery and NGL Center
Borger, Hutchinson County
Regulated Entity Number: RN102495884
Customer Reference Number: CN601674351

Dear Mr. Lever:

The Texas Commission on Environmental Quality (TCEQ) Executive Director's proposed final action is to submit a proposed federal operating permit (FOP) to the U.S. Environmental Protection Agency (EPA) for review. Prior to taking this action, all timely comments have been considered and are addressed in the enclosed Executive Director's Response to Comment (RTC). The executive director's RTC also includes resulting modifications to the FOP, if applicable.

As of December 27, 2005, the proposed permit is subject to an EPA review for 45 days ending on February 10, 2006.

If the EPA does not file an objection to the proposed FOP, or the objection is resolved, the TCEQ will issue the FOP. If you are affected by the decision of the executive director (even if you are the applicant), you may petition the EPA within 60 days of the expiration of the EPA's 45-day review period in accordance with the Texas Clean Air Act § 382.0563, as codified in the Texas Health and Safety Code and Title 30 Texas Administrative Code Chapter 122 (30 TAC Chapter 122) adopted under that act. This paragraph explains the steps to submit a petition to the EPA for further consideration.

The petition shall be based only on objections to the permit raised with reasonable specificity during the public comment period, unless you demonstrate that it was impracticable to raise such objections within the public comment period, or the grounds for such objections arose after the public comment period. The EPA may only object to the issuance of any proposed permit which is not in compliance with the applicable requirements or the requirements of 30 TAC Chapter 122. The 60-day public petition period begins on February 11, 2006 and ends on April 11, 2006. Public petitions should be submitted during the petition period to the TCEQ, the EPA, and the applicant at the following addresses:

Texas Commission on Environmental Quality
Office of Permitting, Remediation, and
Registration
Air Permits Division
Technical Program Support Section, MC-163
P.O. Box 13087
Austin, Texas 78711-3087

U.S. Environmental Protection
Agency
Attn: Air Permit Section Chief
Region 6
1445 Ross Avenue, Suite 1200
Dallas, Texas 75202-2733

U.S. Environmental Protection Agency
Administrator: Mr. Mike O. Leavitt
Ariel Rios Building (AR 1101A)
1200 Pennsylvania Avenue, NW
Washington, DC 20460

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Please reference the regulated entity number (RN), customer reference number (CN), and permit number noted in this document in all your future correspondence for the referenced facility or site. The RN replaces the former TCEQ account number for the facility (if portable) or site (if permanent). The CN is a unique number assigned to the company or corporation and applies to all facilities and sites owned or operated by this company or corporation.

Mr. Brian K. Lever
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Thank you for your cooperation in this matter. If you have questions concerning the processing of this permit application, please contact Ms. Kara Akhavan at (512) 239-1202.

Sincerely,

Jesse E. Chacon, P.E., Manager
Operating Permits Section
Air Permits Division
Texas Commission on Environmental Quality

JEC/KJA/ssl

cc: Mr. David Edge, Senior Scientist, J. D. Consulting Company, L.P., Austin
Air Section Manager, Region 1 - Amarillo

Enclosures: TCEQ Executive Director's Response to Public Comment
Proposed Permit

cc: Air Permit Section Chief, U.S. Environmental Protection Agency, Region 6-Dallas

Project Number: 7460

bcc: Ms. Bridget Bohac, TCEQ Office of Public Assistance (MC-108), Austin
Ms. Deanna Avalos, Final Documents Team, TCEQ Office of the Chief Clerk,
(MC-105),
Austin
Mr. John Minter, TCEQ Environmental Law Division (MC-173), Austin

EXECUTIVE DIRECTOR'S RESPONSE TO PUBLIC COMMENT

The Texas Commission on Environmental Quality (TCEQ) Executive Director provides this Response to Public Comment and the executive director's preliminary decision on the Conocophillips Company, Federal Operating Permit (FOP) application. As required by Title 30 Texas Administrative Code § 122.345 (30 TAC § 122.345) the executive director prepares a notice of proposed final action, which includes a response to all timely comments. These comments are summarized in this response. The Office of Chief Clerk (OCC) timely received comment letters from the following person: Ms. Stephanie Kordzi of the United States Environmental Protection Agency (EPA).

BACKGROUND

Procedural Background

The Texas Operating Permit Program requires that owners and operators of sites subject to 30 TAC Chapter 122 obtain a FOP that contains all applicable requirements in order to facilitate compliance and improve enforcement. The FOP does not authorize construction or modifications to facilities, nor does the FOP authorize emission increases. In order to construct or modify a facility, the facility must have the appropriate new source review authorization. If the site is subject to 30 TAC Chapter 122, the owner or operator must submit a timely FOP application for the site, and ultimately must obtain the FOP in order to operate. ConocoPhillips Company applied to the TCEQ for a FOP for a petroleum refining plant located in Borger, Hutchinson County, Texas on June 29, 2005, and notice was published on September 20, 2005. The EPA comment period ended on November 4, 2005.

