

ADEQ

ARKANSAS
Department of Environmental Quality

August 20, 2014

Scott Wiggins
Environmental Engineer
Delek Logistics Operating, LLC - El Dorado Pipeline Company
1000 McHenry Drive
El Dorado, AR 71730

Dear Mr. Wiggins:

The enclosed Permit No. 2036-AR-1 is your authority to construct, operate, and maintain the equipment and/or control apparatus as set forth in your application initially received on 12/23/2013.

After considering the facts and requirements of A.C.A. §8-4-101 et seq., and implementing regulations, I have determined that Permit No. 2036-AR-1 for the construction, operation and maintenance of an air pollution control system for Delek Logistics Operating, LLC - El Dorado Pipeline Company to be issued and effective on the date specified in the permit, unless a Commission review has been properly requested under Arkansas Department of Pollution Control & Ecology Commission's Administrative Procedures, Regulation 8, within thirty (30) days after service of this decision.

The applicant or permittee and any other person submitting public comments on the record may request an adjudicatory hearing and Commission review of the final permitting decisions as provided under Chapter Six of Regulation No. 8, Administrative Procedures, Arkansas Pollution Control and Ecology Commission. Such a request shall be in the form and manner required by Regulation 8.603, including filing a written Request for Hearing with the APC&E Commission Secretary at 101 E. Capitol Ave., Suite 205, Little Rock, Arkansas 72201. If you have any questions about filing the request, please call the Commission at 501-682-7890.

Sincerely,



Mike Bates
Chief, Air Division

ADEQ MINOR SOURCE AIR PERMIT


Permit No. : 2036-AR-1

IS ISSUED TO:

Delek Logistics Services Company, LLC
800 Columbia Road 25
Magnolia, AR 71753
Columbia County
AFIN: 14-00448

THIS PERMIT IS THE ABOVE REFERENCED PERMITTEE'S AUTHORITY TO CONSTRUCT, MODIFY, OPERATE, AND/OR MAINTAIN THE EQUIPMENT AND/OR FACILITY IN THE MANNER AS SET FORTH IN THE DEPARTMENT'S MINOR SOURCE AIR PERMIT AND THE APPLICATION. THIS PERMIT IS ISSUED PURSUANT TO THE PROVISIONS OF THE ARKANSAS WATER AND AIR POLLUTION CONTROL ACT (ARK. CODE ANN. SEC. 8-4-101 *ET SEQ.*) AND THE REGULATIONS PROMULGATED THEREUNDER, AND IS SUBJECT TO ALL LIMITS AND CONDITIONS CONTAINED HEREIN.

Signed:



Mike Bates
Chief, Air Division

August 20, 2014

Date

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List of Acronyms and Abbreviations

A.C.A.	Arkansas Code Annotated
AFIN	ADEQ Facility Identification Number
CFR	Code of Federal Regulations
CO	Carbon Monoxide
HAP	Hazardous Air Pollutant
lb/hr	Pound Per Hour
No.	Number
NO _x	Nitrogen Oxide
PM	Particulate Matter
PM ₁₀	Particulate Matter Smaller Than Ten Microns
SO ₂	Sulfur Dioxide
Tpy	Tons Per Year
UTM	Universal Transverse Mercator
VOC	Volatile Organic Compound

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Section I: FACILITY INFORMATION

PERMITTEE: Delek Logistics Services Company, LLC
AFIN: 14-00448
PERMIT NUMBER: 2036-AR-1
FACILITY ADDRESS: 800 Columbia Road 25
Magnolia, AR 71753
MAILING ADDRESS: 1000 McHenry Drive
El Dorado, AR 71730
COUNTY: Columbia County
CONTACT NAME: Scott Wiggins
CONTACT POSITION: Environmental Engineer
TELEPHONE NUMBER: 870-864-1257
REVIEWING ENGINEER: Alexander Sudibjo
UTM North South (Y): Zone 15: 3677944.80 m
UTM East West (X): Zone 15: 486031.80 m

Delek Logistics Services Company, LLC
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Section II: INTRODUCTION

Summary of Permit Activity

Delek Logistics Operating, LLC operates the El Dorado Pipeline Company located in Magnolia, Arkansas. With this modification, the facility is requesting to add existing tanks (T-337, T-435, and T-437), to install a new tank (T-2013), and to add the fugitive emissions from valves, connectors, and pumps as an A-13 insignificant activity. The facility's permitted emission is increasing by 28.5 tpy VOC.

