



**Region 6 Enforcement and Compliance Assurance Division
INSPECTION REPORT**

Inspection Date(s):	10/12/2022 - 10/13/2022	
Media Program:	Air	
Regulatory Program(s)	Clean Air Act (CAA) § 112(r) and 40 Code of Federal Regulations (C.F.R.) Part 68 Chemical Accident Risk Management Plan (RMP)	
Company Name:	WATCO/South Kansas & Oklahoma Railroad, LLC (SKOL)	
Facility Name:	Tulsa SKOL Location	
Facility Physical Location:	660 East Independence Street	
(city, state, zip code)	Tulsa, Oklahoma 74106	
Mailing address:	WATCO/SKOL 315 West 3 rd Street	
(city, state, zip code)	Pittsburg, Kansas 66782	
County/Parish:	Tulsa	
Facility Contact:	Matthias Sayer	Senior Vice President, Legal
	Matthias.Sayer@nglep.com	
FRS Number:	110064022864	
Identification/Permit Number:	No CAA Title V Permit	
Media Identifier Number:	RMP 1000 0022 8639	
NAICS:	424710 – Petroleum Bulk Stations and Terminals	
SIC:	5171 – Petroleum Bulk Stations and Terminals	
Personnel participating in inspection:		
Tony Robledo	U.S. EPA	Inspector/Enforcement Officer
Rodney Shewey	NGL Energy Partners LP	Marketer
Nathan Tromopke	RLS International Transport Services, Inc.	Site Manager
Kurston McMurray	Centennial/NGL Energy Partners LP	General Counsel
Brett Forkner	Centennial/NGL Energy Partners LP	Director, Environmental Compliance
EPA Lead Inspector Signature/Date		
	Tony Robledo	
Supervisor Signature/Date		
	Samuel Tates	

Section I – INTRODUCTION PURPOSE OF THE INSPECTON

I, the Environmental Protection Agency (EPA) Region 6 inspector Tony Robledo, arrived at the WATCO/SKOL facility location at approximately 1:30 p.m. on October 12, 2022, and again on the morning of October 13, 2022, for an announced inspection. I met with facility representatives noted above at the opening meeting. I presented my credentials and informed them that this was an EPA inspection to determine compliance with CAA § 112(r) and 40 C.F.R. Part 68 Chemical Accident Prevention Provisions. I was informed by facility representatives that the owner of the property WATCO/SKOL leases the property to Centennial Energy, LLC. Therefore, Centennial Energy, LLC is the main operator of the site.

FACILITY DESCRIPTION

Facility representatives described the facility's operations. Operations at this facility location started in March of the year 2022. Railcars containing liquid butane belonging to Keyera Energy, LLC (Keyera) are delivered to the facility where Railroad Loading Services, LLC (RLS) conducts transloading and handling operations. Therefore, RLS is also an operator at the site. Butane arrives at the location in approximately 30,000-gallon (~150,000 pound) railcars and is transloaded to approximately 9,200-gallon tanker trucks owned by Groendyke. This railcar location can accommodate a total of 26 railcars, with 13 railcars on each of two railroad tracks, and the butane that is contained in the railcars ultimately offloaded to tanker trucks. Only butane is transloaded, and no chemical blending is conducted at this location. There were three RLS non-union employees onsite at the time of the inspection, although I was informed that SKOL and Keyera may have additional non-union employees onsite periodically, which makes Keyera an additional site operator. Although Groendyke owns tanker trucks at the site, their employees are not present, therefore Groendyke is not an operator. Operators at this site work Monday through Friday from 5:00 a.m. to 5:00 p.m.

Section II – OBSERVATIONS

I conducted a walk-through of the facility, accompanied by facility representatives to observe the facility process, equipment, and railcar operations. I observed 13 railcars (Photo No. 1) on one railroad track that were connected to each other with rail car couplings (Photo No. 2). I observed the handling and unloading of butane from three non-moving/static railcars, which were not connected to a locomotive, onto to three non-moving/static tanker trucks (Photo No. 3).

During unloading, a mobile generator was used to operate a compressor with a hose connected to the railcar. Facility representatives explained this procedure was to compress vapor in the railcar to assist in pushing the butane out of the railcar into the tanker truck (Photo Nos. 4 and 5). Hoses were connected from the railcar to the tanker truck (Photo No. 6). I observed one small thermal anomaly from a potential hydrocarbon vapor trail at a tank hatch valve connector on railcar TILX 306572 with the Forward Looking Infrared (FLIR™) Series GF320 camera (Photo No. 7). The onsite contractors tightened the connector with a wrench. I considered this action by the onsite contractors an on-the-spot correction. I observed onsite operators using soapy water solution in spray bottles to check for leaks in accordance with the facility's written standard operating procedures, a copy of which facility representatives provided.

