2014

Sinclair Transportation Company
The Denver Products Terminal

COMMERCE CITY

SUBMITTAL FOR: CONDITIONAL USE PERMIT

[STATEMENT OF OPERATIONS]

FACILITY INFORMATION

Name:	Sinclair Transportation Company The Denver Products Terminal
Address:	8581 East 96th Avenue Henderson, Colorado 80640
Facility ID No.:	CO0010019
Primary SIC Code:	5171
Phone Number:	(303) 287-0267
Fax Number:	(303) 287-0260

FACILITY MANAGEMENT

Regional Manager:	Rex Wells
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Terminal Manager:	Bill Halterman
Cell:	(720) 261-2557
Terminal Operator:	James Lowder
Cell:	(405) 640-4874
Terminal Operator:	Shaun Ferrick
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Terminal Operator:	Rick Macias
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Terminal Operator:	Jerry Webber
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Pipeline Area Operator:	Tony Johnson
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Sinclair Oil Company – Business Overview

Sinclair Oil Company (Sinclair) is a multi-faceted organization, having been purchased and expanded by an entrepreneur of the name Robert (Earl) Holding in 1976. Sinclair Oil Corporation was originally founded by Harry F. Sinclair in 1916, who remained owner for nearly 53 years until its acquisition by the Atlantic Richfield Company (ARCO) in 1969. However, in 1976 ARCO spun off Sinclair, selling certain assets to Earl Holding. Since then, Earl and his wife Carol Holding have invested and grown what is now one of the few remaining and largest privately-owned oil companies in the nation, currently the 45th-largest private company in the nation. Sinclair Oil Company remains a privately-owned, Utah-based, company with thriving business ventures in the oil and gas industry, hospitality, and ranching. As the umbrella company, Sinclair encompasses Sinclair Transportation Company, Sinclair Trucking Company, Sinclair Marketing, Sinclair Refineries, Sinclair Hotels, Sinclair Ranches, and Sinclair Ski Resorts.

Sinclair's oil and gas operations exist throughout the mid-west and mid-continent. Sinclair owns and operates two crude oil refineries in the cities of Sinclair, Wyoming and Casper, Wyoming. Connected by a web of pipelines, Sinclair owns terminals and tank farms in Burley and Boise, Idaho; in Casper, Bairoil, and Guernsey, Wyoming; in Henderson, Colorado; in Olathe, Kansas; in Kansas City and Carrolton, Missouri; and in Montrose, Iowa.

The hospitality business of the company began in 1952 with Earl's work on the first Little America West located off Interstate 80 in Little America, Wyoming. Following the success of the Little America West, this interest in the hospitality industry for the Company grew and since has expanded, remaining a staple for Sinclair throughout the west. Sinclair currently owns and operates the Grand America Hotels and Resorts, which has hotel properties located in the heart of Salt Lake City, Utah, Cheyenne and Little America, Wyoming, Flagstaff, Arizona, and San Diego, California. In addition to the hotels, Sinclair owns two ski resorts that have proven to be successful and also widely renowned in the realm of winter sports participants. The Sun Valley ski resort, created in 1936, was Sinclair's first venture in ski resorts, being purchased by Earl Holding in 1977. Sun Valley is located in Sun Valley, Idaho. The Snowbasin ski resort, located in Weber County, Utah, is one of the oldest continuously operating ski areas in the nation with its opening in 1939. Earl Holding purchased the area in 1984, and in 2002 it held the honor of hosting the Winter Olympic alpine skiing races for downhill, combined, and super-G events, as well as the Winter Paralympics events for downhill, super-G, slalom, and giant slalom.

Sinclair owns approximately 400,000 acres of working cattle ranch land in northern Wyoming and southern Montana.

For nearly 80 years, Sinclair continues to develop and operate as a successful, highly diverse organization, while still continuing to preserve the fundamental values of service, character, quality, and compassion that Earl Holding built it upon.

