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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 27, 2017

Patrick Collins, Resident Agent
Mt. Nebo Scientific
P.O. Box 337
Springville, Utah 84663

Subject: Midterm Completion Response, Price River Terminal, LLC, Wellington Prep Plant, C/007/0012, Task #5511

Dear Mr. Collins:

The Division has reviewed your application. The Division has identified deficiencies that must be addressed before final approval can be granted. The deficiencies are listed as an attachment to this letter.

The deficiencies authors are identified so that your staff can communicate directly with that individual should questions arise. The plans as submitted are denied. Please resubmit the entire application by no later than October 31, 2017.

If you have any questions, please call me at (801) 538-5325.

Sincerely,

Daron R. Haddock
Coal Program Manager

DRH/sqs
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Technical Analysis and Findings

Utah Coal Regulatory Program

PID: C0070012
TaskID: 5511
Mine Name: WELLINGTON PREPARATION PLANT
Title: MIDTERM COMPLETION RESPONSE

General Contents

Identification of Interest

Analysis:

The MRP meets the State of Utah R645 requirements for Identification of Interests.

Beginning in Section 1.20 of the MRP, the Permittee identifies the Permittee, Operator and respective Owners of the Wellington Prep Plant facility. The MRP identifies Price River Terminal, LLC (PRT) as the owner. The current MRP identifies Sunoco Partners Marketing & Terminals, L.P. as owning 55% of PRT. 33.6671% is owned by Global One Transport. The previous technical review (Task ID #5430) had directed the Permittee to clarify the ownership and control of Price River Terminal. It was unclear as to the ownership of the remaining 11.33% of Price River Terminal. The Permittee has revised Section 1.20.

Sunoco Partners Marketing & Terminals L.P. retains its 55% ownership of Price River Terminal. However; Global One Transport, Inc.'s ownership was revised to 25.25% (previously 33.6671%).

Sunoco Logistics Partners Operations GP LLC (SLPO LP) owns 99.990% of Sunoco Partners Marketing & Terminals L.P. The remaining 0.010% ownership is held by general partner, Sunoco Logistics Partners Operations GP LLC.

Sunoco Logistics Partners Operations GP LLC (SLPO LP) is 99.990% owned by Energy Transfer Partners L.P. (ETP).

The Permittee was directed to update the ownership and control information in Section 1.20. The updates were to include any changes in officers and directors since the previous mid-term review five years ago. The Permittee has provided these revisions in Section 1.20.

Additionally, the previous technical review (Task ID #5430) directed the Permittee to identify/clarify who the Operator of the site is. On page 5 of Section 1.20 of the approved MRP, Watco Transloading, LLC is identified as the Operator of the site; however, the MRP notes that Watco Transloading, LLC only performs work related to the oil transloading process. The Operator who will be performing mining and reclamation activities must be clarified in the MRP. The Permittee has clarified that the operator relative to coal mining and reclamation activities is Price River Terminal in section 1.20.

schriste

Permit Term

Analysis:

The amendment meets the State of Utah R645 requirements for Permit Term.

The previous technical analysis (Task ID #5430) directed the Permittee to provide more information/discussion relative to the reclamation of the on-site coal material. The Permittee was asked to revise section 116.100 of the MRP to reflect current coal mining and reclamation operations. In Section 116.100, the Permittee provides a discussion of the current re-mining of coal refuse from the slurry ponds located on the property. The removal of the material began in March of 2015 in conjunction with Sunnyside Cogeneration. The fines are being utilized at the cogeneration power plant. The contract between Sunnyside Cogeneration and the Permittee (Price River Terminal) provides for the removal of a minimum of 130,000 tons per year through 2022.

schriste

Environmental Resource Information

Vegetation Resource Information

Analysis:

The Wellington midterm completion response meets the State of Utah R645 requirements for Vegetation resource Information at R645-301-356;

Map F9-178, 179 has been updated to include the locations and coordinates of the reference areas and the location of seedmix C. Section 3.11 page 7 has been updated to include the following text;

Total mean woody plant species per acre was 3,963.9 (Table 11). Total above ground annual production for the Sarcobatus-Suaeda community was estimated at 728.99 pounds per acre. For these totals and production by lifeform, refer to Table 12. The range condition was rated as "high fair (mid seral)" by the USDA Natural Resource Conservation Service (as per October 25, 1995 letter). A copy of this letter has been included in Appendix G.

