

reduce or eliminate nitrogen oxide emissions. The primary purpose of the SCR unit is to reduce nitrogen oxide emissions from the 1F-1 Crude Atmospheric Furnace, which is the second largest furnace, based on design duty, at the refinery. As described in the application, the SCR device is a fixed catalyst bed in the furnace flue gas duct which mixes flue gas with small amounts of ammonia, thereby causing the conversion of nitrogen oxides to harmless nitrogen gas and water.

4. Section 11-10 of the Property Tax Code, 35 ILCS 200/11-10 (2002), defines "pollution control facilities" as:

"any system, method, construction, device or appliance appurtenant thereto, or any portion of any building or equipment, that is designed, constructed, installed or operated for the primary purpose of: (a) eliminating, preventing, or reducing air or water pollution... or (b) treating, pretreating, modifying or disposing of any potential solid, liquid, gaseous pollutant which if released without treatment, pretreatment, modification or disposal might be harmful, detrimental or offensive to human, plant or animal life, or to property."

5. Pollution control facilities are entitled to preferential tax treatment, as provided by 35 ILCS 200/11-5 (2002).

6. Based on information in the application and the underlying purpose of the SCR unit to prevent, eliminate or reduce air pollution, it is the Illinois EPA's engineering judgment that the described project and/or equipment may be considered as "pollution control facilities" in accordance with the statutory definition and consistent with the Board's regulations at 35 Ill. Adm. Code 125.200.

7. Because the SCR unit satisfies the aforementioned criteria, the Illinois EPA recommends that the Board **grant** the applicant's requested tax certification.

* * * * PCB 2006-102 * * * *

Respectfully submitted by,

ILLINOIS ENVIRONMENTAL PROTECTION
AGENCY

_____/s/_____
Robb H. Layman
Special Assistant Attorney General

DATED: December 29, 2004

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 North Grand Avenue East

P.O. Box 19276

Springfield, Illinois 62794-9276

Telephone: 217/782-5544

Facsimile: 217/782-9807

* * * * PCB 2006-102 * * * *

CERTIFICATE OF SERVICE

I hereby certify that on the 30th day of December, 2004, I did send, by First Class Mail, with postage thereon fully paid and deposited into the possession of the United States Postal Service, one (1) original and nine (9) copies of the following instruments entitled **NOTICE, APPEARANCE** and **RECOMMENDATION** to:

Dorothy Gunn, Clerk
Illinois Pollution Control Board
100 West Randolph Street
Suite 11-500
Chicago, Illinois 60601

and a true and correct copy of the same foregoing instruments, by First Class Mail with postage thereon fully paid and deposited into the possession of the United States Postal Service, to:

Steve Santarelli
Illinois Department of Revenue
101 West Jefferson
P.O. Box 19033
Springfield, Illinois 62794

John S. Swearingen
Marathon Ashland Petroleum
Refinery Office Building
Robinson, Illinois 62454

/s/

Robb H. Layman
Special Assistant Attorney General

*** * PCB 2006-102 * * *

APPLICATION FOR CERTIFICATION (PROPERTY TAX TREATMENT)
 POLLUTION CONTROL FACILITY
 AIR WATER

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
 P. O. Box 19276, Springfield, IL 62794-9276

This Agency is authorized to request this information under Illinois Revised Statutes, 1979, Chapter, 120, Section 502a-5. Disclosure of this information is voluntary. However, failure to comply could prevent your application from being processed or could result in denial of your application for certification.

FOR AGENCY USE

File No.	Date Received	Certification No.	Date	
Sec. A APPLICANT	Company Name Marathon Ashland Petroleum LLC			
	Person Authorized to Receive Certification John S. Swearingen		Person to Contact for Additional Details Dennis A. Baker	
	Street Address Refinery Office Building		Street Address 539 South Main Street	
	Municipality, State & Zip Code Robinson IL 62454		Municipality, State & Zip Code Findlay OH 45840	
	Telephone Number (618)544-2121		Telephone Number (419)421-3759	
	Location of Facility Quarter Section Township Range		Municipality Township Robinson Robinson	
	Street Address Route 33		County Book Number Crawford	
	Property Identification Number		Parcel Number Part of 51-34-1-21	
	Sec. B MANUFACTURING OPERATIONS	Nature of Operations Conducted at the Above Location Petroleum Refining SCR process		
		Water Pollution Control Construction Permit No.		Date Issued
NPDES PERMIT No.		Date Issued Expiration Date		
Air Pollution Control Construction Permit No. 01090064		Date Issued 2-28-02 revised 1-22-04		
Air Pollution Control Operating Permit No. 01090064, 96010007 (Title V)		Date Issued 2-28-02, 11-24-03		
Sec. C MANUFACTURING PROCESS	Describe Unit Process CAAPP Permit) See attached			
	Materials Used in Process See attached			
Sec. D POLLUTION CONTROL FACILITY DESCRIPTION	Describe Pollution Abatement Control Facility See attached			

