U.S. Department of Transportation
Pipeline and Hazardous Materials Safety Administration

1200 New Jersey Ave, S.E.
Washington, D.C. 20590

JUL - 9 2013

Mr. Robert E. Polk
Farnsworth Group
20 Allen Avenue, Suite 200
St. Louis, MO 63119

Dear Mr. Polk:

In a letter to the Pipeline and Hazardous Materials Safety Administration (PHMSA) dated October 2, 2012, you requested an interpretation of the applicability of the Federal pipeline safety regulations at 49 CFR Part 195. Specifically, you ask whether the pipeline in question is regulated by 49 CFR Part 195 since it never leaves private property, other than crossing a publically accessible road, while transferring crude oil between two adjoining properties.

You stated that Patoka Terminal Company, LLC, is developing a new crude oil unloading station near Patoka, Illinois to collect and store crude oil delivered from surrounding fields to the new facility by tanker trucks. Crude oil will then exit the new storage tanks through a separate 10-inch suction pipe connected to a new deep well pump operating at an average rate of 2,600 BPH. The pump will deliver crude oil in 60,000 BBL batches to the adjoining Chicap terminal by a new 10-inch delivery pipeline. The length of the new 10-inch delivery pipeline from the new meter to the new custody flange on Chicap property is approximately 3,000 feet. The Chicap terminal property is located north of and immediately adjoining the Patoka Terminal property. The common property line between the two properties is also the centerline of Dickey Pond Road. This road is approximately 20 feet wide (two lanes) and is accessible to the public for public use. The road is not located within any platted public right-of-way nor any recorded easement.

You believe this line is classified as a Category 3 rural low-stress pipeline meeting the requirements of both §§ 195.12(b)(3)(i) and 195.12(b)(3)(ii). Therefore, your request for interpretation is whether the 3,000 feet, 10-inch diameter transfer pipeline between the storage tanks on your client's property and the storage tanks on the Chicap terminal property are regulated under 49 CFR Part 195.

We agree that the 3,000 foot line in question meets the classification of a Category 3 rural low-stress pipeline. However, the line is regulated under Part 195.

The exemption under 49 CFR 195.1(b)(9)(ii) states:

§ 195.1(b) Excepted. This Part does not apply to any of the following:

...

(9) Transportation of hazardous liquid or carbon dioxide:

...

(ii) Through facilities located on the grounds of a materials transportation terminal if the facilities are used exclusively to transfer hazardous liquid or carbon dioxide between non-pipeline modes of transportation or between a non-pipeline mode and a pipeline.

We believe that the trucking unloading racks, upstream lines, piping, up to tanks 401 and 402 meet the exemption in § 195.1.(b)(9)(ii) for transportation between a non-pipeline mode and a pipeline.

The new 3000 feet 10-inch line between the facilities does not meet this exemption. The line would be regulated downstream from the outlet of the pump feeding the 10-inch line in question. Since the 10-inch line starts on one company's property and ends on another company's property it is not a plant piping and crossing a public road does not come into play. It is also not a pipeline supplying refining, manufacturing, or truck, rail, or vessel terminal facilities as in exemption under § 195.1(b)(3)(ii), but is transporting hazardous liquid to a header with multiple sales points. Therefore, we believe, this line does not meet any of exemptions under § 195.1(b).

I hope that this information is helpful to you. If we can be of further assistance, please contact Tewabe Asebe of my staff at (202) 366-5523.

Sincerely,

John A. Gale
Director, Office of Standards
and Rulemaking

PI-12-0009

Farnsworth GROUP

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October 2, 2012

U.S. Dept. of Transportation
Pipeline and Hazardous Materials
Safety Administration Building
East Building, 2nd Floor, PHP-1
1200 New Jersey Ave., SE
Washington, DC 20590

Re: Request for Interpretation
Patoka Terminal Company, LLC
Patoka, IL
Proj: 0110390.01

OCT 09 2012

Dear USDOT,

Our client, Patoka Terminal Company, LLC, is developing a new crude oil unloading station near Patoka, IL. The overall intent of the project is to collect and store crude oil delivered from surrounding fields to the new facility via tanker trucks. The stored crude oil will then be delivered in batches via a new pipeline to the nearby existing Chicap terminal.

