



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 6
1445 ROSS AVENUE, SUITE 1200
DALLAS, TX 75202-2733

JUL 19 2010

Mr. James Mahoney
Flint Hills Resources, LP
41111 East 37th Street North
Wichita, Kansas 67220

Dear Mr. Mahoney:

On July 16, 2010, you and other representatives from Flint Hills Resources, LP (FHR) came to Washington, DC to meet with me and other representatives of the United States Environmental Protection Agency (EPA) regarding the Clean Air Act (CAA) Title V permit for the Flint Hills Corpus Christi East Refinery, permit number O1455 (the Title V Permit).

As you know, on December 4, 2009, EPA objected to the issuance of the Title V Permit. Further, on May 25, 2010, FHR was sent a letter from Carl Edlund noting the need for FHR to apply to EPA for a CAA Title V permit for the refinery. See Letter from Mr. Carl Edlund of EPA Region 6 to Mr. Richard Harris of FHR (May 25 letter). In our objection and the May 25, 2010 letter, among other things, EPA noted that your state-issued flexible permit is not issued in accordance with the state implementation plan (SIP), and that your Title V Permit needs to reflect the proper federal applicable requirements (i.e., the flexible permit needs to be appropriately "deflexed").

In the July 16 meeting, FHR representatives expressed concerns that FHR is not able to meet the application deadline contained in the May 25 letter, and that the Agency's letter represented final agency action. You went on to state that, ultimately, FHR would like to work with EPA, in a constructive and expeditious manner, to address EPA's concerns regarding FHR's air permits at the refinery. Among other things, you expressed your willingness to work with EPA and the TCEQ to ensure that your state-issued flexible permit is deflexed within 12 months.

As a threshold matter, EPA does not believe the May 25 letter was final agency action. Rather, the May 25 letter was intended to put you on notice that, because the Texas Commission on Environmental Quality (TCEQ) has not satisfied EPA's December 4, 2009, objection to FHR's Title V Permit, EPA is initiating a process to take action on the Permit under the federal title V regulations at 40 C.F.R. Part 71.

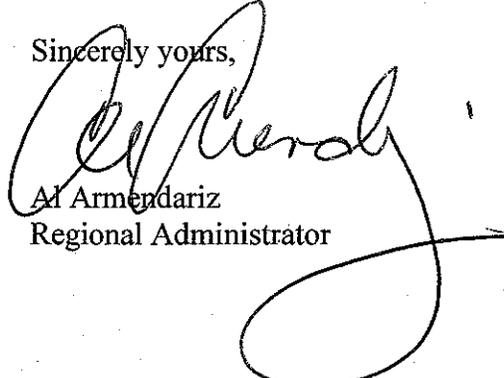
Furthermore, in light of your clear willingness to work cooperatively to resolve EPA concerns regarding FHR's air permits at the refinery, I am sending this letter to supersede and replace the May 25 letter. The May 25 letter is void and of no effect. EPA

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and FHR have agreed to enter into discussions for a period of 60 days to identify a joint path forward for addressing the air permits at the refinery. During this time period, we will discuss the best way to address the issues raised in EPA's December 4, 2009 objection letter. Among other things, we will seek a mutually acceptable, and binding, approach for ensuring that your state-issued flexible permit is deflexed, in cooperation with TCEQ. If significant progress is not made during that 60 day period, EPA will take further action to ensure that our objections are addressed. Both FHR and U.S. EPA reserve all of their rights. Nothing in this correspondence relieves FHR from its obligations to comply with applicable regulations and the CAA. I have asked my staff to contact you as soon as possible to discuss next steps. Meanwhile, please feel free to call me at (214) 665-2100 or Carl Edlund at (214) 665-8124 if you have any questions.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Al Armendariz', with a large, sweeping flourish extending from the bottom right of the signature.

Al Armendariz
Regional Administrator