UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 6
1445 ROSS AVENUE, SUITE 1200
DALLAS, TX 75202-2733

Inspection Date: 1/23/07 **EPA ID Number:** TXD045586187

Facility Name: Longview Refining
Physical Location: 601 Premier Rd
Longview, TX 75606

Mailing Address: Lazarus Refining & Marketing
Five Post Oak Park
4400 Post Oak Parkway, 24th floor
Houston, TX 77027

Type of Ownership: _Federal _State _County _Municipal X Private/Commercial

Inspection Participants: **(name and phone number)**
Lead EPA Inspector: Melissa L. Smith 214/665-7357 **Initials (3):** M.L.S.
Other Participants: Nancy Fagan 214/665-8385; David Riley (6EN-HX) 214-665-7298

Facility Representative(s):

Name	Phone No.
Tommy Byrd	713-850-0500, x7050

Facility Description: Inactive oil refinery with numerous tanks, process units, and surface impoundments.

Generator Status: Currently inactive.
_LQG (>1000kg/mo) __SQG (100kg/mo to 1000kg/mo) __CESQG (<100kg/mo) __TSDF

Inspection Type: X EPA Lead _State Lead _CSE _CEI
__CDI _Sampling _Multi-Media X Other (Corrective Action)

Reason for Evaluation:

_ (01)Follow up	X (02)Case Development	_ (03)Sampling
_ (04)Citizen Complaint	___ (07)General	_ (16)CAV
_ (63)US/Mexico	_ (65)CAV-US/Mexico	

Summary of Inspection: On January 23, 2007, staff from the Hazardous Waste Enforcement Branch, Technical Section, along with staff from Multimedia Planning and Permitting Division, visited the Longview Refining facility. The purpose of the visit was to conduct a Corrective Action Inspection to visually assess current conditions at the site and to meet with the new owner

to discuss environmental concerns and their plans for the site. The Longview Refining facility is on the GPRA baseline; therefore, the environmental indicators for human exposure under control and groundwater migration under control must be verified. File information indicates that soil and groundwater contamination are present at the site; however, not enough information is available to make a determination that human exposure or groundwater migration are currently under control. Please see the narrative report for a more detailed description of the inspection.

Checklists Completed: None

Peer Reviewed by: David Rhoy **Date:** 6/4/07

Longview Refining
TXD045586187

RCRA Corrective Action Inspection
January 23, 2007

Background:

On January 23, 2007, Melissa Smith and David Riley from the U.S. Environmental Protection Agency's (EPA) Region 6 Hazardous Waste Enforcement Branch, and Nancy Fagan from the EPA Region 6 Multi-media Planning and Permitting Division, conducted an inspection at Longview Refining.

The Longview Refining facility is located at 601 Premier Rd, Longview, Texas, 75606 (Lat 32.502435; Long -94.805961). The facility is an inactive petroleum refinery encompassing 34.5 acres in Gregg County. The refinery operated for over 60 years under various owners and/or operators prior to shutting down in August, 1992, as Longview Refining Associates, Inc. (LRA). In 1999, LRA filed for Chapter 11 Bankruptcy. During the bankruptcy proceedings, the LRA property was jointly acquired by Gregg County, Pine Tree Independent School District, and the City of Longview in lieu of unpaid property taxes. In June, 2006, the property was purchased by Gregg County Refining. It was subsequently sold by Gregg County Refining in September, 2006, to Lazarus Energy. Lazarus Energy is the current owner of the property.

Prior to conducting the inspection, Ms. Smith and Ms. Fagan talked by phone with Lazarus Energy representatives Rob Bakondy and Tommy Byrd. Mr. Bakondy and Mr. Byrd explained that they were in the process of clearing overgrown vegetation from the site. They also stated that a Phase I environmental assessment of the site was conducted by the previous owner prior to the sale. Ms. Fagan explained that the site is on the Government Performance and Results Act (GPRA) baseline for 2008. In order to meet GPRA goals, two environmental indicators must be evaluated at the site: 1) Current human Exposures Under Control; and 2) Migration of Contaminated Groundwater Under Control. A positive "Current Human Exposures Under Control" determination indicates that there are no "unacceptable" human exposures to contamination that can be reasonably expected under current land- and groundwater-use conditions. A positive "Migration of Contaminated Groundwater Under Control" determination indicates that the migration of contaminated groundwater has stabilized and that monitoring will be conducted to confirm that contaminated groundwater remains within the original "area of contaminated groundwater".

