



State of Utah

SPENCER J. COX  
Governor

DEIDRE HENDERSON  
Lieutenant Governor

## Department of Environmental Quality

Tim Davis  
Executive Director

DIVISION OF AIR QUALITY  
Bryce C. Bird  
Director

### Air Quality Board

Kim Frost, *Chair*  
Michelle Bujdoso, *Vice-Chair*  
Tim Davis  
Seth Lyman  
Colton Norman  
Sonja Norton  
John Rasband  
Jeff Silvestrini  
Dave Spence  
Bryce C. Bird,  
*Executive Secretary*

DAQ-069-25

### UTAH AIR QUALITY BOARD MEETING TENTATIVE AGENDA

**Wednesday, October 1, 2025 - 1:30 p.m.**  
**195 North 1950 West, Room 1015**  
**Salt Lake City, Utah 84116**

Board members may be participating electronically. Interested persons can participate telephonically by dialing 1-475-299-8810 using access code: 449-801-632#, or via the Internet at meeting link:  
[meet.google.com/dpm-oqgm-nzk](https://meet.google.com/dpm-oqgm-nzk)

- I. Call-to-Order and Roll Call. Conducted by Kim Frost.
- II. Date of the Next Air Quality Board Meeting: November 5, 2025
- III. Big West Oil LLC – Administrative Settlement Agreement. Presented by Harold Burge.

In compliance with the Americans with Disabilities Act, individuals with special needs (including auxiliary communicative aids and services) should contact LeAnn Johnson, Office of Human Resources at (385) 226-4881, TDD (801) 536-4284 or by email at [leannjohnson@utah.gov](mailto:leannjohnson@utah.gov).

# ITEM 3



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DAQ-068-25

### MEMORANDUM

**TO:** Air Quality Board

**THROUGH:** Bryce C. Bird, Executive Secretary

**FROM:** Harold Burge, Major Source Compliance Section Manager

**DATE:** September 22, 2025

**SUBJECT:** Big West Oil LLC – Administrative Settlement Agreement

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Big West Oil LLC (Big West Oil) owns and operates a petroleum refinery at 333 West Center Street, North Salt Lake, Utah 84054-2805 (Refinery) capable of processing 33,000 barrels of crude oil daily. The Refinery operates assorted heaters, boilers, cooling towers, storage tanks, and flares. These processes are subject to continuous monitoring and associated reporting and testing requirements. These requirements are contained in the federal and state regulations and the Refinery permit (Approval Order DAQE-AN101220081-24 dated May 6, 2024). Compliance with these requirements ensures that the Division has accurate data demonstrating appropriate pollutant concentrations, which are being collected by the continuous monitoring systems. The requirements involved here include preparing and submitting state electronic data reports, conducting timely audits of continuous monitoring systems, promptly correcting “out-of-control” monitors, and, due to the complexity of continuous monitoring requirements, having a quality control program to ensure compliance.

The Division issued two Notices of Violation (NOVs) to the Refinery—the first on July 19, 2024, and the second on October 1, 2024, claiming violations of the applicable laws and the Refinery’s permit related to the continuous monitoring requirements. Big West Oil responded to both NOVs and requested a tolling agreement to preserve its ability to challenge the NOVs through the administrative proceedings under Utah Code § 19-1-301. The Division and Big West Oil signed the requested tolling agreement, also preserving the Division’s claims for statutory penalties. The Division reviewed both responses, and the parties began settlement negotiations, which resulted in the attached settlement agreement. It is important to note that Big West Oil returned to full compliance.

The following alleged claims were resolved through this settlement agreement:

Claim	Citation	Category	Events	Penalty
Failure to submit a complete and accurate SEDR (State Electronic Data Report) <sup>1</sup> on or before January 30, 2023 (late SEDR).	Utah Admin. Code R307-170-9(1)(c)(i) and Permit Condition II.B.1.e	C	1	\$2,000
Failure to complete a valid H <sub>2</sub> S monitor RATA (Relative Accuracy Test Audit) or CGA (Cylinder Gas Audit) <sup>2</sup> for 3Q2022. CGA was completed on 10/20/2022, 20 Days after the end of the quarter.	Utah Admin. Code R307-170-7(1), 40 CFR 60 Appendix F, Procedure 1, Section 5, and Permit Condition II.B.1.e	B	1	\$5,000
Failure to promptly correct out-of-control monitors in 83 instances resulted in 262 days of monitor outage.	Utah Admin. Code R307-170-7(6)(b), 40 CFR 60, Appendix F, Procedure 1, Paragraph 4.3, and Permit Condition II.B.1.e	B	83	\$166,000
Failure to develop and implement a QC program with detailed written procedures as required.	40 CFR 60, Appendix F, Procedure 1, Section 3	B	1	\$2,000
Failure to complete a RATA at least once every four calendar quarters for the MSCC(Millisecond Catalytic Cracking stack) SO <sub>2</sub> and O <sub>2</sub> monitors.	Utah Admin. Code R307-170-7(1), 40 CFR 60 Appendix F, Procedure 1, Section 5, and Permit Condition II.B.1.e	B	1	\$5,000
<b>TOTAL PENALTY:</b>				<b>\$180,000</b>