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AMENDED

RECEIVED

DEC 30 2004

IEPA - DAPC - SPFLD



- Exhibit A

*** * PCB 2006-102 *** *

POLLUTION CONTROL FACILITY - CONTAMINANTS	Sec. E	(1) Nature of Contaminants or Pollutants		
			Material Retained, Captured or Recovered	
		Contaminant or Pollutant	DESCRIPTION	DISPOSAL OR USE
		Nitrogen Oxide	NOx	The SCR unit is a fixed catalyst bed which converts NOx to nitrogen gas and water when the heater are routed through it.
		Sulfur Dioxide	SO2	
		(2) Point(s) of Waste Water Discharge		
			Plans and Specifications Attached	Yes <input checked="" type="checkbox"/> No
		(3)	Are contaminants (or residues) collected by the control facility?	Yes No <input checked="" type="checkbox"/>
		(4)	Date installation completed <u>Oct 2002</u> status of installation on date of application <u>100%</u>	
ACCOUNTING DATA	(5)	a. FAIR CASH VALUE IF CONSIDERED REAL PROPERTY:	\$ <u>4,349,000</u>	
		b. NET SALVAGE VALUE IF CONSIDERED REAL PROPERTY:	\$ <u>65,235</u>	
		c. PRODUCTIVE GROSS ANNUAL INCOME OF CONTROL FACILITY:	\$ <u>zero</u>	
		d. PRODUCTIVE NET ANNUAL INCOME OF CONTROL FACILITY:	\$ <u>zero</u>	
		e. PERCENTAGE CONTROL FACILITY BEARS TO WHOLE FACILITY VALUE:	% <u>.469</u>	
SIGNATURE	Sec. F	The following information is submitted in accordance with the Illinois Property Tax Code, as amended, and to the best of my knowledge, is true and correct. The facilities claimed herein are "pollution control facilities" as defined in Section 11-10 of the Illinois Property Tax Code.		
		<u>John Swearingen</u> Signature John Swearingen	<u>12/29/04</u> Title Illinois Refining Division Manager	
INSTRUCTIONS	Sec. G	INSTRUCTIONS FOR COMPILING AND FILING APPLICATION		
		General: Separate applications must be completed for each control facility claimed. Do not mix types (water and air). Where both air and water operations are related, file two applications. If attachments are needed, record them consecutively on an index sheet.		
	Sec. A	Information refers to applicant as listed in the tax records and the person to be contacted for further details or for inspection of facilities. Define facility location by street address or legal description. A plat map location is required for facilities located outside of municipal boundaries. The property identification number is required.		
	Sec. B	Self-explanatory. Submit copies of all permits issued by local pollution control agencies. (e.g. MSD Construction Permit)		
	Sec. C	Refers to manufacturing processes or materials on which pollution control facility is used.		
	Sec. D	Narrative description of the pollution control facility, indicating that its primary purpose is to eliminate, prevent or reduce pollution. State the type of control facility. State permit number, date, and agency issuing permit. A narrative description and a process flow diagram describing the <u>pollution control facility</u> . Include a listing of each major piece of equipment included in the claimed fair cash value for real property. Include an <u>average</u> analysis of the influent and effluent of the control facility stating the collection efficiency.		
	Sec. E	List air contaminants, or water pollution substances released as effluents to the manufacturing processes. List also the final disposal of any contaminants removed from the manufacturing processes. Item (1) - Refers to pollutants and contaminants removed from the process by the pollution control facility. Item (2) - Refers to water pollution but can apply to water-carried wastes from air pollution control facilities. Submit drawings, which clearly show (a) Point(s) of discharge to receiving stream, and (b) Sewers and process piping to and from the control facility. Item (3) - If the collected contaminants are disposed of other than as wastes, state the disposition of the materials, and the value in dollars reclaimed by sale or reuse of the collected substances. State the cost of reclamation and related expense. Item (4) - State the date which the pollution control facility was first placed in service and operated. If not, explain. Item (5) - This information is essential to the certification and assessment actions. This accounting data must be completed to activate project review prior to certification by this Agency.		
	Sec. F	Self-explanatory. Signature must be a corporate authorized signature.		
	Submit to:	Attention:	Attention:	
	Illinois EPA P.O. Box 19276 Springfield, IL 62794-9276	Thomas McSwiggin Permit Section Division of Water Pollution Control	Donald E. Sutton Permit Section Division of Air Pollution Control	

catalyst nitrogen heater exhaust:

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Section C**Describe Unit Process:**

The Crude Unit charges Raw Crude Oil and distills this crude to produce a wide range of hydrocarbon products, from Hydrocarbon Gas and Light Straight Run Gasoline to Heavy Gas Oils.

The Crude Oil is preheated through a series of exchangers, and then flows through two Desalters, which remove any entrained water and salt. Desalted crude is further preheated, and flows into the Pre-flash Tower, which distills out water vapors. The oil next is heated in the Crude Atmospheric Furnace (1F-1) prior to processing in the Atmospheric Crude Column, where most distillation takes place.

Light products are routed to the Stabilization Section. The heavier products flow to the bottom of the tower and are charged to the Vacuum Section, where distillation under a vacuum allows further removal of refined product from the heavy oil.

All Crude Unit products are pumped to other units as hot feed, or are sent to storage in the Tank Farm.

The Kerosene Treaters process some of the Kerosene into Jet Fuel

The design Crude Unit charge rate is approximately 205,000 BPD. Quantity and composition of finished product varies depending on the type of crude oil charged and seasonal market demands for Gasoline and Heating Oil.

Section C**Materials used in process:**

Crude oil	Kerosene	Sour Water
Gas oil	Diesel	Fuel Gas
Acetic Acid and Caustic	AGO	Pre-flash Off-gas
Soda	LVGO	Caustic
Nalco Corrosion Controls	HVGO	Salt
Concentrated Detergent	Vacuum Resid	Clay
Cleaners	Atmospheric Gas Oil	Desalted Crude
Heavy Naphtha	Water	Rich Amine
		Anhydrous Ammonia

Section D**Pollution Control Facility Description**

The 1F-1 Crude Atmospheric Furnace is fitted with a Selective Catalytic Reduction (SCR) unit to reduce Nitrogen Oxide ("NOx") emissions. The SCR unit is a fixed catalyst bed located in the furnace flue gas duct. The flue gas is mixed with a small amount of ammonia, which, when passed over the catalyst bed, promotes the conversion of NOx to harmless nitrogen gas and water.

*** PCB 2006-102 ***

Continuous emission monitors measuring nitrogen oxide and sulfur dioxide are operated on the furnace stack for demonstrating compliance with air permitting requirements.