Documents available in EPA files and Texas Commission on Environmental Quality (TCEQ) files were reviewed prior to the inspection. Numerous solid waste management units are documented at the site including container storage areas, tanks, and surface impoundments. Following is an abbreviated summary of the regulatory history of the facility:

- In 1993 LRA submitted a Bioremediation workplan to the Texas Natural Resource Conservation Commission (TNRCC), now the TCEQ, for cleanup of historical spills; however, there is no documentation that the plan was implemented.
- An Administrative Order was issued in March 1995 by TNRCC requiring a release assessment, cleanup, and closure of solid waste management units (SWMUs); however, according to TCEQ, LRA did not comply with the Order.
- In 1996 a release occurred of diesel range hydrocarbons from the facility to a nearby creek. State-lead Emergency Response action was taken.
- TNRCC conducted a site screening investigation in 2001. Groundwater contamination was confirmed (organic chemicals and heavy metals). Also contamination was confirmed in soil and sediment from on-site surface impoundments and other source areas (e.g. tank storage areas).
- In June, 2001, LRA filed a spill report of light phase hydrocarbon from a desalting unit. Numerous leaking containers were identified. EPA-lead Emergency Response action was taken.
- In April, 2005, a TCEQ inspection identified new releases and numerous waste containers (K-listed hazardous wastes, corrosives, and ignitables). A fence was installed by Gregg County to prevent intrusion.
- In May, 2006, 100 drums of hazardous waste were removed during an EPA-lead Emergency Response action.

Documentation in the files indicates soil and groundwater contamination at the site. File documentation was not sufficient to make positive determinations for human exposure under control or groundwater migration under control.

Inspection Summary:

The inspection team met Mr. Byrd at the facility at 10:00 AM on January 23, 2007. During the inspection, Mr. Byrd explained that Lazarus Energy is currently in the process of clearing out vegetation that has overgrown the facility during its inactive period. After clearing the vegetation, an engineering team will be brought in to assess the condition of the equipment and the operating capability of the facility. Lazarus Energy intends to return the facility to operating status as a petroleum refinery.

The inspection team, along with Mr. Byrd, walked the perimeter of the facility to verify the presence and condition of the surrounding fence as well as to check for on-site and off-site drainage pathways. The majority of the site is surrounded by a 7-foot chain-link fence topped with 3-strands of barbed wire. On the west side of the property, the fence was approximately 5-feet. The facility boundary on the west appeared to run along a drainage area. This area was much lower than the rest of the facility and had standing water present during the inspection. The west fence line separated the refinery from another industrial facility (Southwest Steel Casting) located immediately adjacent to the facility. On the northeast corner of the facility, a gap is present in the fence where an underground creek enters the facility. Over the past several years, vandalism has been a significant issue at the site due to copper wiring in some of the equipment that was left in place. In addition to using the fence to prevent intruders, Lazarus

Energy has employed off-duty police officers to patrol the site at night.

At the time of the inspection, a crew was on-site removing overgrown vegetation and saplings from the property; however, a significant amount of clearing was still needed in the central portion of the facility. Due to the vegetation, and unknown condition of processing and storage units, the inspection team remained on the perimeter of the facility and did not inspect the central portion of the facility.

During the pre-inspection file review, seven (7) groundwater monitoring wells were identified. All of the monitoring wells were located during the inspection and their locations were marked on a site map (Attachment #1). The wells consisted of 2-inch PVC with 2-foot risers. Six of the seven wells were locked.

While walking the perimeter of the facility, the inspection team noticed strong petroleum hydrocarbon odor and staining in the vicinity of Tank # 23, which is located on the northeast portion of the facility (see Photo #'s 1 – 3). It is not known if materials remain in this tank. Stained soil and odors were also present near the truck and railcar loading and unloading areas.

On the west side of the facility, among numerous processing and/or storage tanks, significant standing water was observed. On Figure 5, dated April 2000, from the TNRCC screening site inspection workplan, this area was identified as "Soil Remediation Area". At the time of the January 2007 inspection, this area appeared "swamp-like" with significant water and vegetation growth.

Also during the inspection, the team observed several impoundments (Unit #'s 004, 005, 006, 007, 008, and 009). Unit 005 is a stormwater retention pond located on the northwest corner of the facility. Units 006, 007, 008, and 009 are wastewater ponds. Each had asphalt berms. No evidence was observed that the units had overflowed to the south towards the fence line; however, it was observed that Unit 007 overflows to Unit 004. Unit 004 had a plastic liner; however, the liner was compromised. Vegetation was observed growing through the liner in the unit (see Photo #'s 14 – 17). Unit 004 appeared to drain to outfalls located at the southeast corner of the property into a creek (see Photo #'s 18 – 21). This creek appears to run the length of the facility, underground, from where it enters the property on the northeast corner (see Photo #'s 22 & 23) and exits the property on the southeast corner. Several "sinkholes" were observed on the property which correspond to the general area of the underground creek.

The inspection team inspected the on-site lab. No chemicals were observed. The lab was previously the subject of an Emergency Response clean-up action during which all containers were removed.

Information in the files indicated that a waste pile may have been present near Tank #39, located on the southwest corner of the facility; however, a waste pile was not present at the time of the inspection.

Summary:

The inspection conducted on January 23, 2007, visually confirmed concerns regarding soil contamination around at least one tank (#23) and loading/unloading areas. Additionally, the potential was observed for off-site contamination from outfalls near the impoundments.

Although numerous Emergency Response Actions have taken place at the site, the purpose of those actions was to remedy immediate threats to human health (i.e. leaking tanks, vandalized containers, etc.). The actions did not clean up existing soil and groundwater contamination. Additionally, the actions did not address materials stored in tanks that were not leaking at the time the actions were taken.

