



John R. Kasich, Governor
Mary Taylor, Lt. Governor
Scott J. Nally, Director

May 6, 2013

CERTIFIED MAIL

Mr. Robert D. Holder
Blackhorse Energy, LLC
PO Box 40
New Carlisle, OH 45344

**RE: Blackhorse Energy, LLC - Springfield Bulk Fuel Plant
NPDES Compliance Inspection - Clark County**

Dear Mr. Holder:

On March 20, 2013, I inspected your Springfield bulk fuel terminal in preparation of the renewal of National Pollutant Discharge Elimination System (NPDES) permit 1IN00256*CD. The tenant of the warehouse building was present and one of your delivery truck drivers was on-site. I did not observe any deficiencies associated with facility operations.

A review of Discharge Monitoring Reports (DMRs) going back to March 2010 revealed no reported effluent limit violations. However, it was interesting to note that, during this over three-year period, there are only ten days when monitoring occurred whereas there were forty-three days when precipitation was reported. Of the ten days when discharge monitoring occurred, three were on days when there was no precipitation.

Upon submittal of your renewal application, it became unclear to me whether Blackhorse Energy or R.D. Holder Oil is the proper permittee for this facility. When I posed the situation to our legal staff in our Central Office they indicated that NPDES permits should be issued to the operator of the facility as the operator is the one conducting the industrial activity that results in the discharge of industrial waste and is therefore responsible for controlling the quality of the discharge. But they also pointed to the more significant issue of the renewal application being submitted after the expiration date of the permit which causes the discharge to be in violation of Ohio Revised Code 6111.04, *Water Pollution and Sludge Management Violations Prohibited*.

Since April 1, 2013, discharges from the facility continue to not be authorized by a valid NPDES permit as required by ORC 6111.04 which subjects you to a penalty of up to \$25,000 per day pursuant to ORC 6111.99. Renewal of the NPDES permit cannot proceed until I receive a complete application.

Your consultant provided me a letter on May 3rd responding to my March 6th email regarding the NPDES permit application. The letter states that Blackhorse Energy is the permittee and an amended permit application was included to reflect this. However, the revised application Form 1, showing Blackhorse Energy as the applicant, was not signed by Mr. Holder as required; please send a signed copy of the form as soon as possible.

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The letter also indicated that the discharge from the pond is controlled by a valve. Please indicate where this valve is located as I am not aware of the existence of a valve. I would also be interested in knowing what determines the need to open and close the valve.

Finally, the revised site plan included with the letter shows the discharge being from the southwest side of the pond into the hillside when the discharge is actually on the northwest side into the wooded area. Also, surface drainage is shown to radiate from the center of the property whereas drainage actually flows generally from southeast to north. Installed berms for directing surface flow away from the load rack drainage system also need to be shown on the plan. Please revise the site plan and either include it with the signed application form or email it to me.

When I am able to renew the NPDES permit, I plan to include a requirement for you to report discharge flow in gallons per day. I believe this can be easily accomplished through, as I called for in my 2010 inspection letter to BP Oil, the use of an elapsed run-time meter installed on the pump that discharges to the pond. A 'pickle bucket and stop watch' calculation of the discharge flow rate, in conjunction with the elapsed run-time meter reading, would allow you to determine the gallons discharged; essentially every gallon pumped into the pond is discharged from it. Please let me know if you are agreeable to providing this means of flow measurement and indicate when you think it could be installed.

Please provide a written response to this letter by May 20th. If you have any questions, please call me at (937) 285-6095.

Sincerely,



Matt Walbridge
Environmental Specialist
Division of Surface Water

MW/kb

Enclosure

cc: Ralph Hirshberg, PE – CEC, Inc.



NPDES COMPLIANCE INSPECTION REPORT

Section A: National Data System Coding

Permit Number 1IN00256*CD	NPDES Number OH0122921	Inspection Date 3-20-13	Inspection Type R	Inspector S	Facility Type 2
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Section B: Facility Data

Name and Location of Facility Inspected: Blackhorse Energy, LLC Springfield Bulk Fuel Plant 1135 Warder Street Springfield, OH 45503	Entry Time 1030	Permit Effective Date April 1, 2008
	Exit Time 1045	Permit Expiration Date March 31, 2013

Name(s) and Titles of On-Site Representative(s) Building tenant personnel	Phone Number(s) NA
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Name, Title and Address of Responsible Official: Robert D. Holder, Owner Blackhorse Energy, LLC PO Box 40 New Carlisle, OH 45344 <i>(From Clark County Auditor's Office)</i>	Phone Number (937) 882-0095 ext. 13
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Section C: Areas Evaluated During Inspection

(S = Satisfactory, M = Marginal, U = Unsatisfactory, NA = Not Applicable, NE = Not Evaluated)

U Permit	NA Flow Measurement	NA Pretreatment
M Records/Reports	NA Laboratory	NA Compliance Schedules
S Operations & Maintenance	S Effluent/Receiving Waters	NA Collection System
S Facility Site Review	NE Sludge Storage/Disposal	NA Other
M Self-monitoring Program		

Section D: Summary of Findings/Comments (Attach additional sheets if necessary)

- *The fuel recovery system was operating.*
- *It appeared that the berms designed to direct stormwater run-off from driveways away from the collection/treatment system for the load rack are effective.*
- *The cap on the discharge pipe from the pond was removed and there was evidence of discharge onto the ground.*
- *Discharge Monitoring Reports indicate that there have been only ten monitoring events in the three-plus year period between January 1, 2010 and March 31, 2013. Reported precipitation data exists for forty-three days which would seem to be days when there would be a discharge. Three of the ten dates with monitoring results were on days when precipitation was reported to be 'zero'. Some days with precipitation data aren't supported by weather records (precipitation reported when no rainfall recorded).*
- *The water in the lined pond that receives wastewater from the oil separator/skimmer did not exhibit any unusual color or odor and there was no oil sheen on the surface of the water.*
- *The NPDES permit is expired. Renewal application was submitted late and with deficiencies yet to be addressed.*

Name and Signature of Inspector(s) Matt Walbridge	Agency / Office / Telephone Ohio EPA / Southwest District Office / (937) 285-6095	Date 5-6-13
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Name and Signature of Reviewer(s) Martyn G. Burt	Agency / Office / Telephone Ohio EPA / Southwest District Office / (937) 285-6034	Date 5/6/13
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<i>Sent To</i>	MR. ROBERT D. HOLDER
<i>Street, Apt. No., or PO Box No.</i>	BLACKHORSE ENERGY, LLC P.O. BOX 40
<i>City, State, ZIP+4</i>	NEW CARLISLE, OHIO 45344

PS Form 3800, August 2006 See Reverse for Instructions

7010 1060 0002 4250 4293

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>X <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p>Travis Holder</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p>MR. ROBERT D. HOLDER BLACKHORSE ENERGY, LLC P.O. BOX 40 NEW CARLISLE, OHIO 45344</p> </div>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail</p> <p><input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label)</p>	<p style="font-size: 1.2em; text-align: center;">7010 1060 0002 4250 4293</p>
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	