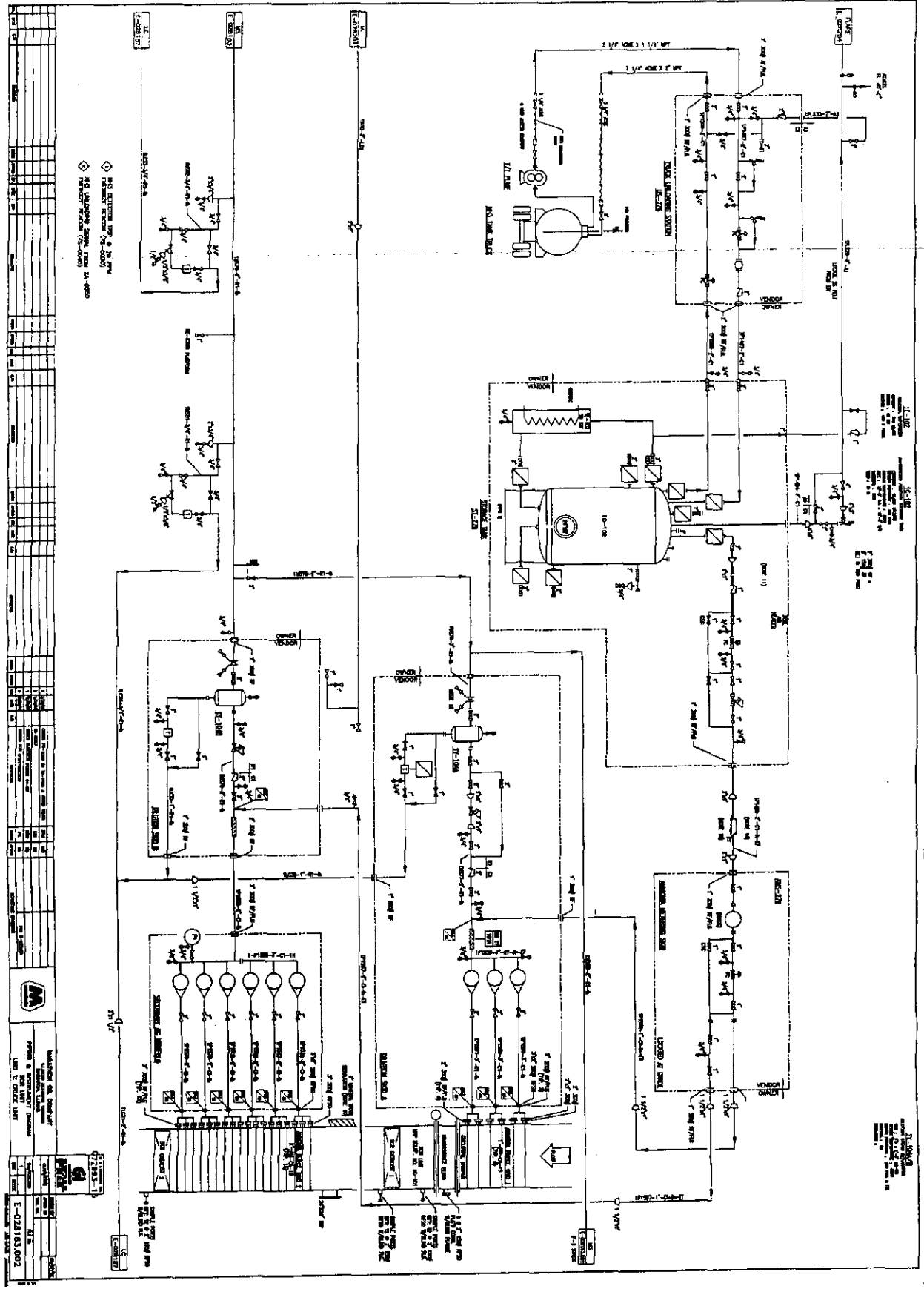
Drawings:

Piping and Instrument diagram Air-Flue Gas System for 1F-1E-028163.001
Piping and Instrument diagram SCR Unit.....E-028163.002
View picture.....View SSE

**** PCB 2006-102 ****

Drawings:

Piping and Instrument diagram Air-Flue Gas System for 1F-1	E-028163.001
Piping and Instrument diagram SCR Unit.....	E-028163.002
View picture.....	View SSE