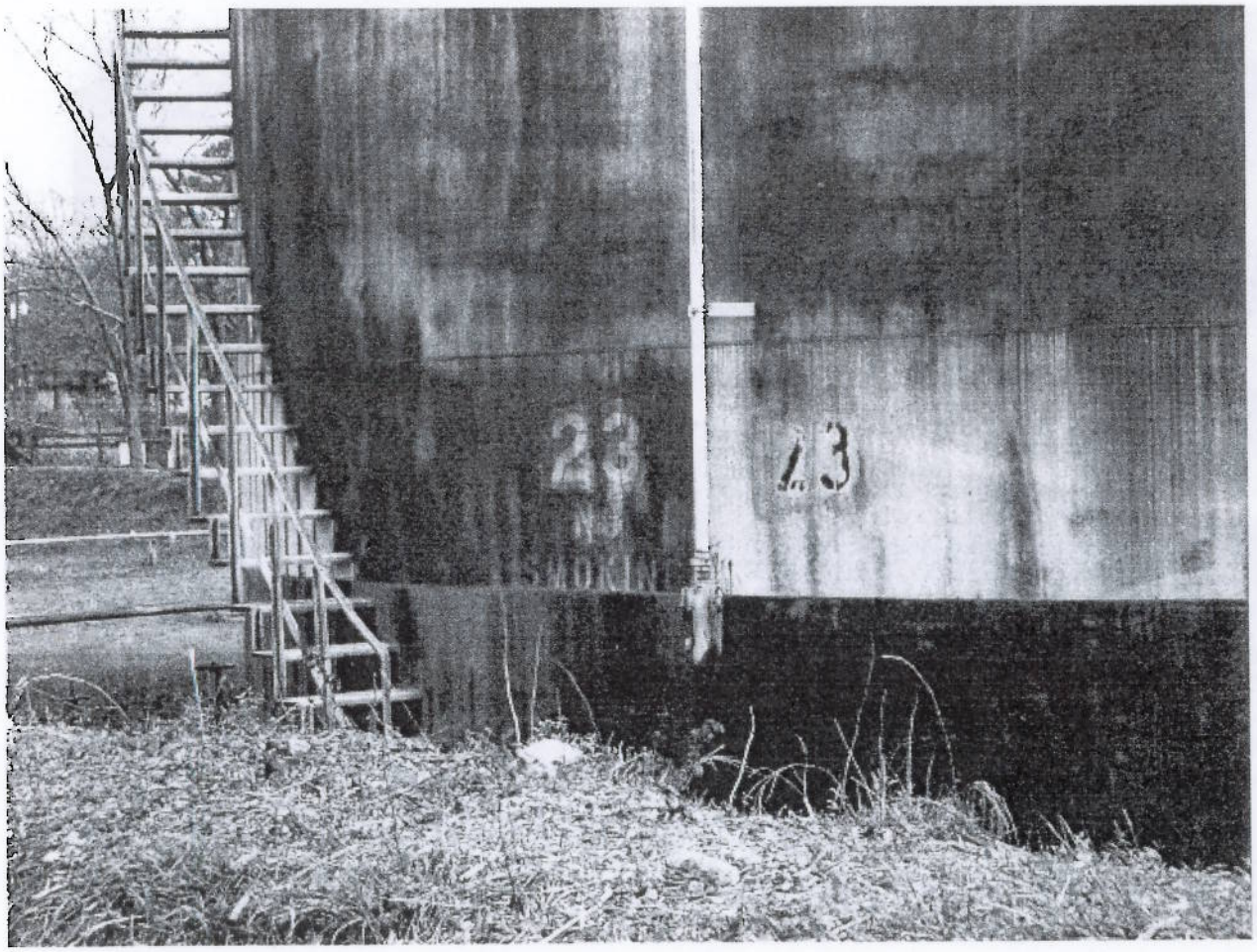
During an exit meeting with Mr. Byrd, the inspection team explained that additional data (soil, groundwater, and surface water) will need to be collected in order to make the environmental indicator determinations. Additionally, it appears that corrective action will be needed to remedy soil contamination on-site that exceeds industrial soil cleanup standards. The materials in tanks and containers will need to be characterized and disposed.

Following the inspection, Mr. Byrd forwarded an electronic copy of the Phase I environmental assessment to the inspectors. Some concerns were raised in the assessment and a recommendation was made to conduct a more in-depth assessment, including additional sampling.

