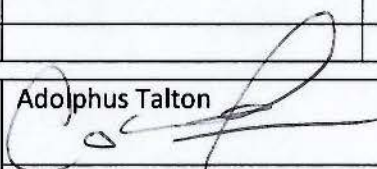
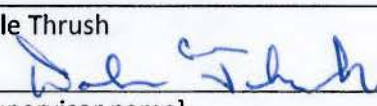


**Region 6 Compliance Assurance and Enforcement Division
INSPECTION REPORT**

Inspection Date(s):	June 12 – 15, 2017		
Media:	Waste		
Regulatory Program(s)	RCRA		
Company Name:	Chemical Process and Production		
Facility Name:	Chemical Process and Production (CPP)		
Facility Physical Location:	15133 Linda Lane		
(city, state, zip code)	Santa Fe, Texas 77020		
Mailing address:	P. O. Box 1515		
(city, state, zip code)	Santa Fe, Texas 77510		
County/Parish:			
Facility Contact:	Greg Ploss	President/Environmental Manager	
	GPLOSS@AOL.COM		
FRS Number:			
Identification/Permit Number:	TXD095185807		
Media Number:			
NAICS:	32411 (Petroleum Refineries)		
SIC:	2911 (Petroleum Refineries)		
Personnel participating in inspection:			
Adolphus Talton	EPA RCRA Enforcement Branch (6EN-H1)	Enforcement Officer	(214) 665-6651
David Robertson	EPA RCRA Enforcement Branch (6EN-H1)	Lead Inspector	(214) 665-7363
Angela Hays	EPA RCRA Enforcement Branch (6EN-H1)	Inspection Team member	(214) 665-2285
Gregg Ploss	CPP	President/Environ Mgr	(409) 925-1676
Eddie Lewis	Norton Rose Fulbright	Attorney for CPP	(713) 651-3760
Mike Landers	CPP	Lab Supervisor/Chemist	(409) 925-1676
Walt Inkofer, P.E.	CPP	Chemical Engineer	(409) 925-1676
Stephanie Porter	CPP	Secretary	(409) 925-1676
EPA Enforcement Officer Signature/Date	 Adolphus Talton {Enforcement Officer}		1-23-18 Date
Supervisor Signature/Date	 Dale Thrush {Supervisor name}		4-9-18 Date

Section I – INTRODUCTION

On June 12, 2017, a Compliance Evaluation Inspection covering Resource Conservation and Recovery Act (RCRA) regulations was initiated at Chemical Process and Production (CPP) located at 15133 Linda Lane, Santa Fe, Texas. The inspection was conducted under the authority of RCRA Section 3007(a), as amended.

The inspection team was led by Mr. David Robertson, accompanied by Mr. Adolphus Talton, Enforcement Officer, and Ms. Angela Hays, Inspection team member. The team arrived at the facility on the morning of June 12, 2017. The EPA Representatives presented their credentials and explained the purpose of the visit to Ms. Stephanie Porter, Secretary, Mr. Walt Inkofer, P.E., Chemical Engineer; Mr. Mike Landers, Lab Supervisor & Chemist; Mr. Greg Ploss, President/Environmental Manager; and Mr. Eddie Lewis, Attorney for Norton Rose Fulbright US LLP via conference call. CPP provided an overview of the facility's processes and EPA Representatives were informed that normal operations were currently shutdown. Mr. Ploss is responsible for all waste management activities at the CPP facility.

PURPOSE OF THE INSPECTION

The main focus of the inspection was to determine compliance with applicable hazardous waste regulations. The facility notified as a Small Quantity Generator (SQG) of Hazardous Waste, generating greater than 100 kg (220 lbs) but less than 1,000 kg (2,204 lbs) of hazardous waste per calendar month.

FACILITY DESCRIPTION

CPP was founded in 1972. In the beginning, the facility operated as a petroleum refinery that sat on approximately 15-acres. CPP started as a hydrocarbon tolling facility recovering dichlorbutenes and diisobutylene. CPP currently is a manufacturing plant which processes specialty hydrocarbon feed stock. They have approximately 20 employees and operate 24 hours a day, seven days a week.