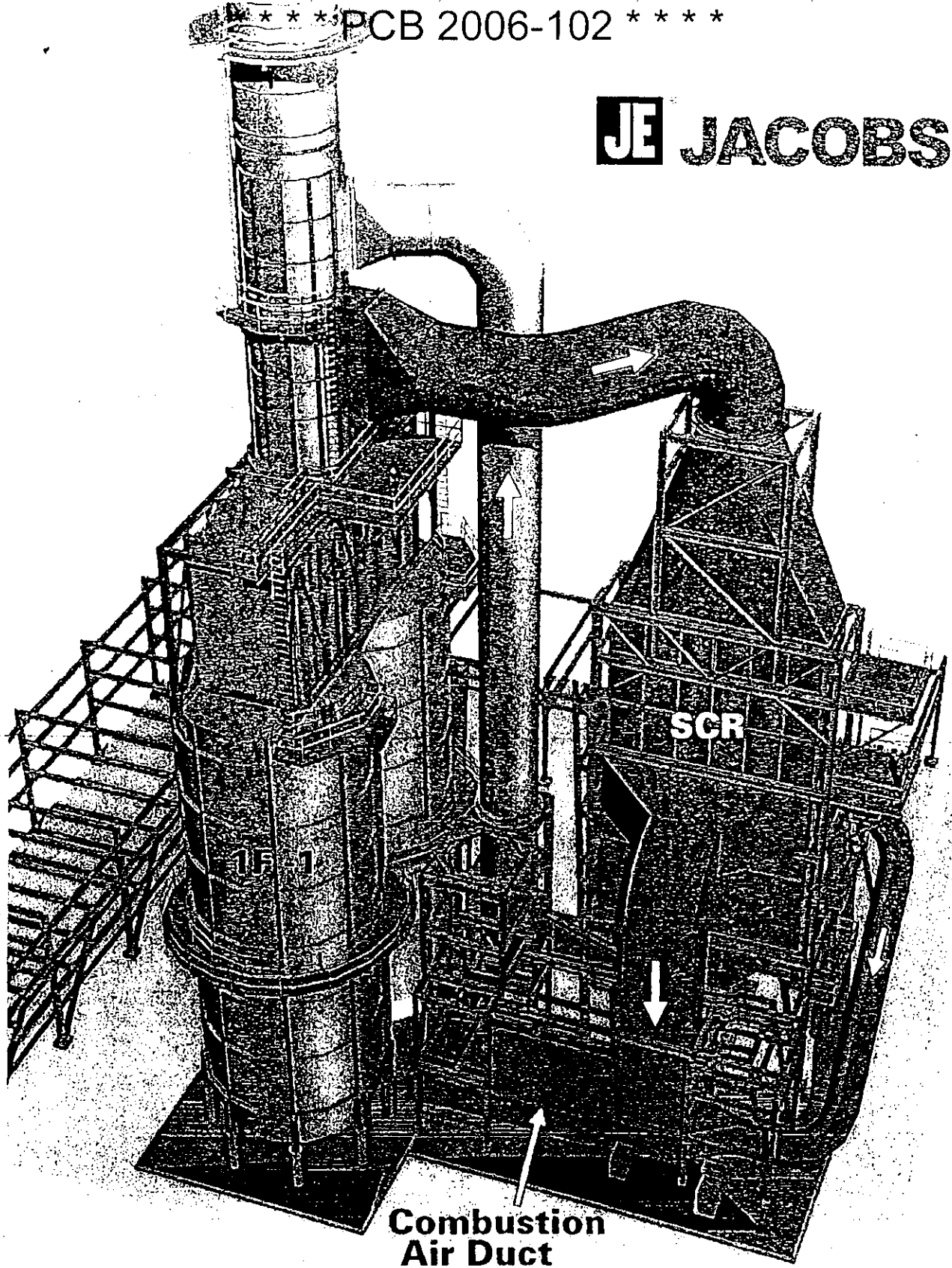


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WALTON CO. COMPANY
1000 W. 10th St.
Wichita, Kansas 67202
Tel: (316) 261-1000
Fax: (316) 261-1001
E-mail: sales@waltonco.com

*** PCB 2006-102 ***

JE JACOBS



Marathon-Ashland Petroleum LLC
Crude Furnace Project
Furnace 1F-1 View SSE

* * * * * PCB 2006-102 * * * * *

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY



1021 NORTH GRAND AVENUE EAST, P.O. BOX 19506, SPRINGFIELD, ILLINOIS 62794-9506 - (217) 782-2113

ROD R. BLAGOJEVICH, GOVERNOR

DOUGLAS P. SCOTT, DIRECTOR

Memorandum

Technical Recommendation for Tax Certification Approval

Date: September 20, 2005
To: Robb Layman
From: Don Sutton *DES*
Subject: Marathon Ashland Petroleum LLC TC-04-30-12T

This Agency received a request on December 30, 2004 from Marathon Ashland Petroleum LLC for an Illinois EPA recommendation regarding tax certification of air pollution control facilities pursuant to 35 Ill. Adm. Code 125.204. I offer the following recommendation.

The air pollution control facilities in this request include the following:

Selective Catalytic Reduction unit whose primary purpose is to reduce Nox emissions from the furnace and promote the conversion of Nox to harmless nitrogen gas and water. Because the primary purpose of this unit is to reduce or eliminate air pollution, it is certified as a pollution control facility.

This facility is located at 100 Marathon Avenue, Robinson
The property identification number is Part of 51-34-1-21

Based on the information included in this submittal, it is my engineering Judgement that the proposed facility may be considered "Pollution Control Facilities" under 35 IAC 125.200(a), with the primary purpose of eliminating, preventing, or reducing air pollution, or as otherwise provided in this section, and therefore eligible for tax certification from the Illinois Pollution Control Board. Therefore, it is my recommendation that the Board issue the requested tax Certification for this facility.

— *Exhibit B* —