



Region 6 – Enforcement & Compliance Assurance Division
INSPECTION REPORT

Inspection Date(s):	07/27/2021, 08/06/2021	
Media Program:	Air	
Regulatory Program(s)	SIP, Title V, NSPS, NESHAP	
Company Name:	Magellan Pipeline Terminals, LP	
Facility Name:	Dallas Terminal	
Facility Physical Location:	4200 Singleton Blvd	
(city, state, zip code)	Dallas, Texas 75212	
Mailing address:	4200 Singleton Blvd	
(city, state, zip code)	Dallas, Texas 75212	
County/Parish:	Dallas County	
Facility Phone Number	214-688-1770	
Facility Contact:	Daniel Boyken	Operations Supervisor
	daniel.boyken@magellanlp.com	
FRS Number:	110007195631	
Identification/Permit Number:	TCEQ RN100242015 / Title V O-3110	
Media Identifier Number:	AFS # 48-113-00054	
NAICS:	486910	
SIC:	4613	
Personnel participating in inspection:		
James Haynes	EPA/Region 6 ECDAT	Physical Scientist
Ben Rosenthal	EPA/Region 6 ECDAT	Physical Scientist
Daniel Boyken	Magellan	Operations Supervisor
Eric Davis	Magellan	Air Specialist
Chad Smith	Magellan	Asset Integrity Engineer
David Kennebeck	Magellan	Air Environmental Supervisor
Terri Hollomon	Magellan	Manager - Air Compliance
EPA Lead Inspector Signature/Date		
	James Haynes	Date
Supervisor Signature/Date		
	James Leathers (Acting)	Date

Section I – INTRODUCTION

PURPOSE OF THE INSPECTION

Two United States Environmental Protection Agency (“EPA”) Region 6 inspectors, Mr. James Haynes and Mr. Ben Rosenthal, arrived at Magellan Pipeline Terminal, LP’s Dallas Terminal (“Magellan” or “the terminal”) at approximately 11:00 on July 27, 2021 for an announced inspection. We met with Daniel Boyken, the terminal’s Operations Supervisor. I, James Haynes, presented my credentials to Mr. Boyken and informed him that this was an EPA inspection to determine compliance with the facility’s Clean Air Act (“CAA”) permits and applicable CAA rules. Mr. Eric Davis, Air Specialist, Mr. Chad Smith, Asset Integrity Engineer, and Mr. David Kennebeck, Air Environmental Supervisor, were not at the terminal; however, they also participated in the opening conference over the phone. The scope of the inspection is a partial compliance evaluation (“PCE”) and includes evaluation of the compliance of the facility with its Title V Federal Operating Permit (“FOP”), New Source Review (“NSR”) Permit, and Texas State Implementation Plan (“SIP”) regulations. Additional federal regulations include New Source Performance Standards (“NSPS”) and National Emission Standards for Hazardous Air Pollutants (“NESHAP”) requirements. See **Appendix 1** for a copy of the inspection’s sign-in sheet.

FACILITY DESCRIPTION

Magellan owns and operates the Dallas Terminal, a petroleum storage and product distribution terminal in Dallas, Texas. The site operates under NSR Permit No. 56481 and Title V FOP No. O-3110, both issued by the Texas Commission on Environmental Quality. Magellan’s NSR is set to expire May 6, 2026, and the FOP is set to expire on October 5, 2021. These permits authorize Magellan’s internal floating roof (“IFR”) and fixed roof storage tanks, truck loading operations, and vapor control equipment. See **Appendix 2** for a copy of the terminal’s plot plan. The terminal receives petroleum products, primarily diesel and gasoline, via pipeline. The terminal can transfer product out of the facility by tank truck via a loading rack or by pipeline to other downstream locations. Magellan receives additives for gasoline and distillate products by truck and unloads these into storage tanks.

Section II - OBSERVATIONS

Mr. Rosenthal and I provided a Document Request to Mr. Boyken on July 26, 2021 with the announcement of the inspection. See **Appendix 3** for a copy of this Document Request. On July 27, 2021, we made entry at the terminal and held a conference call with Mr. Kennebeck to discuss some items of the Document Request. During the inspection, I used a Nikon COOLPIX AW120 digital camera to photograph observations and a FLIR Systems GF320 infrared camera that visually detects hydrocarbon emissions. All photographs and FLIR videos taken during the inspection were claimed as Confidential Business Information by Magellan and are not included in this report.