Denver Products Terminal

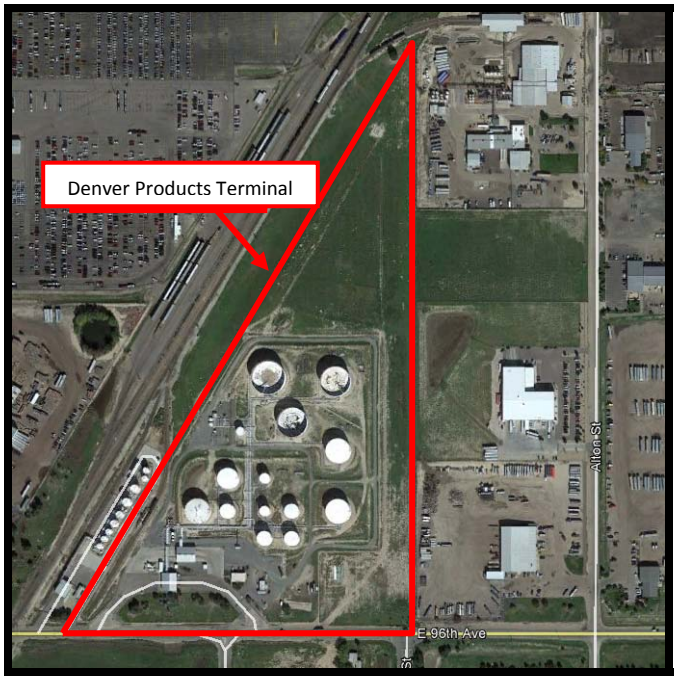
The Denver Products Terminal (facility) has been operating as a petroleum products, or "finished products", storage and trucking terminal under the current ownership of Sinclair since 1976. However, construction of the facility began in 1963 and became operational around 1964. At that time, the company performed business under the company name of Sinclair Marketing, Inc., until its merge into Sinclair Oil Corporation in 1986. In 2006, the terminal was assigned to Sinclair Transportation Company, as it currently remains today. *A copy of the property's deed is provided in Appendix A*.

The facility is located at 8581 East 96th Avenue in the County of Adams and City of Commerce City, Colorado 80640. According to the Adams County Assessor, the property incorporates two (2) separate parcels, identified with the Parcel Identification Numbers 0172116007001 and 0172116007017. Combined, the parcels total approximately 37.04 acres in size (or 1.25 and 35.79 acres separately). The property is zoned I-3, or Heavy Intensity Industrial District, according to the City of Commerce City's Land Development Code. *An aerial image of the property is provided in Figure 1.*

In addition to the storage of finished products, the terminal also services a combined five-bay, truck loading and unloading operational unit of finished products. Minimal rail operations, approximately three (3) trips per week, are also performed on-site, providing the loading, off-loading, and storage of ethanol and bio-diesel to supplement the blending and optimization of finished products to a higher-grade and performance.

The facility currently operates with seven (7) employees who are on-site for approximately 9.5 hours Monday through Friday. Trucking operations occur on a continual, 24 hour and 7 days a week, basis. There are approximately fifteen (15) spots allocated for employee parking.

Figure 1: Property



Similarly to the zoning and operations held at the Denver Products Terminal, the surrounding area is comprised of varying industrial businesses and activity. The property is adjoined to the northeast by Veolia ES Technical Solutions LLC, a hazardous and non-hazardous waste disposal facility; to the east by Rocky Mountain Natural Meats Inc., a meat distributor; also to the east by Kersten Trailer Sales, a retailer of trailers; to the south by East 96th Avenue; and to the west by the Henderson Terminal, which has since been shut down and not occupied. The Union Pacific Railroad lies just beyond the former Henderson Terminal.

The property is adjacent to the southeast by R/W Specialties Inc., a wholesaler of specialty building products; to the south by a private retail home and scrap yard; to the southwest by UE Compression LLC, a custom air and gas compression package manufacturer; also to the southwest by Kelly Pipe Co., LLC, a distributor of steel pipe and fittings; to the west by RK Mechanical, a plumbing, mechanical and process pipe contracting and fabrication company; and to the northwest by Union Pacific Railroad Company. *An aerial image of the property's vicinity is provided in Figure 2.*

Figure 2: Property Vicinity

Access / Drives

Access to the facility exists at two (2) locations on the southern perimeter of the property, off of East 96th Avenue. Entry through either location is controlled by electric sliding gates that are operated by either pre-programmed clickers or access cards, and also by a mounted keypad for access outside of normal business hours. Ingress and egress of rail cars to the property exists via an installed railroad spur

that separates off of the railroad mainline along the western perimeter through a fenced gate that is manually operated and locked.

The drives allocated for primary use on the property are utilized for the trucking and rail operations at the facility, as well as for access of the administrative building. They are the most often and heaviest traveled drives on the property and are therefore composed of both asphalt and concrete. These drives are found at both gated ingress and egress locations, along the rail spur servicing the facility's rail operations, throughout the entire trucking operations, and also around the facility's administration and storage buildings.

