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PLAINTIFF'S EXHIBIT
KRC-522

INTERNAL CORRESPONDENCE

KM	TO A. L. Dooley	DATE July 16, 1987
Reg. Compliance (UNIT)	FROM E. Anderson	SUBJECT Regulatory Compliance Insp. Southwestern Refinery

A Regulatory Compliance Inspection was conducted at the Southwestern refinery on July 6-10, 1987 by E. Anderson and A. L. Dooley. Facility contacts included: Waylon Litton, Mike Zimmer, Carolyn DeYong, Roger Clark, Dick Watson, Gerald Bowling, and various personnel in operations, maintenance, and laboratory. (*Action Required)

A. Items From Previous Compliance Inspection Dated 6/17/86

1. 40 CFR 60 Performance Specifications Subpart J

Requires facility to install continuous Co monitor by August 5, 1986. SWRCO was prepared to run an exemption performance test (Appendix B). However, the facility has installed a continuous Co monitor and this was calibrated (letter sent to the Texas Air Control Board August 4, 1986). This item is closed.

2. Hazard Communication Standard (29 CFR 1910.1200)

The Industrial Hygienist (C. DeYong) maintains update of MSDS sheets and handles the Right-To-Know requirements for the federal OSHA hazard communication standard. Currently, 19 MSDS books are available for update in various control rooms and areas within the plant. Several books were checked and are available in the control rooms in each operating unit. At this point, with the recent adoption of Title III requirements under EPA for Emergency Response and Community Right-to-Know, it is recommended that update to MSDS books be made by end of September 30, 1987 in order that an updated and revised list of MSDS's for this facility is available under Title III. (See Section B1)

*3. Labeling of Process and Storage Containers

The majority of the labeling of process vessels was completed (new vessels, paint programs require tracking). No color coded flow sheets are present in the control rooms for the operating units (i.e., benzene, sulfur unit, etc.).

* Facility Action Required: Identify process pipelines and storage containers (process flow sheet).

Designate area

SWRf/Asbestos 6612

*4. Employee Training

Initial training was reviewed in the previous audit and to date, no formal, additional training on the hazard communication program has been conducted. Industrial Hygiene keeps records of the training, and these were not reviewed during this inspection as only one employee had not gone through the initial training held in 1986.

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Facility Action Required: It is recommended a refresher program be put together on the hazard communication standard to ensure that updates of MSDS sheets in various process units are made and covered ~~with~~ operations.

5. Industrial Hygiene Program

Currently, Carolyn DeYong maintains an industrial hygiene program and no specified annual review is incorporated into the written part of the SWRCO hazard communication program. Selective results from this industrial hygiene monitoring program were reviewed during this audit. This item is closed.

B. Items From This Inspection

1. Superfund Amendments 1986: Title III Emergency Planning And Community Right-To-Know

a. Requirements: Title III

Initial notification has been made by the May 17, 1987 date to the State Planning Commission that Kerr-McGee's SWRCO facility falls within Superfund Amendment and Reauthorization Act (SARA) Title III. Additional compliance dates are identified in the attached EPA summary of the Title. By September 17, SWRCO must appoint an Emergency Response Coordinator to interface with the local community. By October 17, MSDS's are required to be submitted to the fire, state and local planning authority. Inventory forms for the hazardous substances which are present at this location (quantities greater than RQ) are currently in draft by EPA and will be required to be filed by July 1, 1988 (for 1987 material use).

b. Additional Information: Emergency Planning (Offsite)

SWRCO is currently an active member of the Corpus Christi CAER (Community Action Emergency Response) program developed originally under the Chemical Manufacturer's Association. The CAER Committee has developed a manual which gives basic site information as well as CAER coordinators for each industrial site (currently this CAER Committee is active and meets on a monthly basis, it is comprised of 9 local industries and fire and police Departments).

The first emergency drill under CAER was conducted at Southwestern's facility under this joint industry group on May 12, 1987 and a multiple casualty drill is scheduled for the near future.

*c. Southwestern Refinery - Emergency Response Plans (2/25/87)

Southwestern Refinery has recently updated its emergency response plan which includes facility evacuation procedures as well as procedures to notify local community residents. However, the current plan is expected to be expanded further to include immediate evacuation considerations for the community and types of alarms or sirens which might be used for this type of event. The safety department is charged with the coordination of the emergency response planning and CAER program. For the SWRCO site, an in plant drill is scheduled in the --- unit (confidential) in the next 2 months. It is estimated by Waylon Litton (Safety) that approximately 3 drills will be conducted this year. This facility has also established an Emergency Response Team (ERT) which undergoes training as supervised by Mike Zimmer (Safety). The procedures for notification in the event of fire have also been recently revised to incorporate the use of the Emergency Response Team in the alert process and to enlist offsite firefighting help from the local area fire company.