Process Description

Delek's El Dorado refinery receives much of its crude oil supply from overseas and the Gulf of Mexico. The crude is shipped to Port Neches, Texas, and off-loaded into storage tanks. From there it is pumped through a pipeline system to Magnolia, Arkansas. Delek transfers the crude oil from Magnolia to the El Dorado refinery.

Normally, crude oil received from the pipeline will pass through the storage tank to the suction of Delek's transfer pump in Magnolia. The crude oil volume in the storage tank will vary depending on the amount of oil coming up the pipeline systems and the amount of oil needed at the refinery.

For purposes of estimating potential emissions from the new storage tank, worst-case annual throughputs were estimated for each tank. The maximum capacity of the pipeline systems is 75,000 barrels per day. Normally only approximately 40,000 barrels per day of that capacity can be utilized which represents the capacity of the refinery minus the amount of Arkansas crude that the refinery purchases.

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Regulations

The following table contains the regulations applicable to this permit.

Regulations
Arkansas Air Pollution Control Code, Regulation 18, effective June 18, 2010
Regulations of the Arkansas Plan of Implementation for Air Pollution Control, Regulation 19, effective July 27, 2013
40 CFR Part 60, Subpart Kb — <i>Standards of Performance for Volatile Organic Liquid Storage Vessels (Including Petroleum Liquid Storage Vessels) for Which Construction, Reconstruction, or Modification Commenced After July 23, 1984</i>

The applicable Subpart Kb requirements apply to petroleum liquid storage tanks in excess of 39,890 gallons and storing liquids with an absolute vapor pressure between 0.75 psia (5.2 kPa) and 11.11 psia (76.6 kPa).

Total Allowable Emissions

The following table is a summary of emissions from the facility. This table, in itself, is not an enforceable condition of the permit.

TOTAL ALLOWABLE EMISSIONS		
Pollutant	Emission Rates	
	lb/hr	tpy
VOC	9.0	38.0
TOTAL HAPs	2.28	9.81
Benzene*	0.26	1.07
n-Hexane*	2.02	8.74

*HAPs included in the VOC totals.

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Section III: PERMIT HISTORY

Permit #2036-A was issued on June 24, 2003. It was the initial minor source air permit for the facility. This permit allowed for the installation of a new 85,000 barrel (3,570,000 gallons/13,514 cubic meters capacity) storage tank for the El Dorado Pipeline Company (SIC 4619) system. The tank was installed east of Magnolia at 8000 Columbia 25 road on land leased from Lion Oil Trading and Transportation Company. The addition of the storage tank gave El Dorado Pipeline flexibility in managing the crude oil supply and provided storage capacity when crude runs at the refinery are reduced and during emergency shutdowns of the refinery. This enabled the pipeline systems from Port Neches to Magnolia to continue operating when crude runs are reduced at the refinery, or if the pipeline system between Magnolia and El Dorado was down for maintenance. Installation of the new tank also gave El Dorado Pipeline Company the ability to segregate foreign crude from Arkansas crude. The facility's permitted annual emission was 9.5 tpy VOC.

Section IV: EMISSION UNIT INFORMATION

Specific Conditions

- The permittee shall not exceed the emission rates set forth in the following table.
 [Regulation 19 §19.501 et seq. and A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]

SN	Description	Pollutant	lb/hr	tpy
01	Pipeline Crude Oil Storage Tank	VOC	2.3	9.5
337	T-337 (Vertical Fixed Roof Tank)	VOC	1.4	5.8
435	T-435 (Vertical Fixed Roof Tank)	VOC	3.6	15.7
437	T-437 (External Floating Roof Tank)	VOC	0.8	3.3
2013	T-2013 (External Floating Roof Tank)	VOC	0.9	3.7

- The permittee shall not exceed the emission rates set forth in the following table.
 [Regulation 18 §18.801 and A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]

