

RCRA Inspection Report

1) Inspector and Author of Report

Paula A. Whiting
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U.S. Environmental Protection Agency, Region 4
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2) Facility Information

Jaxon Energy LLC/Ashland Inc
455 Industrial Drive
Jackson, Mississippi 39206
Hinds County
EPA ID: MSR000106666/MSD000829150

3) Responsible Official

Bryan Olier
General Manager
Jaxon Energy LLC
455 Industrial Drive
Jackson, Mississippi 39206
bryanolier@jaxon-energy.com

Trey Richardson
Remediation Project Manager
Ashland Inc
Atrium – North Tower – Suite 500
5475 Rings Road
Dublin, Ohio 43017
trichardson@ashland.com

4) Inspection Participants

Bryan Olier	Jaxon Energy LLC
Craig Ellison	Jaxon Energy LLC
Luke Scott	Jaxon Energy LLC
Leigh Tanner	MDEQ
Brad Justice	MDEQ
Paula Whiting	US EPA Region 4 Atlanta

5) Date and Time of Inspection

February 13, 2024, at 9:20 a.m. CST

6) Applicable Regulations

Resource Conservation and Recovery Act (RCRA) Sections 3002, 3005 and 3007 (42 U.S.C. §§ 6922, 6925 and 6927), and the regulations promulgated pursuant thereto at 40 Code of Federal Regulations (C.F.R.) Parts 260-270, 273 and 279.

Mississippi Hazardous Waste Management Regulations (MHWMR), 11 Miss. Admin. Code Pt. 3, R. 1.1-1.24 Section 17-17-1 et seq. of the Mississippi Code of 1972, Miss. Code Ann. § 17-17-1 et seq.; Section 17-17-27 of the Mississippi Code of 1972, Miss. Code Ann. § 17-17-27

As the State's authorized hazardous waste program operates in lieu of the federal RCRA program, the citations of those authorized provisions alleged herein will be to the authorized State program; however, for ease of reference, the federal citations will follow in brackets.

7) Purpose of Inspection

The purpose of the inspection was to conduct an unannounced RCRA compliance evaluation inspection (CEI) to determine the compliance of Ashland Inc. EPA ID Number: MSD000829150 and Jaxon Energy LLC, EPA ID Number: MSR000106666 with the applicable regulations.

8) Facility Description

Formerly Ashland, Inc. (EPA ID MSD000829150), the facility operated a bulk product storage and distribution center from 1968 to 2009. The facility received industrial chemicals, which were stored in a warehouse, then transferred, blended, and repackaged for transport to industrial customers. Ashland also provided waste management services to customers. The former warehouse building was approximately 30,000 square feet. Historical facility operations within the warehouse building included an office space, hazardous waste storage area, drum storage area, and general warehouse usage.

Ashland Inc.'s last Hazardous Waste Generator Notification (EPA Form 8700-12) dated February 3, 2012, characterized the facility as not a generator of hazardous wastes.

Since 2013, Jaxon Energy LLC (EPA ID MSR000106666) has been operating a small hydro-treating plant that upgrades certain stranded vacuum gas oils (VGO) into certified, on-road diesel fuels by removing unwanted metals and contaminants along with the saturation of olefins and aromatics to produce a stable, oxidation resistant product that meets the required fuels specifications. These VGOs produced at other refineries are treated to remove contaminants. The cleaned petroleum oil is fractionated into diesel and gasoline products. The facility consists of an administration building, a hydrogen plant, an oil hydro-treatment facility, tank farm, rail car unloading transfer area, and

warehouse. The facility is 6.3 acres, and the offsite area impacted by groundwater contaminants is approximately 2 acres.

Jaxon Energy LLC is a non-generator that operates 24 hours, 7 days a week with four full shifts with the fourth shift being on call, if needed. The facility is located on 6.3 acres with 2 acres affected by groundwater contamination. Jaxon Energy LLC employs approximately 19 employees and none of the employees at this facility handle hazardous waste.

Jaxon Energy LLC's last Hazardous Waste Generator Notification (EPA Form 8700-12) dated February 1, 2024, characterized the facility as not a generator of hazardous wastes.

9) Previous Inspection History

This facility was previously Ashland Inc., and the facility was last inspected on December 12, 2005, by Mississippi Department of Environmental Quality (MDEQ). Deficiencies of container management were found.