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Official Photograph Log

Photo # 1

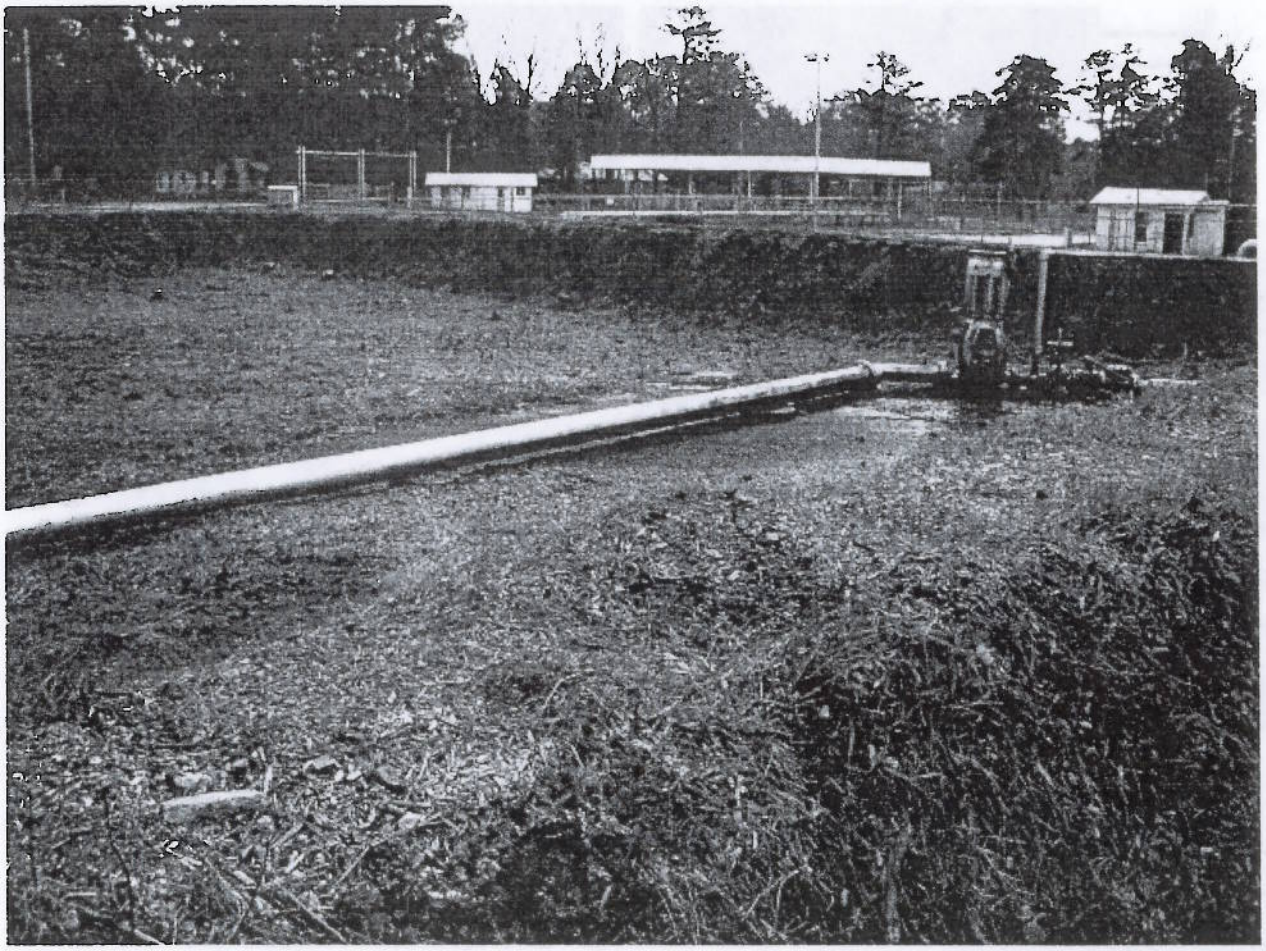


Photographer: Melissa Smith	Date: 1/23/2007	Time: AM
City/County: Longview, Gregg County		State: TX
Location: Longview Refining, TXD045586187		
Subject: Tank #23, looking northeast.		