The facility as designed includes eight (8) new automated custody transfer (ACT) stations to service the tanker trucks coming in from the fields. The 3" ACTs have a flow rate of 350-400 BPH. With a typical tanker delivering about 175 BBLs, the pumping time will be 25-30 minutes per tanker.

Assuming a total turnaround time of about one hour per tanker truck per ACT position between the hours of 6:30 am and 4:30 pm, the total amount estimated to be delivered at the facility in an average day is 8 x 10 x 175 = 14,000 BBLs, or 1,400 BPH. The crude oil is pumped through the ACTs to a battery of eight (8) new 500 BBL steel vertical collection tanks. Groups of ACTs will have their own specific collection tanks and the tank battery will be valved such that the tanks can remain isolated or can be ganged together.

From the collection tanks, the crude will then pass a BS&W sensor prior to being pumped via a new 10" steel pipeline to one of two new 70,000 BBL steel storage tanks, located nearby within the same facility and on the same property. Average pumping rate will be 1,700 BPH. The crude will enter the storage tank(s) through a 10" receipt nozzle including isolation valves, backflow valves, and emergency shutoff valves. The storage tanks shall both have 60,000 BBLs of working capacity with all appropriate gauging and alarms. The steel storage tanks shall each have a solid supported cone fixed roof as well as an internal single deck pontoon floating roof.

Crude oil will then exit the new storage tanks through a separate 10" suction pipe connected to a new deep well pump operating at an average rate of 2,600 BPH. The pump will deliver crude oil in 60,000 BBL batches to the adjoining Chicap terminal via a new 10" delivery pipeline. The crude will pass through an onsite meter skid (with prover loop) and then on to the appropriate custody transfer flange at the Chicap manifold. The length of the

new 10" delivery pipeline from the new meter to the new custody flange on Chicap property is approximately 3,000 LF.

The Chicap terminal property is located north of and immediately adjoining the Patoka Terminal property. The common property line between the two properties is also the centerline of Dickey Pond Road. This road is approximately 20' wide (2 lanes) and is accessible to the public for public use. The road is not located within any platted public right-of-way nor any recorded easement.

The entire operation described above will be monitored and controlled through the use of motor controllers, sensors, gauges, transducers, etc. and a programmable logic controller. The control system will be interconnected to the Chicap facility.

Our request for interpretation deals entirely with the new 3,000 LF x 10" transfer pipeline between our client's property and the immediately adjoining Chicap terminal property to the north. This new pipeline will operate at low pressures (100- 150 PSI) and will be 10.75" x 0.365" WT. API 5L/PSL-2, GR B, ERW line pipe, 14 mils min DFT FBE with a SMYs of 2,377 PSIG. We have therefore classified this as a Category 3 rural low-stress pipeline meeting the requirements of both 195.12(b)(3)(i) and 195.12(b)(3)(ii).

This new transfer pipeline does not cross any waterway, and there are no unusually sensitive areas (USA) within one-half mile of the new pipeline, but it does cross the aforementioned Dickey Pond Rd. As previously described, Dickey Pond Rd. is located half on Patoka Terminal property and half on Chicap property and not within a dedicated public right-of-way. From the enclosed USGS map, you can see Dickey Pond Rd. is part of the "public" road system.

Therefore, our request focuses purely on the status of Dickey Pond Rd. and the distinction between a road located entirely within a dedicated "public right-of-way" and a road located on private property but utilized for "public" traffic. *Based on this distinction, it is our opinion that because the new pipeline never leaves private property while transferring crude oil between two adjoining properties, the new pipeline should not be considered jurisdictional and not regulated by 49CFR Part 195.1.*

We look forward to your interpretation and quick response. If you have any questions, please contact me at 314-962-7900 or at bpolk@f-w.com.