Description of Site

ConocoPhillips Company has applied to the TCEQ for an FOP Minor Revision that would authorize the applicant to operate certain changes at the Borger Refinery and NGL Center. The facility is located from the N Circle State Highways 136, 152, and 207 in Borger, Texas. Take Spur 245 for one mile where it intersects Spur 119. The petroleum refinery starts out its processes with crude oil and recycle streams, the streams are desalted and then distilled. The lighter products undergo further fractionation and are then made into fuel gas for complex use, petrochemicals, solvents, and blend stocks for liquid fuels. The heavier products are further fractionalized to produce furnace oil, jet fuels, stove oil, kerosine, and dual purpose fuel oil.

Comment 1:

The permit should include a narrative description of all emission units (unit name and description, unit type, location) and control devices as well as other legal and factual information in order to determine applicable requirements and compliance for each unit.

This information is necessary for adequate public and EPA review and for compliance and enforcement investigators when performing site investigations in order to identify units and applicable requirements for each unit.

Response 1:

The Unit Summary of the permit lists a narrative description for all emission units and control devices identified in the applicable requirements summary. The applicable requirement summary in turn contains a textual description (although unenforceable) which may be used by the public, site investigators, and EPA to further understand permit content.

The New Source Authorizations table of the permit lists all the emission units which trigger both applicability and non-applicability (permit shield items). This list contains both the unit name and a description of each emission unit. As far as location, the applicant is both required to and has submitted a plot plan which details emission unit and control device location within the permit area. The permit application is readily available to both the public and EPA. Additionally, a Statement of Basis (SB) as required under 40 CFR § 70.7(a)(5) has been developed and is available to the public upon request, site investigators and EPA to explain permit content.

Comment 2:

Item No. 1: The compliance plan should include a description of the compliance status for all emission units addressed in the application. The compliance should also identify applicable requirements for which the source is not currently in compliance at the time of permit issuance.

Item No.2 Section 122.142(e)(4)(C)(ii) requires a narrative description of how emission units will come into compliance with all applicable requirements. Section 122.142(e)(4)(C)(ii) also requires a compliance schedule including remedial measures to bring the emission unit into compliance with the applicable requirements.

Response 2:

In response to:

Items Nos. 1 and 2: A compliance certification was required to be submitted with the initial application. Since the facility is in compliance, a plan is not required in the permit.

Comment 3:

Incorporation of applicable consent decree requirements must be included in the permit. The permit and the SB should include the entire citation of the Consent Decree, including the court of jurisdiction and the date signed and/or entered. A complete copy of the signed Consent Decree should be attached to the permit and made available in the administrative record during the public comment period.

Response 3:

Provision 256 of the consent decree states that only the emission limits and standards applicable as of the date of lodging (January 27, 2005) of the consent decree, not the entire consent decree, are required to be listed in the permit. Paragraphs 117 and 123 of the consent decree were added to the FOP in both Special Term and Condition 1.F and 1.G to ensure the underlying emission limits and standards will not expire with the consent decree as agreed between EPA and Conoco in June 2005. The SB was designed by the TCEQ to give a overview of compliance regarding the permit area. This may include but is not limited to past notice of violations, enforcement orders and Consent Decrees.

Comment 4:

The Title V permit requires monitoring for compliance with the PSD permit PSD-TX-102M4. The federally enforceable limits in the PSD permit should be stated for each emission unit or emission units in the Applicable Requirements Summary Table.

Response 4:

The purpose of the Title V permit is to codify all state and federal regulations. The emission limits and associated monitoring requirements are represented in the PSD permit which is enforceable under Title V; therefore, the enforceable limits are included in the Title V permit and do not need to be incorporated into the applicable requirements summary.

Comment 5:

Start up/Shut down must be considered in both the Permit and the Statement of Basis regarding monitoring and compliance requirements.

Response 5:

Start up and shut down activities are permitted under Special Condition 2 of the Federal Operating Permit. The facility is required to keep records and reports relating to these activities under § 101.211.

Comment 6:

For the public record, please provide additional information on the emission units and other regulatory requirements associated with the above cited consent decree. In addition, the Statement of Basis should define which units are subject to NSPS J and which units are not subject to NESHAP J and provide a rational why specific units are not subject to NESHAP J.

Response 6:

The SB defines which units are subject to NSPS J and the SB has been modified to clearly illustrate the emission units affected by the minor revision. The facility is not applicable to NESHAP J since the emission units do not produce benzene as reflected in the minor revision application. Since the permit holder did not request a permit shield in

the revision application, thus a non-applicability determination is not required in the SB.

Comment 7:

Item No. 1: The Statement of Basis fails to sufficiently discuss the differences between the original application and the changes requested in the submitted modification request.

Item No. 2: In addition, this is a new operating permit and not a pre-construction permit. It should not be authorizing new emission units.

Response 7:

Item No. 1: The SB for the revision inadvertently listed all sources affected by the initial and revised permit. The SB has been modified to reflect only the emission units affected by the revision.

Item No. 2: The emission units added to the permit are authorized by NSR 9868A. These units were added to the permit to codify any applicable state and federal rules.

Respectfully submitted,

Jesse E. Chacon, P.E., Manager
Operating Permits Section
Air Permits Division
Texas Commission on Environmental Quality

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Air Permits Division MC-163

AIR SECTION MANAGER

REGION 1 - AMARILLO