



State of Ohio Environmental Protection Agency

Southeast District Office

2195 Front Street
Logan, Ohio 43138

TELE: (740) 385-8501 FAX: (740) 385-6490
www.epa.state.oh.us

Ted Strickland, Governor
Lee Fisher, Lieutenant Governor
Chris Korteski, Director

April 6, 2010

**HOCKING COUNTY
GENERAL FILE
(CHIEFTAIN BIOFUELS/CHIEFTAIN
ENERGY)
NON NOTIFIER**

Mr. Doug Kitchen, President
Chieftain Biofuels/Chieftain Energy
32919 Logan-Hornsmill Road
Logan, Ohio 43138

Dear Mr. Kitchen:

On March 24, 2010, Ohio EPA conducted an investigation of Chieftain Biofuels and Chieftain Energy ("Chieftain") in Logan, Ohio in response to a complaint received by this office. The complaint alleged possible mismanagement of manufacturing chemicals or products that could be entering the stream on the facility property. Chieftain Biofuels and Chieftain Energy are two corporations, both owned by you and both doing business at the same address. During the investigation, I observed an area next to a stream bank where Chieftain Energy had stored open drums of used oil, diesel fuel, and "crude oil", some overflowing onto the ground. In addition, I observed several containers of unevaluated waste generated by Chieftain Biofuels onsite, as well as in the dumpster. Based on this, I found the following violations of Ohio's hazardous waste rules. In order to correct these violations, you must do the following and send me the required information **within 30 days** of the date of this letter:

- (1) **OAC Rule 3745-279-22 (D), Used Oil Storage Requirements for Generators:** Used oil generators who release used oil onto the ground must, upon detection of a release, stop the release, contain the released oil, clean up and properly manage the released oil, and ensure that storage containers are in good condition prior to returning them to service.

Chieftain failed to stop, contain and cleanup releases of used oil and crude oil from open drums onto the ground next to the stream. A total of seven drums contained used oil, three contained diesel fuel, five contained crude oil and six contained oily water. Several of the drums had open bungs and had overflowed onto the ground. Based on stained soils, it was apparent that used oil had entered the creek at one time. In addition, a small crane stored nearby had overturned next to this area and as a result, transmission oil had been released to the ground immediately below the crane. Chieftain must immediately stop all releases of used oil, oily water, crude oil, diesel fuel and transmission oil onto the ground and into the stream. Releases of used oil into waters of the state are violations of ORC 6111. Chieftain must excavate and containerize all oily soils, and dispose of them as a solid waste in your

dumpster. Also, Chieftain must recycle or dispose of all used oil, crude oil, oily water and contaminated diesel fuel. In order to document compliance with this regulation, please submit to me photographs that document all areas where oils and fuels were cleaned up, and receipts for the disposal or recycling of all the aforementioned wastes. Should you require a list of recycling or disposal companies, please contact me. Also, Ohio EPA strongly recommends that this waste storage area be immediately moved away from the creek. Please submit a detailed description of where and how these wastes will be managed from this point forward.

(2) **OAC Rule 3745-52-11, Waste Evaluation:** Any person who generates a waste must evaluate the waste to determine if the waste is a hazardous waste in accordance with the criteria set forth in OAC Chapter 3745-51.

A) Outside the production building, a 250-gallon tote containing sodium methylate, a raw material used in the production of biodiesel, is stored within a plastic secondary containment pallet. The secondary containment pallet is filled with a mixture of rainwater and crystallized sodium methylate. Chieftain must evaluate the mixture in the secondary containment pallet to determine if the contents are a hazardous waste and if so, containerize it and dispose of it as such. Please submit the results of the waste evaluation to this office prior to disposing of the mixture.

B) Spent fluorescent lamps were observed in a dumpster and in a cardboard 55-gallon trash drum stored outside the office. Chieftain must evaluate the lamps to determine if they are a hazardous waste and if so, manage them as either a hazardous waste, or as a universal waste under OAC rules 3745-273. Please submit the results of the waste evaluation to this office, with a description of how Chieftain plans to manage this waste in the future. The following links will provide information on management of spent universal waste lamps:
<http://www.epa.ohio.gov/portals/32/pdf/LampGuidance.pdf>
<http://www.epa.ohio.gov/portals/32/pdf/NotifierSpring07.pdf>