Sincerely,

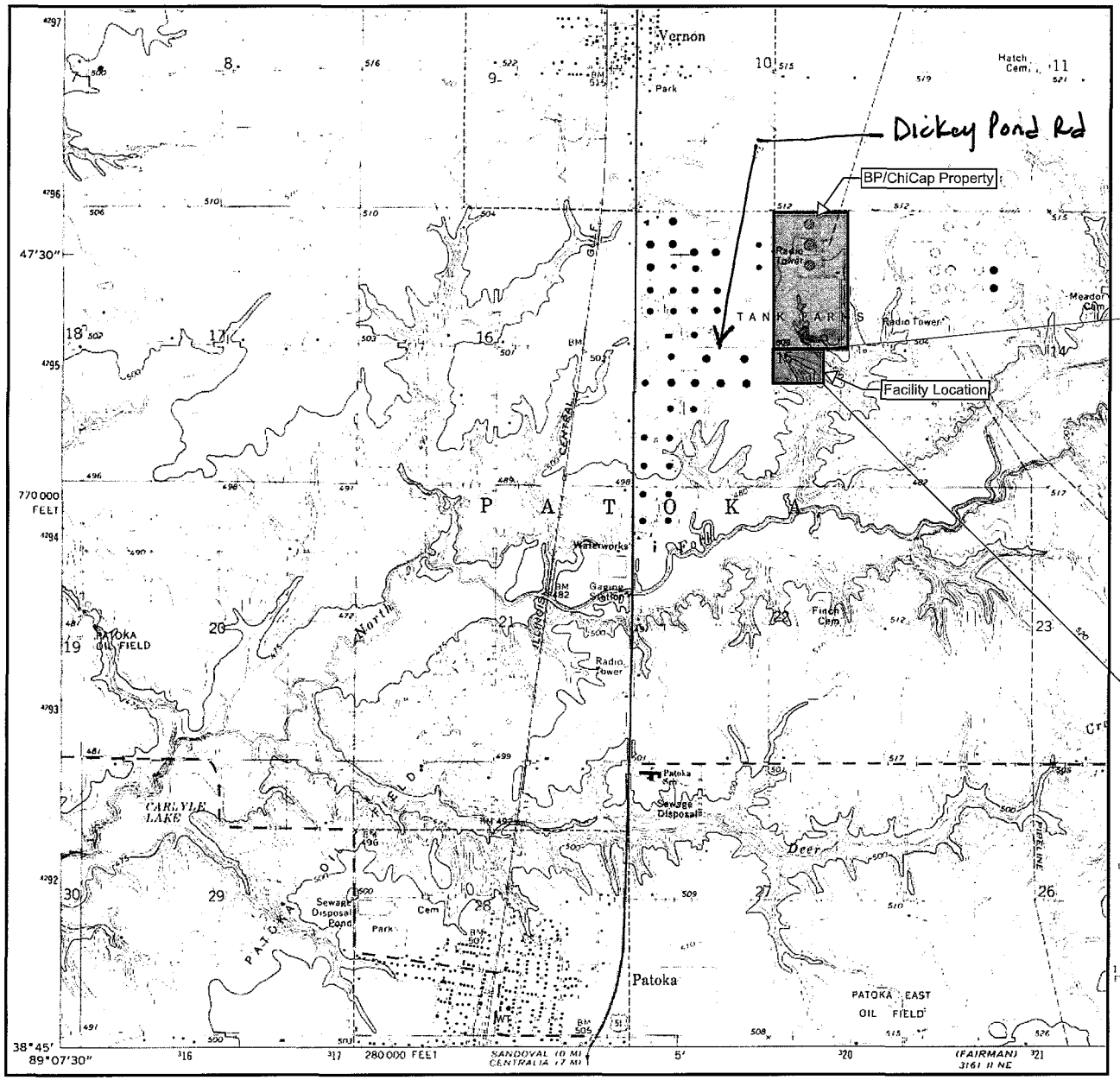
Robert E. Polk, PE, LEED AP BD+C
Principal/Center Manager