Drives that are considered for secondary use on the property are composed of recycled asphalt with a layer of crushed rock to protect the recycled asphalt, and exist around and throughout the storage tank farm. These drives are used only periodically and for the purpose of inspections or maintenance of the tanks, piping components, and pumps. Maintenance of these secondary access drives are conducted on an as-needed basis and are done so by the addition of new rock or recycled asphalt.

Existing Structures

Structures located on the property vary in size, purpose, and structure. Currently there are thirteen (13) structures that exist on the property that serve different operations. The administrative building is considered to be the only occupied building on site, as the remaining buildings act as either housing for mechanical operations or as temporary operations storage.

There are two (2) buildings, identified as "commercial", that were built in 1963 located on the south-western portion of the property.

One (1) building is approximately 1,660 square feet in size and functions as the facility's administrative building. This building is a single-story, steel-framed brick structure with the amenities of electricity, natural gas, a septic system, potable water, and an installed HVAC system for heating, ventilation, and cooling. Prior to 1993, potable water at the Denver Products Terminal was generated by the water well installed on the property. In 1993, the facility reached an agreement with the South Adams County Water and Sanitation District that required the facility to relinquish the water rights of the well and thus tap into the District's main water line, which runs north to south along the railroad tracks on the western side of the property. Electricity and natural gas at the facility are obtained through Xcel Energy. *A photograph of the administrative building is provided in Figure 3.*

Figure 3: Existing Administrative Building

The other commercial building is approximately 720 square feet in size and functions as the facility's storage warehouse. Equipment such as tools, extra operational equipment, and safety equipment are stored in this building. The building is a single-story, steel-framed and steel-sided structure with electricity and no other amenities. *A photograph of the storage warehouse is provided in Figure 4.*

Figure 4: Existing Storage Warehouse

Sinclair's tank services employees utilize a trailer for file storage and temporary project work, on an as-needed basis. This structure is approximately 330 square feet in size and is located on the south central portion of the property.

To accompany the trucking operations conducted on the property, there are a total of five (5) separate structures, located on the south-western portion of the property. Two (2) of the structures serve as shelters for the loading and unloading of product via trucks, as well as the associated equipment used in the processes. These structures are steel-framed and are composed of sheet metal siding on the north and south facing sides, covered with a steel canopy. One structure supplies the trucks with three bays, or spots, and is approximately 4,313 square feet in size. The other structure supplies the trucks with two bays and is approximately 4,515 square feet in size. The remaining three structures that are purposed for the trucking operations are metal sided and metal roofed, and are also located on the south-western portion of the property by the trucking canopies. One serves as the Motor Control Center Building (MCC), housing essential electrical components and monitoring equipment, and is approximately 130 square feet in size. Another serves as the Bill of Lading Building, the location for all trucking customers to submit operational tickets or receipts, and is approximately 235 square feet in size. The remaining structure serves as the Additive Building and is approximately 593 square feet in size. The Additive Building houses the equipment used to change, or add properties, to existing products in order to achieve desired product specifications that are required by varying customers.

One structure that is located between the trucking canopies houses the property's fire foam and fire suppressant system. This structure is also metal-sided and metal-roofed, and is approximately 194 square feet in size.

The remaining structures on the property are located on the north-western perimeter of the property near the storage tanks. This location is allocated for the pipeline operations and is situated in the area where the transfer of product from off-site pipelines either originates or terminates. Four structures exist in this area, all of which are constructed with metal siding and metal roofing. Similar to the trucking operations, one structure, approximately 195 square feet in size, serves as the MCC for the pipeline's essential components and equipment. Another structure, approximately 60 square feet in size, houses essential mechanical devices for pipeline operations. The remaining two structures are utilized for file storage and temporary project work, on an as-needed basis, by Sinclair's pipeline employees. These structures are both approximately 200 square feet in size.

Portions of the structures that may be visible off-site or from those traveling on East 96th Avenue and are also screed by existing landscaping and fencing include the administrative building, the tank services trailer, the facility's storage warehouse, and one of the trucking canopies. *Architectural elevations of the existing structures is provided on Sheet 6 in Appendix I: Development Plan.*

Lighting

Lighting appurtenances on the property include light poles and wall-mounted light fixtures located outside; including around the perimeter, access drives, and on the existing structures and storage tanks. Over-head fluorescent light fixtures are used for lighting inside the existing structures. These appurtenances provide for adequate lighting during non-natural lighting conditions or for necessary visibility of operations in poor weather conditions.