Disturbed Community

There are about 356 acres on the permit area that were disturbed by roads, settling ponds, facilities, waste areas, etc. Most of these disturbed soils are dominated by "weedy" plant species [i.e. halogeton (Halogeton glomeratus), fivehook bassia (Bassia hyssopifolia) and summer cypress (Kochia scoparia)].

For a more complete species list of the disturbed community, refer to the asterisked species in Table 13.

Riparian Community

As mentioned in the INTRODUCTION, the Price River dissects the properties and supports a riparian plant community (see Maps A-C). The disturbance to this community was less than one acre and therefore was not sampled by quantitative methods.

Threatened and Endangered Species

No sensitive, threatened or endangered plant species were found on or near the Wellington Railroad Loadout Facility.

A qualitative field study of the reference areas was conducted by P. Collins (Mt. Nebo Scientific) and J. Helfrich (DOGM) on August 9, 2017. Results of this study will be submitted in Wellington Prep Plant's 2017 Annual Report.

The proposed text changes are recommended for approval.

jhelfric

Fish and Wildlife Resource Information

Analysis:

The Wellington midterm completion response meets the State of Utah R645 requirements for Fish and Wildlife resource Information at R645-301-322.210 and 333;

The following text is added to Section 3.33 pages 6, 7 and 8;

Lisa Reinhart, a DOGM biologist, accessed the U.S. Fish and Wildlife Service's, Information for Planning and Consultation (IPaC) website on May 30, 2017 to evaluate federally protected species within the permit area. As a result, she notes that there are six (6) protected species within the area. They were: Mexican Spotted Owl, Yellow-billed Cuckoo, Bonytail Chub, Colorado Pikeminnow, Humpback Chub, and Razorback Sucker. There were no critical habitats identified in the permit area.

Page 7;

Fish and wildlife are discussed throughout Chapter 3, Section 3.11, and the State of Utah, Division of Wildlife Resources Publication No. 78-16, Appendix A. This publication does evaluate the Yellow-billed Cuckoo and notes it could be a summer resident of the project area. This bird only nests in the riparian habitat. Such areas are of critical value to the maintenance of this species. Consequently, the riparian habitat along the Price River that dissects the Wellington Prep Plant will not be disturbed to ensure protection and enhancement of the Yellowbilled Cuckoo habitat. The Mexican Spotted Owl has not been evaluated in the MRP but this species requires wooded canyons with narrow side canyons which are not present within the permit area. Water withdrawal rates for the site have been calculated in order to comply with the 1996 Biological Opinion (BO) for Colorado River Fishes mentioned above. The Price River dissects the Wellington Prep Plant property. This river enters the Green River downstream that ultimately flows into the Colorado River. Fish habitat at the site has been discussed, but to account for the Upper Colorado River Endangered Fish Recovery Program and satisfy the 1996 BO for Colorado River fishes, water consumption has been calculated as a means to determine the potential impact of the site to the endangered fish in the upper Colorado River system. Consequently, the annual water withdrawal rate for the Wellington Prep site has been reassessed. Aside from normal water use for onsite restroom facilities, the only water use at the site is on surface areas for dust suppression. Each dust suppression treatment uses 4,000 gallons of water. Number of treatments per day depends on the month of the year. The following table estimates the annual water consumption for dust suppression at the Wellington Prep Plant.

