



State of Utah

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Lieutenant Governor

Department of  
Environmental Quality

Amanda Smith  
Executive Director

DIVISION OF WATER QUALITY  
Walter L. Baker, P.E.  
Director

C/007/033 Incoming

CC: Amanda  
Pete

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SEP 05 2013

Mr. Lance Lee  
IPA – Wildcat Loadout  
406 W. South Jordan Parkway, Suite 440  
South Jordan, Utah 84095

Dear Mr. Lee:

Subject: Development and Usage of “Crude-by-Rail” Transloading Facilities at Existing Facilities with Coverage under General Coal Permit, Wildcat Loadout UTG040007

We have recently become aware that the subject coal loadout facility, covered under the General Permit for Coal Mining UTG040007, has added or will be adding, crude oil transloading facilities at that site or an associated adjacent site. Our concern is the General Permit for Coal Mining deals only with activities associated with coal mining, and does not deal with the loading or unloading of crude oil. The treatment-systems associated with these permitted coal facilities may not be designed to address crude oil leaks or spills, as not all sedimentation ponds have oil skimming devices on the outfalls. Because of these concerns, the following requirements need to be met:

1. The existing coverage under the General Permit for Coal Mining issued to your facility cannot be terminated until final bond release by the Division of Oil, Gas and Mining (DOG M) for all facilities on the site. Therefore, whether your operation will continue to load-out coal or not, the General Permit for Coal Mining will need to remain in effect until final reclamation and bond release is achieved for the entire site. All portions of that permit will remain in effect, including the storm water portions for coal mining. Any discharges will need to be sampled and reported as required by the permit. It is important to note that only discharges from designated outfalls are allowed, and an updated viable Storm Water Pollution Prevention Plan (SWPPP) for coal mining will need to be on site. Reclamation, if desired, must be completed as required by the DOGM.
2. The “Crude-by Rail” transloading portion of your operation is required to be covered by Sector P, SIC Code 4226, “Special Warehousing and Storage, Not Elsewhere Classified of the Multi-Sector General Permit” (MSGP) for industrial facilities. This coverage can be obtained by completing an application on the web at: [www.waterquality.utah.gov/UPDES/stormwater.htm](http://www.waterquality.utah.gov/UPDES/stormwater.htm).

In order to obtain this industrial storm water permit, a Storm Water Pollution Prevention Plan (SWPPP) must be developed. Attached is an example of a SWPPP. The portion of this example SWPPP regarding “Spill Prevention and Response” (5.c. on page 5) is extremely important to consider during development of your SWPPP. Since our purpose is to prevent water pollution through spill containment, diversion and isolation of flows and clean-up, it is a required component

195 North 1950 West • Salt Lake City, UT  
Mailing Address: P.O. Box 144870 • Salt Lake City, UT 84114-4870  
Telephone (801) 536-4300 • Fax (801) 536-4301 • T.D.D. (801) 536-4414

[www.deq.utah.gov](http://www.deq.utah.gov)

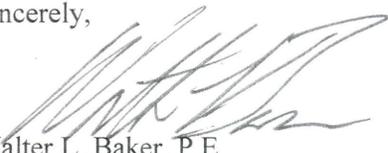
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of your SWPPP. The Division of Water Quality must review and approve the design and construction of any facilities installed to comply with SWPPP requirements. If facilities are already constructed and the transloading of crude oil is already in progress, the design and construction must still be reviewed and approved as soon as possible. If you are in need of facility design and construction review please contact Woodrow (Woody) Campbell of the Division of Water Quality at 801-536-4353 or [wwcampbell@utah.gov](mailto:wwcampbell@utah.gov).

3. Since there is a potential for spills, drips or leaks as a result of transloading, we are requesting that there be some changes in your UPDES General Coal Permit requirements and possibly to the design of outfalls at sedimentation ponds. The General Coal Mining Permit requires that the presence of oil and grease be observed for visually and, if a sheen is observed, a sample shall be taken for oil and grease. Instead of visual observation, it is requested that a sample be taken for oil and grease on a monthly basis and reported on your preprinted Discharge Monitoring Report (DMR) forms. In addition, if any of your pond outfalls are not equipped with oil skimming devices, then such devices must be added. A review and approval of the design of any oil skimming device must be completed before making such changes, as required by DWQ and DOGM rules. Please contact Woody Campbell at the phone number or email address above for review of such oil skimming devices.
4. If more than one acre of land is disturbed for completion of the requirements listed above, a construction storm water permit will be needed. For exact detail as to when a construction storm water permit is needed, and how to obtain one, please contact Harry Campbell of the Division of Water Quality at 801-536-4391 or [hcampbell@utah.gov](mailto:hcampbell@utah.gov).

We appreciate your cooperation and look forward to working with you to prevent potential spills. If you have any questions regarding the requirements listed above, please contact Mike Herkimer of my staff at 801-536-4386 or [mherkimer@utah.gov](mailto:mherkimer@utah.gov).

Sincerely,



Walter L. Baker, P.E.  
Director

WLB:MDH:mc

Enclosure: Example, SWPPP from Tesoro (DWQ-2013-005741)

cc: Tom Paluso, EIS  
Daron Haddock, DOGM  
Brady Bradford, Southeastern Utah District Health Department  
Dave Ariotti, District Engineer  
Darrin Brown, Tricounty Health Department  
Scott Hacking, District Engineer

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