Following the conference call on July 27, 2021, we began the field portion of the inspection with Mr. Boyken. We observed the location of the terminal where Magellan receives and takes custody of

incoming products near the southern property boundary. We continued to another area of the terminal where Magellan pumps jet fuel to a local airport. After these areas, Mr. Rosenthal and I began to observe the storage tanks at the terminal. Using the FLIR camera, we observed hydrocarbon emissions from two tanks at the terminal. See Area of Concern (“AOC”) 1. Table 1 summarizes these observations:

Table 1. List of Tanks Observed by EPA

Tank Number	Tank Type	Tank Contents	Hydrocarbons Observed with FLIR Camera	Source of Hydrocarbon Emissions
3177	IFR	Regular Gasoline	No	N/A
3169	Fixed Roof	Jet Fuel	No	N/A
3173	IFR	Premium Gasoline	No	N/A
4279	IFR	Diesel	No	N/A
3170	Fixed Roof	Jet Fuel	No	N/A
3168	Domed EFR	Regular Gasoline	No	N/A
3174	IFR	Diesel	No	N/A
3410	IFR	Ethanol	Yes	Perimeter Vent
4280	IFR	Transmix	Yes	Perimeter Vent, Gooseneck Vent
3172	IFR	Regular Gasoline	No	N/A

We later observed the loading racks and vapor recovery unit (“VRU”). This VRU serves as the primary control device for loading operations and utilizes a carbon adsorption system to recover product that is returned to the storage tanks. At the VRU, we observed light hydrocarbons emanating from the unit’s vent stack using the FLIR camera. See AOC 2.

On June 30, 2021, Mr. Rosenthal and I conducted a virtual meeting with Magellan staff, discussing the terminal’s operations, procedures, and permitted sources. We also identified additional records we would need to continue evaluating the compliance of the terminal. Mr. Rosenthal and I conducted the closing conference with Magellan staff at the end of the call. Following the closing conference, I transmitted a copy of the sign-in sheet, two notices regarding confidential business information, and copies of all photos from the inspection.

Section III – AREAS OF CONCERN

1) Hydrocarbons Observed with the FLIR Camera at Storage Tanks

EPA observed hydrocarbon emissions using the FLIR camera at two tanks: T3410 and T4280. The FLIR video may suggest that the IFR may not be effectively controlling emissions. Pursuant to 40 C.F.R. § 63.11085 of NESHAP Subpart BBBB, Magellan shall operate and maintain an affected source, including air pollution control equipment, in a manner consistent with safety and good air pollution practices for minimizing emissions.

2) Hydrocarbons Observed with the FLIR Camera at the VRU

EPA observed hydrocarbon emissions using the FLIR camera at the VRU stack. The FLIR video may suggest that the carbon adsorption system of the VRU may not be effectively controlling emissions. As required by 40 C.F.R. § 63.11088(a) and NSR Permit No. 56481, Magellan shall operate the loading racks with a vapor collection system designed to reduce emissions of total organic compounds ("TOC") to less than or equal to 80 mg/L of gasoline loaded and shall not exceed the allowable concentration of the 1-hour rolling average of 9,500 ppmv VOC.

3) Vapor Pressure of Gasoline Loaded into Trucks

During a cursory review of the records Magellan submitted following the inspection, EPA noted that the Reid vapor pressure of gasoline loaded into trucks exceeded the permit limits of NSR Permit No. 56481, Special Condition 7.

4) Provide Maintenance History and Tank Levels

Following discussions with the terminal on August 6, 2021, EPA reiterated the request for additional information from Magellan including each tank's detailed maintenance and level history. Magellan shall provide records and other information reasonably required to determine if a violation has occurred.

5) Accurate Emissions Inventory

In Magellan's 2020 emissions inventory to TCEQ, Magellan did not report emissions for two products of combustion associated to the VCU. Temperature data documents that the VCU operated intermittently throughout the 2020 calendar year. Under state regulations, 30 T.A.C. § 101.10 requires that Magellan report actual emissions for criteria pollutants, including NO_x and CO.

6) Accurate and Thorough Tank Inspections**

In April 2017, Magellan noted that 1/4 of the roof was not visible during an in-service at T4280. Magellan later removed the tank from service in May 2017. During this initial out-of-service inspection, Magellan noted damage to the fabric of the primary seal, gaps in the secondary seal, damage to the sample well, damage to the float well, and damage to the vacuum breaker. In June 2017, an API 653 inspection of the tank provides additional context regarding the tank's condition. It stated that the secondary seal had "multiple gaps and holes in isolated areas" and there was a 4.5-inch gap in the vacuum breaker because it was held open by a cable. Under NSPS and SIP-approved rules, Magellan shall visually inspect the floating roof for defects such as holes or tears in the seals. Magellan shall also ensure that bleeder vents are equipped with a gasket and closed at all times when the roof is floating.