GENERAL COMMENTS

(a) During the inspection, Ohio EPA observed a secondary containment dike, within which were several 1,000-gallon tanks holding product oil, glycerin or biodiesel. A pipe installed in the floor of the secondary containment led directly to the stream. Should the tanks leak, this would be a direct conduit to the stream. Please immediately remove this pipe, seal the secondary containment and develop another way to drain accumulated precipitation from the secondary containment. In addition, your company is subject to federal Spill Prevention, Control and Countermeasures rules (SPCC) which require secondary containment and an SPCC plan for stored oils and petroleum products, and must have a site-specific plan onsite if asked by the Ohio or U.S. EPA. During the inspection, a plan was not maintained onsite by your company. A fact sheet on these requirements can be found at:
<http://www.epa.ohio.gov/portals/41/sb/publications/spcc.pdf>

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Chieftain Biofuels/Chieftain Energy
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Please review and comply with these requirements. If you have any questions about these requirements, contact Dennis Deavers of the Division of Emergency and Remedial Response, Ohio EPA at 740-385-8501.

- (b) Chieftain purchases plastic 250-gallon totes, which previously contained chemical raw materials, for re-use as containers for soy oil and other byproducts which they sell. These containers are washed prior to arriving on-site but contain labels which describe their original contents as acids or corrosives. Ohio EPA recommends that Chieftain remove the labels on all empty containers prior to storage so it does not appear as though they are storing numerous totes of chemicals.
- (c) In several outdoor areas of the plant, Ohio EPA observed open containers which held residual liquid or oil product generated from the transfer of these product from tanks into trucks or totes. These open containers were accumulating rainwater and could overflow onto the ground or into the bottom of diked areas, thus requiring removal. Please immediately close these containers or develop an alternative method of handling residual liquids.
- (d) Chieftain recently installed a used oil burning furnace in one of its production buildings. While there is no current plan to burn used motor oil (the furnace will burn soy oil or other unregulated products), Chieftain requested information on Ohio's used oil burning regulations. Guidance on burning used oil in space heaters at businesses can be found at the following link:
<http://epa.ohio.gov/portals/32/pdf/UsedOilSpaceHeaterBusiness.pdf>

Should you have any questions, please feel free to call me at (740) 380-5293. You can find copies of the rules and other information on the division's web page at <http://www.epa.state.oh.us/dhwm>.

Sincerely,



Donna Goodman
District Representative
Division of Hazardous Waste Management

DG/mlm

NOTICE:

Ohio EPA's failure to list specific deficiencies or violations in this letter does not relieve your company from having to comply with all applicable regulations.

| | | |
|---------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-----------------------|
| Send to Central Office <input checked="" type="checkbox"/> | Ohio Environmental Protection Agency RCRA SUBTITLE C SITE IDENTIFICATION/VERIFICATION FORM | For Ohio EPA use only |
|---------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-----------------------|

Completed verification forms required to be submitted to CO should be e-mailed to kristina.durnell@epa.state.oh.us.

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| Site EPA ID No. Site Name Site Location Information Site Land Type (check only one) NAICS code(s) www.census.gov/epcd/www/naics.html | EPA ID Number: Name: Chieftain Biofuels and Chieftain Energy Website: (Optional) <hr/> Street Address: 32919 Logan- Hornsmill Road <hr/> City, Town, or Village: Logan State: OH <hr/> County Name: Hocking Zip Code: 43138 <table style="width:100%; border: none;"> <tr> <td style="border: none;">Private</td> <td style="border: none;">County</td> <td style="border: none;">District</td> <td style="border: none;">Federal</td> <td style="border: none;">Indian</td> <td style="border: none;">Municipal</td> <td style="border: none;">State</td> <td style="border: none;">Other</td> </tr> <tr> <td style="border: none;"><input checked="" type="checkbox"/></td> <td style="border: none;"><input type="checkbox"/></td> </tr> </table> | Private | County | District | Federal | Indian | Municipal | State | Other | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Private | County | District | Federal | Indian | Municipal | State | Other | | | | | | | | | | |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | | | | | | | |

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| Facility Representative Additional names can be recorded in number 12 Only provide address information if it is different than the site address | First Name: Doug MI: Last Name: Kitchen <hr/> Phone Number 740-385-6883 Phone Number Extension: <hr/> E-Mail Address: <hr/> Fax Number: Fax Number Extension: <hr/> Street or P.O. Box: <hr/> City, Town or Village: <hr/> State: Zip Code: |
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| Legal Owner And Operator of the Site. List Additional Owners and/or Operators in the Comment Section or on another copy of this form page | Name of Site's Legal Owner: Chieftain Biofuels Owner Private County District Federal Indian Municipal State Other Type: <input checked="" type="checkbox"/> <input type="checkbox"/> <hr/> Street or P.O. Box: <hr/> City, Town or Village: <hr/> State: Owner Phone #: <hr/> Country: Zip Code: |
| Name of Site's Operator: Chieftain Biofuels and Chieftain Energy Operator Private County District Federal Indian Municipal State Other Type: <input checked="" type="checkbox"/> <input type="checkbox"/> <hr/> Street or P.O. Box: <hr/> City, Town or Village: <hr/> State: Operator Phone #: <hr/> Country: Zip Code: | |

VIOLATIONS CITED? Yes No

TYPE OF HANDLER - MARK "X" AS APPROPRIATE

| | | |
|---------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> Not a HW Generator | <input checked="" type="checkbox"/> UNKNOWN: Cited for violation of 3745-52-11 | <input type="checkbox"/> Large Quantity Generator (LQG) <input type="checkbox"/> Small Quantity Generator (SQG) <input type="checkbox"/> Conditionally Exempt Small Quantity Generator <input type="checkbox"/> U.S. Importer of Hazardous Waste <input type="checkbox"/> Mixed Waste (Hazardous and Radioactive) Generator |
|---------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

TYPE OF REGULATED WASTE ACTIVITY (MARK "X" IN ALL OF THE APPROPRIATE BOXES)

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| <input type="checkbox"/> Recycler of Hazardous Waste <input type="checkbox"/> Underground Injection Control Facility <input type="checkbox"/> Hazardous Waste Transporter <input type="checkbox"/> Treater, Storer or Disposer of Hazardous Waste | <input type="checkbox"/> Exempt Boiler and/or Industrial Furnace <input type="checkbox"/> Small Quantity On-Site Burner Exemption <input type="checkbox"/> Smelting, Melting, Refining Furnace Exemption |
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**UNIVERSAL WASTE ACTIVITIES (INDICATE TYPES OF UNIVERSAL WASTE MANAGED
(CHECK ALL BOXES THAT APPLY)**

- Small Quantity Handler of Universal Waste Destination Facility for Universal Waste
 Large Quantity Handler of Universal Waste
(accumulates 5,000 kg. or more)

CHECK ALL BOXES BELOW THAT APPLY FOR THE TYPES OF UNIVERSAL WASTE THE FACILITY MANAGES:

- Batteries
 Pesticides
 Mercury containing equipment
 Lamps

USED OIL ACTIVITIES (INDICATE TYPE(S) OF ACTIVITY(S))

- Used Oil Generator
 Used Oil Transporter
 Used Oil Transfer Facility
 Used Oil Processor
 Used Oil Re-refiner
 Off-Specification Used Oil Burner
 Used Oil Fuel Marketer Who Directs Shipment of Off-Spec. Oil
 Used Oil Fuel Marketer to Off-Specification Used Oil Burner

Waste Codes for Federally Regulated Hazardous Wastes. Please list the codes for the federally regulated hazardous waste handled at the site. List them in the order they are presented in the regulations (e.g., D001, D003, F007, U112). Use an additional page or list them in the comments if more space is needed. If the waste codes are the same as listed in the most recent RCRAInfo source record, you do not need to list them. Instead just indicate the date of the most recent source record.

COMMENTS: USE THIS AREA TO DESCRIBE WHETHER THE INSPECTION WAS ANNOUNCED, WHETHER THE WASTE IS STORED IN TANKS OR CONTAINERS, ETC.

Announced Yes No Additional Facility Representatives:
Tanks Yes No
Containers Yes No

Name of Inspector(s)
Donna Goodman

Name of Inspector(s)
Rich Stewart
Dan Imhoff (DSW)

Date of Inspection/Time
(mm/dd/yyyy) (hh:mm)
3/24/10 9AM

Comments:

This address houses two corporations owned by the same owner, Doug Kitchen: Chieftain Biofuels and Chieftain Energy. There was no NAICS number found for "biofuels". Chieftain Energy owns and operates oil and gas wells in the region. Drums contained waste generated by Chieftain Energy.