

Churchill County  
Agenda Report

Date Submitted: October 25, 2007

Agenda Item:

Consent # B

Agenda Date Requested: November 21, 2007

To: Board of Churchill County Commissioners

From: Pamela D. Moore, Administrative Aide to the Board of County Commissioners

Subject Title: The Nevada Division of Environmental Protection (NDEP) provides notice of its Stop Order No. 2008-02 for Bango Oil, LLC in Churchill County, Nevada.

Type of Action Requested: (check one)

Resolution

Ordinance

Formal Action/Motion

Other – Informational Only

Does this action require a Business Impact Statement? No

Recommended Board Action: None.

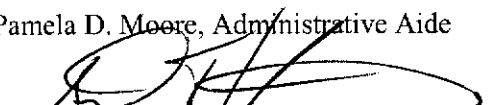
**Discussion:** The Nevada Division of Environmental Protection (NDEP) provides notice of its Stop Order No. 2008-02 for Bango Oil, LLC in Churchill County, Nevada. On October 17 and 18, 2007, the NDEP observed source testing being conducted by Horizon Engineering to ensure that compliance was being met by Bango Oil, LLC (Bango) at its oil refining facility located in Churchill County. Bango failed two out of three runs on the process water treatment (thermal oxidizer/evaporator) system and process heater number 1 (System 2.001) was never tested. Operating or constructing a stationary source without complying with the requirements of an air quality permit is a violation of Section 1(c) of Nevada Administrative Code (NAC). Subsequently, a Stop Order was issued to cease operation of all processing systems at the Bango facility, which shall remain in effect until Bango provides the NDEP with evidence that processing systems 1 through 4 can be operated in accordance with the permitted conditions and emissions limitations, and that the process water treatment (thermal oxidizer/evaporator) system shall remain inoperative until further notice.

An appeal may be filed in accordance with the attached notice. Further, violation of the Stop Order is punishable by a fine pursuant to NAC 445B.281. A meeting will be scheduled with Bango in the future.


Prepared By: Pamela D. Moore, Administrative Aide

Date: October 25, 2007


Reviewed By:

  
Brad Goetsch, Churchill County Manager

Date: 30 Oct 07, 2007

  
Rusty Jardine, Churchill County Civil Deputy Attorney

Date: 10/25, 2007

  
Alan Kall, Churchill County Comptroller

Date: 11/1/07, 2007

Board Action Taken:

Motion: \_\_\_\_\_

1) \_\_\_\_\_

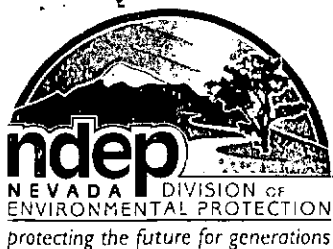
Aye/Nay

2) \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(Vote Recorded By)



# STATE OF NEVADA

Department of Conservation & Natural Resources

DIVISION OF ENVIRONMENTAL PROTECTION

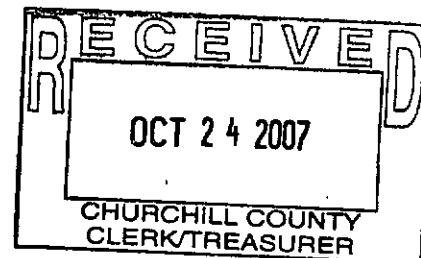
Jim Gibbons, Governor

Allen Biaggi, Director

Leo M. Drozdoff, P.E., Administrator

October 22, 2007

Mr. Randall E. Soule, President  
Bango Oil, LLC  
16640 Wedge Parkway  
Reno, Nevada 89511



**RE: STOP ORDER NO. 2008-02 FOR BANGO OIL, LLC  
CHURCHILL COUNTY, NEVADA**

Dear Mr. Soule:

On October 17 and 18, 2007, the Nevada Division of Environmental Protection, Bureau of Air Pollution Control (NDEP-BAPC) observed source testing being conducted by Horizon Engineering to insure that compliance was being met by Bango Oil, LLC (Bango) at its oil re-refining facility located in Churchill County. The NDEP-BAPC's inspector indicated that Bango failed two out of three runs on the process water treatment (thermal oxidizer/evaporator) system and process heater number 1 (System 2.001) was never tested.