The main items that remain to be covered in the CAER program as related by Mike Zimmer include:

- Finalize method to alert community and establish evacuation plan, local authority involvement and media procedures and mechanisms.
- Establish guidelines and training for operators to evaluate releases.
- Final step would be a community wide drill.

The main items that remain to be covered in the on-site Emergency Response Plans include:

- Conducting site drills to train operators and evaluate response actions (3 drills are planned this year).
- Evaluating the types of potential incidents (spills, releases, fires, etc.) and potential impact on and off-site.

The basis for Title III notification to the State Emergency Planning Commission includes the following chemicals which exceed the threshold planning quantities: ammonia, chlorine, hydrogen flouride, hydrogen sulfide, manganese, sulfuric acid, and tetraethyl lead.

Facility Action Required: It is necessary that SWRCO appoint a facility representative by September 17, 1987 or 30 days after the local planning committee is formed. By October 17, 1987, MSDS's or a list of chemicals must be submitted to the state and local commission and local fire department.

Target dates for completion of items remaining under 1c to complete emergency response plans are requested in SWRCO's response to this inspection.

2. Facility Procedures and RCRA Training

RCRA training was given in 1987 and this program was conducted by Dick Watson and Bill Bradon (Training Dept.). Records are available in the training department of persons who were subject to the annual RCRA training requirement. SWRCO maintains a training file of commercial videos as well as develops video tapes for presentation during this RCRA training. Contractors are also trained the same way as SWRCO personnel.

No discrepancies noted.

*3. Safe Work Procedures

Approximately 68 safe work procedures are currently available in the "Southwestern Safe Operating Procedures" book. Many of these have not been revised since 12/4/84 and Waylon Litton is responsible for seeing that these procedures are reviewed and updated. Currently, many procedures are under review and an attempt is being made to get these updated by operations and/or Safety Councils which are established in various units of the facility. The following procedures were reviewed during this audit:

- Procedure #48: "Safe Handling of PCB's" requires update to new US EPA requirements (May 4, 1987). A copy of these regulations is available (Roger Clark) and will need to be incorporated into the existing facility procedure (1984).

- Procedure #65: Asbestos handling procedure #65 has been recently revised to the new OSHA standards. This was updated 2/3/87 and includes the current standard and safe handling procedures at this facility.

- Procedure #67: "Caustic Soda Truck Unloading in the Wastewater Treatment Plant" is no longer routinely used due to the fact that caustic is piped directly to the tank so no vacuum truck unloading is conducted at this operation. Therefore, this procedure should be revised and/or discarded.

According to the FCCU operator, the safe work procedure (caustic unloading, protective gear, etc.) is routinely followed in this operation. Protective gear (boots, shield, suit) and safety shower (working) was available at the unloading site.

Facility Action Required: For operating procedures, establish frequency or mechanism for update/review cycle on facility procedures (e.g. New Regulations; changes to work practices, etc.).

4. Training In Safety Procedures/New Employee Orientation/Operator Training

Currently, the maintenance department uses a maintenance safety council (established in 1986) to review the various safety aspects of the maintenance work. A maintenance supervisor was questioned regarding the mechanisms for the safety council. The concept of the safety council has been also recently installed within the SWRCO operation departments. This new concept provides an avenue for employees and supervisors to raise safety issues and concerns as a result of the work conducted. The operation of the maintenance safety council includes a weekly formal safety meeting as well as more informal daily meetings prior to initiation of specific maintenance work. According to supervisor, the various safety aspects of a specific job for the day will be gone over by the supervisor and any questions addressed. This program has not been in place for a long time but based on the interviews conducted, it appears that the employees are enthusiastic regarding this particular structure for input to their work practices. According to W. Litton, safe operating procedures will be reviewed through the safety council structure.

Alky Unit: An operator was interviewed in this unit and related that on the job training is conducted for new operators in this area. This system provides for senior operators to accompany new operators to teach job requirements. The length of this training is dependent upon the necessary skills developed by the trainee.

Procedure training is also provided for new employees by Bill Bradon (Training) as well as the safety department which coordinate on new employee orientation. A formal outline is used by Bill Bradon and testing is conducted.

*5. Southwestern Safety Rules Revised 7/1/87 Next Revision due 7/1/88

The safety rulebook for this facility was reviewed and certain items were audited. Various control room operators were interviewed regarding their knowledge of location of respirators, monitors, alarms (which indicate inplant incidents, fire, and chemical release). All control room operators were aware of the various unit alarm functions and indicated a knowledge of the SWRCO Emergency Response Plan and notification procedure. The initial reaction will be to notify shift supervisor that an incident has occurred within a unit.