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Official Photograph Log

Photo # 2

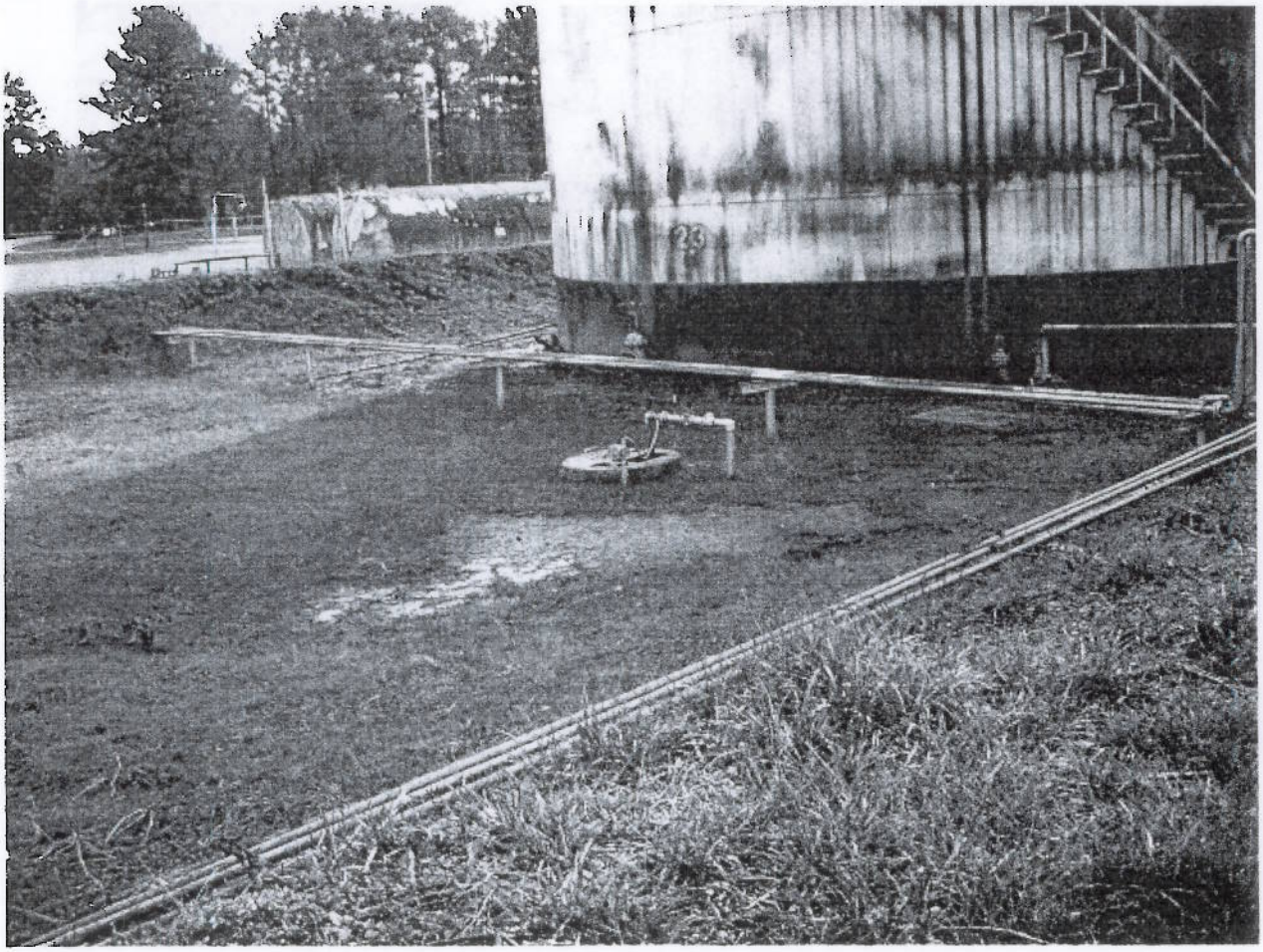


Photographer: Melissa Smith	Date: 1/23/2007	Time: AM
City/County: Longview, Gregg County		State: TX
Location: Longview Refining, TXD045586187		
Subject: Piping and equipment associated with Tank #23 (south side of tank). Staining and odor was observed in vicinity. Looking southeast.		

