BEFORE THE ILLINOIS POLLUTION CONTROL BOARD
OF THE STATE OF ILLINOIS

MARATHON ASHLAND PETROLEUM, LLC Slop Oil Combustor (84F-7)	)	
	)	PCB 06-
	)	(Tax Certification)
PROPERTY IDENTIFICATION NUMBER 51-34-1-21 or portion thereof	)	

NOTICE

TO: Dorothy Gunn, Clerk
Illinois Pollution Control Board
State of Illinois Center
100 W. Randolph Street, Suite 11-500
Chicago, Illinois 60601

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

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

PLEASE TAKE NOTICE that I have today electronically filed with the Office of the Pollution Control Board the APPEARANCE and RECOMMENDATION of the Illinois Environmental Protection Agency, a copy of which is herewith served upon the applicant and a representative of the Illinois Department of Revenue.

Respectfully submitted by,

_____/s/_____
Robb H. Layman
Assistant Counsel

Date: December 13, 2005

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
1021 North Grand Avenue East
P.O. Box 19276
Springfield, IL 62794-9276
Telephone: 217/524-9137

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD
OF THE STATE OF ILLINOIS

MARATHON ASHLAND PETROLEUM, LLC Slop Oil Combustor (84F-7)	)	
	)	PCB 06-
	)	(Tax Certification)
PROPERTY IDENTIFICATION NUMBER 51-34-1-21 or portion thereof	)	

APPEARANCE

I hereby file my Appearance in this proceeding on behalf of the Illinois Environmental Protection Agency.

Respectfully submitted by,

_____/s/_____
Robb H. Layman
Assistant Counsel

Date: December 13, 2005

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
1021 North Grand Avenue East
P.O. Box 19276
Springfield, Illinois 62794-9276
Telephone: 217/524-9137

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD
OF THE STATE OF ILLINOIS

MARATHON ASHLAND PETROLEUM, LLC Slop Oil Combustor (84F-7)	)	
	)	PCB 06-
	)	(Tax Certification)
PROPERTY IDENTIFICATION NUMBER 51-34-1-21 or portion thereof	)	

RECOMMENDATION

NOW COMES the ILLINOIS ENVIRONMENTAL PROTECTION AGENCY ("Illinois EPA"), through its attorneys, and pursuant to 35 Ill. Adm. Code 125.204 of the ILLINOIS POLUTION CONTROL BOARD'S ("Board") procedural regulations, files the Illinois EPA's Recommendation in the above-referenced request for tax certification of pollution control facilities. In support thereof, the Illinois EPA states as follows:

1. On December 30, 2004, the Illinois EPA received a request and supporting information from MARATHON ASHLAND PETROLEUM, LLC, ("Marathon") concerning the proposed tax certification of certain air emission sources and/or equipment located at its Robinson refinery in Crawford County, Illinois. A copy of the relevant portions of the application is attached hereto. **[Exhibit A]**.

2. The applicant's address is as follows:

Marathon Ashland Petroleum, LLC
Refinery Office Building
Robinson, Illinois 62454

3. The pollution control facilities involved in this request are located at the aforementioned address and consist of the installation of equipment associated with the collection and transfer of slop oil from existing slop oil tanks. The equipment, generally

referred to as Slop Oil Combustor (84F-7), is primarily designed to act as a means of reducing volatile organic material emissions generated from the slop oil tanks during the pumping and transfer operations.

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 Slop Oil Combustor (84F-7) 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. **[Exhibit B].**

7. Because the Slop Oil Combustor (84F-7) satisfies the aforementioned criteria, the Illinois EPA recommends that the Board **grant** the applicant's requested tax certification.

