Freedom INDUSTRIES

January 23, 2014

VIA EMAIL (joseph.m.hickman@wv.gov)

Joseph M. Hickman
WV Department of Environmental Protection
Environmental Resources Program Manager
Division of Water and Waste Management
Water Pollution and Solid Waste Inspection and Enforcement
601 57th Street, SE
Charleston, WV 25304

Dear Mr. Hickman:

We are writing in furtherance of Order Nos. 8027, 8028, and 8033, our letters of January 11, 2014, January 16, 2014, and January 22, 2014, our discussion at Freedom Industries on January 22, 2014, and miscellaneous correspondence with and requests from the Department of Environmental Protection ("DEP"). More specifically, we are writing regarding the following topics:

1. Calculation of Released MCHM
2. Site Inventory of January 9, 2014 v. January 20, 2014
3. Disposition of MCHM-Impacted Wastewaters (located at Poca Facility)
4. Overview of Preliminary Site Remedial Concepts
5. Plans to Use Site Water in the Glycerin Tanks
6. Plans for Future Meetings and Discussions

Each of these topics is discussed in greater detail, below.

1. Calculation of Released MCHM

Tank Nos. 395, 396, and 397 were being used primarily for the storage of Crude MCHM. On the morning of January 6, 2014, there were a total of 113,621 gallons of a blend of MCHM and PPH[1] inventoried in the three tanks (40,870 gallons in Tank No. 395, 34,466 gallons in Tank No. 396, and 38,285 gallons in Tank No. 397).

Following this inventory, Shipment DF53037 was made on January 8, 2014, removing 3,246 gallons from Tank No. 396. This left a total of **110,375 gallons** of MCHM/PPH blend in the three tanks.

Immediately after the release was discovered the morning of January 9, 2014, we began emptying the three tanks and recovering the released MCHM/PPH blend. All of that material was transported to our Poca Facility for temporary storage.[2]

On January 21, 2014, we "measured" the MCHM/PPH that was present in the six primary tanks at the Poca Facility (this did not include the MCHM-Impacted wastewaters, which contain relatively small quantities of MCHM). These measurements were then converted to gallons, yielding the following results:

[1] PPH is sometimes added to the Crude MCHM to act as an "extender," in that the Crude MCHM is available in limited, sporadic quantities. At the time of the release on January 9th, the blend in Tank No. 396 was approximately 88.5% Crude MCHM, 7.3% PPH, and 4.2% water by weight. Our records and internal investigations indicate that there were no other materials in Tank No. 396 at the time of release.

[2] Freedom operates another facility on property that it leases at the Poca Blending Facility in Nitro, West Virginia. The MCHM/PPH product and MCHM-impacted wastewater that were transferred from the Freedom Facility are being stored in tanks at property adjacent to the Poca Facility. Freedom entered into an agreement with the property owner to also use the space at which the subject tanks are being stored.

	Approximate Gallonage
S35927L	20,809 gallons
CFVP1262L	20,744 gallons
GT-2	17,199 gallons
GT-1	17,978 gallons
SV27811L	15,282 gallons
SV27762L	7,134 gallons
SV22779L	585 gallons
SV36133L	390 gallons
SV28469L	97 gallons
SV36103L	15 gallons
Total	**100,233 gallons**

This figure represents the MCHM/PPH blend which was removed from the three tanks after the incident (i.e., which was not released), and the residual released MCHM/PPH blend that was recovered and transferred to the Poca Facility by January 21st. The difference between the value from the morning of January 9th and the value from January 21st is 10,142 gallons. We therefore estimate that approximately 10,000 gallons of MCHM/PPH blend was released the morning of January 9th. We cannot calculate a more precise value, because we do not have a measurement of the MCHM/PPH blend which was removed from the three tanks immediately after the incident. To date, we have recovered approximately 1,272 gallons of MCHM/PPH blend in absorbent booms, "diapers," and floor dry.

2. Site Inventory of January 9, 2014 v. January 20, 2014

Set forth below is a comparison of the primary chemicals, other than the MCHM/PPH blend, which were onsite on January 9th as compared to January 20th:

	January 9th	January 20th
Calcium Chloride +	641,546 gals	540,704 gals
Glycerin	600,386 gals	463,639 gals
Fatty Acid	80,477 gals	48,647 gals
Total	1,322,409 gals	1,052,990 gals

As you can see, since January 9th we have removed all of the MCHM/PPH blend and approximately 20% of the other primary chemicals from the facility.

3. Disposition of MCHM-Impacted Wastewaters (located at Poca Facility)

The MCHM-impacted wastewater that is being stored in tanks at the Poca Facility will be transported to the Big Run Landfill in Ashland, Kentucky for disposal. Transport of the wastewater to the landfill is planned to begin on January 24, 2014. We anticipate that four loads will be hauled daily (business days only as the landfill does not haul waste on the weekends). It is anticipated that all of the MCHM-impacted wastewater will be removed and hauled to the landfill by Thursday, January 30th.

