



STATE OF MAINE  
DEPARTMENT OF ENVIRONMENTAL PROTECTION  
17 STATE HOUSE STATION AUGUSTA, MAINE 04333-0017

DEPARTMENT ORDER

IN THE MATTER OF:

<b>SOUTH PORTLAND TERMINAL LLC's acquisition )</b>	<b>LICENSE</b>
<b>of ExxonMobil Corporation's Oil )</b>	<b>TRANSFERS</b>
<b>Terminal facility in South Portland, Maine )</b>	<b>(Marine Terminal, Water</b>
<b>(# )</b>	<b>Discharge, Air Emissions)</b>

Pursuant to Maine law, the applicable provisions of 38 M.R.S.A. §§ 344(1) & (1-A), Maine DEP's *Rules Concerning the Processing of Applications*, 06-096 CMR 2; *Water Discharge Licenses*, 38 M.R.S.A., section 413; *Oil Discharge Protection and Pollution Control*, 38 M.R.S.A., sections 541-60; *Protection and Improvement of Air* laws, 38 M.R.S.A., sections 581 to 610-A; and rules promulgated pursuant to these laws, the Maine DEP ("Department") has considered the application of South Portland Terminal LLC ("SPT"), with its supportive data, agency review comments, and other related materials on file and FINDS THE FOLLOWING FACTS:

**1. APPLICATION SUMMARY**

**A. Application.** SPT submitted an application to Maine DEP for the transfer of licenses. The application sought to transfer to SPT all active Maine DEP licenses, as defined in 06-096 CMR 2.1(J), any modifications, condition compliance orders, all other approvals, and all applications pending in the name of ExxonMobil Corporation ("Exxon") relating to marine oil terminal facilities in South Portland, Maine (hereinafter referred to as the "Facility"). A schedule of permits and applications that were the subject of that application, and this Department Order, is set forth in Appendix A. Maine DEP accepted SPT's license transfer application as complete for processing on 7/22/11. Under 06-096 CMR 2.21(C)(1), before the Department may transfer a license a transferee is required to demonstrate to the Department's satisfaction the financial and technical capacity and intent to: (a) comply with all terms and conditions of the applicable license, and (b) satisfy all applicable statutory or regulatory criteria.

**B. History**

**(1) The Transaction.** On November 2, 2009, Irving Oil Terminals, Inc. ("Irving") and Exxon entered into a Sale and Purchase Agreement for certain specified wholly owned assets located in South Portland, Hallowell, and Bangor, Maine, including the Facility. On May 4, 2011, Irving assigned its interest in the Exxon – Irving agreement to Buckeye Partners, L.P. At the closing of the transaction on July 19, 2011, ownership of the Facility became vested in SPT, the members of which are

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Buckeye JV Holdings LLC (an indirect subsidiary of Buckeye Partners, L.P.) and Irving Oil Terminals Operations Inc.

- (2) **Operations.** Exxon's management and operations of the Facility have become the responsibility of Buckeye Partners' indirect operating subsidiary, Buckeye Development and Logistics II LLC.

## 2. TRANSFER REQUIREMENTS

The following information regarding Exxon and SPT was submitted in support of the transfer application:

- A. Full Name and Address.** The full name and address of the new owner is:  
South Portland Terminal LLC  
One Greenway Plaza, Suite 600  
Houston, TX 77046
- B. Certification.** SPT certifies that there will be no increase in air emissions beyond that provided for in the existing licenses, either in quantity or type.
- C. Title, Right, or Interest.** SPT submitted the November 2, 2009 Terminals Purchase and Sale Agreement between Exxon and Irving; and evidence of an "Assignment and Assumption Agreement..." dated May 4, 2011, executed by Gary Bischof, President, and Gregory B. Poitva, Corporate Secretary, Irving; Khalid A. Muslih, Vice President, Buckeye Partners; and Les Rose, Attorney and Agent-in-Fact, Exxon. SPT provided a copy of a Special Warranty Deed, dated July 19, 2011, signed by Les Rose, conveying the Facility to SPT. The parties have provided sufficient evidence of title, right, or interest in the Facilities to allow the transfer to SPT of the Facility's licenses, permits, approvals, permits-by-rule, registrations, variances, certifications and amendments thereto, condition compliance orders, and pending applications.
- D. Financial Capacity and Intent.** SPT's application stated that terminal operation expenses and capital costs will be shared between Buckeye JV Holdings and Irving. SPT provided a Facility expense summary for 2011. SPT submitted a letter dated October 13, 2011, signed by Keith E. St. Clair, Senior Vice President and Chief Financial Officer of Buckeye Partners, L.P., in support of the use of the financial test of self-insurance to demonstrate financial responsibility for proper closure pursuant to 06-096 CMR 600(9)(c)(5) in the amount of at least \$2,000,000.00. SPT further submitted an inventory of facility improvements to the Facility necessary for SPT to meet the requirements of chapter 600 of the Department's *Rules*, together with an estimate of the projected costs, and a demonstration of revenues sufficient to meet those costs. SPT has demonstrated sufficient financial capacity and intent to assure compliance with all Maine DEP licenses, permits, approvals, permits-by-rule, registrations, variances, certifications and amendments thereto, condition compliance orders, pending applications, as well as any statutory and regulatory criteria applicable to the facilities.