10) Opening Conference

On February 13, 2024, EPA inspector Paula Whiting, accompanied by MDEQ inspectors Leigh Tanner and Brad Justice arrived at the former Ashland Inc. now known as Jaxon Energy LLC at approximately 9:20 a.m. CST. Mr. Luke Scott, Lead Operator received the inspectors. The inspectors introduced themselves, showed their credentials to Mr. Scott, and explained the purpose of the visit. The inspectors described the anticipated use of a digital camera during the inspection and provided a request for records.

Mr. Scott contacted Mr. Bryan Olier, General Manager, and Mr. Craig Ellison, Director of EHS and informed them that the inspectors were on-site. Mr. Scott provided an overview of the facility's history and current operations during the opening conference. The inspection participants also discussed health and safety protocols and required personal protective equipment before the facility representative led the inspectors on a tour of the facility operations.

11) Inspection Observations

Below is a description of the observations made during the inspection.

Mr. Scott explained that Mr. Olier and Mr. Ellison were enroute to join the inspection. The inspectors requested to see the vapor intrusion system and the groundwater monitoring wells. Mr. Scott explained that the facility employees did not have access to the vapor intrusion building and could not provide a tour of this building. Instead, Mr. Scott escorted the inspectors on an exterior tour of the facility and explained that starting at the hydrogen gas plant the facility generates steam and combines it with natural gas to make hydrogen. The hydrogen was used to hydrotreat soybean and corn oils. Near the hydrogen gas plant, the inspectors observed several drums along the fence line. Mr. Scott explained the 55-gallon drums were used to store Steam Methane

Reformer (SMR) spent catalyst that would be disposed of in the local landfill. Mr. Scott indicated the drums were empty but after tapping on the drums, the inspectors noted that half the drums were empty, and the remaining were full.

During the tour, the inspectors consulted the Figure 3 Arcadis Groundwater Monitoring Report map for the facility to locate the 31 monitoring wells on site. At that time of the inspection, the inspectors were only able to identify three monitoring wells (MW 13, MW18 and MW23) near the hydrogen gas plant (Pictures 1-3). The inspectors believe that at least one well may be located underneath the spent SMR catalyst drums along the fence line.

Mr. Olier and Mr. Ellison joined the inspectors and the group returned to the office conference room. Mr. Olier and Mr. Ellison then explained that the current company Jaxon Energy LLC was not associated with Ashland Inc. and only purchased the property. The corrective actions taken at the facility were coordinated between Ashland and their contractor Arcadis. Jaxon Energy LLC stated that no hazardous waste is currently generated on site. However, the facility does generate two types of spent catalyst. The first catalyst is from the Renewable Diesel Unit (RDU) and was recently replaced in May 2023. The spent catalyst from the RDU was analyzed, and the results were sent to MDEQ for approval of the solid waste disposal profile. Approval is currently pending. The RDU spent catalyst is being stored in 55-gallon drums inside the main warehouse.

The second catalyst generated on site is a platinum catalyst from the R-25 Unit. This Steam Methane Reformer (SMR) catalyst is sent to Evonik Catalyst Recovery of Louisiana, LLC in Lafayette, Louisiana for regeneration and then returned to Jaxon Energy LLC. When the catalyst can no longer be regenerated it is placed in 55-gallon drums and stored along the fence near the hydrogen gas plant (Pictures 32-33). This spent catalyst has not been analyzed and needs a waste disposal profile.

The inspectors explained to Mr. Olier and Mr. Ellison that the facility has an EPA ID Number and that a hazardous waste inspection of the facility was being conducted. In addition, since the facility is under corrective action the EPA inspector was requested to review the groundwater monitoring well maintenance and conditions, the vapor intrusion system and ancillary piping, the area of the 2020 diesel spill and the locations of Solid Waste Management Unit (SWMU) 4A and Areas of Concern (AOC) A, C and E. Mr. Olier provided the inspectors with the point of contact for Ashland Inc., Trey Richardson and for Arcadis, Brian Burke. Using the Figure 3 Arcadis Groundwater Monitoring Report map, Mr. Olier, Mr. Ellison, and the inspectors identified the SWMU and AOCs against the current plant layout. The group determined that SWMU 4A was the current laydown area (Picture 22), AOC C was the circular tower/air cooler tower and AOC E was the day tanks.

Mr. Olier and Mr. Ellison restarted the tour by identifying the groundwater monitoring wells within the facility. MW7 and MW16 were along the internal railway (AOC C), MW13, MW18, and MW23 (originally identified during the first tour with Mr. Scott), MW3 near Laydown Area in SWMU 4A, and MW19R in a flooded corner of the property along the fence line (Pictures 4-10). This well is buried under equipment and water. No other wells were identified in the main areas of the facility. The wells that were observed were not secured and the vault lid bolts were missing.

