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TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

July 2, 2013

TO: Internal File

THRU: Pete Hess, Lead *PHH km SRS*

FROM: Amanda Daniels, Environmental Scientist *SKC*

RE: Oil Transloading Terminal, Intermountain Power Agency, Wildcat Loadout, C/007/0033, Task ID #4378

SUMMARY:

The Utah Division of Oil, Gas & Mining (Division) issued Notice of Violation (NOV) #10129 on June 20, 2013 following an inspection of the Wildcat Loadout facility on June 19, 2013. The NOV was issued for conducting non-permitted activities, specifically the trans-load of oil within the permit area, and for failing to provide an updated copy of the Spill Prevention, Control and Countermeasure (SPCC) plan.

On July 1, 2013 the Permittee submitted an amendment to their MRP to permit oil trans-loading activity at the loadout facility. This memo addresses the application's response to the NOV and compliance with the hydrology (R645-301-700) section of the Utah Coal Mining Rules. Contents and information provided are sufficient to meet the requirements of this section of the Utah Coal Mining Rules and the NOV should be terminated.

The amendment is recommended for approval.

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TECHNICAL ANALYSIS:

OPERATION PLAN

HYDROLOGIC INFORMATION

Regulatory Reference: 30 CFR Sec. 773.17, 774.13, 784.14, 784.16, 784.29, 817.41, 817.42, 817.43, 817.45, 817.49, 817.56, 817.57; R645-300-140, -300-141, -300-142, -300-143, -300-144, -300-145, -300-146, -300-147, -300-147, -300-148, -301-512, -301-514, -301-521, -301-531, -301-532, -301-533, -301-536, -301-542, -301-720, -301-731, -301-732, -301-733, -301-742, -301-743, -301-750, -301-761, -301-764.

Analysis:

The Permittee has submitted an updated copy of the Wildcat Loadout facility's SPCC plan. This plan has been updated to reflect the information of the new operator, Wild West Equipment & Hauling, LLC, and has been updated to include required information about the trans-loading of oil.

This plan gives a description of facility operations and specifies operational details of the Associated Energy Services (AES) oil loading facility within the Wildcat Loadout. AES proposes to bring crude oil from the Uintah Basin and Central Utah to load into rail tankers. These tanks hold 560-650 barrels and the plan details that some oil may be stored in mobile tanks if rail tankers are not immediately available. The loading terminal will load approximately 2,000 barrels per day which is anticipated to eventually increase to 3,000-6,000 barrels per day.

The Permittee has indicated that the oil loading and potential oil storage will take place in the depression area just to the west of the railroad tracks, which is shown on Plate 1. The SPCC plan lists procedures implemented to maximize the prevention of spills and response to spills should they occur. This plan has been certified by Utah Professional Engineer, Tom Paluso.

Findings:

Contents and information provided are sufficient to meet the minimum requirements of the hydrology section of the Utah Coal Mining Rules.

MINING OPERATIONS AND FACILITIES

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

Analysis:

In response to NOV #10129, the Permittee has submitted an amendment to their MRP for review by the Division. The Permittee submitted an update surface facility map, Plate 1, indicating where the trans-loading of oil will take place. This map is sufficient for the needs of this review, but a better resolution map should be submitted to the Division for other inspection and permitting activities.

Also, an updated copy of the SPCC plan was submitted, as discussed previously, as well as a description of activities to be included in the MRP.

Findings

Contents and information provided are sufficient to meet the requirements outlined in NOV #10129 and the NOV should be terminated.

RECOMMENDATIONS:

The amendment is recommended for conditional approval, based on the Permittee submitting a more legible map of the surface facilities, Plate 1.