Once the Board approves and the Division's Director signs the Settlement Agreement, the NOV's will be resolved because Big West Oil has already returned to compliance. The Division would have avoided administrative litigation and any potential appeals. If the settlement is not approved, Big West Oil may challenge the NOV's through an administrative proceeding, resulting in substantial expenses for the Division, including the Administrative Law Judge's appointment and services costs. The settlement represents a compromise weighing litigation risks and resources necessary to litigate the Division's claims. The Division provides this settlement to the Board as required by Utah Code § 19-2-104(3)(b)(i) because the penalty exceeds \$25,000. A copy of the settlement agreement is also provided. The Division will withhold further action until the Board approves the settlement.

Recommendation: Staff recommends that the Board approve the settlement agreement.

<sup>1</sup> State Electronic Data Reports are required for all installed continuous monitoring systems in a specific electronic format. The source must submit these reports at a particular frequency—usually quarterly—and they contain, among other things, pollutant concentrations, outages, and malfunctions. These reports demonstrate to the Division that the source operates within the required limits.

<sup>2</sup> The regulations require these audits to be performed at certain intervals to ensure the accuracy of the data collected by the continuous monitoring system.

## **SETTLEMENT AGREEMENT**

### **RECITALS**

This Settlement Agreement (“Agreement”) is entered into between the Utah Division of Air Quality (“UDAQ”), the division within the Utah Department of Environmental Quality, the Director of UDAQ in his individual capacity (referred to collectively as the “State”) and Big West Oil LLC (referred to as “Big West Oil”) under the Utah Air Conservation Act, Utah Code §§ 19-2-101 through 19-2-305 (the “Utah Act”). For purposes of this Agreement, the State and Big West Oil shall be referred to collectively as the Parties.

#### **1. UDAQ’s Authority**

UDAQ has the authority to administer the Utah Act, issue orders, and exercise all incidental powers necessary to carry out the purposes of the Utah Act, including settlement. Utah Code § 19-2-107(2)(b)(ix). UDAQ is the division within UDEQ, an executive agency of the State of Utah, created and authorized under § 19-1-104 of the Utah Code.

#### **2. Big West Oil**

Big West Oil is a Utah limited liability company registered at 185 South State Street, Suite 1300, Salt Lake City, Utah 84111-1537. The corporation’s status is “Active” and “Current.” Big West Oil owns and operates a refinery at 333 West Center Street, North Salt Lake, Utah 84054-2805 (the “Refinery”). The Refinery is subject to the requirements of the Clean Air Act, federal regulations promulgated under the Clean Air Act, the Utah Act, the Utah Air Quality Rules (Utah Administrative Code Rules R307-101 through R307-842), and Approval Order DAQE-AN101220081-24, dated May 6, 2024 (AO) and issued by the UDAQ.

### **3. Administrative Proceedings and Settlement Negotiations**

On July 19, 2024, UDAQ issued a Notice of Violation and Order to Comply No. DAQC-599-24 (the “July NOV”) to Big West Oil, alleging violations of the Clean Air Act and corresponding federal regulations, the Utah Act, the Utah Air Quality Rules (Rule R307-415 of the Utah Administrative Code), and the conditions of the AO at the Refinery, and requesting a response from Big West Oil. On August 7, 2024, the Parties entered into a Stipulated Tolling Agreement, extending Big West Oil’s deadline for filing a Request for Agency Action challenging the July NOV. On September 6, 2024, Big West Oil responded to the July NOV.

On October 1, 2024, UDAQ issued a second Notice of Violation and Order to Comply No. DAQC-885-24 (the “October NOV”) to Big West Oil, alleging violations of the Clean Air Act and corresponding federal regulations, the Utah Act, the Utah Air Quality Rules (Rule R307-415 of the Utah Administrative Code), and the conditions of the AO at the Refinery, and requesting a response from Big West Oil. On October 15, 2024, the Parties entered into a Stipulation and Tolling Agreement, extending Big West Oil’s deadline for filing a Request for Agency Action challenging the October NOV. Big West Oil responded to the October NOV on November 4, 2024.

