

#4334

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TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

June 3, 2013

TO: Internal File

THRU: Daron Haddock, Coal Program Manager *DRH*

FROM: Peter Hess, Environmental Scientist III, Team Lead, Engineering Review *PHH by SQS*

RE: TRANSLOADING CRUDE OIL FROM TRUCK TO RAIL, Savage Services Corporation, Savage Coal Terminal, C/007/0022, Task ID #4334

SUMMARY:

The Permittee, Savage Services Corporation, submitted a permit amendment application to the Division on May 17, 2013 to allow the bulk transfer of crude oil from semi-truck tankers to railroad tank cars within the permit area / bonded area regulated by the Utah Division of Oil, Gas and Mining.

This review will address those areas of the R645 Coal Mining Rules which are relevant to the engineering discipline, R645-301-500, and Bonding, R645-301-800.

TECHNICAL ANALYSIS

OPERATION PLAN

MINING OPERATIONS AND FACILITIES

Regulatory Reference: 30 CFR 784.2, 784.11, R645-301-231, -301-526, -301-528

Analysis:

The submitted proposal consists of a single paragraph inserted in Chapter 5, Page 28, section R645-301-521, **General**, and states the following:

*“Savage will begin transloading crude oil from trucks to rail tank cars in calendar year 2013. This is a non-coal operation that will neither affect nor interfere with the approved coal operation permit. The transloading of crude oil at the Savage Coal Terminal will be conducted south of the silo **within the railroad right-of-way** using portable, self-contained loading racks, drip pans and additional protection to the extent required by the SPCC plan”.*

A site visit was made on May 23, 2013 to observe the area where the Permittee is proposing to transfer the oil volumes from the semi-trucks to the railroad cars. A 450 foot section of the coal loading rail (the track which passes through the coal silo) located on the south side of the silo will be used to locate the railroad tank cars. The Permittee mentioned that a short side track may be installed to the west of the silo loading loop in the future. No changes will be made to the configuration of the railroad track at this time.

Two or three portable rubber tired racks which contain a transfer pump and the electrical circuitry required as well as the necessary plumbing will be located along this track length inside the Railroads right-of-way. These racks will have standard quick disconnects to install transfer hoses for the pumping of the bulk crude into the railroad cars.

The semi-tanker trucks will also have transfer pumps and hoses on them, and these will be used most of the time to transfer the oil volumes.

The Permittee intends to extend electrical power from Conveyor #13 approximately three hundred feet to the east and then install three plug-in type electrical load centers (surface installation) to provide power for the portable rubber tired racks. All wiring will be run sub-surface to facilitate traffic flow in the area. The electrical service will be the only aspect of this proposal which will remain permanent and in-place until the Permittee decides to reclaim this area.

The Permittee will store empty tank cars in the spur track located off of the railroad loading loop in the SE corner of the permit area (about 500 feet of track). On occasion, loaded

tank cars may need to be temporarily stored here to clear the track for coal train loading. (See Plate 5-5, Savage Coal Terminal Railroad Facilities.)

All of the bulk crude oil transloading activities will take place inside of the currently approved DOGM permit area / disturbed area. The area where the operation will be conducted has been utilized for coal storage and handling for many years and there is no topsoil recovery needed from the area.

Upon completion of the construction of the transloading facility, the Permittee must provide an updated Plate 5-2 (an "AS-BUILT") which shows the location of the transloading facility and its features.

There will be no topsoil removal or topsoil storage required for this project. There is no need to address the requirements established under R645-301-600, Geology, as all of these requirements have been addressed in the currently approved mining and reclamation plan.

Findings:

This is a minor change to the operations at the Coal Terminal and it should not affect the coal loading of trains.

The application should be approved as it meets the minimum regulatory requirements of the R645 Coal Mining Rules for engineering.

HYDROLOGIC INFORMATION

Analysis:

Sediment Control Measures

Based on discussion with Mr. Garth Nielson, General Manager of the Savage Coal Terminal on May 23, 2013, the Permittee is interested in locating the transloading area for the bulk crude oil further to the south such that all of the surface runoff intercepted by the transloading acreage (watershed 5a, as delineated on FIGURE 7-5, Savage Coal Terminal Area Subdrainages) would report to Pond 5. The Permittee may decide at a later time that the construction of a stub sidetrack between Pond 5 and the silo coal loading track is necessary for the loading of tank cars. This may be necessary to reduce the switching out of oil cars to maintain the efficiency of the train loading operation.

The Task ID# 4334 application states that "*drip pans and additional protection to the extent required by the SPCC plan*" will be implemented in the transloading area to minimize absorption of oil leaks into the soil.

A copy of the current SPCC plan was not submitted with the application. The Division recommends that a copy of the current SPCC plan for the Savage Coal Terminal be submitted.