Mr. Olier then took the inspectors back to the Main Warehouse. Again Mr. Olier explained that the vapor intrusion system is managed by Arcadis and that only Arcadis has access to the vapor intrusion system building. The inspectors walked around the building, noted the alarm system, and then followed Mr. Olier inside the Main Warehouse to observe the white ancillary piping attached to the external vapor intrusion system. The piping was networked throughout the building floor to ceiling (Pictures 23-31). In addition, the EPA inspector observed the floor and the bolts holding the barriers around the ancillary piping for cracks and gaps. None were identified. The inspectors also observed the drums of spent RDU catalyst stored in the warehouse.

Next the inspectors were taken to the location of the 2020 diesel spill (Pictures 11-12). Mr. Ellison provided this information concerning the release: *An estimated 6,000-gallon spill of renewable diesel occurred due to overfilling a railcar tanker at the railcar unloading area. The diesel flowed into two ditches (one onsite concrete ditch and one offsite ditch associated with the adjoining railroad), which both discharge to a larger offsite west-east-oriented drainage ditch directly north of the facility. This west-east-oriented drainage ditch flows eastward until reaching Town Creek (approximately 520 feet). At this confluence, Town Creek continues to flow southward. The spilled diesel reached to the Shop Street bridge, which crosses Town Creek. Therefore, the spilled diesel travel approximately 0.5 miles downstream.* Mr. Olier and Mr. Ellison explained that Jaxon Energy LLC remediated the area to prevent further releases by installing a railway discharge to an oil water separator and sump collection basin (Pictures 13-21). This area is located between the corn oil unloading area and its secondary containment (Picture 21) and the second tank farm and its secondary containment.

The inspectors requested that Jaxon Energy LLC provide via email the report from the 2020 diesel spill, the report from the 2021 plant fire, and the waste profiles for the spent RDU and SMR catalysts. The report for 2020 diesel spill was provided on February 16, 2024, via email. The EPA is waiting on the remaining documents to be provided.

12) Closing Conference

The inspectors conducted the exit meeting with Mr. Olier and Mr. Ellison. During this meeting, the EPA and MDEQ presented the preliminary results of the inspection. The former Ashland Inc. facility and now the Jaxon Energy LLC facility were not generators of hazardous waste.

13) List of Attachments

Attachment 1 – Photo Log:

Photos taken on: February 13, 2024

Photos taken by: Paula A. Whiting

Photos taken with: Olympus Tough, Serial Number: SC7374

14) Signed

PAULA WHITING

Digitally signed by PAULA
WHITING
Date: 2024.04.17 18:30:44 -04'00'

Paula A. Whiting
Environmental Engineer

15) Concurrence

**ARACELI
CHAVEZ**

Digitally signed by ARACELI
CHAVEZ
Date: 2024.04.19 15:13:00 -04'00'

Araceli B. Chavez
Chief
RCRA Enforcement Section

ATTACHMENT 1

JAXON ENERGY LLC/ASHLAND INC.