The Parties executed multiple extensions to the Stipulation and Tolling Agreement. Under the most recent Fourth Stipulation and Tolling Agreement, the Parties agreed to extend Big West Oil’s deadline for filing a Request for Agency Action challenging the July NOV and the October NOV (collectively referred to as the “NOVs”) until October 31, 2025.

UDAQ reviewed Big West Oil’s responses to the NOVs, and the Parties engaged in settlement negotiations to resolve the alleged non-compliance. The Parties reached an agreement

as the best way to resolve UDAQ's claims. The Parties now resolve the NOV's through this Agreement.

**4. Purpose**

The purpose of this Agreement is to settle all the claims in the NOV's. Nothing in this Agreement constitutes the Parties' admission of any liability, wrongdoing, or violation of the law.

**5. Mutual Interest**

The Parties believe it is in their mutual best interest to execute this Agreement and settle all allegations made in the NOV's.

**AGREEMENT**

Without adjudication of any factual or legal issue and to settle all claims in the NOV's, the Parties agree to the following:

6. Big West Oil agrees to a total stipulated penalty of \$180,000.00 to settle the claims in the NOV's. This penalty shall be paid as provided below.

- a. **Civil Penalty Paid to the State.** Big West Oil shall pay a stipulated civil penalty of \$180,000.00 within thirty (30) days of the effective date of this Agreement. Big West Oil shall make the payments by wire or ACH transfer payable to the State of Utah. If the payment is not made in a timely manner, additional penalties at the rate of \$1,000.00 a day shall accrue, and the State may enforce this Agreement through a civil action in the Utah Third District Court.

7. None of the provisions of this Agreement shall be considered admissions by the State or Big West Oil and shall not be used by any third party related or unrelated to this

Agreement for purposes other than determining the basis of this Agreement. This Agreement resolves all liability and claims arising from or relating to the NOV's.

8. The Parties forever release and waive the claims resolved and settled in this Agreement. This waiver does not prevent UDAQ from seeking future compliance actions for potential future violations, or from considering previous noncompliance history and associated resource costs as authorized by Utah Administrative Code Rule R307-130-3(3). Big West reserves the right to contest whether any claims resolved and settled in this Agreement are appropriately used as instances of previous noncompliance in future compliance actions.

9. All notices, requests, demands, and other communications under this Agreement shall be in writing and shall be given by (i) an established express delivery service that maintains delivery records, (ii) hand delivery, (iii) certified or registered mail, postage prepaid, return receipt requested, or (iv) electronic mail, to the Parties at the following addresses, or at such other addresses as the Parties may designate by written notice in the following manner:

The State

Bryce C. Bird  
Utah Division of Air Quality  
P.O. Box 144870  
Salt Lake City, UT 84114-4870  
bbird@utah.gov

With a copy to:

Marina V. Thomas  
Braden W. Asper  
P.O. Box 140873  
Salt Lake City, UT 84114-0873  
marinathomas@agutah.gov  
bradenasper@agutah.gov



Big West Oil

Alec Klinghoffer  
Vice President, Operation and General Manager  
333 West Center Street  
North Salt Lake, UT 84054  
alec.klinghoffer@bigwestoil.com

With a copy to:

Emily Schilling  
Sydney J. Sell  
Holland & Hart LLP  
222 South Main Street, Suite 2200  
Salt Lake City, UT 84101  
ecschilling@hollandhart.com  
sjsell@hollandhart.com

**10. Successors and Assigns**

All the rights and obligations of the Parties under this Agreement shall be binding on and inure to the benefit of their permitted successors.

**11. Entire Agreement**

This Agreement, which includes all recitals and terms, constitutes the entire agreement between the Parties related to the subject matter of this Agreement, and incorporates all prior correspondence, communications, or agreements between the Parties relating to the subject matter of this Agreement, and cannot be altered except in writing signed by all Parties.

**12. Authority to Execute**

Each person executing this Agreement individually and personally represents and warrants that he or she is duly authorized to execute and deliver the same on behalf of the entity for which he or she is signing, and that all corporate and/or legislative authority and approvals have been obtained, and that this Agreement is a binding obligation on the Parties.

13. **Effective Date**

This Agreement is effective on the date when the last party signs the Agreement.

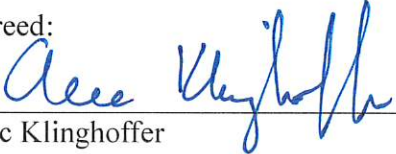
This Agreement may be executed in counterparts.

Agreed:

\_\_\_\_\_  
Bryce C. Bird  
Director, Utah Division of Air Quality  
For: UDAQ

Date: \_\_\_\_\_

Agreed:

  
\_\_\_\_\_  
Alec Klinghoffer  
Vice President, Operation and General Manager  
For: Big West Oil

Date: 9/17/25