A revised Chapter 5, page 28a has also been added for insertion into the approved MRP upon successful completion of this permitting activity.

Page 28a contains two sections which are applicable to this application.

Section 521.120 states that Plate 5-2 depicts the existing surface and subsurface facilities at the Coal Terminal.

Section 521.121 merely states "*See Plate 5-2*". Although a Plate 5-2 has not been submitted with the application, the proposed location for the bulk crude oil transloading operation has been shown to Division personnel. As this permit proposal is a minor addition to the terminal facility, this review has determined that the submittal of an "As-Built" drawing of the finished installation is adequate to address the needs of the R645 Coal Mining Rules.

The current, approved Plate 5-2, Savage Coal Terminal Facility Map was incorporated on January 10, 2012.

In accordance with the requirements of;

R645-301-512.120, Surface Facilities and Operations, the Permittee must submit a revised Plate 5-2 "**As-Built**" upon completion of the facility installation. The Plate will delineate the area of the Coal Terminal permit where the transloading of bulk crude from truck tankers to the railroad tank cars will occur.

The site visit of May 23, 2013 revealed what the Permittee has described as one of the "*portable, self-contained loading racks.*" (See photos Figure 1 and 1B) Figures 1 and 1B are photos of the same unit, taken from each side. These are portable and can be removed from the site with ease. As such, any bonding cost associated with their removal will be minute. There is no need to require additional bond to remove these units from the permit area.

There are no permanent (i.e., buried lines) oil plumbing lines to be installed as part of this submittal.

The only permanent installation associated with amendment is the underground electrical lines. It is assumed that these will be cut off and left in place when the Savage Coal Terminal facility is reclaimed. The surface outlet electrical boxes will be reclaimed.

The stub sidetrack which may be installed is approximately 700 feet south of the coal loading silo; it will be constructed according to the same specifications as shown on PLATE 5-5, Savage Coal Terminal Railroad Facilities.

R645-301-521.180, Support Facilities, the Permittee *“will submit a description, plans, and drawings for each support facility to be constructed used, or maintained within the proposed permit area. The plans and drawings will include a map, appropriate cross sections, design drawings, and specifications to demonstrate compliance with R645-301-526.220 through R645-301-526.222 for each facility.”*

The bulk crude oil transfer facility is **not** a support facility for the unloading, blending, and train loading coal facility permitted through the State of Utah under C/007/0022.

The Division understands that all transloading activities will occur within the railroad right-of-way which is inside the regulated permit area.

SILTATION STRUCTURES: OTHER TREATMENT FACILITIES

Analysis:

A short tail-track (approximately 750 feet in length) exists in the SE corner of the Permit area and is tangent to the main loading loop of the facility. 0.85 acres of the area encompassed by the permit boundary and the railroad tracks are an alternate sediment control area (ASCA #5) and this area utilizes vegetative filter and a silt fence to treat any precipitation which it collects.

The remainder of the area is considered “undisturbed” and intercepted precipitation reports off of the permit area through a 24 inch CMP onto surface land owned by Roy D. and Peggy Campbell.

The Division is concerned that if loaded rail tank cars are stored on this tail-track that the potential for a leak reporting off of the permit area is possible. Therefore, the Division suggests that Savage Services Corporation only store empty tank cars on this tail track or minimize the length of time in which loaded tank cars are kept at this location.

Findings:

To reduce the possibility of a potential off-site impact in the SE corner of the Savage Coal Terminal permit area, the Division requests that the Permittee only store empty railroad tank cars on the tail track in this area.

In accordance with the requirements of;

- 1) **R645-301-512.120, Surface Facilities and Operations**, the Permittee must submit a revised Plate 5-2 which delineates the area of the Coal Terminal permit where the transloading of bulk crude from truck tankers to the railroad tank cars will occur. This is to be done after construction of the facility is completed (i.e., an “**As-Built**” Drawing).

- 2) The revised **Plate 5-2, Savage Coal Terminal Facility Map "As-Built"** must be certified by a professional engineer authorized to do business in the State of Utah.
- 3) The Division recommends that a copy of the current SPCC plan for the Savage Coal Terminal be submitted to the Division.

RECOMMENDATION:

The Division should accept this application as a notification from Savage Services Corporation of its intent to construct and operate a bulk crude oil transloading facility inside the permit area regulated by the Utah Division of Oil, Gas and Mining under C/007/0022.

It is recommended that the Division grant a conditional approval of this application pending receipt of all "As-built" information as requested by the Division.

The Division is aware that there are other regulations enforced by the U. S. Department of Transportation which may be applicable to this proposed facility. Those regulations are not within the realm of responsibility of the Utah Division of Oil, Gas and Mining.

Upon receipt of the submitted "As-Built" information, the Division will grant a Final Approval of the Task ID #4334 amendment.