CPP has two primary processes (Unit Nos. 2, and 3) that separate various products from feedstock materials. The feedstock is received from multiple companies (See Appendix 23 – Bills of Lading). Some of the feedstocks processed are iso-octane, mineral oil, hexane/toluene mixtures, and hexane/lube oil mixtures. Each process operates in a similar manner, in that the feedstock stream is pre-heated with heat exchangers before it enters distillation tower(s) operating with steam-heated reboiler(s), which separates the higher boiling point component stream (termed "bottom product") from the lower boiling point component stream (termed "overhead product"). Each process can operate in vacuum mode. The 10.0425 MMBTU/hr boiler combusts primarily natural gas but can combust fuel oil for up to 48 hr/yr to produce steam which is used in the process reboilers and heaters. The products manufactured via distillation include hexane, octane, diisobutylene, cyclohexanol, C6-C12 hydrocarbons, and lube oil. All materials are trucked in and out of the plant.

The bottom product stream is pumped to the bottom product storage tanks, and the overhead product streams are pumped to the overhead product storage tanks. The feedstock material, bottom product, and overhead product storage tanks operate with nitrogen blankets that are vented to the flare. The bottom and overhead products are loaded into transport trucks and removed from the site. Vapor-balance lines are used to route displaced truck vapors back to the tanks.

The Chempro Pro E material is a gasoline blend stock product produced by CPP. Tol 5600 is a Toluene Stream. Isopar is a Hydrocarbon solvent.

Water generated from boiler blow down is trucked to Intergulf Bayport for disposal. Process water is also trucked to Intergulf Bayport for hydrocarbon recovery. Solid waste is sent to Clean Harbors for disposal. Gasoline and fuel oil are blended and shipped to Kinder Morgan.

CPP conducts tank clean-out on an average of every 5 years or as needed. The solids are removed and stored in dewatering boxes until they are shipped for disposal. The waste is profiled by a third party company. CPP provided a copy of their analytical results dated January 31, 2014 and June 9, 2017; and waste profiles dated March 7, 2014, and July 14, 2014 (See Appendixes 9 and 10). CPP personnel supervise the tank clean-out, and ship the material off for disposal on a hazardous waste manifest. Tank B-1 contains feed hydrocarbons for the distillation unit. Sludge accumulated in the bottom of the tank is periodically removed and shipped to Clean Harbors.

The facility provided copies of Hazardous Waste Manifests and Land Disposal Restriction Forms (See Appendixes 11 and 12). In 2014, CPP conducted a major tank clean-out in order to do a tank inspection (653 API Inspection) because of a 10 year internal/external inspection requirement.

Section II – OBSERVATIONS

On June 13-14, 2017, the site tour of the facility was conducted by EPA Representatives who were accompanied by Mr. Greg Ploss, Mr. Michael Landers, and Mr. Walt Inkofer of CPP. The following areas were visited: Control Room; Tank Farms S, B, and D; Storage Area; Maintenance Shop; an area opposite of the Maintenance Shop; and Drum and Container Storage Area.

On June 14, 2017, EPA Representatives visited the Truck Unloading Area and returned to the office to conduct records review.

On June 15, 2107, samples were taken from Tank A-3. Sample activities were done in accordance with the Quality Assurance Project Plan dated June 2, 2017, and QA/QC procedures. After samples were taken, EPA provided the facility with sample splits to conduct their own independent analytical testing if they chose too. After samples were taken from Tank A-3, an exit briefing was conducted with EPA Representatives and CPP personnel.

Control Room

The Control Room is used by CPP personnel to monitor the distillation process which consist of two distillation columns (5 ft tower and 30 inch tower).

"S" Tank Farm

"S" Tank Farm contains tanks S-1 through S-8. These tanks contain feed stream material and/or overhead and bottom products. Tank S-1 is used to store hexane materials which are called "Spent Product." The "Spent Product" is not processed, it is repackaged and sold (See Appendix 23). Tanks S-4 and S-6 store toluene which is considered by the facility as a co-product.