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Official Photograph Log

Photo # 3

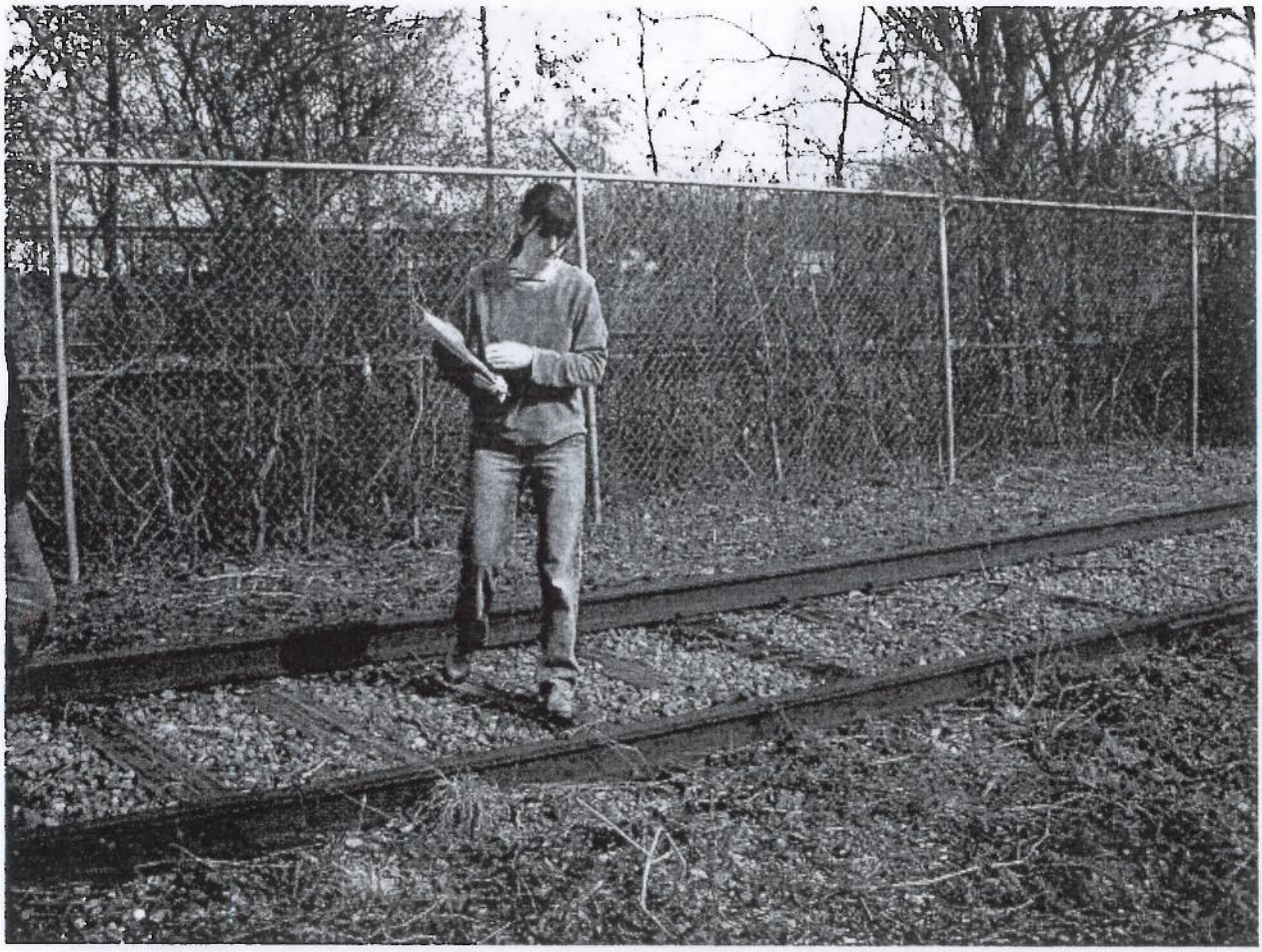


Photographer: Melissa Smith	Date: 1/23/2007	Time: AM
City/County: Longview, Gregg County		State: TX
Location: Longview Refining, TXD045586187		
Subject: Additional piping and equipment associated with Tank #23 (north side of tank, looking southeast).		

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Official Photograph Log

Photo # 4



Photographer: Melissa Smith	Date: 1/23/2007	Time: AM
City/County: Longview, Gregg County		State: TX
Location: Longview Refining, TXD045586187		
Subject: .Fence along north boundary of facility, looking north.		

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Official Photograph Log

Photo # 5

Photographer: Melissa Smith	Date: 1/23/2007	Time: AM
City/County: Longview, Gregg County		State: TX
Location: Longview Refining, TXD045586187		
Subject: Monitoring Well (MW) -02 located on the east side of the stormwater retention pond. Looking northwest.		

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Official Photograph Log

Photo # 6

Photographer: Melissa Smith	Date: 1/23/2007	Time: AM
City/County: Longview, Gregg County		State: TX
Location: Longview Refining, TXD045586187		
Subject: Proximity of MW-02 to stormwater retention pond, looking northwest.		

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Official Photograph Log

Photo # 7

Photographer: Melissa Smith	Date: 1/23/2007	Time: AM
City/County: Longview, Gregg County		State: TX
Location: Longview Refining, TXD045586187		
Subject: MW-03 adjacent to east fence line (Southwest Steel Casting building in the background), looking northwest.		

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Official Photograph Log

Photo # 8

Photographer: Melissa Smith	Date: 1/23/2007	Time: AM
City/County: Longview, Gregg County		State: TX
Location: Longview Refining, TXD045586187		
Subject: Believed to be MW-04, located on west side of facility, looking east.		

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Official Photograph Log

Photo # 9

Photographer: Melissa Smith	Date: 1/23/2007	Time: AM
City/County: Longview, Gregg County		State: TX
Location: Longview Refining, TXD045586187		
Subject: Believed to be MW-04 on west side of facility, looking northeast.		

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Official Photograph Log

Photo # 10

Photographer: Melissa Smith	Date: 1/23/2007	Time: AM
City/County: Longview, Gregg County		State: TX
Location: Longview Refining, TXD045586187		
Subject: MW-05 located on the northwest side of Tank #47. Looking east.		

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Official Photograph Log

Photo # 11

Photographer: Melissa Smith	Date: 1/23/2007	Time: AM
City/County: Longview, Gregg County		State: TX
Location: Longview Refining, TXD045586187		
Subject: Believed to be MW-06 located on northwest side of Tank #39.		

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Official Photograph Log

Photo # 12

Photographer: Melissa Smith	Date: 1/23/2007	Time: AM
City/County: Longview, Gregg County		State: TX
Location: Longview Refining, TXD045586187		
Subject: Wastewater unit #006, looking northeast.		

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Official Photograph Log

Photo # 13

Photographer: Melissa Smith	Date: 1/23/2007	Time: AM
City/County: Longview, Gregg County		State: TX
Location: Longview Refining, TXD045586187		
Subject: MW-01 (in the foreground of the white building), looking northeast.		

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Official Photograph Log

Photo # 14

Photographer: Melissa Smith	Date: 1/23/2007	Time: AM
City/County: Longview, Gregg County		State: TX
Location: Longview Refining, TXD045586187		
Subject: Wastewater unit #004. Cattails visible growing through liner. Looking southeast.		

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Official Photograph Log

Photo # 15

Photographer: Melissa Smith	Date: 1/23/2007	Time: AM
City/County: Longview, Gregg County		State: TX
Location: Longview Refining, TXD045586187		
Subject: Wastewater unit #004, looking northeast towards residence across the road.		