Operating or constructing a stationary source without complying with the requirements of an air quality operating permit is a violation of Section 1.(c) of Nevada Administrative Code (NAC) 445B.275 **Violations: Acts constituting; notice.** Section 2 of NAC 445B.277 **Stop orders** states, in part, that: "A stop order may be issued at any time by the Director upon his determination that there has been a violation of any of the provisions of NAC 445B.001 to 445B.3689, inclusive, any applicable requirement or any condition of the operating permit."

Based upon the observation of the NDEP-BAPC's inspector for the source test conducted on October 17 and 18, 2007, the NDEP-BAPC finds that issuance of a Stop Order is warranted to cease operation of all processing systems at the Bango facility.

**Stop Order 2008-02** shall remain in effect until Bango provides the NDEP-BAPC with evidence that processing systems 1 through 4 can be operated in accordance with the permitted conditions and emissions limitations, and that the process water treatment (thermal oxidizer/evaporator) system shall remain inoperative until further notice.

If you believe this action is not warranted, an appeal may be requested pursuant to NRS 445B.360 and to the State Environmental Commission's (SEC's) administrative rules. A copy of SEC appeal form #3 is enclosed. Appeals must be received within 10 days of receipt of this notice, pursuant to NRS 445B.340. These appeals are processed through John Walker, the Executive Secretary for the SEC, at 901 South Stewart Street, Suite 4001, Carson City, Nevada, 89701-5249, or by fax at 775-687-5856. Mr. Walker's phone number is 775-687-9308. Please provide me with a copy of any correspondence your company may have with the SEC.



Bango Oil  
October 22, 2007  
Page 2

Please be advised that you must comply with the terms of Stop Order 2008-02 until the order is revoked by NDEP or, if the order is appealed, until the SEC rules that the order should be revoked. Failure to comply with the terms of the order is a violation punishable by a penalty of up to \$10,000 per day of violation, as described in **NAC 445B.281 Violations: Classifications; administrative fines.**

The NDEP-BAPC will contact you to schedule a meeting. If you have any questions regarding this matter, please contact Larry Kennedy at 687-9495 or call me at 687-9359.

Sincerely,



Greg Remer, Chief  
Bureau of Air Pollution Control

ME/rp

Enclosures: 1. Stop Order No. 2008-02  
2. SEC Appeal Form #3

cc (w/enc. 1): John Walker, SEC  
Churchill County Board of Commissioners

Route To: Leo Drozdoff, NDEP  
Colleen Cripps, NDEP  
Greg Remer, NDEP  
Randy Phillips, NDEP  
Lawrence Kennedy, NDEP

Fax: 853-3441  
Certified Mail No. 7006 0810 0002 0582 9552

IN THE MATTER OF: )  
 )  
BANGO OIL, LLC )

**STOP ORDER NO. 2008-02**

**Company served:** Mr. Randall E. Soule, President  
Bango Oil, LLC

**Address:** 16640 Wedge Parkway  
Reno, Nevada 89511

**Effective Date:** October 22, 2007

**Under the authority of the Nevada Administrative Code 445B.001 through 445B.395 inclusive, the**

     Construction         Alteration      X   Operation         Installation

**of the following source of air contaminant is prohibited:**

All processing systems within the Bango oil re-refining facility located in Churchill County, Nevada.


**You are hereby ordered to STOP the following activities.**

Operation of all processing systems at the Bango facility until such time that processing systems 1 through 4 can be operated in accordance with the permitted conditions and emissions limitations, and the process water treatment (thermal oxidizer/evaporator) system shall remain inoperative until further notice.

**The following act or practices constitute the stop order:**

Nevada Administrative Code (NAC) 445B.277 Stop orders” states, in part, that: “2. A stop order may be issued at any time by the Director upon his determination that there has been a violation of any of the provisions of NAC 445B.001 TO 445B.3689, inclusive, any applicable requirement or any condition of the operating permit.” Bango Oil, LLC, failed to complete the source testing under the proper operating conditions for system 1 and the process water treatment (thermal oxidizer/evaporator) system failed to demonstrate compliance during source testing.

Issued by:



Leo M. Drozdoff, P.E.  
Administrator  
Nevada Division of Environmental Protection

Notice Served:  
  X   By Fax (853-3441)  
  X   By Certified Mail

Certified Mail No. 7006 0810 0002 0582 9552