Section III – AREAS OF CONCERN

Close-out Meeting – I convened a short closing meeting on Thursday, October 13, 2022. I informed onsite

personnel that a written report would be completed pending the review of additional information requested.

AOC 1. Clean Air Act (CAA) § 112(r)(1) – The General Duty Clause

The owners and operators of stationary sources producing, processing, handling, or storing such substances [i.e., a chemical in 40 CFR part 68 or any other extremely hazardous substance] have a general duty [in the same manner and to the same extent as the general duty clause in the Occupational Safety and Health Act (OSHA)] to identify hazards which may result from (such) releases using appropriate hazard assessment techniques, to design and maintain a safe facility taking such steps as are necessary to prevent releases, and to minimize the consequences of accidental releases which do occur.

Based on the observation using the Forward Looking Infrared (FLIR™) Series GF320 camera, and process knowledge, I determined that the release of the RMP regulated substance was flammable butane. I further determined that the practice and procedure to identify leaks on railcars using soapy water solution in spray bottles to be inadequate. EPA notes that there are more advanced and accurate methods for leak identification that can be used to maintain a safe facility and prevent releases. Such hazard assessment techniques include the use of hand-held portable instruments with chemical-specific sensors, and hand-held infrared cameras that use optical gas imaging.

AOC 2. 40.CFR § 68.10 – Applicability

(a) Except as provided in paragraphs (b) through (f) of this section, an owner or operator of a stationary source that has more than a threshold quantity of a regulated substance in a process, as determined under § 68.115, shall comply with the requirements of this part no later than the latest of the following dates: (1) June 21, 1999; (2) Three years after the date on which a regulated substance is first listed under § 68.130; (3) The date on which a regulated substance is first present above a threshold quantity in a process; or (4) For any revisions to this part, the effective date of the final rule that revises this part.

EPA requested information regarding the transloading operations to determine the potential regulatory applicability of 40 C.F.R. Part 68 Chemical Accident Program requirements, specifically regarding the capacity of butane contained in each railcar, and the length of time that the railcars filled with butane remain stationary on the railroad track awaiting transloading process operations¹. EPA was provided confidential business information documents regarding the duration of specific transloading process operations at this facility location.

AOC 3. 40 CFR § 68.150 – RMP Submission.

(a) The owner or operator shall submit a single RMP that includes the information required by §§ 68.155 through 68.185 for all covered processes. The RMP shall be submitted in the method and format to the central point specified by EPA as of the date of submission. (b) The owner or operator shall submit the

¹ Per § 68.3 Definitions, for the purposes of this part, the term *stationary source* does not apply to transportation, including storage incident to transportation, of any regulated substance or any other extremely hazardous substance under the provisions of this part. A stationary source includes transportation containers used for storage not incident to transportation and transportation containers connected to equipment at a stationary source for loading or unloading. Transportation includes, but is not limited to, transportation subject to oversight or regulation under 49 CFR parts 192, 193, or 195, or a state natural gas or hazardous liquid program for which the state has in effect a certification to DOT under 49 U.S.C. section 60105.

first RMP no later than the latest of the following dates: (1) June 21, 1999; (2) Three years after the date on which a regulated substance is first listed under § 68.130; or (3) The date on which a regulated substance is first present above a threshold quantity in a process.

At the time of the inspection, the owner or operator failed to provide documentation that it had submitted an RMP registration for the transloading operations at this facility, which appear to be subject to the requirements of 40 C.F.R. Part 68.

Section IV – FOLLOW UP

No follow up occurred or was necessary after the inspection.

Section V – LIST OF APPENDICES

Appendix 1 – Photo Log

Appendix 1

Photograph Log



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 1

Location: 660 East Independence Street		
City: Tulsa	County/Parish: Tulsa	State: Oklahoma





UNITED STATES ENVIRONMENTAL PROTECTION AGENCY Photograph Log

Photo No. 2

Location: 660 East Independence Street		
City: Tulsa	County/Parish: Tulsa	State: Oklahoma





UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
Photograph Log

Photo No. 3

Location: 660 East Independence Street		
City: Tulsa	County/Parish: Tulsa	State: Oklahoma





UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 4

Location: 660 East Independence Street		
City: Tulsa	County/Parish: Tulsa	State: Oklahoma





UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 5

Location: 660 East Independence Street		
City: Tulsa	County/Parish: Tulsa	State: Oklahoma





UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 6

Location: 660 East Independence Street		
City: Tulsa	County/Parish: Tulsa	State: Oklahoma





UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 7

Location: 660 East Independence Street		
City: Tulsa	County/Parish: Tulsa	State: Oklahoma