The priority in removing the MCHM-impacted wastewater from the Poca Facility is to reduce the volume of material in the fullest tanks first, so as to mitigate against any cold weather issues. Each day the four loads will consist of 5,000 gallons from each of the tanks with the largest volume of material.

Measures have been taken at the Poca Facility to address any potential spill incidents. An emergency response vehicle is on location at the site and will remain until all of the MCHM material is removed. In addition, the tanks will be under 24 hour surveillance until they are all emptied. Extra booms, pads and absorbent material have been placed at the tank storage location. Finally, storm drains in the vicinity of the tank storage area have been covered.

4. Overview of Preliminary Site Remedial Concepts

To date, we primarily have focused on initial release response activities. Obviously, we also will need to investigate and remediate impacted soils and groundwater, and we note that this is a requirement of Order No. 8028.

Subject to approval from the Bankruptcy Court, Freedom is retaining Civil and Environmental Consultants, Inc. ("CEC") to prepare a workplan for DEP approval and

subsequent implementation. We understand that DEP is particularly concerned about the potential for impacted diffuse groundwater flow from the northern end of the containment area into the Elk River, so we intend to make that issue a priority. To that end, we hope to send DEP a proposed workplan for at least that portion of the work sometime early next week.

Also, as Don Bluedorn discussed with Scott Mandirola earlier today, we will be providing a spreadsheet with the Conestoga Rovers data as soon as it is available.

In the interim, attached as **Figures 1 and 2** are a Site Plan and Cross-Section that CEC has prepared to facilitate the investigation and remediation. Set forth below is an outline of the conceptual approach that CEC intends to follow (again, subject to all appropriate Bankruptcy Court approvals and authorizations).

A. Develop Water Management Plan

1) Water quality sampling program to define area(s) of impacts (i.e., to identify impacted water vs. non-impacted stormwater). This will include the potential area of diffuse groundwater flow at the northern end of the containment area. Again, we intend to make this a priority, and hope to send DEP a proposed workplan for at least that portion of the work by early next week.
2) Prepare plans to isolate clean stormwater from impacted site water – divert (possibly pump) the clean water around the impacted area.

B. Removal of MCHM Tanks (395, 396, 397) and Tanks 393 & 394 (need to coordinate with the Bankruptcy Court and the CSB, as discussed during January 22nd meeting)

C. Release Area Soil Investigation and Remediation

1) Soil sampling and testing both inside and outside the tank farm to delineate impacted areas and identify potential constituents of concern.
2) Determine appropriate Remediation Target Level (RTL).
3) Begin remediation activities starting at source area at Tank 396 and simultaneously initiate soil remediation outside of the tank area.
4) Once efforts to redirect clean stormwater around the tank farm area have been completed, initiate efforts to remove the culvert, and continue impacted soil excavation as appropriate.

5) Throughout the excavation activities, confirmatory soil testing will be conducted to determine that RTLs have been achieved. Thereafter, backfilling can be completed as appropriate.

D. Revisit Water Quality Sampling Program Developed in Part A and Modify as Necessary to Guide Post-Remediation Monitoring Program

E. Meet with WVDEP and Discuss Approach to Include Remediation in the VRP Release

Per a request from Mike Dorsey, we have scheduled a call for Monday, January 27, 2014 at 10:30 am to discuss this remedial approach with various interested agencies.

5. Plans to Use Site Water in the Glycerin Tanks

We are collecting water from three distinct sources: (a) the "sump" immediately upgradient of the containment area (water flowing on to our property); (b) water withdrawn from the Elk River, per our normal processes; and (c) potentially impacted water from the "collection trench."

We would like DEP concurrence to use the water from the first two of these sources as dilution water in our Glycerin tanks, to facilitate removal of the inventory (our standard operating practice is to use the water drawn from the Elk River). Mike Dorsey previously provided verbal authorization for this.

We would like to use the water from the collection trench as makeup for a dust suppression product, which will be supplied to the Big Run Landfill in Ashland, Kentucky.

If at all possible, we would like this concurrence on Friday, January 24th. We currently have halted our Glycerin off-loading, pending concurrence from DEP.

6. Plans for Future Meetings and Discussions

We understand that DEP is agreeable to a series of weekly meetings/calls for the foreseeable future, to ensure that these discussions and the related activities stay on track. The selected time is 10:30 a.m. on Wednesdays. We plan to host at least the first several meetings in our offices, at the Freedom Charleston Facility.

Thank you again for cooperation and professionalism regarding this matter.

Very Truly Yours,

Gary Southern, President
Freedom Industries, Inc.

cc: Paul K. Vey, Esq.
Anne C. Blankenship, Esq.
Donald C. Bluedorn II, Esq.