Security

For the prevention of any unauthorized persons, intruders or trespassers, the property is contained by a five-foot high chain-link fence topped with angled barbed wire protection along the entire property's boundaries. Both access gates are constructed of the same fencing and wire, and also serve as facility security during non-business hours.

Outside security cameras are also employed on the property. Video footage from the cameras can be viewed both locally, as well as, remotely from secure access computer monitors.

At night, the property is illuminated by various methods of electric lighting including access and drive area light poles, wall-mounted light fixtures on structures, and light poles illuminating every storage tank.

Fire Protection

The facility contains a full fire suppressant and fire foam system that encompasses every operation conducted on the property. The system has been designed per National Fire Protection Agency (NFPA) regulations. Up-to-date tagged and regularly inspected fire extinguishers are also located throughout the property.

Current Operations

Finished Products Storage

Finished products are defined as by-products resulting from the refining of crude oil. In the oil and gas industry, these products can range from those with heavier chemical properties such as asphalt, gasoline, or diesel oil, or from lighter chemical properties such as propane or butane. However, products at this facility only include gasoline, diesel, ethanol, and bio-diesel.

The Denver Products Terminal currently maintains a total of fourteen (14) storage tanks with an approximate total storage capacity of 565,000 barrels (or 23,730,000 gallons). Product is transported for tank storage at the facility by means of pipeline, rail, and trucking.

The fourteen (14) storage tanks vary in size, capacity, and type of product stored, all of which are constructed with carbon steel. Currently, there are seven (8) storage tanks that store gasoline, four (4) that store diesel, and two (2) that store ethanol. *Figure 5 is a table illustrating the design type, size, and capacity of each existing storage tank.*

Figure 5: Existing Storage Tanks and Design Type

Tank Number	Design Type	Diameter (ft)	Height (ft)	Capacity (bbls*)
1	Internal Floating Roof	100.0	40.0	55,000
2	Fixed Cone Roof	60.0	40.0	20,000
3	Fixed Cone Roof	42.0	40.0	10,000
4	Fixed Cone Roof	60.0	40.0	20,000
5	Fixed Cone Roof	42.0	40.0	10,000
6	Fixed Cone Roof	60.0	40.0	20,000
7	Fixed Cone Roof	60.0	40.0	20,000
8	Fixed Cone Roof	85.0	40.0	40,000
9	Internal Floating Roof	100.0	40.0	55,000
10	Internal Floating Roof	100.0	40.0	55,000
11	External Floating Roof	120.0	40.0	79,500
12	External Floating Roof	120.0	48.0	95,700
13	External Floating Roof	134.0	48.0	120,000
14	Fixed Cone Roof	34.0	30.0	4,800

**bbl, or barrel, is a unit of measurement in the industry and is defined as 1 barrel = 42 gallons*

Photographs of the different tank designs at the facility, being an internal floating roof tank, external floating roof tank, or fixed cone roof tank, are provided in Figures 5, 6, and 7 respectively.

Figure 5: Internal Floating Roof Design – Tank #9

Figure 6: External Floating Roof – Tank #12

Figure 7: Fixed Cone Roof – Tank #6

The tanks are located in the central and northern portions of the property and are contained within an earthen diked perimeter, as federally regulated by the Environmental Protection Agency (EPA). The containment has been designed, documented, and continually inspected to meet all applicable regulations for the facility-specific Spill Prevention Countermeasures and Control (SPCC) Plan. Design of the containment is specific for the facility's operations and capacity to adequately protect the environment and safety of the community and facility personnel in the event of a "worst-case discharge" of product. *A photograph of the earthen diked containment is provided in Figure 9.*

Figure 9: Existing Earthen Diked Containment

Access to each storage tank is provided for both vehicular access and access by foot. Access by foot is granted by sloped entry points around the dike, as well as, installed metal stairs that bridge the dike walls. Access by vehicle is provided by secondary drives that exist in-between and throughout the storage tank locations. As required by the EPA, a secondary drive is also provided around the entire perimeter of the diked containment. These drives are an important safety precaution implemented at the facility in the event of an emergency and a quick escape route is warranted.