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Official Photograph Log

Photo # 16

Photographer: Melissa Smith	Date: 1/23/2007	Time: AM
City/County: Longview, Gregg County		State: TX
Location: Longview Refining, TXD045586187		
Subject: Wastewater unit #004, looking east at two residences across the road.		

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Official Photograph Log

Photo # 17

Photographer: Melissa Smith	Date: 1/23/2007	Time: AM
City/County: Longview, Gregg County		State: TX
Location: Longview Refining, TXD045586187		
Subject: Wastewater unit #004, looking east at residences across the road.		

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Official Photograph Log

Photo # 18

Photographer: Melissa Smith	Date: 1/23/2007	Time: AM
City/County: Longview, Gregg County		State: TX
Location: Longview Refining, TXD045586187		
Subject: Outfall 001 and 003 at southeast corner of facility.		

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Official Photograph Log

Photo # 19

Photographer: Melissa Smith	Date: 1/23/2007	Time: AM
City/County: Longview, Gregg County		State: TX
Location: Longview Refining, TXD045586187		
Subject: Additional outfall located at southeast corner of property; origin unknown. (facing west)		

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Official Photograph Log

Photo # 20

Photographer: Melissa Smith	Date: 1/23/2007	Time: AM
City/County: Longview, Gregg County		State: TX
Location: Longview Refining, TXD045586187		
Subject: Pipe located adjacent to outfall. Origin unknown.		

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Official Photograph Log

Photo # 21

Photographer: Melissa Smith	Date: 1/23/2007	Time: AM
City/County: Longview, Gregg County		State: TX
Location: Longview Refining, TXD045586187		
Subject: Outfall area at southeast corner of facility.		

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Official Photograph Log

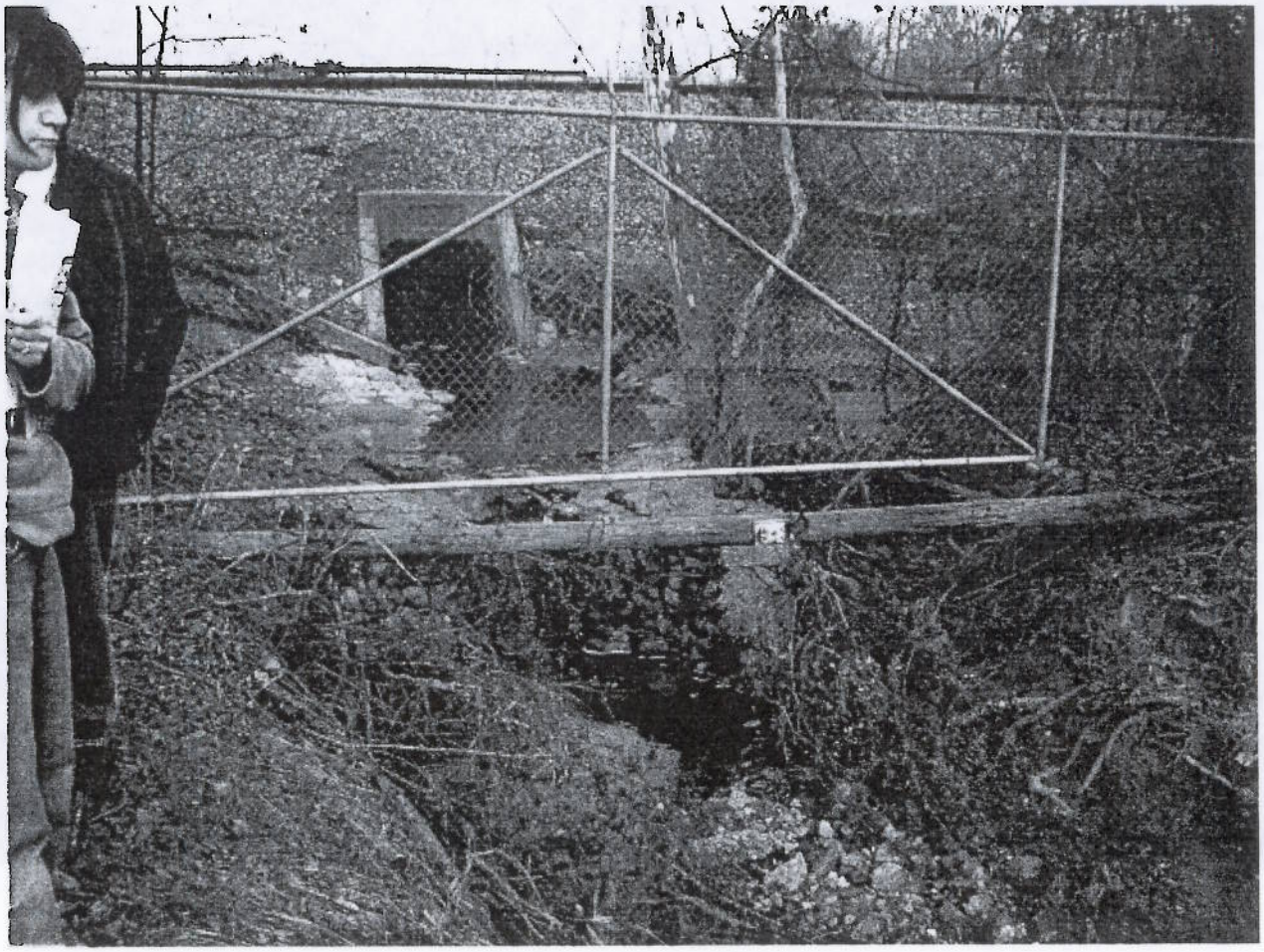
Photo # 22

Photographer: Melissa Smith	Date: 1/23/2007	Time: AM
City/County: Longview, Gregg County		State: TX
Location: Longview Refining, TXD045586187		
Subject: In-flow at northeast corner of facility.		