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- E. Technical Capacity and Intent.** SPT declared its intent to retain current Facility operating personnel, and submitted the resume of the new operations manager responsible for environmental compliance. This satisfactorily documents SPT's technical ability to operate the Facility in accordance with applicable laws, regulations, and license and permit conditions. The information submitted in the application provides sufficient evidence that SPT has the technical capacity and intent to comply with all Maine DEP licenses, permits, approvals, permits-by-rule, registrations, variances, certifications and amendments thereto, condition compliance orders, pending applications, and any statutory and regulatory criteria applicable to the Facility.

BASED ON THE ABOVE FINDINGS OF FACT, the Maine DEP CONCLUDES that SPT has demonstrated the technical and financial capacity and intent to comply with the conditions of all Maine DEP licenses, permits, approvals, permits-by-rule, registrations, variances, certifications and amendments thereto, condition compliance orders and pending applications associated with the facilities described in this Order's findings, including specifically those licenses and applications listed in Appendix A, and to satisfy all applicable statutory and regulatory criteria.

THEREFORE the Maine DEP APPROVES the application of South Portland Terminal LLC subject to the following conditions:

- 1. Standard Conditions.** The Standard Conditions associated with all approvals that are the subject of this Order apply hereto.
- 2. Severability.** The invalidity or unenforceability of any provision, or part thereof, of this License shall not affect the remainder of the provision or any other provisions. This License shall be construed and enforced in all respects as if such invalid or unenforceable provision or part thereof had been omitted.

DONE AND DATED AT AUGUSTA, MAINE THIS 18<sup>th</sup> DAY OF OCTOBER 2011.

DEPARTMENT OF ENVIRONMENTAL PROTECTION

By: Patricia W. Aho  
Patricia W. Aho, Commissioner

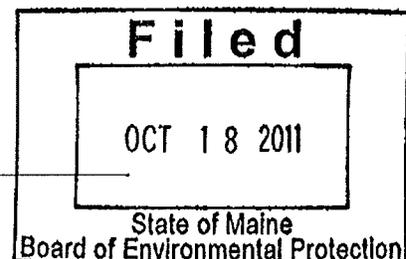
**PLEASE NOTE ATTACHED SHEET FOR GUIDANCE ON APPEAL PROCEDURES**

Date of initial receipt of application: July 15, 2011

Date application accepted for processing: July 22, 2011

Date filed with the Board of Environmental Protection \_\_\_\_\_

This order written by Malcolm C. Burson, Office of the Commissioner



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**APPENDIX A: CURRENT LICENSES AND APPLICATIONS**

<b>AIR QUALITY ORDERS</b>		
<b>NUMBER</b>	<b>DESCRIPTION</b>	<b>APPROVED</b>
<b>AIR EMISSIONS LICENSES:</b>		
A-282-70-A-I	PART 70 AIR EMISSION LICENSE	7/16/02
A-282-70-B-A	PART 70 ADMINISTRATIVE REVISION	4/18/05
A-282-77-1-M	CHAPTER 115 (NSR) MINOR REVISION	8/1/08
A-282-70-D-A	PART 70 SECTION 502(B)(10) CHANGE	2/19/09
A-282-70-C-R	PART 70 AIR EMISSION LICENSE RENEWAL	pending
A-282-77-2-M	CHAPTER 115 (NSR) MINOR REVISION	pending

<b>MARINE TERMINAL LICENSE</b>		
<b>NUMBER</b>	<b>DESCRIPTION</b>	<b>APPROVED</b>
<b>MARINE OIL TERMINAL LICENSE:</b>		
O-304-91-E-R	MARINE TERMINAL LICENSE	2/12/06

<b>WATER QUALITY ORDERS</b>		
<b>NUMBER</b>	<b>DESCRIPTION</b>	<b>APPROVED</b>
<b>DISCHARGE PERMIT:</b>		
W-2653-5S-E-R	MEPDES PERMIT #ME 0000485	4/29/09