During the course of the audit, various aspects of the safety rulebook were reviewed such as hardhats, clean shave policy, eye protection, ear protection in designated areas, secure compressed gas cylinders (also valve caps) when not in use or transport. No discrepancies were noted.

Observed Safety Violations

During this audit individuals were observed in the pipe rack area which were not properly tied off (> than 10 feet). This was brought to the attention of the immediate supervisor who was observing the operation.

Laboratory

Safety rulebook states that protective clothing will be worn, safety showers and eyewash locations will be established. Based on review of both labs located at this facility, the main lab needs to reestablish a policy for protective clothing use in the lab area. No one observed in this area was working in protective clothing.

Facility Action Required: It is recommended that SWRCO review the ~~current safe operating~~ procedures and special work procedures and establish a mechanism for on-site, periodic, and non-routine auditing of these functions to ensure that the safety rulebook procedures, safe operating procedures, and any other special work procedures (i.e., hot work and entry) are being followed. Advise Regulatory Compliance of the schedule for implementation of site audit program.

6. OSHA Requirements

a. Respiratory Protection

29 CFR 1910.134 (b) (3) requires respirator wearers to be trained in the use of respirators and their limitations. According to C. DeYong SWRCO Industrial Hygienist, employee respirator training is current. DeYong indicated that in addition to conducting the respirator training, she performed fit testing (using irritant smoke) and respirator inspection and maintenance programs at Southwestern.

*b. Hazard Communication Standard

Southwestern Refining Company (SIC 2911) is covered under the Federal Hazard Communication Standard (29 CFR 1910.1200). The Hazard Communication Standard took effect in May of 1986. In addition under the Texas Right-To-Know Law, SWRCO must comply with portions of the State law in addition to the federal standard.

Part of the Texas Right-To-Know Law specifies that employees shall have access to workplace chemical lists and MSDS's for hazardous chemicals. The training section of SWRCO's written hazard communication program indicates that copies of the "Written Hazard Communication Standard", "Chemical Hazard Communication List", "MSDS Book", and "OSHA Hazard Communication Standard" will be "located in each control room". In addition to these training provisions, the section under labeling provides for "color coded flow sheets in control rooms for pipes". Review for these items in various control rooms noted several deficiencies specifically; (1) color coded flow sheets for pipes were not available for review, (2) chemical hazard communication lists for individual operating areas were not available for review, (3) OSHA Hazard Communication Standard was not available in control rooms for review during this audit.

Facility Action Required: Review facility written Hazard Communication requirements and make available relevant training and informational documentation: advise Regulatory Compliance as to schedule of compliance.

c. Fire Protection

Portable fire extinguishers are visually inspected monthly by unit operators and records are maintained at the safety office (Mike Zimmer). Fire extinguishers were spot checked throughout the plant. Monthly fire extinguishers were current through July, 1987. (Reference 29 CFR 1910.157 (e) (2)).

Annual maintenance on portable fire extinguishers is conducted by Vallen Safety Company as required by 29 CFR 1910.157 (e) (3). Annual maintenance will be required during August/September, 1987.

*d. Means of Egress

Change House Lunch Room

29 CFR 1910.36 (b) (8) states that "every building or structure, section or area thereof such size, occupancy, and arrangement that the reasonable safety of numbers of occupancy may be endangered by the blocking of any single means of egress due to fire or smoke, shall have at least two means of egress remote from each other, so arranged as to minimize any possibility, that both may be blocked by any one fire or other emergency condition". Review of egress in change house lunch room indicated a potential area of non-compliance, depending upon building occupancy loading.

Facility Action Required: Review buildings and structures within the facility to determine occupancy loading and adequate means of egress to comply with requirements of 29 CFR 1910.36 and NFPA 101-"Life Safety Code".

e. Hearing Protection

All employees are included in the annual audiometric testing program. For the 1986 audiogram, review for STS (Standard Threshold Shift), and notification records were reviewed with Juanita Voelkel, SWRCO's Occupation Health Nurse. The 1987 annual audiograms are tentatively scheduled for completion during August of 1987. (Reference 29 CFR 1910.95 (g)).

No discrepancies were noted.

*f. Safety and Industrial Hygiene

Recordkeeping

OSHA required recordkeeping was reviewed with Juanita Voelkel, SWRCO's Occupation Health Nurse, during the audit. A random subset of SAIR's were brought from Oklahoma City and cross-referenced with facility records. In addition, the log of Occupational Injuries and Illnesses (OSHA 200) and Supplementary Records of Occupational Injuries and Illnesses (OSHA 101/Texas E-1) were reviewed for compliance with new Bureau of Labor statistics recordkeeping requirements. 20 CFR 1904.2 (a) (2) requires that each employer shall "enter each recordable injury and illness on the log and summary as early as practical but no later than 6 working days after receiving information that a recordable injury or illness has occurred".