Page 8;

Water Consumption for Dust Suppression at the Wellington Prep Plant

Month	Treatments/Day	Days/Week	Treatments/Week	Gallons/Month	Acre Feet
January	0	0	0	0	0.000
February	0	0	0	0	0.000
March	1	1	1	4000	0.012
April	1	2	2	8000	0.025
May	1	4	4	16000	0.049
June	2	5	10	40000	0.123
July	2	5	10	40000	0.123
August	2	5	10	40000	0.123
September	1	4	4	16000	0.049
October	1	1	1	4000	0.012
November	0	0	0	0	0.000
December	0	0	0	0	0.000
TOTAL	11	27	42	168000	0.516

The proposed text changes are recommended for approval.

jhefric

Operation Plan

Topsoil and Subsoil

Analysis:

The Permittee is following the MRP sampling commitments stated in Section 5.23, p. 4-5. The Permittee has provided preliminary sampling to demonstrate that selective overburden materials may be used as a supplement to topsoil, however these soils are presently being utilized for mining activity (Incoming 8/24/2017, pg. 8). During a site visit on July 19, 2017, the soils were observed to be vegetated predominantly with kochia, greasewood and tamarisk. When mining use of these soils is completed, substitute soils must be identified and delineated on a map, further sampled as described to confirm chemical properties (Section 5.23, p. 4-5) and protected to meet the requirements of R645-301-234.300 (to protect and enhance these soils in place).

In 2016, three soil samples were taken of the 11 acres of re-exposed soil in the upper refuse basin. Each sample was a composite of 48 inches of the soil profile. The three composite soil samples indicate that the soil is loam to silty loam in texture, with slightly alkaline pH. The SAR values of 4.66 and 5.36 in the South half of the re-exposed soil (Figure 1) are rated Fair. This soil is dominated by Mg and Na cations, This combination creates impervious soil and reduced availability of calcium, a major plant nutrient. (The Mg/Ca ratio is 1.3 to 1.4.) At final reclamation, a soil amendment

would likely improve both infiltration and calcium availability for plant growth. This combination may create impervious soil and reduced availability of calcium, a major plant nutrient. This soil would benefit from calcium addition and a complete fertilizer (containing the macronutrients N:P:K) application, since potassium, is also severely lacking in this soil. Photos that accompany the soil report show the soil to be compacted and massive in structure. In addition to contour ripping and organic matter additions to improve soil aggregation, the reclamation plan could include the introduction of rhizobium and mycorrhizae treated seed to build soil structure.

Using four feet of soil from 11 acres could provide 70,986 CY of the total 1,034,400 CY cover required for the upper and lower refuse ponds (p. 1, Sec 2.41). Whether or not the soils are utilized for substitute topsoil, stabilization of exposed areas is required by R645-301-244.100.

In accordance with R645-301-233.100, the Permittee should map and sample proposed substitute soils during the next sampling event in 2021.

pburton

Hydrologic General

Analysis:

The MRP does not meet the State of Utah R645 requirements for Water Monitoring.

The previous technical analysis (Task ID #5430) identified a deficiency relative to the water monitoring information presented in Chapter 7. The Permittee was directed to revise the MRP to provide a clear and concise presentation of the baseline and operational water monitoring conducted at the site. The revisions were to include clarifications/revisions to the text as well as tables (Table 7.24.2 and Table 7.24.5) to clearly present the water monitoring sites (identified by site name), the frequency of their monitoring, the water quantity, field and laboratory water quality parameters to be obtained at each and the frequency of their collection (i.e. quarterly, baseline collection frequency, flow only, etc.).

The Permittee has revised the water monitoring language found in Section 7.31.2 of the MRP. Tables 7.24.2 and Table 7.24.5 (ground and surface water quality parameter lists respectively) have been replaced by Tables 7.31.2-1, 7.31.2-2, 7.31.2-3, 7.31.2-4, 7.31.2-5 and 7.31.2-6.

Ground water monitoring will be conducted as specified in Tables 7.31.2-1, 7.31.2-2, 7.31.3-3 and 7.31.2-5. Table 7.31.2-3 identifies the operational and reclamation phases ground water monitoring. Table 7.31.2-5 identifies the baseline ground water sampling that will occur every five years.