SN	Description	Pollutant	lb/hr	tpy
01	Pipeline Crude Oil Storage Tank	Benzene	0.01	0.05
		n-Hexane	0.07	0.28
337	T-337 (Vertical Fixed Roof Tank)	Benzene	0.01	0.04
		n-Hexane	0.08	0.31
435	T-435 (Vertical Fixed Roof Tank)	Benzene	0.22	0.93
		n-Hexane	1.78	7.79
437	T-437 (External Floating Roof Tank)	Benzene	0.01	0.02
		n-Hexane	0.04	0.17
2013	T-2013 (External Floating Roof Tank)	Benzene	0.01	0.03
		n-Hexane	0.05	0.19

- Visible emissions may not exceed the limits specified in the following table of this permit as measured by EPA Reference Method 9. [A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]

SN	Limit	Regulatory Citation
All Tanks	0%	§18.501

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4. The permittee shall not cause or permit the emission of air contaminants, including odors or water vapor and including an air contaminant whose emission is not otherwise prohibited by Regulation #18, if the emission of the air contaminant constitutes air pollution within the meaning of A.C.A. §8-4-303. [Regulation 18 §18.801 and A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]
5. The permittee shall not conduct operations in such a manner as to unnecessarily cause air contaminants and other pollutants to become airborne. [Regulation 18 §18.901 and A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]

Plantwide Conditions

6. The permittee will not process more than 25.6 million barrels (1,075 million tons) of product at the facility per consecutive 12 month period. [§19.705 of Regulation 19 and A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]
7. The permittee will maintain monthly records which demonstrate compliance with Specific Condition #6. The permittee will update the records by the fifteenth day of the month following the month to which the records pertain. The permittee will make the records available to Department personnel upon request. [§19.705 of Regulation 19 and A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]

NSPS Requirements

8. The permittee shall comply with the external floating roof requirements of §60.112b(a)(2) for SN-01 and SN-2013. [§19.304 and 40 CFR Part §60.112b(a)(2)]
9. The permittee will keep records relating to the design, dimensions, and capacity of SN-01 and SN-2013 that demonstrate compliance with §60.112b(a)(2) until such time as the tank is removed from service. The permittee will make the records available to Department personnel upon request. [§19.304 and 40 CFR Parts §60.112b(a)(2) and §60.116b(b)]
10. The permittee will comply with the inspection requirements of §60.113b(b)(1) after installing the control equipment specified for tanks with an external floating roof as required in Specific Condition #8, within 60 days of the initial fill with VOL and at least once every five years thereafter. [§19.304 and 40 CFR Part §60.113(b)(1)]
11. The permittee will maintain a record of the VOL stored, the period of storage, and the maximum true vapor pressure of the VOL during the respective storage period for SN-01 and SN-2013 for at least two years. The maximum true vapor pressure is calculated according to the methods of §60.116b(e). [§19.304 and 40 CFR Parts §60.116b(e) and of §60.116b(2).]

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12. The permittee has furnished the Administrator with a report dated February 28, 2003, that describes the control equipment on SN-01 and certifies that the control equipment meets the specifications in §60.112(b)(a)(2) and §60.113(b)(b)(2) and (b)(3). [§19.304 and 40 CFR Parts §60.112(b)(a)(2) and §60.113(b)(b)(2) and (b)(3)]

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Section V: INSIGNIFICANT ACTIVITIES

The Department deems the following types of activities or emissions as insignificant on the basis of size, emission rate, production rate, or activity in accordance with Group A of the Insignificant Activities list found in Regulation 18 and 19 Appendix A. Insignificant activity emission determinations rely upon the information submitted by the permittee in an application dated December 23, 2013.