It was discovered during this review that 3 accidents had not been recorded within 6 days as required. These were Pena of June 12, Mandez of June 14, and Barrera of June 23. These recordkeeping errors were discussed and subsequently corrected during this inspection. Discussions with Juanita Voelkel, SWRCO's Occupation Health Nurse, established that she was unaware of changes in OSHA recordkeeping requirements as reflected in the new BLS guidelines.

? Facility Action Required: It is recommended that Safety Departmental Communications and management oversight be improved to insure that program requirements are understood and followed through by departmental personnel.

*g. General Environmental Controls

29 CFR 1910.141 (g) (2) states that "no employee shall be allowed to consume food or beverages in a toilet room nor in any area exposed to a toxic material". During this audit it was discovered that employees at terminal 3 pipefitter's leanto routinely ate lunches at their work area and inspection indicated a welding rod warming oven may be used in preparing food for human consumption. In light of numerous studies which have determined inherent health hazards associated with inhalation of certain welding fume, the practice of exposing food to, and ingesting food in probable areas of high welding fume particulate concentrations ~~is questionable.~~

W/Re sampling
in
No sample in
control rooms

Facility Action Required: Verify and insure cleanliness of all facilities in which employees eat lunches and breaktime snacks (including control rooms, labs, change house, etc.).

*h. 29 CFR Part 1910 "Part 0" Hazardous Waste Operations

i. Implementation of Hazard Communication Program Adopted 12/19/86

This rule provides employee protection requirements for workers engaged in hazardous waste operations, including emergency response. This rule references the OSHA Hazard Communication Program and requires that the hazard communication program be in place. Based on review of the hazard communication program at SWRCO, the facility meets compliance with this aspect of the rule. (See required actions in section 6B.)

ii. Employee Protection: Site Safety and Health Plan

A formal plan must be developed and the compliance due date for this requirement was February 16, 1987. Currently, the SWRCO site safety and health plan has not been completed (in draft form estimated completion date 2 weeks). The plan incorporates requirements of this section (Medical Surveillance, etc.). Preliminary site IH surveys have been conducted.

Facility Action Required: It is required that this plant identify, evaluate, and control safety and health hazards associated with the SWRCO hazardous waste operations. A formal site Safety and Health plan is required. Immediate attention to completion of this site safety and health program is required. Currently, the industrial hygienist is working to complete this program (estimated completion date - 2 weeks). When complete, forward a copy of the SWRCO Site Safety and Health Plan to the Regulatory Compliance Dept.

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iii. Implement Medical Surveillance Program

Under this rule, a pre-employment physical exam program, (1) (2) annual physical exam, and (3) termination physical exam are required for hazardous waste workers. Compliance due date to have this in place is March 16, 1987.

Facility Action Required: The site safety and health plan must reflect the requirements in this part for medical exams.

iv. Decontamination

Develop and implement hazardous waste and decontamination procedures. Compliance due date was March 16, 1987. Currently the procedures for equipment decontamination at the hazardous waste landfarm are in design phase. No installation is present at the landfarm, and no equipment decontamination is being conducted.

Discussion - will be addressed in site safety plan

Facility Action Required: It is necessary that the site install appropriate interim decontamination procedures and/or complete design and construction of the decontamination facility.

v. Training

This statute requires 24 hours of initial training (see 1910.120 part 0) and 8 hours of refresher training annually. Compliance due date for training is March 16, 1987. Based on this review no outline of the training program is in final form. Therefore, no training under this program has been conducted.

* Facility Action Required: Based on results of this review, this facility needs to establish a formal training program for hazardous waste workers in the site safety and health plan and initiate and complete training for all personnel involved in the hazardous waste operation.

vi. Monitoring

Air monitoring shall be used to identify and quantify airborne levels of hazardous substances. Personnel and area monitoring has been conducted in the landfarm area. To date, no results exceed that action levels imposed under the OSHA requirements. However, the site safety and health plan will need to address the routine, periodic, and special monitoring that will be conducted at this facility at the hazardous waste operations.

* Facility Action Required: Establish personnel and area monitoring system for hazardous waste workers.

7. Environmental

a. Part B Audit Review RCRA (Resourse Conservation Recovery Act)

SWRCO received the approved Part B under RCRA (permit number: HW50075-001). Conditions which were attached to issuance of this permit were reviewed in context of current operations. The following permit conditions were audited:

i. Phase 1 - Land Treatment Demonstration, (LTD) Soil Pore Monitoring

Installation and operation of six (6) lysimeters on the LTD and installation of two background lysimeters were completed during the week of this audit.