



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 Korleski, Director

June 23, 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:

Thank you for your letter of response received on May 17, 2010 to Ohio EPA's April 6, 2010 Notice of Violation (NOV) letter. Documentation you submitted included photographs of areas where excavation of oily soils took place; receipts for the solid waste disposal of soils and debris contaminated with crude oil; receipts for reuse of diesel fuel-contaminated waters as a cleaning solvent for wells owned by Chieftain Energy; an explanation of the reuse in your process of rainwater in a secondary containment pallet contaminated with sodium methylate; and a description of how spent fluorescent lamps will be managed in the future as a universal waste, as well as photographs of spent lamps being accumulated onsite. These photographs showed that the lamps were **not** labeled in accordance with universal waste regulations. On June 1, 2010, we spoke by telephone and discussed your written response to several of the violations and comments in the NOV letter. You then submitted photographs via email on June 9, 2010 of properly labeled spent fluorescent lamps.

My review of this documentation reveals that Chieftain Biofuels has now abated all violations previously cited as a result of the March 24, 2010 complaint investigation.

GENERAL COMMENTS

- (a) Chieftain Biofuels stated in their May 17, 2010 response that they self-transported their used oil to another local business, Stimmel Construction, which burns used oil in a furnace. Please note that Stimmel Construction is not a used oil collection center registered with the Ohio EPA, and therefore, is not approved to accept used oil generated by another commercial facility such as yours. Also note that per OAC rule 3745-279-24, you may self-transport no more than 55 gallons of your company's used oil at any time to an approved used oil collection center in a vehicle owned by your company. Should you have more than 55-gallons at a time, you must use a transporter that has an EPA ID number. The following list of registered used oil recyclers can be used to choose a company that can transport and recycle your used oil in the future:

http://epawebapps.epa.state.oh.us/Recyclers/jsp/results.jsp;jsessionid=6d0L_Mb0RQdYQMLTpJ9rYvJNyXhjh2ZSYsSy8z0gnn7TDX123wTNJ!-666070982

- (b) 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. Per Ohio EPA comments, Chieftain Biofuels' letter received on May 17, 2010 included photographs of the removal of the pipe and sealing of the dike, and a description of how accumulated rainwater will be managed in the future. Chieftain Energy has now adequately addressed this concern. Please note that as stated in Ohio EPA's April 6, 2010 NOV letter, your company remains 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>

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.

- (c) Chieftain Biofuels 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 recommended during the inspection that Chieftain Biofuels remove the labels on all empty containers prior to storage so it does not appear as though they are storing numerous totes of chemicals. Chieftain Biofuels' response of May 17, 2010 describes that labels on all totes have now been removed.
- (d) In several outdoor areas of the plant, Ohio EPA observed during the inspection that 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. In Chieftain Biofuels' May 17, 2010 response, Chieftain Biofuels stated that all empty containers holding residual liquids had been sealed to prevent this problem.
- (e) Chieftain Biofuels 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 Biofuels requested information on Ohio's used oil burning regulations. The following guidance on burning used oil in space heaters at businesses was provided in the NOV letter:

<http://epa.ohio.gov/portals/32/pdf/UsedOilSpaceHeaterBusiness.pdf>.

Mr. Doug Kitchen, President
Chieftain Biofuels/Chieftain Energy
June 23, 2010
Page 3

Please note that in our telephone conversation of June 1, you stated that your furnace exceeds the regulatory limit of 0.5 million BTUs per hour for space heaters burning used oil, as found in OAC Rule 3745-279-23. As we discussed, you must contact the Ohio EPA Division of Air Pollution Control prior to burning any used oil in this furnace to determine if it is subject to permitting requirements.

- (f) Please note that spent fluorescent lamps must be stored in closed containers pursuant to OAC 3745-273-13. One method of doing this is to use the boxes that new lamps were packaged in. Boxes should be taped shut after being filled with spent lamps, and the date that each lamp or box of lamp became spent must be recorded. Please immediately ensure that spent lamps are being managed properly at your facility. The following links, which were originally provided in the Ohio EPA NOV letter, 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>

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.