UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 6
1445 ROSS AVENUE, SUITE 1200
DALLAS, TX 75202-2733

MAY 04 2009

FEDERAL EXPRESS
GENERAL NOTICE LETTER
URGENT LEGAL MATTER - PROMPT REPLY NECESSARY

CSC Services of Nevada, Inc., Registered Agent
Tulstar Refrigerants, Inc.
502 East John Street
Carson City, NV 89706

Re: Norphlet Chemical Superfund Site, Site Id # A6N8
Union County, El Dorado, Arkansas

Dear Sir or Madam:

The purpose of this letter is to notify you of your potential liability at the Norphlet Chemical Superfund Site (Site), which is a "facility" as defined at 42 U.S.C. §9601(9). The Site is located at 600 Macmillan Drive, Norphlet, Union County, Arkansas.

The U.S. Environmental Protection Agency (EPA) has determined that you are a Potentially Responsible Party (PRP) at the Site, because you are believed to be a party that has arranged for treatment or disposal of hazardous substances owned or possessed by you, or arranged for transportation for such treatment or disposal, at a facility from which there has been a release or threatened release of a hazardous substance, causing the incurrence of response costs by the United States Government or a State. Therefore, you may be responsible under the Comprehensive Environmental Response, Compensation and Liability Act, also known as "CERCLA" or "Superfund", 42 U.S.C. §9607(a), for the costs of response actions at the Site, as well as other costs described in that provision of law. Further you may be responsible for the conduct of response or abatement action under CERCLA, in accordance with 42 U.S.C. §§ 9604, 9606. This General Notice letter provides an explanation of your responsibilities as a PRP at the Site. In this letter and its enclosure, the terms "you" or "your" or "Respondent" shall mean the addressee of this Notice.

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A Superfund Site is a facility where there is a release or threatened release of hazardous substances or pollutants and contaminants into the environment requiring a response action, usually contaminated with hazardous substances at levels that may present a threat to human health or the environment. Under Sections 104, 106 (a), and 107 (a) of CERCLA, 42 U.S.C. §§ 9604, 9606 (a) and 9607 (a), PRPs may be required to perform response actions to protect the public health and welfare or the environment. PRPs may also be responsible for costs incurred by EPA in responding to and cleaning up the Site. PRPs include current and former owners and operators of the Site, as well as persons who sent or transported hazardous substances to the Site, or who arranged for the disposal or treatment of hazardous substances at the Site. Under Section 104(a) (1) of CERCLA, 42 U.S.C. §9604, EPA may allow the potentially responsible parties to carry out the removal action, under the oversight of EPA, if the action can be done properly and promptly.

On behalf of EPA, I offer you the opportunity to enter into negotiations concerning the Site cleanup and response costs. I have enclosed a Notice that explains your responsibility in more detail. As you will see, the notice requests your cooperation in conducting the removal action.

Upon reviewing the enclosed notice, please provide an **oral** response to Ms. Jamie Bradsher, Enforcement Officer, at (214) 665-7111 within **3 days** and let her know whether you will negotiate. You are also encouraged to provide a written response to this letter. If you have questions regarding this notice please contact Ms. Bradsher at the number above. Questions concerning legal matters should be directed to EPA attorney, Mr. James Turner, at (214)-665-3159.

Sincerely yours,

Samuel Coleman, P.E.
Director
Superfund Division

Enclosures (3)

NORPHLET CHEMICAL SUPERFUND SITE
Enclosure A

GENERAL NOTICE
REMOVAL ACTION

This Notice is from the U.S. Environmental Protection Agency (EPA). This Notice is directed to the PRP of the Norphlet Chemical Superfund Site. This Notice does three things:

First, this Notice tells you that you may be responsible for the presence of hazardous substances found at the Site. The EPA is requesting that you perform a Superfund removal action to abate the release or threat of release of contaminants at the Site. When we say "Site" or "property" in this Notice, we mean the Norphlet Chemical Superfund Site, which is located at, 600 Macmillan Drive, Norphlet , Union County, Arkansas.

1. This Notice is issued under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA or Superfund).

2. Second, this Notice provides background information leading up to the EPA's investigation of the Site and the EPA's activities to determine the source of the contamination.

3. Third, this Notice invites you to enter into negotiations to conduct a removal action/cleanup at the Site.

NOTICE THAT YOU MAY BE LIABLE

Under Section 107 (a) of CERCLA, 42 U.S.C. §9607 (a), responsible parties are those who are current owners or operators of a facility, past owners or operators who owned or operated a facility at the time hazardous substances were disposed of at the facility, persons who arranged for disposal or treatment at the facility (usually the person(s) who generated the hazardous substance), or persons who selected that facility and transported the hazardous substances to the facility. The EPA believes that you are an "arranger" PRP, based on the information in enclosure B. Also, in Section 107 (a) of CERCLA, 42 U.S.C. §9607 (a), the law provides that responsible parties are liable to the United States for the costs it has incurred or will incur conducting a response action. A PRP is therefore responsible for reimbursing the Federal government for both past and future costs of the response activities.

