Written by Woody Gottburg
Friday, March 15 2013 16:42

There will be another delay in Hyperion Refining's ongoing application to build an oil refinery in Union County South Dakota.

Hyperion Vice President Preston Phillips says rather than ask for an extension, they will consider filing a new application for a state air permit to allow them to begin construction of the proposed $10 billion oil refinery.

Hyperion Refining faced a 5pm Friday deadline to start construction on the facility, which would process 400,000 barrels of Canadian tar sands crude oil each day into low-sulfur gasoline, diesel, jet fuel and liquid petroleum gas.

Phillips said the company made the decision after discussions with the South Dakota Department of Environment and Natural Resources and the state Attorney General's office.

A statement from Phillips says "While there are advantages and disadvantages to both approaches, the state officials expressed a clear preference that we come in with a new permit."

Phillips says instead of starting over, Hyperion will build on the existing work that has gone into the project over the past six years.

If it's constructed on 3,300-acres of agricultural land north of Elk Point, the project would be the first new U.S. oil refinery since 1976.

Hyperion declined to renew land options on thousands of acres in Union County last September 30th. Friday's statement did not address that issue.

The project has been challenged by the Sierra Club and local groups like Save Union County.

Ed Cable of Save Union County, calls Hyperion’s decision a major victory for clean air in South Dakota.

Cable released a statement saying "The expiration of this permit prevents the destruction of our state's best farmland and the pollution of our air and water by Hyperion's proposed extreme oil refinery."

Cable says the amount of pollution expected from Hyperion's proposed facility was dangerous and unwanted by South Dakota communities.