

CMRR 7009 0080 0002 2634 5011

December 28, 2010

Mr. David Small, Deputy Secretary State of Delaware - DNREC 89 Kings Highway Dover, DE 19901

RE:

Delaware City Refining Company Facility NOx Emissions Cap

Mr. Small,

In satisfaction of paragraph 14.a of the Agreement Governing the Acquisition and Operation of Delaware City Refinery (the "Agreement"), the purpose of this letter is to communicate the Delaware City Refining Company's (DCRC) current plan to reduce NOx emissions from the Refinery to 2,225 tons per year, commencing with the 12 month rolling period beginning December 31, 2013 and ending on December 14, 2014.

DCRC plans to submit a permit application to modify the Delaware City Power Plant Combined Cycle Units (CCU). The modification would surrender the authorization to use syngas and ultra low sulfur diesel as fuels, commencing in 2011, and thereafter allow combustion of natural gas and refinery fuel gas as fuels in the CCU and duct burners, respectively. DCRC will also preferentially fire the package boilers over the refinery boilers.

DCRC believes that the combination of these efforts will significantly reduce firing requirements at the boiler house and likely allow a boiler to be idled or placed on standby.

DCRC also plans to permanently shut down the plant's syngas and frozen earth storage unit flares to achieve further NOx emission reductions.

DCRC believes these actions will satisfy the first phase of the NOx emissions CAP.

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In accordance with the Agreement, this letter reflects DCRC's current intentions to limit aggregate NOx emissions from permitted sources at the Refinery to 2,225 tons per year commencing December 31, 2013, and constitutes a non-binding statement of those intentions. DCRC reserves the right to identify alternative plans for achieving the relevant NOx emission reductions by the required time, and not institute all or any of the projects identified in this letter.

Should you have any questions concerning this submission, please contact me at (302) 392-3773 or Mr. Robert Muche of the Delaware City Refinery's Environmental Department at (302) 836-6812.

Sincerely,

Delaware City Refining Company

James Fedena

Senior Vice President HSE

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