BACKGROUND

Norphlet Chemical Superfund Site (Site) is located outside of El Dorado, Arkansas at the location of the former Macmillan Oil Refinery (a previous Non-NPL Removal Action). The Site is a chemical manufacturing facility in the business of producing a refrigerant (HFC-134A) that is used in automobiles. The primary raw materials used for producing this product are Anhydrous Hydrogen Fluoride (AHF), Trichloroethylene (TCE), and a catalyst. The company that is believed to own and operate this Site, Norphlet Chemical Inc. (NCI), apparently attempted to produce the intended product for Tulstar Products, Inc. (TPI), a/k/a Tulstar Refrigerants LLC and Tulstar Refrigerants, Inc., based upon a tolling agreement contract between TPI and NCI, but was unsuccessful.

The EPA became aware of this facility in March 2009 and immediately informed the Arkansas Department of Environmental Quality (ADEQ). The EPA offered its assistance if deemed necessary by the ADEQ. On April 15, 2009, the U.S. Department of Homeland Security (DHS) conducted an Infrastructure Protection Inspection of the facility and was alarmed with its conditions and the fact that it was abandoned. On April 15, 2009, DHS contacted EPA about their concerns with the site. The major concern was that the abandoned Site had containers of AHF and mixtures of AHF, TCE, and intermediate refrigerants. In addition, the conditions of these containers were questionable. The EPA and DHS contacted various State authorities and then participated in a call concerning the Site. On April 16, 2009, EPA received a written request from ADEQ to address the situation at the Site.

The EPA dispatched its START Contractors to begin air monitoring. The EPA arrived on the Site on April 17, 2009, and met with Federal, State, County, and City officials and evaluated the Site. The EPA determined that an Imminent and Substantial Endangerment existed as a result of the abandonment of the facility, the conditions of the tanks, and the close proximity of the school and surrounding residents to the facility. On April 16, 2009, Union County Judge Bobby Edmonds declared an emergency. Because of the emergency order and the close proximity of the site to the school(s), the school was closed for Friday, April 17, 2009.

On April 19, 2009, EPA attempted to transfer material from the tanks in to tanker trucks. In order to accomplish this, piping was removed from the tanks to allow the connection of a pump and hoses. The transfer operation failed due to pump problems, however; there were no injuries or significant releases of material.

The EPA is in the process of obtaining bids for transportation and disposal. It was determined that high pressure intermodal containers was necessary for storage and transport of the AHF Mixture tanks (TT10 and 11) due to the organics within the tanks. Additionally, EPA is in the process of obtaining a pump with viton diaphragm and gaskets to handle the materials. The EPA is continuing real time air monitoring, sampling activities. Also EPA is awaiting the arrival of rail cars to transfer AHF and waiting to find out if the company Univar will accept the materials of TCE.

NEGOTIATIONS

The EPA invites you to enter into negotiations towards a settlement. In addition to avoiding the costs of litigation, settling with the EPA provides you with another advantage. Under the Superfund law, settling with the EPA helps protect you should another responsible party sue you for costs which that party pays to the EPA. [Note: This protection against contribution claims, however, may not extend to claims by third parties that have incurred their own response costs and seek to recover them under Section 107(a)(4)(B). See United States v. Atlantic Research Corporation, 172 S.Ct. 2331, 169 L.Ed. 2d 28 (June 11, 2007) (in certain situations, a liable party who has incurred cleanup costs at a site can sue other liable parties under CERCLA Section 107(a)(4)(B)).] Also, if you choose not to settle with the EPA and you are found to be a responsible party, the EPA may take civil administrative action and, ultimately, the EPA may request civil judicial action. A list of responsible parties is included in Enclosure C.

If you agree to negotiations, EPA will meet with you to discuss the Site cleanup and resolution of your liability by entering into an Administrative Settlement Agreement and Order on Consent (AOC) under Sections 104, 106, 107, and 122 of CERCLA, 42 U.S.C. §§ 9604, 9606, 9607 and 9622. The EPA expects to conclude AOC negotiations within 21 calendar days of your receipt of this letter.

OPPORTUNITY TO MEET

The EPA will provide you an opportunity to meet with EPA representatives to discuss your performance of a removal action to clean up the site. If you wish to participate in such a meeting, you must inform Ms. Jamie Bradsher in writing within the time frame stated below.