**Not addressed with company during the inspection or at the closing conference

Note: The Areas of Concern referenced above are not comprehensive. It only reflects the concerns identified during this inspection. The inspection team will continue to evaluate Magellan's records and engage with terminal staff to determine compliance with the CAA as part of a more detailed investigation.

Section IV – FOLLOW UP

EPA received initial responses from Magellan on August 2, 2021. EPA received additional information on August 20 and August 24, 2021, after ending the inspection on August 6, 2021.

Section V – LIST OF APPENDICES

Appendix 1 – Sign-in Sheet

Appendix 2 – Terminal Plot Plan

Appendix 3 – Document Request

Appendix 1

Sign-in Sheet



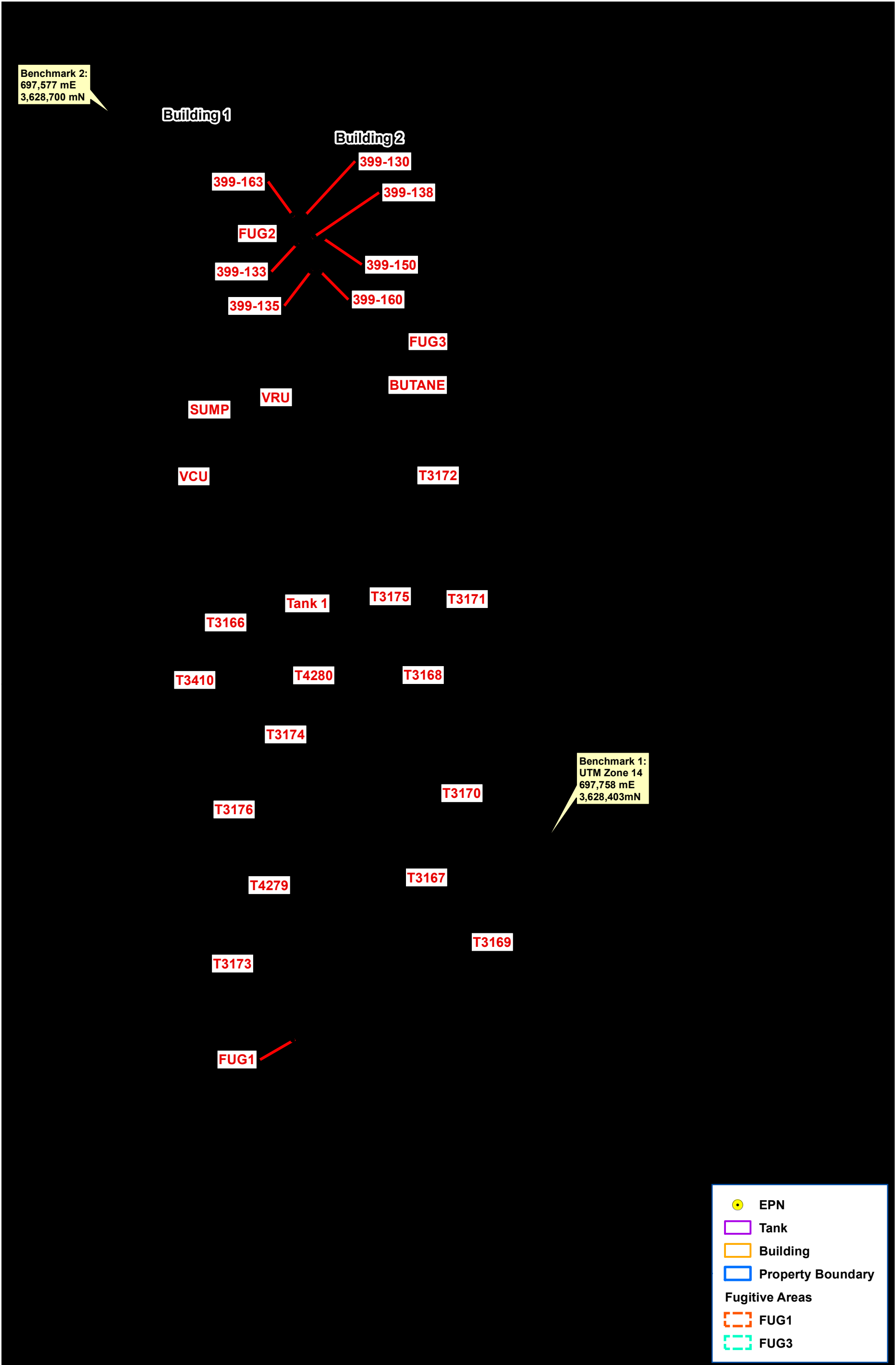
Meeting with: Magellan Pipeline - Dallas Terminal
 Purpose of meeting: CAA Inspection