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

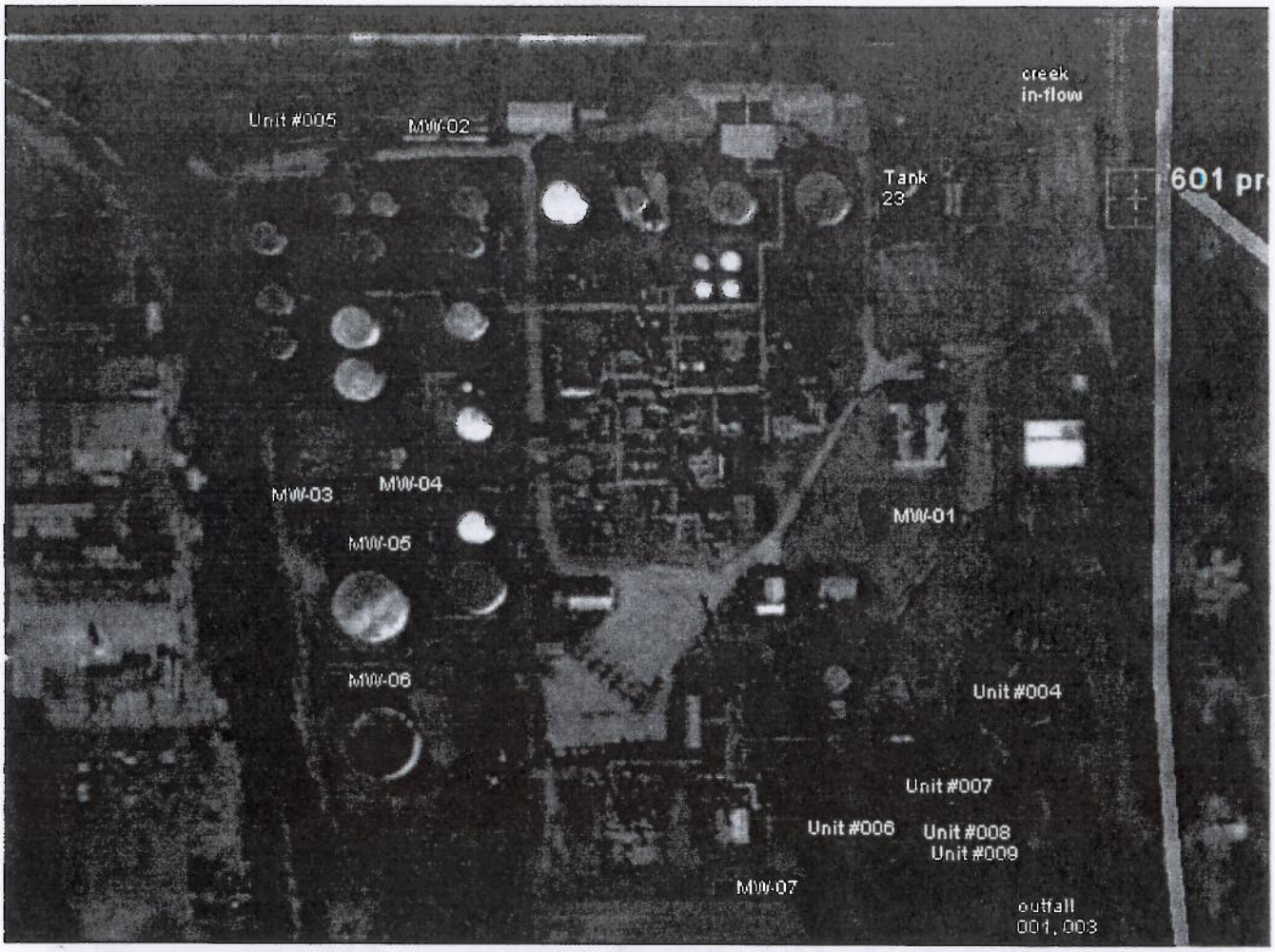
Official Photograph Log

Photo # 23



Photographer: Melissa Smith	Date: 1/23/2007	Time: AM
City/County: Longview, Gregg County		State: TX
Location: Longview Refining, TXD045586187		
Subject: Creek flows through gap under fence on northern boundary of facility.		

Attachment 1



City/County: Longview, Gregg County		State: TX
Location: Longview Refining, TXD045586187		
Subject: Aerial photograph with addition of unit identifications and approximate locations of monitoring wells as estimated by inspector.		