FINANCIAL CONCERNS/ABILITY TO PAY SETTLEMENTS

The EPA is aware that the financial ability of some PRPs to contribute toward the payment of response costs at a site may be substantially limited. If you believe, and can document, that you fall within that category, please contact Ms. Jamie Bradsher at the contact phone number listed below for information on "Ability to Pay Settlements." In response, you will receive a package of information about the potential for such settlements and a form to fill out with information about your finances, and you will be asked to submit financial records including business and personal federal income tax returns. If EPA concludes that you have a legitimate inability to pay the full amount of EPA's costs, EPA may offer a schedule for payment over time or a reduction in the total amount demanded from you.

Also, please note that, because EPA has a potential claim against you, you must include EPA as a creditor if you file for bankruptcy.

RESOURCES AND INFORMATION FOR SMALL BUSINESSES

As you may be aware, on January 11, 2002, President Bush signed into law the Superfund Small Business Liability Relief and Brownfields Revitalization Act. This Act contains several exemptions and defenses to CERCLA liability, which we suggest that all parties evaluate. You may obtain a copy of the law via the Internet at http://www.epa.gov/swerosps/ bf/sblrbra.htm and review EPA guidance regarding these exemptions at http://www.epa.gov/ compliance/resources/policies/cleanup/superfund.

The EPA has created a number of helpful resources for small businesses. The EPA has established the National Compliance Assistance Clearinghouse as well as Compliance Assistance Centers which offer various forms of resources to small businesses. You may inquire about these resources at http://www.epa.gov. In addition, the EPA Small Business Ombudsman may be contacted at http://www.epa.gov/sbo. Finally, EPA developed a fact sheet about the Small Business Regulatory Enforcement Fairness Act ("SBREFA"), which is enclosed with this letter.

YOUR RESPONSE TO EPA

In addition to the three (3) day oral notification as mentioned in the Notice Letter, please notify Ms. Bradsher in writing at the address indicated below, ***within three (3) calendar days of the date of receipt of this letter*** to indicate your willingness to negotiate a PRP-lead removal clean up. **If the EPA does not receive your response within three (3) calendar days, the EPA will assume that you do not wish to negotiate, and the EPA will then take whatever actions are necessary to abate the threat to human health and the environment posed by chemicals on the property. EPA may then take appropriate action to recover response costs from you.**

Your response to this letter and questions regarding the matters in this letter should be directed to:

Ms. Jamie Bradsher
Enforcement Officer (6SF-TE)
United States Environmental Protection Agency
Region 6
1445 Ross Avenue
Dallas, TX 75202
Telephone: (214)665-7111
Fax: 214-665-6660

If you or your attorney have legal questions pertaining to this matter, please direct them to:

Mr. James Turner
Senior Attorney (6RC-S)
United States Environmental Protection Agency
Region 6
1445 Ross Avenue
Dallas, TX 75202
Telephone: 214-665-3159
Fax: 214-665-6460

The discussions of fact or law in this Notice are meant to help you understand CERCLA and the EPA's actions at the Site. The discussions of fact and law are not final positions on any matter discussed in this Notice.

NORPHLET CHEMICAL SUPERFUND SITE
Enclosure B

PRELIMINARY EVIDENCE

Teresa Marks, ADEQ letter to Samuel Coleman, EPA, dated April 16, 2009.

A copy of a tolling agreement contract between Norphlet Chemical, Inc. (NCI) and Tulstar Products, Inc. (TPI) a/k/a Tulstar Refrigerants LLC, with attached Collateral Assignment of Contract involving the Arkansas Economic Development Commission (AEDC) dated on or about December 13, 2005, and December 5, 2005, respectively.

Corporate information on TPI and related firms obtained from offices of the Nevada Secretary of State and the Oklahoma Secretary of State

Corporate information on NCI obtained from the Arkansas Secretary of State and other sources.

On information and belief, analytical data on certain tanks and other documents concerning hazardous substances in the possession of NCI at the Site and the observations of, and as well as information obtained from on-Site personnel by, EPA OSC Gary Moore and OSC Nancy Jones.

A chart on raw material and intermediates purported to be held on Site as of 9/25/08.

A map and legal description of the Site.

The EPA Pollution Report (POLREP) in connection with the Site.

A forwarded email dated Sept. 29, 2008, from an employee of Jones-Hamilton concerning corporate responsibility and proposed for specialty chemical raw materials located on the Site.

Memorandum from David Choate, Esq. to Messrs. David Nevala and Brian Scoggins, AEDC, dated February 3, 2009.

Memorandum from Robert f. Dougherty, Esq., to Ms. Elena Forsyth, Tulstar Refrigerants, Inc., dated February 27, 2009.