

**FILED**

AUG 10 2007

**BEFORE ENVIRONMENTAL QUALITY COUNCIL  
STATE OF WYOMING**

Terri A. Lorenzon, Director  
Environmental Quality Council

In the Matter of The )  
Administrative Order on Consent ) Docket No.06-5400  
Issued To Frontier Refining Inc., )  
A Delaware Corporation )

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**STATUS REPORT OF FRONTIER REFINING INC. IN RESPONSE TO  
PRESIDING OFFICER'S REQUEST AT JUNE 11, 2007 PROCEEDING**

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COMES NOW Frontier Refining Inc. ("Frontier") by and through its undersigned counsel, and submits the following status report as requested by the Presiding Officer at the June 11, 2007 proceeding:

1. On August 3, 2007, the Wyoming Environmental Quality Council ("EQC") sent out a notice to all parties scheduling the Joint Motion to Approve Joint Stipulation for Modification of Administrative Order on Consent for August 29, 2007.

2. There has been no agreement among Frontier, the Department of Environmental Quality ("DEQ"), and Arp & Hammond Hardware Company ("A & H") regarding the Joint Stipulation For Modification of Administrative Order on Consent dated September 15, 2006 ("Joint Stipulation"). (Hereinafter, Frontier, the DEQ, and A & H will be collectively referred to as the "Participants" since A & H has not been admitted as a party to this proceeding.)

3. Following the June 11, 2007 proceeding before the Presiding Officer in this matter, and after informal discussions with Mr. Barrash, counsel to the DEQ, Frontier awaited comments from the DEQ on Frontier's proposed remediation plan for Porter

Draw Reservoir ("Frontier Remediation Plan"). (Frontier had submitted its Remediation Plan to the DEQ on May 1, 2007 and supplemented it on May 14, 2007). Frontier understood that DEQ's comments would serve to establish a starting place for further discussions among the Participants on a possible three-way settlement.

4. On June 25, 2007, DEQ provided comments to Frontier on Frontier's Remediation Plan and also requested modifications to that plan. DEQ's comments appeared to reflect comments previously submitted by Casey Resources, Inc., A&H's technical consultant, on Frontier's Remediation Plan. On July 31, 2007, Frontier provided responses to DEQ's request for modifications to the Frontier Remediation Plan,

5. In response to a request from Frontier (and apparently one or more of the other Participants), Mr. John Corra, Director of DEQ, sent a letter dated July 11, 2007 to all Participants to schedule a meeting among the Participants to discuss a resolution of their differences relative to the Frontier Remediation Plan. (Mr. Corra's letter is attached hereto as Exhibit A.) By letter dated July 19, 2007, a copy of which was provided to counsel for A&H, Frontier expressed an interest in attending such a meeting, although Frontier's counsel is not aware of any similar expressions of interest by A&H. (A copy of Frontier's letter is attached hereto as Exhibit B.).

6. On August 2, 2007, DEQ sent a letter to Frontier, A&H and the City of Cheyenne inviting the recipients to an August 23, 2007 meeting at DEQ offices to "review the status and see if we can agree on a path forward." (A copy of DEQ's letter is attached hereto as Exhibit C.) Frontier plans to attend this meeting.

7. As indicated above, Frontier has cooperated with DEQ in connection with the Frontier Remediation Plan and has expressed a willingness to meet with all Participants

to explore a resolution of differences. Although, as indicated in Paragraph 6 above, a meeting between the Participants has been scheduled for August 23, 2007, no previous meetings between the Participants have been held.

8. On August 6, 2007 counsel for A & H sent a letter to the EQC notifying EQC that he would not attend the August 29, 2007 EQC meeting with DEQ and Frontier. (A copy of counsel's letter is attached hereto as Exhibit D.)

9. The DEQ and Frontier Motion for Entry of the Joint Stipulation was filed on October 17, 2006. That motion, which is a consent item, has now been pending before this Council without final action for almost one year.

Respectfully submitted this 10<sup>th</sup> day of August, 2007.

**FRONTIER REFINING INC.**

By: 

Joseph F. Guida  
Guida, Slavich & Flores, P.C.  
750 N. St. Paul Street, Suite 200  
Dallas, Texas 75201  
(214) 692-0014

Alexander K. Davison  
Patton & Davison  
1920 Thomes Avenue, Suite 600  
City Center Building  
Cheyenne, Wyoming 82003  
(307) 635-4111

**CERTIFICATE OF SERVICE**

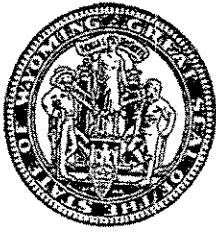
I hereby certify that on August 10, 2007 the foregoing Status Report of Frontier Refining Inc. In Response To Presiding Officer's Request At June 11, 2007 Proceeding was hand delivered to the following counsel:

Alvin Wiederspahn, Esq.  
Alvin Wiederspahn J.D., P.C.  
2015 Central Avenue, Suite 200  
Cheyenne, Wyoming 82001

Mike Barrash, Esq.  
Senior Assistant Attorney General  
Wyoming Attorney General's Office  
123 Capitol Building  
Cheyenne, Wyoming 82002

  
Alexander K. Davison

# **Exhibit A**



# Department of Environmental Quality

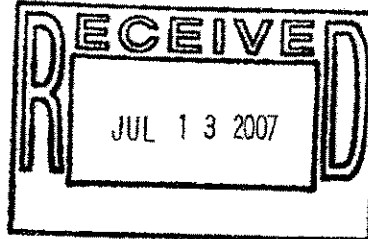


To protect, conserve and enhance the quality of Wyoming's environment for the benefit of current and future generations.

Dave Freudenthal, Governor

John Corra, Director

July 11, 2007



Arp & Hammond  
c/o Alvin Wiederspahn  
Attorneys at Law  
First National Bank Building  
2015 Central Ave., Suite 200  
Cheyenne, WY 82001

Mr. Ken Lewis, Engineer  
City of Cheyenne  
2101 O'Neill Avenue  
Cheyenne, WY 82001

Mr. Mel Wilkenfeld  
Frontier Refining, Inc.  
PO Box 1588  
Cheyenne, WY 82003-1588

Mr. Gerald Faudel  
Frontier Oil Corporation  
4610 S. Ulster St., Suite 200  
Denver, CO 80209

Dear: Mr. Wiederspahn, Mr. Wilkenfeld, Mr. Lewis and Mr. Faudel:

The purpose of this letter is to invite you to meet with me and my Water Quality and Solid and Hazardous Waste staff to discuss the status and issues concerning the plan requirements relating to the Joint Stipulation to Modify Administrative Order on Consent. That Joint Stipulation, along with the March 1995 Final Administrative Order on Consent, (AOC), requires that Frontier Refining, Inc. develop plans and environmental indicators that address exiting pollution as well as the prevention of future pollution to areas including Crow Creek and Porter Draw. This matter carries significant implications for all three addressees, as well as the DEQ. I will ask my secretary, Laura Laughlin, to begin to work with your representatives to schedule a date and time.

Both Arp and Hammond and Frontier have approached me about meeting in the hopes of working out an agreement that addresses the current barriers between the parties to developing the plans and carrying out the work called for in those plans. The City is invited, as it has a role to play regarding pollution exiting a storm sewer drain near the refinery. It is apparent that the intended date for clean-up of that problem has now been postponed indefinitely. Additionally, the city may be interested in the broad scope of this issue, and what alternatives are being considered by the landowners and the refinery.

DEQ intends to uphold the terms of the Joint Stipulation and AOC. We will also be examining the alternatives that we see in accomplishing this goal and will be prepared to discuss these with you at the meeting. I intend to conduct the meeting in a way that clearly outlines the

Herschler Building • 122 West 25th Street • Cheyenne, WY 82002 • <http://deq.state.wy.us>

ADMIN/OUTREACH (307) 777-7937 FAX 777-3610	ABANDONED MINES (307) 777-6145 FAX 777-6462	AIR QUALITY (307) 777-7391 FAX 777-5616	INDUSTRIAL SITING (307) 777-7369 FAX 777-5973	LAND QUALITY (307) 777-7756 FAX 777-5864	SOLID & HAZ. WASTE (307) 777-7752 FAX 777-5973	WATER QUALITY (307) 777-7781 FAX 777-5973
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barriers and possible ways these barriers can be eliminated. Your willingness to come prepared to resolve the issues will ensure that we are successful.

If you have any questions, or would like to discuss an agenda for the meeting, please feel free to call me.

Sincerely,

A handwritten signature in black ink, appearing to read "John Corra". The signature is written in a cursive style with a long, sweeping underline.

John Corra  
Director

cc: LeRoy Feusner  
John Wagner  
Mike Barrash

# **Exhibit B**





*FRONTIER REFINING INC.*  
*a Subsidiary of Frontier Refining & Marketing Inc.*

P.O. BOX 1588  
CHEYENNE, WYOMING 82003-1688  
(307) 634-3551  
FAX (Main Office) (307) 771-8794  
FAX (Purchasing) (307) 771-8795

July 19, 2007

Mr. John V. Corra, Director  
WY Department of Environmental Quality  
Herschler Building  
122 West 25<sup>th</sup> Street  
Cheyenne, WY 82002

Dear John,

I am sending this letter to acknowledge receipt of your letter dated July 11, 2007 regarding the Joint Stipulation. Frontier supports your goal of moving forward on this issue and agrees with holding a meeting to discuss.

As I said in my voice mail to you today, we would appreciate your suggesting several dates that are suitable to you and your staff and we will make every effort to accommodate your schedule.

You can have your secretary contact me with your schedule when available.