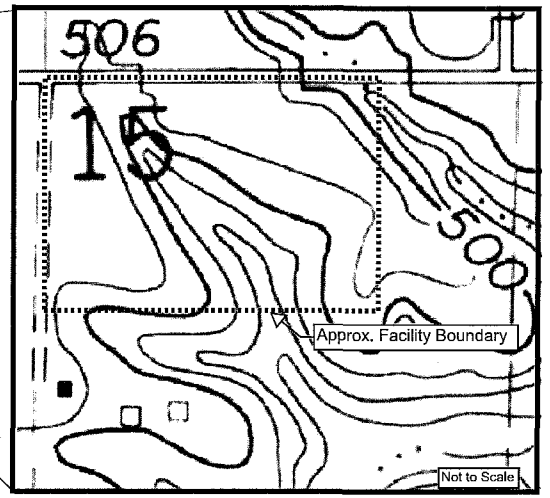
BED

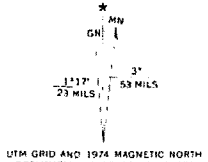
Cc: Nathan Ray (PTC) via email

PATOKA TERMINAL
TRUCK UNLOAD STATION

Property information is approximate and for shown for general reference only.



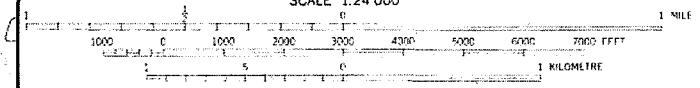




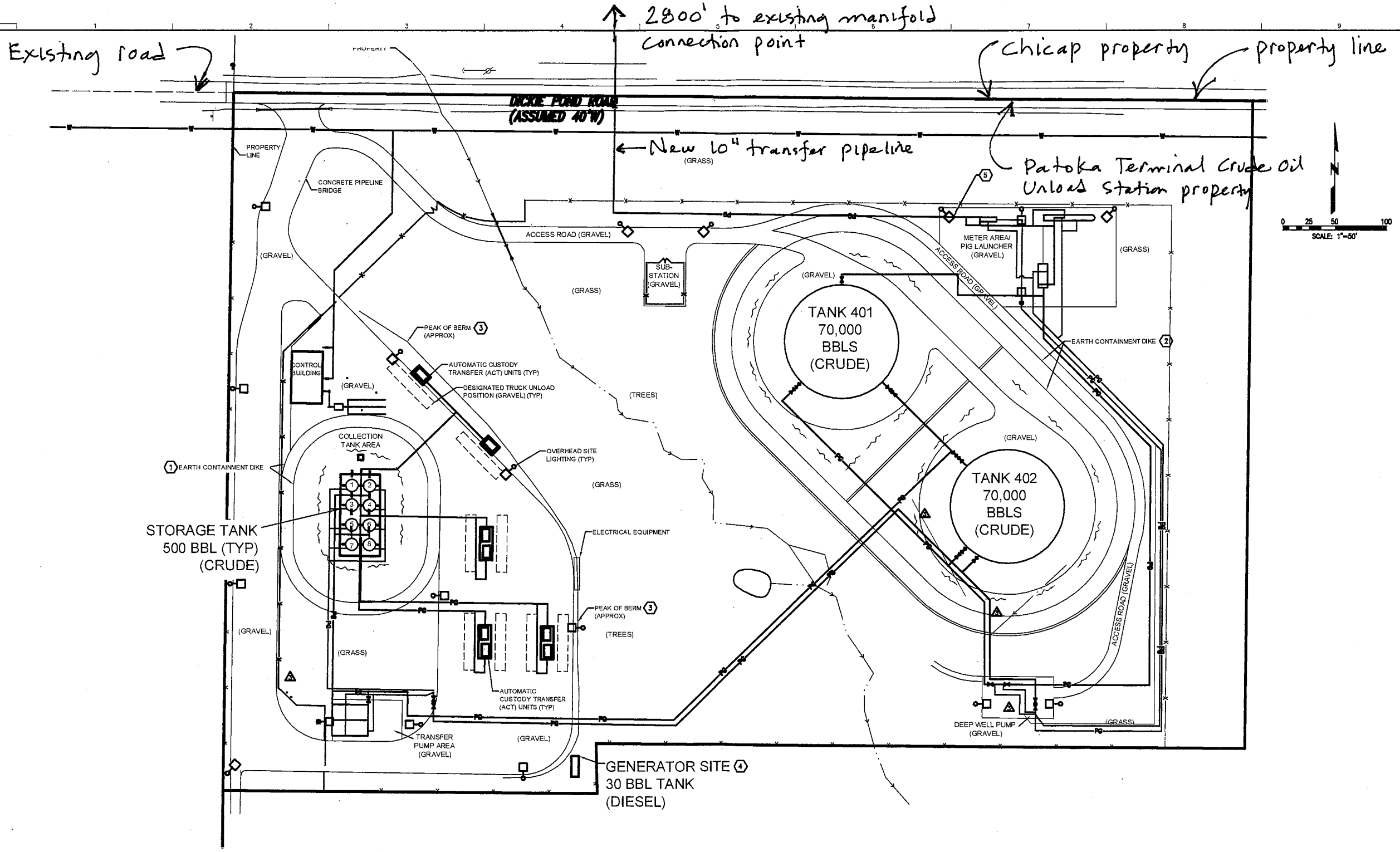
UTM GRID AND 1974 MAGNETIC NORTH DECLINATION AT CENTER OF SHEET

QUADRANGLE LOCATION

PATOKA QUADRANGLE
ILLINOIS
7.5 MINUTE SERIES (TOPOGRAPHIC)
SE/4 VANDALIA 15' QUADRANGLE
SCALE 1:24 000



CONTOUR INTERVAL 5 FEET
NATIONAL GEODETIC VERTICAL DATUM OF 1929



Keyed Notes

1. 500 BBL STORAGE TANK SECONDARY CONTAINMENT
   Top of Dike Elevation: 508.75
   Elevation of Required Capacity To hold 1 Tank: 503.85
   Total Freeboard To Hold 1 Tank: 2.9' (217.8%)
   Elevation of Required Capacity: 504.85'
   Total Freeboard To Hold All Tanks: 1.9' (28.1%)
   25yr-4hr Storm: 0.48' (5.79")
2. 70,000 BBL COLLECTION TANK SECONDARY CONTAINMENT
   Top of Dike Elevation: 507.00'
   Elevation of Required Capacity: 506.05'
   Total Freeboard: 0.95' (24%)
   25yr-4hr Storm: 0.48' (5.79")
3. UNLOADING AREA SECONDARY CONTAINMENT