Date: 7 / 27 / 21

	Name	Title	Representing	E-mail	Phone
1	James Haynes	Inspector	EPA - Region 6	haynes.james@epa.gov	214-665-8546
2	Benjamin Rosenthal	Inspector	EPA - Region 6	rosenthal.benjamin@epa.gov	214-665-6453
3	Eric Davis	Air Specialist	Magellan	eric.davis@magellanlp.com	
4	Chad Smith	Asset Integrity Engineer	Magellan	chad.smith@magellanlp.com	
5	David Kennebeck	Air Environmental - Supervisor	Magellan	david.kennebeck@magellanlp.com	
6	Dan Boyken	Operations Supervisor	Magellan	daniel.boyken@magellanlp.com	
7	Terri Holloman	Manager - Air Compliance	Magellan	terri.holloman@magellanlp.com	
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Appendix 2

Terminal Plot Plan



EPN

Tank

Building

Property Boundary

Fugitive Areas

FUG1

FUG3

Appendix 3

Document Request

Magellan Pipeline Terminals, LP - Dallas Terminal EPA Record Request - 7/27/2021		
	Description	Period
	Current state and federal operating permit(s) and application(s)	
	Current plot plan with each tank ID	
	Listing of all tanks, year constructed, material stored, capacity, diameter, height, tank type (cone roof, IFR, EFR, CVS w/ control), applicable regulations. If floating roof, type of floating roof, type of primary seal, and type of secondary seal (if applicable)	
	Vapor pressure analysis/documentation of each material stored with ASTM test method	
	Strapping table for each tank including levels when the vacuum breaker opens and the level when the tank rests on it legs (if adjustable, high and low settings)	
	To what standards (e.g. API, ASTM) are/were each tank built? To what standards are they maintained?	
	Procedures for inspection, maintenance of tanks	
	Any policy, guidance, or interpretation of regulations and what that means for the operation of the tank or controls	
	Spreadsheet or database used to track inspections/repairs (e.g., API schedules, repair history)	
	Individual daily product throughput records (gasoline, ethanol, diesel, biodiesel, avjet, additives) for the site and individual product throughputs at the loading racks. Provide average and maximum loading rates for the tanks and loading racks. Provide truck loading data.	2 years
	How are tank levels recorded?	
	Are roof landings included in the facility permit(s)? Are tank cleanings included in the facility permit(s)? Provide a listing of tanks that have been landed, when they were landed, and the duration of the landing. Provide tank cleaning records.	5 years
	How are roof landings tracked/documented? Are different emission factors used for Emission Inventory reporting?	
	Annual Emissions Inventory Reports	5 years
	Title V reports (ACC, Semi-annual Monitoring and Deviation Reports)	5 years
	Provide all notifications and/or record of communication for fill/refill of IFR storage vessels to TCEQ	5 years
	Provide records of inspection (i.e. prior to filling the tank, roof top inspections, internal inspections each time emptied/degasses). If no internal inspection w/in 5 years, provide records of the last internal inspection. Include: Storage vessel ID, date of inspection, observed condition of each component (seals, IFR, and fittings)	5 years
	Provide copies of the previous two internal and external API inspections at each tank	
	Provide all reports to TCEQ of failed roof top visual inspections	5 years
	Provide all reports to TCEQ of failed internal inspections	5 years
	Provide the certification report to TCEQ for all new floating roof tanks	since 2016
	NESHAP Subpart 6B Notification of Compliance Status/Initial Notification	
	NESHAP Subpart 6B Semi-annual Compliance Reports	5 years
	All engineering assessments and performance test records for the VCU	
	Temperature records for the VCU	2 years
	Annual certification test for gasoline cargo tanks and/or documentation showing vapor-tight testing for each tank truck loaded at the facility	2 years
	Equipment leak log book records documenting inspection, leaks, and repairs	2 years