Respectfully submitted by,

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

_____/s/_____
Robb H. Layman
Assistant Counsel

DATED: December 13, 2004

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
1021 North Grand Avenue East
P.O. Box 19276
Springfield, Illinois 62794-9276
Telephone: 217/524-9137

CERTIFICATE OF SERVICE

I hereby certify that on the 13th day of December, 2005, I electronically filed the following instruments entitled **NOTICE, APPEARANCE** and **RECOMMENDATION** with:

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

and, further, that I did send 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
Assistant Counsel

* * * * PCB 2006-101 * * * *

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

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

This Agency is authorized to request this information under Illinois Revised Statues, 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	Person to Contact for Additional Details
John Swearingen	Dennis 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: Robinson | Township: Robinson
Street Address: Route 33 | County: Crawford | Book Number
Property Identification Number | Parcel Number: Part of 51-34-1-21

Sec. B — MANUFACTURING OPERATIONS

Nature of Operations Conducted at the Above Location: AFE 288

Petroleum Refining
Slop Oil Combustor (84F-7)

Water Pollution Control Construction Permit No.	Date Issued	
NPDES PERMIT No.	Date Issued	Expiration Date
Air Pollution Control Construction Permit No.: Joint 98080067	Date Issued: Original 11/13/98; Revised 3/5/02	
Air Pollution Control Operating Permit No.: Joint 98080067, 96010007 (Title V)	Date Issued: Original 11/13/98; Revised 3/5/02	

Sec. C — MANUFACTURING PROCESS

Describe Unit Process

See Attached

Materials Used in Process

See Attached

RECEIVED
DEC 3 0 2004
IEPA - DAPC - SPELD

Sec. D — POLLUTION CONTROL FACILITY DESCRIPTION

Describe Pollution Abatement Control Facility

See Attached

[redacted]

Exhibit A

* * * * PCB 2006-101 * * * *

Sec. E — POLLUTION CONTROL FACILITY – CONTAMINANTS

(1) Nature of Contaminants or Pollutants: Hydrocarbons and gases

Contaminant or Pollutant	Material Retained, Captured or Recovered: DESCRIPTION	DISPOSAL OR USE
Hydrocarbon & gases	hydrocarbon & gases	Combustion of Offgases

(2) Point(s) of Waste Water Discharge: N/A

ACCOUNTING DATA

	Plans and Specifications Attached	Yes XX	No
(3)	Are contaminants (or residues) collected by the control facility?	Yes	No XX
(4)	Date installation completed Jan 1999 status of installation on date of application 100%		
(5) a.	FAIR CASH VALUE IF CONSIDERED REAL PROPERTY:	$ 915,000	
b.	NET SALVAGE VALUE IF CONSIDERED REAL PROPERTY:	$ 13,725	
c.	PRODUCTIVE GROSS ANNUAL INCOME OF CONTROL FACILITY:	$ ZERO	
d.	PRODUCTIVE NET ANNUAL INCOME OF CONTROL FACILITY:	$ ZERO	
e.	PERCENTAGE CONTROL FACILITY BEARS TO WHOLE FACILITY VALUE:	% .099	

Sec. F — SIGNATURE

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.

John Swearingen — 12/29/04

Signature John Swearingen — Title Illinois Refining Division Manager

Sec. G — INSTRUCTIONS

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 pollution control facility. Include a listing of each major piece of equipment included in the claimed fair cash value for real property. Include an average 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

RECEIVED
DEC 30 2004
IEPA - DAPC - SPFLD

Section C
Describe Unit Process:

Coker slop, consisting of water and hydrocarbons, results from heat-up and cool-down cycles on each coke drum. This material is condensed, cooled and collected in the Coker blowdown knockout drum. The resulting slop material is then pumped or transferred sequentially to 21D-22, 21D-16, 21D-17 and 21D-20 and 21D-21, if necessary. This provides sufficient time to remove the water before the slop hydrocarbon is routed to 21D-18 to be charged back to the Cokers.

The separation in 21D-22 was difficult because the oil specific gravity at ambient temperatures often equals or exceeds that of water. 21D-22 was heated to 150 to 180 degrees Fahrenheit to allow separation of the oil from the water. At these temperatures the true vapor pressure of the Coker slop oil exceeded the MACT limit of 1.5 psia. Since the Coker slop was also near the 4% HAP limit, additional facilities were required to contain vapors generated from the Slop Oil Tanks during pumping or transfer operations.

When slop is pumped into or transferred between the slop oil tanks, vapors are displaced. The vapors contain hydrocarbons and water and are vented from the tanks through a pressure control valve system. Self-contained pressure control units were installed on each tank. These were referred to as "Pad-Depad" systems. When vapor was displaced or generated from the slop tanks it is now vented to the collection header to the combustor. Setpoint on the vent valves is 4.5 inches of water pressure. When slop tank levels (or temperatures) decrease, tank pressure is maintained above vacuum by makeup fuel gas. The setpoint on the blanket gas valves is 0.5 inches of water pressure. Although slop tank pressures vary from 0.5 to 4.5 inches of water, the system was designed to prevent a vacuum condition that could cause air to flow back into the tanks.