Description	Category
Fugitive emissions (valves, connectors/flanges, pumps)	A-13

Section VI: GENERAL CONDITIONS

1. Any terms or conditions included in this permit that specify and reference Arkansas Pollution Control & Ecology Commission Regulation 18 or the Arkansas Water and Air Pollution Control Act (A.C.A. §8-4-101 et seq.) as the sole origin of and authority for the terms or conditions are not required under the Clean Air Act or any of its applicable requirements, and are not federally enforceable under the Clean Air Act. Arkansas Pollution Control & Ecology Commission Regulation 18 was adopted pursuant to the Arkansas Water and Air Pollution Control Act (A.C.A. §8-4-101 et seq.). Any terms or conditions included in this permit that specify and reference Arkansas Pollution Control & Ecology Commission Regulation 18 or the Arkansas Water and Air Pollution Control Act (A.C.A. §8-4-101 et seq.) as the origin of and authority for the terms or conditions are enforceable under this Arkansas statute.
2. This permit does not relieve the owner or operator of the equipment and/or the facility from compliance with all applicable provisions of the Arkansas Water and Air Pollution Control Act and the regulations promulgated under the Act. [A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]
3. The permittee shall notify the Department in writing within thirty (30) days after commencement of construction, completion of construction, first operation of equipment and/or facility, and first attainment of the equipment and/or facility target production rate. [Regulation 19 §19.704 and/or A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]
4. Construction or modification must commence within eighteen (18) months from the date of permit issuance. [Regulation 19 §19.410(B) and/or Regulation 18 §18.309(B) and A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]
5. The permittee must keep records for five years to enable the Department to determine compliance with the terms of this permit such as hours of operation, throughput, upset conditions, and continuous monitoring data. The Department may use the records, at the discretion of the Department, to determine compliance with the conditions of the permit. [Regulation 19 §19.705 and/or Regulation 18 §18.1004 and A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]
6. A responsible official must certify any reports required by any condition contained in this permit and submit any reports to the Department at the address below. [Regulation 19 §19.705 and/or Regulation 18 §18.1004 and A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]

Arkansas Department of Environmental Quality
Air Division
ATTN: Compliance Inspector Supervisor

Delek Logistics Services Company, LLC
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5301 Northshore Drive
North Little Rock, AR 72118-5317

7. The permittee shall test any equipment scheduled for testing, unless stated in the Specific Conditions of this permit or by any federally regulated requirements, within the following time frames: (1) newly constructed or modified equipment within sixty (60) days of achieving the maximum production rate, but no later than 180 days after initial start up of the permitted source or (2) existing equipment already operating according to the time frames set forth by the Department. The permittee must notify the Department of the scheduled date of compliance testing at least fifteen (15) business days in advance of such test. The permittee must submit compliance test results to the Department within thirty (30) calendar days after the completion of testing. [Regulation 19 §19.702 and/or Regulation 18 §18.1002 and A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]
8. The permittee shall provide: [Regulation 19 §19.702 and/or Regulation 18 §18.1002 and A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]
 - a. Sampling ports adequate for applicable test methods;
 - b. Safe sampling platforms;
 - c. Safe access to sampling platforms; and
 - d. Utilities for sampling and testing equipment
9. The permittee shall operate equipment, control apparatus and emission monitoring equipment within their design limitations. The permittee shall maintain in good condition at all times equipment, control apparatus and emission monitoring equipment. [Regulation 19 §19.303 and/or Regulation 18 §18.1104 and A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]
10. If the permittee exceeds an emission limit established by this permit, the permittee will be deemed in violation of said permit and will be subject to enforcement action. The Department may forego enforcement action for emissions exceeding any limits established by this permit provided the following requirements are met: [Regulation 19 §19.601 and/or Regulation 18 §18.1101 and A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]
 - a. The permittee demonstrates to the satisfaction of the Department that the emissions resulted from an equipment malfunction or upset and are not the result of negligence or improper maintenance, and the permittee took all reasonable measures to immediately minimize or eliminate the excess emissions.
 - b. The permittee reports the occurrence or upset or breakdown of equipment (by telephone, facsimile, or overnight delivery) to the Department by the end of the next business day after the occurrence or the discovery of the occurrence.
 - c. The permittee must submit to the Department, within five business days after the occurrence or the discovery of the occurrence, a full, written report of such occurrence, including a statement of all known causes and of the scheduling and

nature of the actions to be taken to minimize or eliminate future occurrences, including, but not limited to, action to reduce the frequency of occurrence of such conditions, to minimize the amount by which said limits are exceeded, and to reduce the length of time for which said limits are exceeded. If the information is included in the initial report, the information need not be submitted again.