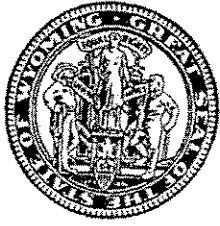
Should there be anything further please feel free to contact me at your convenience at 771-8776 or 630-6794 (cell).

Very truly yours,

Melvyn S. Wilkenfeld  
Manager, Government Relations and Special Projects  
Frontier Refining Inc.

cc: Mr. Gerry Faudel  
Mr. Joe Guida  
Mr. Alvin Wiederspahn  
Mr. Ken Lewis

# **Exhibit C**



# Department of Environmental Quality



To protect, conserve and enhance the quality of Wyoming's environment for the benefit of current and future generations.

Dave Freudenthal, Governor

John Corra, Director

August 2, 2007

Arp & Hammond  
c/o Alvin Wiederspahn  
Attorneys at Law  
First National Bank Building  
2015 Central Ave., Suite 200  
Cheyenne, WY 82001

Mr. Ken Lewis, Engineer  
City of Cheyenne  
2101 O'Neill Avenue  
Cheyenne, WY 82001

Mr. Mel Wilkenfeld  
Frontier Refining, Inc.  
PO Box 1588  
Cheyenne, WY 82003-1588

Mr. Gerald Faudel  
Frontier Oil Corporation  
4610 S. Ulster St., Suite 200  
Denver, CO 80209

Dear: Mr. Wiederspahn, Mr. Wilkenfeld, Mr. Lewis and Mr. Faudel:

Based upon our discussions, it appears that a meeting with all of the parties may be productive. As you know, we have several compliance and clean-up matters that are pending, a deadline coming up concerning plans for remediation of certain sources of contamination and an expectation from the Environmental Quality Council (EQC) that we can find a mutually agreed upon path forward. Based on my impressions of the concerns raised by Arp & Hammond and Frontier Refining, I am inviting you to attend a meeting with DEQ to review the status and see if we can agree on a path forward. The City is invited because of their plans to relocate the existing storm drain and the associated discharges from the storm sewer adjacent to the refinery.

The meeting is scheduled for Thursday, August 23, at 1:30 p.m. to 4:00 p.m. in my office, 122 W. 25<sup>th</sup> Street, Herschler, 4<sup>th</sup> floor, west wing. Please let me know at your earliest opportunity if this date will fit with your schedule.

Also, please review the following proposed agenda for our meeting:

1. Summary of Issues. Each party, including DEQ, should spend about five minutes describing what its interests are and what objectives they intend to pursue over the coming months.
2. Discuss what we believe to be the expectations of the Environmental Quality Council (EQC) for their August meeting.

Herschler Building • 122 West 25th Street • Cheyenne, WY 82002 • <http://deq.state.wy.us>

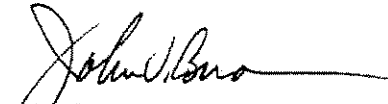
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3. Current Status from the perspective of each party. Where we are relative to the stipulated schedule and what are the barriers to completion.
4. Clarify the party's views for both Porter Draw and the property adjacent to the refinery.
5. Identify common ground, discuss our respective roles, and discuss whether we can develop a joint report to EQC.

If anyone on the route list has an addition or wishes to modify this one, please let me know.

Sincerely,



John Corra  
Director

cc: LeRoy Feusner  
Carl Anderson  
John Wagner  
Mike Barrash

# **Exhibit D**

# ALVIN WIEDERSPAHN J.D., P.C.

A PROFESSIONAL CORPORATION  
ATTORNEYS AND COUNSELORS AT LAW  
FIRST NATIONAL BANK BUILDING  
2015 CENTRAL AVENUE, SUITE 200  
CHEYENNE, WYOMING 82001  
TELEPHONE (307) 638-6417  
FACSIMILE (307) 638-1975

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August 6, 2007

Joe Girardin, EQC Paralegal  
State of Wyoming  
Environmental Quality Council  
Herschler Building, Room 1714  
122 West 25<sup>th</sup> Street  
Cheyenne, Wyoming 82002

Re: Frontier Refining, Inc.  
Administrative Order on Consent  
Motion to Intervene Hearing  
Docket No. 06-5400

Dear Mr. Girardin:

I am in receipt of your email dated Friday, August 3, 2007, advising parties to the referenced matter of the setting for the Environmental Quality Council's next meeting on August 29<sup>th</sup>, 2007.

Please be advised that, due to a long-standing scheduling commitment which conflicts with the Council's meeting, I shall be unable to appear on the 29<sup>th</sup>.

I shall file on behalf of my client, Arp & Hammond Hardware Company, the update that you request not later than August 10, 2007.

With best regards, I am

Very truly yours,



Alvin Wiederspahn

ALW/aem

cc: Alex Davison; Patton & Davison  
✓ Joseph Guida; Guida, Slavich & Flores  
Mike Barrash; Assistant Attorney General