Transfer of product to and from the storage tanks occur by a configuration of piping, valves, and pumping operations. Piping components range in diameter from four (4) to ten (10)-inches, are X42 grade carbon steel, and are all fully coated using a urethane paint to protect the pipe from weather and corrosion. Inspection of pipe and components, and associated maintenance, are conducted by qualified personnel. Pumps are used for the physical movement of the products for all of the facility's operations and will be discussed in further detail in separate sections of this document. An associated meter accompanies the pumping of product to monitor any potential for loss of product during operations. This equipment, allocated for product transfer, occurs for the transferring of product between storage tanks, between truck loading and offloading bays, for the rail loading and offloading station, and transfer by pipeline to and from Sinclair's facilities off-site. *Photographs displaying the different methods of product transfer are provided in Figures 10 through 14.*

Figure 10: Equipment for Transfer of Product from Off-site Pipelines

Figure 11: Equipment for Transfer of Product between Storage Tanks

Figure 12: Equipment for Transfer of Product for and Between Truck Bays

Figure 13: Equipment for Transfer of Product for Rail

Trucking Operations

The Denver Products Terminal manages a continual, twenty-four (24) hours per day, seven (7) days per week trucking rack that accommodates for the transporting of product by transport trucks. The truck rack is located on the south-west portion of the property. Ingress and egress for the trucks occur off East 96th Avenue. Trucks access the station via an automated gate located on the south-west perimeter of the property and exit the property via an automated gate located on the south-central perimeter of the property.

Truck unloading of products for storage, as well as loading of products for off-site retail, is performed at the facility. Products included in this operation are gasoline, diesel, ethanol, and bio-diesel. During the busiest months, the facility may experience an average daily peak trip of approximately 150 to 180 trucks per day.

Both the loading and unloading of product occurs at the loading racks, of which there are two (2) separate structures (locations). One (1) location provides three (3) bays, or truck-spot locations, and the other location provides two (2) additional bays. Operations are protected by steel canopies with associated steel beam support systems. Loading arms are extended and attached to each truck by means of dry-break couplers. Product is then loaded or unloaded using the fully automated system computer system, a closed system of piping, and pumps. *Photographs of both truck loading and unloading canopies are provided in Figures 14 and 15.*

Figure 14: Existing Truck Loading / Unloading Canopy (3-Bay)

Figure 15: Existing Truck Loading / Unloading Canopy (2-Bay)

The property's flare is another design component for the trucking operations at the facility and serves as a crucial component in protecting the safety of all; the customers, the personnel, and the community. As it is common for the trucks to contain residual product vapor prior to their loading of new product, it is not safe practice to perform the loading of product with the vapor present. Therefore, the facility stages a flare that is located down-wind and away from the operations. The flare is permitted according to the Colorado Department of Public Health and Environment (CDPHE) Air

Pollution Control Division (APCD) and designed to burn off any excess vapors that may exist in the trucks prior to operations. *A photograph of the facility's flare is provided in Figure 16.*

Figure 16: Existing Flare

Containment for the trucking operations consists of an impervious concrete surface containing floor drains designed to catch the minimal spillage of product that may occur, and are connected to an oil/water separator. An oil/water separator is purposed for the event that there becomes an accumulation of oil and water, and is designed to separate the oil from the water. The wastewater would then be transported to a small storage tank where it can be pumped into a truck and transported to an appropriate hazardous waste disposal facility.

Rail Operations

The Denver Products Terminal also conducts minor rail operations including the transportation of ethanol and bio-diesel. The rail spur servicing the terminal is located near the south-west perimeter of the facility.

Currently, the rail operations consist of three (3) switches, or days, per week with a varying number of rail cars. The term 'switch' is used in the industry to describe when rail cars are moved off the main line of the railroad onto a separate spur and into a particular facility for delivery. At maximum, one (1) switch may take approximately eight (8) hours of operation.

Operations by rail at the terminal allow for either loading or unloading of product. Product is unloaded from rail cars by means of bottom-unloading, where it is then transported, or pumped, to applicable storage tanks. Bottom-unloading is an industry practice that uses underground pipes and hoses that are manually attached by a camlock fitting to the bottom of a rail car. *Figure 17 illustrates the facility's existing bottom-unloading rail operation location.*

Figure 17: Existing Bottom-Unloading Location of Rail Cars

Loading of rail cars at the terminal is conducted by means of top-loading, an industry practice that uses an elevated platform and overhead loading "arms", or pipes and hoses, that are lowered down through a latch on the top of the rail car at which product is then pumped and loaded into the rail car. *Figure 18 illustrates the facility's existing top-loading rail operation location.*

Figure 18: Existing Top-Loading Location of Rail Cars

The Denver Products Terminal's rail operations remain compliant with the United States Department of Transportation's (USDOT) Federal Railroad Administration (FRA) regulations, governed by the Code of Federal Regulations (CFR), specifically 49CFR parts 200-299.