During the inspection of the "S" Tank Farm, it was observed that corrosion was present on the Hexane filter pot (See Photos #1 – 3), an open valve (See Photos #4 - 6), and a drip pan (See Photo #7). Also, venting of pipes and valves on Tank S-1 (See Photos #8 – 12) was observed, which CPP explained that it may look like the integrity of the tank was compromised but in actuality it was paint deterioration and repair (See Photos #16 and 19). The filter pot has some corrosion (See Photos #20 – 23).

"B" Tank Farm

"B" Tank Farm contains tanks B-1 through B-5, and B-7 through B-11. These tanks contain feed stream material and/or overhead and bottom products. Tanks B-2 through B-5 were taken out of service to be cleaned in 2014. Tanks normally in use are B-1, B-9 and B-11. Tank B-1 is shutdown pending maintenance and Tanks B-9 and B-11 are currently used to receive and store bottoms from the distillation process.

During normal operation of the distillation process, drip pans are used to capture any liquid from hose change-outs. Captured liquids are pumped to Tank B-1. Hoses are used to couple the distillation unit to a specific tank. The drip pans are emptied on a daily basis.

At the time of the inspection, Tank B-1 was out of service to be cleaned. Tank B-1 was being prepped for clean-out and the contents were tested. The test results show the material as a non-hazardous, Class 1 material (See Appendix 9). Also, it was observed that Tank B-1 had an open hatch (See Photo #37), an open ended pipe/vent at the top of the tank (See Photos #38 - 43) and a drip pan (See Photo #36). For additional view of Tank B-1 see Photo #33. Tank B-2 had an open hatch (See Photos #44 and 45). Tank B-2 was empty and clean.

"D" Tank Farm

"D" Tank Farm contains tanks D-8, and D-9. Tanks D-8 and D-9 contains water drawn off of feed material delivery tankers.

Water arriving in truckloads of hydrocarbon feed material is separated from the hydrocarbons. The rack operator uses a water-finding paste to determine the water level on the truck(s). The water is then transferred from the truck to Tank D-8. The water/hydrocarbon phase is transferred to Tank D-9. The remaining water-free hydrocarbons are transferred to Tank B-1. Tank D-9 is a separator tank that holds the water/hydrocarbon phase from truckloads. Periodically the water phase in Tank D-9 is transferred to Tank D-8. Tank D-8 contains process water only and is processed by distillation for hydrocarbon recovery. The hydrocarbons from this process is routed to Tank B-1. The water from his process is

routed to Tank A-3. The water from Tanks D-8 and D-9 are shipped to Intergulf for disposal (See Photos #27 – 32).

During the inspection, EPA noticed an opened yellow 5 gallon bucket receiving liquids from a valve that was leaking. CPP indicated the material was Product-Poly 3. A description of the material was not provided by the facility at the time of the inspection.

Area Opposite Maintenance Shop

EPA observed sand blasting material on the ground from a contractor painting Tank B-5. A copy of the analytical results from sand blasting material was requested from CPP which the EPA did not receive. Also, the area included a red roll-off box which contained discarded trash and used paint buckets from painting Tank B-5.

Storage Area

EPA observed one open box of light bulb labeled "Universal Waste Lamps" dated 9/23/16.

Maintenance Shop

There were no containers present in this area.

Drum and Container Storage Area (DCSA)

EPA Inspector observed three containers of hazardous waste labeled "Sulfuric Acid":

- One Blue 15-gal Polymer drum of Sulfuric Acid (See Photo #50);
- One Black 55-gal drum of Sulfuric Acid (See Photo #50); and
- One 5-gal drum of Sulfuric Acid. The drum was not dated.

During the inspection the containers were labeled and accumulation dates were applied by CPP. CPP identified the contents of the containers as hazardous waste (See Appendix 11) and they were disposed.

"A" Tank Farm

"A" Tank Farm contains tanks A-1 through A-4. Tanks A-1, A-2, and A-4 contain MDO (marine diesel oil) product. Tank A-3 contains process water from the hydrocarbon process. The water from Tank A-3 ultimately goes to Gulf Coast Water Authority.