11. The permittee shall allow representatives of the Department upon the presentation of credentials: [A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]
 - a. To enter upon the permittee's premises, or other premises under the control of the permittee, where an air pollutant source is located or in which any records are required to be kept under the terms and conditions of this permit;
 - b. To have access to and copy any records required to be kept under the terms and conditions of this permit, or the Act;
 - c. To inspect any monitoring equipment or monitoring method required in this permit;
 - d. To sample any emission of pollutants; and
 - e. To perform an operation and maintenance inspection of the permitted source.
12. The Department issued this permit in reliance upon the statements and presentations made in the permit application. The Department has no responsibility for the adequacy or proper functioning of the equipment or control apparatus. [A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]
13. The Department may revoke or modify this permit when, in the judgment of the Department, such revocation or modification is necessary to comply with the applicable provisions of the Arkansas Water and Air Pollution Control Act and the regulations promulgated the Arkansas Water and Air Pollution Control Act. [Regulation 19 §19.410(A) and/or Regulation 18 §18.309(A) and A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]
14. This permit may be transferred. An applicant for a transfer must submit a written request for transfer of the permit on a form provided by the Department and submit the disclosure statement required by Arkansas Code Annotated §8-1-106 at least thirty (30) days in advance of the proposed transfer date. The permit will be automatically transferred to the new permittee unless the Department denies the request to transfer within thirty (30) days of the receipt of the disclosure statement. The Department may deny a transfer on the basis of the information revealed in the disclosure statement or other investigation or, deliberate falsification or omission of relevant information. [Regulation 19 §19.407(B) and/or Regulation 18 §18.307(B) and A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]
15. This permit shall be available for inspection on the premises where the control apparatus is located. [A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]

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16. This permit authorizes only those pollutant emitting activities addressed herein. [A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]
17. This permit supersedes and voids all previously issued air permits for this facility. [Regulation 18 and 19 and A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311]
18. The permittee must pay all permit fees in accordance with the procedures established in Regulation No. 9. [A.C.A §8-1-105(c)]
19. The permittee may request in writing and at least 15 days in advance of the deadline, an extension to any testing, compliance or other dates in this permit. No such extensions are authorized until the permittee receives written Department approval. The Department may grant such a request, at its discretion in the following circumstances:
 - a. Such an extension does not violate a federal requirement;
 - b. The permittee demonstrates the need for the extension; and
 - c. The permittee documents that all reasonable measures have been taken to meet the current deadline and documents reasons it cannot be met.

[Regulation 18 §18.314(A), Regulation 19 §19.416(A), A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311, and 40 CFR Part 52, Subpart E]

20. The permittee may request in writing and at least 30 days in advance, temporary emissions and/or testing that would otherwise exceed an emission rate, throughput requirement, or other limit in this permit. No such activities are authorized until the permittee receives written Department approval. Any such emissions shall be included in the facilities total emissions and reported as such. The Department may grant such a request, at its discretion under the following conditions:
 - a. Such a request does not violate a federal requirement;
 - b. Such a request is temporary in nature;
 - c. Such a request will not result in a condition of air pollution;
 - d. The request contains such information necessary for the Department to evaluate the request, including but not limited to, quantification of such emissions and the date/time such emission will occur;
 - e. Such a request will result in increased emissions less than five tons of any individual criteria pollutant, one ton of any single HAP and 2.5 tons of total HAPs; and
 - f. The permittee maintains records of the dates and results of such temporary emissions/testing.

[Regulation 18 §18.314(B), Regulation 19 §19.416(B), A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311, and 40 CFR Part 52, Subpart E]

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21. The permittee may request in writing and at least 30 days in advance, an alternative to the specified monitoring in this permit. No such alternatives are authorized until the permittee receives written Department approval. The Department may grant such a request, at its discretion under the following conditions:
 - a. The request does not violate a federal requirement;
 - b. The request provides an equivalent or greater degree of actual monitoring to the current requirements; and
 - c. Any such request, if approved, is incorporated in the next permit modification application by the permittee.

[Regulation 18 §18.314(C), Regulation 19 §19.416(C), A.C.A. §8-4-203 as referenced by §8-4-304 and §8-4-311, and 40 CFR Part 52, Subpart E]

CERTIFICATE OF SERVICE

I, Pamela Owen, hereby certify that a copy of this permit has been mailed by first class mail to Delek Logistics Operating, LLC - El Dorado Pipeline Company, 1000 McHenry Drive, El Dorado, AR, 71730, on this 20th day of August, 2014.



Pamela Owen, AAIL, Air Division