Per the National Fire Protection Association's (NFPA) regulations, specifically NFPA 30, the rail operations were designed and constructed with proper containment, in the event of a worst-case discharge or spill. Drip pans are also placed beneath the rail cars as secondary containment during any unloading operations.

Hazardous Materials

Hazardous materials that are handled and/or stored on the property consist of gasoline and diesel additives, gasoline, diesel, ethanol, bio-diesel, and oil wastewater if generated during trucking operations. These products are stored in regulated tanks that are designed according to federal specifications and standards. As required, inspections and maintenance of these storage tanks are conducted regularly.

Other hazardous materials stored at the facility are ice-melt, propane, solvents and degreasers, equipment hydraulic fluid, epoxy coatings, ethylene glycol antifreeze, and cleaning chemicals. These are used on an "as-needed" basis, stored in small quantities, and generally for maintenance. They are always stored in an approved, fire-proof cabinet with appropriate hazardous materials labeling.

Material Safety Data Sheets (MSDS) of all chemicals and materials located on-site are provided and updated, and stored in a common location that allows access of the information by any person. MSDS are an extremely important tool used to identify the properties of each chemical or material, including its chemical structure, boiling point, flash point, and freeze point. Specific health and safety information is also provided in an MSDS, such as what type and what magnitude of impact may be caused as a result of unprotected exposure and how to temporarily mitigate its affects. MSDS may be displayed as a general material or as specific to each manufacturer.

Regulatory Agencies, Contact Information, and Inspection Frequency

The Denver Products Terminal is required to operate and maintain compliancy with several State and Federal agencies. The following list identifies each agency, the contact information, and the frequency at which inspection occurs. *Copies of the current facility's permits are provided in Appendix C, as well as copies of the facility's most recent inspection documentation are provided in Appendix D. In addition, copies of the facility's current SPCC and Facility Response Plan (FRP) are provided in Appendix E.*

(1) Colorado Department of Public Health and Environment (CDPHE) Air Pollution Control Division (APCD) –**Title V Operating Permit Number 96OPAD172** (Facility ID Number 0010019)

a. Contact: Matt Burgett
Phone: (303) 692-3183
Address: 4300 Cherry Creek Drive South
Denver, Colorado 80246

Inspector: Thomas E. Lovell, Environmental Protection Specialist
Phone: (303) 692-3204
Frequency: Annual inspections. To this date, the facility has no associated violations.

(2) Environmental Protection Agency (EPA) – Compliance of **SPCC and Facility Response Plan (FRP)**:

a. Contact: US EPA – Region 8
Phone: (303) 312-6312 or (800) 227-8917
Address: 1595 Wynkoop Street
Denver, Colorado 80202

Inspection Frequency: Inspections are not mandatory or routine, however, SPCC and FRP are required to be reviewed annually and updated accordingly. To this date, the facility has no associated violations.

(3) CDPHE Water Quality Control Division (WQCD) – Stormwater Pollution Prevention Plan (SWPPP) and Stormwater Management Plan (SMP) **COR900000 Stormwater Discharges Associated with Non-Extractive Industrial Activity**

a. Contact: Kathy Rosow
Phone: (303) 692-3521
Address: 4300 Cherry Creek Drive South
Denver, Colorado 80246

Inspection Frequency: The permit must be reviewed annually and updated if there are changes or new construction. An annual compliancy report is submitted to the CDPHE. Internal inspections and documentation is required quarterly. To this date, the facility has no associated violations.

(4) Department of Transportation (DOT), Pipeline and Hazardous Materials Safety Administration (PHMSA) – **Emergency Response and Management Manual (ER&MM)**:

a. Office of Pipeline Safety – Emergency Support and Security Division:

Contact:	David Lehman, Acting Director
Phone:	(202) 366-4439
Address:	1200 New Jersey Avenue, S.E. Washington, D.C., 20590

Inspection Frequency: ER&MM updated annually and revised / updated as necessary. To this date, the facility has no associated violations.

(5) DOT Federal Railroad Administration (FRA):

a.

Contact:	FRA Chief Counsel
Address:	1200 New Jersey Avenue, SE Washington, DC 20590

Inspection Frequency: Inspections are random

b.

Contact:	Railway Specialties, Inc.
Phone:	(303) 798-4115
Address:	8031 Southpark Circle Littleton, Colorado 80120

Inspection Frequency: Inspection of the rail spurs' integrity are conducted annually by a certified inspector and maintained accordingly. To this date, the facility has no associated violations.