Vent gas from the tanks is collected and routed to the vent combustor knockout drum 84C-23. Any liquid that accumulates in the knockout drum is returned to 21D-17 by the drip pumps, 84G-14A or B. The primary pump runs intermittently as needed, and is started on high level, and shutdown on level, in 84C-23. Very little condensation of liquid occurs because all vent headers are heat traced and insulated.

Vapor is routed to the vent combustor 84F-7 using vapor blower 84K-2 A or B. These are variable speed machines with speed being adjusted as necessary by PC 0040. As pressure at the inlet of 84C-23 increases the controller increases the speed (capacity) of the on-line blower. If maximum blower speed is reached and pressure continues to increase, the second blower is automatically started and its speed is adjusted to control suction pressure. As pressure at the inlet of 84C-23 decreases, the procedure is reversed.

A flow restriction orifice FO 500 was provided to maintain a minimum of 10 cfm of fuel gas to the vapor blowers. The purpose of this fuel source was to insure that the vapor blower on-line will not cause a vacuum condition at any point in the system, including time when no vapors are being produced from the slop tanks. This configuration allows

the vapor blowers to run at minimum speed while maintaining a slight positive pressure on PV 0040.

The vapor blowers were designed with dry gas seals. Nitrogen purge (from bottles) is provided to insure no VOC emissions to the atmosphere. It is expected that one nitrogen bottle will provide seal purge for 3-4 months. The vapor space and flare header are purged with nitrogen.

The vent combustor 84F-7 pilot was designed for continuous operation. The combustor itself will operate continuously because of the fuel gas purge supply through FO 500. The pilot assembly was equipped with a flame front generation ignition system. Pilot operation is monitored and verified using a temperature measurement. A low temperature alarm will be activated if the pilot is not lit for any reason.

A detonation arrestor 84SP-1 was also installed. No air leakage into the system should occur due to the presence of vapor blower suction pressure control and fuel gas purge. The detonation arrestor is a redundant safety feature but was included due to the presence of an ignition source, the continuously operating combustor pilot.

Section C
Materials used in process:
Hydrocarbons, vent gas, fuel gas, and nitrogen

Section D
Pollution Control Facility Description

When slop is pumped into or transferred between the slop oil tanks, vapors are displaced. The vapors contain hydrocarbons and water and are vented from the tanks through a pressure control valve system. Self-contained pressure control units were installed on each tank. These were referred to as "Pad-Depad" systems. When vapor was displaced or generated from the slop tanks it is now vented to the collection header to the combustor. Setpoint on the vent valves is 4.5 inches of water pressure. When slop tank levels (or temperatures) decrease, tank pressure is maintained above vacuum by makeup fuel gas. The setpoint on the blanket gas valves is 0.5 inches of water pressure. Although slop tank pressures vary from 0.5 to 4.5 inches of water, the system was designed to prevent a vacuum condition that could cause air to flow back into the tanks.

Vent gas from the tanks is collected and routed to the vent combustor knockout drum 84C-23. Any liquid that accumulates in the knockout drum is returned to 21D-17 by the drip pumps, 84G-14A or B. The primary pump runs intermittently as needed, and is started on high level, and shutdown on level, in 84C-23. Very little condensation of liquid occurs because all vent headers are heat traced and insulated.

Vapor is routed to the vent combustor 84F-7 using vapor blower 84K-2 A or B. These are variable speed machines with speed being adjusted as necessary by PC 0040. As pressure at the inlet of 84C-23 increases the controller increases the speed (capacity) of

the on-line blower. If maximum blower speed is reached and pressure continues to increase, the second blower is automatically started and its speed is adjusted to control suction pressure. As pressure at the inlet of 84C-23 decreases, the procedure is reversed.

ELECTRONIC FILING, RECEIVED, CLERK'S OFFICE, DECEMBER 13, 2005
* * * * PCB 2006-101 * * * *

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-04-30-12U

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:

Slop Oil Combustor(84F-7) whose primary purpose is to eliminate Voc emissions to the atmosphere . 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