   North inlet containment Capacity: 9,861 cu ft (1,775 bbls)
   South Inlet Containment Capacity: 11,868 cu ft (2,131 bbls)
4. 30 BBL GENERATOR TANK
   Double walled tank
5. CUSTODY TRANSFER POINT. AFTER THIS POINT CRUDE OIL BELONGS TO BP.

GENERAL NOTES

1. NO BULK OIL STORAGE OCCURS ON THIS SITE.
2. THERE ARE NO SURFACE IMPOUNDMENTS ON THIS SITE.
3. NO HAZARDOUS MATERIALS ARE HANDLED OR STORED AT THIS SITE. ONLY CRUDE OIL AND DIESEL FUEL ARE STORED AT THIS SITE.
4. THIS FACILITY IS SOLELY REGULATED BY THE EPA. NO INTERFACES EXIST BETWEEN REGULATING AGENCIES.
5. ONLY STATION PIPING SHOWN ON THIS PLAN. SEE DRAINAGE SITE PLAN FOR THIRD PARTY UTILITIES.

ENGINEERS
ARCHITECTS
SURVEYORS
SCIENTISTS

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Farnsworth Group, Inc.
Missouri State Certificate of Authority #001321

ISSUE:

#	Date:	Description:

PROJECT:
PATOKA TERMINAL COMPANY, LLC

PATOKA TERMINAL TRUCK UNLOAD STATION

1402 DICKIE POND ROAD
MARION COUNTY IL

Date:	8-1-201
Design/Drawn:	EJS/EJ
Reviewed:	RE
Book No.: -	Field:

SHEET TITLE:
FACILITY RESPONSE PL OVERALL SITE PLAN

SHEET NUMBER:
SITE

Project No.: 0110390.0