The CPP indicated a flash test is completed on the water in Tank A-3 every two hours. A copy of the documentation used to record the results was requested which was not provided. CPP conducts a self-audit every 10 years which has been done.

A sampling event was conducted at Tank A-3 on June 15, 2017. The contents were tested for TCLP VOCs and ignitability (flash point). The samples were delivered to EPA's Houston Lab located in Houston, Texas. On August 30, 2017, the preliminary analytical results for the samples taken from Tank A-3 indicated the contents were non-hazardous. Due to the disaster in Houston, Texas, the final analytical results are not available at this time, and will be disseminated at a later date.

Truck Unloading Area

Contents of all incoming shipments are inspected in this area by CPP. Once a truck is parked in this area, CPP uses a stick to determine the water level in the truck. Depending on the contents, the following steps are taken: 1) if content is largely water, it's pumped to Tank D-8; 2) if content is mix with water and other materials, it's pumped to Tank D-9; and 3) if content is product, the material is pumped to Tank B-1.

All incoming shipments received by CPP are on Bills of Lading as non-hazardous material. During the inspection, a drip pan was observed (See Photos #34, 35, and 37).

Hexane Material

Tank S-1 stores Hexane that the facility identifies as a "spent product". It is a solvent received from customers who have used it in their process. CPP cannot use Hexane in their process, so they repackage it and sell it for use as a fuel. It is not mixed with anything else. It is received in bullet tanks like propane.

Additional Information

CPP conducts a Self-Audit approximately every 10 years. CPP currently does not have a Wastewater Discharge Permit. During the inspection, CPP informed EPA Representatives of their NPDES Permit Application submission to Texas Commission on Environmental Quality (TCEQ).

Section III – AREAS OF CONCERN

At the conclusion of the inspection and the sampling event, an exit briefing was conducted with CPP. EPA shared with CPP that hazardous waste generation, storage and disposal activities were under review and analytical results from sampling are under review.

Containers in the DSCA area were not labeled and the accumulation dates were not present. CPP corrected during the inspection.

Preliminary notice for the samples were received by EPA. The results are the material is non-hazardous. Due to the disaster in Houston, Texas, the final data is not available at this time and the sample results will be attached later.

Records Review

A records review was conducted by EPA, including but not limited to manifests, LDRs, Bill of Ladings, Contingency Plan, Training, Emergency Procedures.

Section IV – FOLLOW UP

No information was received by EPA after exiting CPP's facility on June 15, 2017.

Section V – LIST OF APPENDICES

Section V – LIST OF APPENDICES

- Appendix 1 – Photo Log – 50 photos taken 6/13/17
- Appendix 2 – Facility Process Description w/flow diagram (from current Air Permit dated August 2005)
- Appendix 3 – Facility Process Description w/flow diagram (from draft Air Permit dated August 2015)
- Appendix 4 – Hand drawn Wastewater PFD flow diagram (by Mike Lander on June 14, 20/17)
- Appendix 5 – Description of Potential Pollutants Sources from Storm Water Pollution Prevention Plan dated May 2014
- Appendix 6 – Emissions Standards from Permit Number 239
- Appendix 7 – Evacuation Plan (SOP)
- Appendix 8 – Garner Response Rate Schedule
- Appendix 9 – Analytical Data from ALS
- Appendix 10 – Waste Profile
- Appendix 11 – Hazardous Waste Manifests
- Appendix 12 – Land Disposal Restriction
- Appendix 13 – All Run Feed Log Sheet
- Appendix 14 – Toluene FD Log Sheet
- Appendix 15 – Everything Receiving Log Sheet
- Appendix 16 – Isoper Receiving Log Sheet S-2/S-3
- Appendix 17 – Marine Diesel Oil (MDO) Shipping Log Sheet
- Appendix 18 – Chempro E S2/S3 Shipping Log Sheet
- Appendix 19 – Non-Hazardous Water Shipping Log Sheet
- Appendix 20 – Hexane/C6 Shipping Log Sheet
- Appendix 21 – Hexane Receiving Log Sheet
- Appendix 22 – Daily Inventory Sheets
- Appendix 23 – Bill of Ladings