JACKSON, MISSISSIPPI

COMPLIANCE EVALUATION INSPECTION PHOTOGRAPHS

February 13, 2024

**Photos taken by Paula A. Whiting
Camera Type: Olympus Tough
Serial Number: SC7374**



Picture 1 – Monitoring Well 13



Picture 4 – Monitoring Well 7 in AOC C



Picture 2 – Monitoring Well 18



Picture 5 – Monitoring Well 16 in AOC C



Picture 3 – Monitoring Well 23



Picture 6 – Monitoring Wells 7 and 16 in AOC C



Picture 7 – Monitoring Well 3 near Laydown Area – SWMU 4A



Picture 10 – Day Tank Farm containment flooding



Picture 8 – Flooding near Monitoring Well 19R



Picture 11 – Internal Railway – area of 2020 Diesel Release



Picture 9 – Flooding along the railway



Picture 12 – Internal Railway – area of 2020 Diesel Release



Picture 13 – Sump Collection Basin



Picture 16 – Sump Collection Basin near unnamed tributary to Town Creek



Picture 14 – Oil Water Separator and Sump Collection Basin



Picture 17 – Tank Secondary Containment near unnamed tributary to Town Creek



Picture 15 – Oil Water Separator



Picture 18 – Tank secondary containment near unnamed tributary to Town Creek



Picture 19 – Railway discharge to Oil Water Separator and Sump Collection Basin



Picture 20 – Railway discharge to Oil Water Separator and Sump Collection Basin



Picture 21 – Corn Oil unloading area and secondary containment



Picture 22 – Laydown Area – SWMU 4A



Picture 23 – Vapor Intrusion Building and Alarms



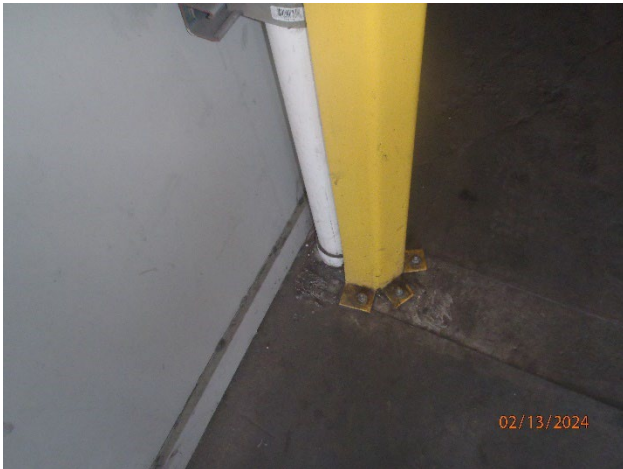
Picture 24 – Vapor Intrusion Building and Alarms



Picture 25 – Vapor Intrusion Building



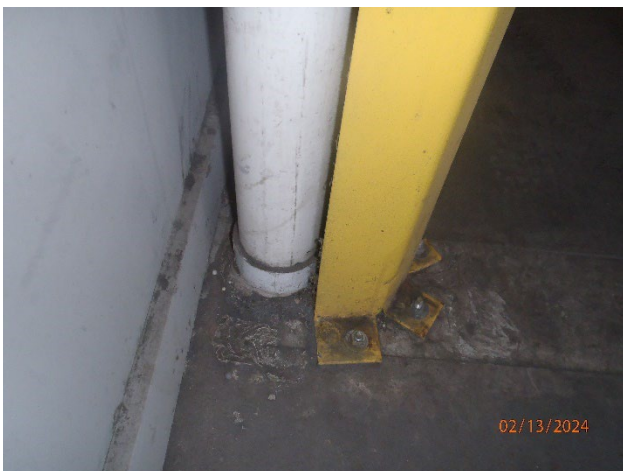
Picture 28 – Vapor Intrusion piping



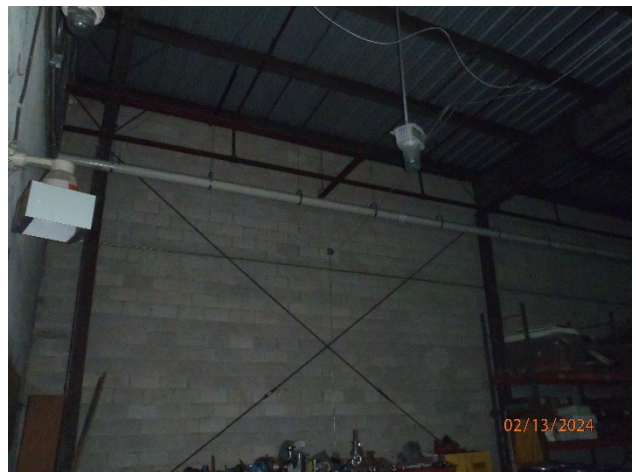
Picture 26 – Vapor Intrusion Piping protected by a bolted barrier



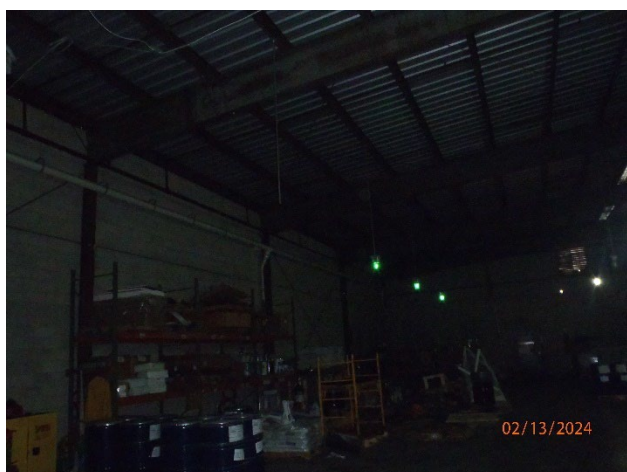
Picture 29 – Vapor Intrusion piping



Picture 27 – Vapor Intrusion Piping protected by a bolted barrier



Picture 30 – Vapor Intrusion piping



Picture 31 – Vapor Intrusion piping



Picture 32 – SMR Spent Catalyst Drums



Picture 33 – SMR Spent Catalyst Drums