Surface water monitoring will be conducted as specified in Tables 7.31.2-1, 7.31.2-2, 7.31.3-4 and 7.31.2-6. Table 7.31.2-4 identifies the operational and reclamation phases ground water monitoring. Table 7.31.2-6 identifies the baseline ground water sampling that will occur every five years.

Table 7.31.2-2, Hydrologic Monitoring Protocols states in Items C and D that baseline monitoring events are scheduled in the future in 2019, 2024, 2029 etc. The last sentence in Items C and D state, "The baseline monitoring events are intended to occur in the year prior to permit renewal". The Wellington Prep Plant permit was last renewed in November of 2014, thus the next scheduled baseline data collection would need to occur in 2018 based on the language provided in Items C and D in Table 7.31.2-2. As the last round of baseline data collection occurred in the 3rd quarter of 2014, the Division would accept the next round of baseline data be collected in either the second or third quarter of 2019 (not in 2018 which would be the 'year prior to permit renewal'). The Permittee should delete the last sentence under Items C and D in Table 7.31.2-2 that states, "The baseline monitoring events are intended to occur in the year prior to permit renewal". The last baseline data collection occurred in the 3rd quarter of 2014. As such, the next baseline data collection would occur 2nd or 3rd quarter of 2019 (i.e. 5 years later). The year prior to permit renewal is 2018 as the five year permit was renewed in November of 2014. For clarity purposes, the aforementioned sentence should be deleted.

Deficiencies Details:

The amendment does meet the State of Utah R645 requirements for Hydrology. The following deficiency must be addressed prior to final approval:

R645-301-731, -732: The Permittee should delete the last sentence under Items C and D in Table 7.31.2-2 that states, "*The baseline monitoring events are intended to occur in the year prior to permit renewal*". The last baseline data collection occurred in the 3rd quarter of 2014. As such, the next baseline data collection would occur 2nd or 3rd quarter of 2019 (i.e. 5 years later). The year prior to permit renewal is 2018 as the five year permit was renewed in November of

Reclamation Plan

Bonding Determination of Amount

Analysis:

The review of the midterm completion response does not meet the State of Utah R645 requirements for Determination of Bond Amount.

R645-301-830: The permittee provided good supporting calculations for estimates of reclamation costs. They provided clarifying information and notes to identify specific cost updates that have taken place. Items that we need further clarification on are listed below.

R645-301-830: Demo Cost sheets - items that have been identified as no longer in place need to have verifications that they are no longer there.

Earthwork Cost sheets - Clean up the unused items in the Earthwork Cost worksheets. Example: delete the 2nd cost that are not being used. (RS Means and Blue book costs were both given, only one is needed).

Reveg Cost Sheets - Looks good.

R645-301-830.140 and Tech 007: Provide copies of the bids for the items that are bid items.

Total Cost sheet must include escalation factor and all information that provides the total reclamation bonding costs.

Deficiencies Details:

The review of the midterm completion response does not meet the State of Utah R645 requirements for Determination of Bond Amount.

R645-301-830: The permittee provided good supporting calculations for estimates of reclamation costs. They provided clarifying information and notes to identify specific cost updates that have taken place. Items that we need further clarification on are listed below.

R645-301-830: Demo Cost sheets - items that have been identified as no longer in place need to have verifications that they are no longer there. Provide a map identifying where they were and pictures of the area cleaned up. Provide verification that left in place items are identified in the MRP- Culvert 10.

Earthwork Cost sheets - Clean up the unused items in the Earthwork Cost worksheets. Example: delete the 2nd cost that are not being used. (RS Means and Blue book costs where both given, only one is needed).

Reveg Cost Sheets - Looks good.

R645-301-830.140 and Tech 007: Provide copies of the bids for the items that are bid items.

Total Cost sheet will need to include the following:

Escalation factor: .0%

Number of years: 5

Escalation amount: 0

Reclamation cost escalated to 2022 dollars

Dollar Year 2017 bond amount

Bond posted amount

Difference between Cost Estimate and Bond (reclamation needed to be fully bonded)

Percent Difference between posted bond and Cost Estimate

bwiser