EP ENERGY

February 10, 2021

Joshua J. Wayland, PhD
Surface Transportation Board
C/o ICF
9300 Lee Highway
Fairfax, Virgina 22031

Re: Environmental Filing Docket No. FD 36284

Via electronic mail

Dear Dr. Wayland,

On behalf of EP Energy E&P Company, L.P. ("EP Energy"), one of the largest oil producer in the Uinta Basin, I hereby submit the following comments on the Uinta Basin Railway Draft Environmental Impact Statement in support of the project. Of note, in addition to our existing wellcount, EP Energy holds a large acreage position with numerous low-risk development drilling prospects.

With respect to Purpose and Need, producing the Uinta Basin's waxy crude oil is constrained by the ability of the five refineries in Salt Lake City to process the approximate 80,000 barrels of oil per day received by tanker trucks from the Basin. There is no pipeline alternative and trucking the oil to a Class 1 railhead over approximately eighty-five miles of steep, narrow roads, including a 9,100-foot elevation summit crossing, does not significantly change the constraints on production. The Salt Lake City refineries will not expand their capacity due to air quality issues. Therefore, any significant increase in oil production will require a route to alternative refining markets, which access to a Class 1 railroad will provide.

Oil in the Uinta Basin is produced from leases on lands belonging to the Ute Indian Tribe, the Utah School and Institutional Trust Lands Administration (SITLA), the federal government and private mineral owners. We believe that most of the potential production increase that the Uinta Basin Railway would enable will come from leases on tribal and private land. These lands, approximately one-third Ute Tribe and two-thirds private (with lesser amounts of SITLA acreage), are located in and around Duchesne County in a large "sweet spot" defined by favorable geology and unusually high reservoir pressures. The resource in this area is large enough to sustain higher oil production volumes for several decades into the future. We know a great deal about this because most of EP Energy's existing production and developable acreage is in this area.

I would also like to comment on the unusual qualities of Uinta Basin waxy crude oil. This oil has a very high paraffin content, and consequently a high pour point, i.e., it becomes solid at 100-120

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degrees Fahrenheit. That wax content is important because it makes this oil an excellent feedstock for the manufacture of synthetic lube oil products. Perhaps just as important is what is not in this crude oil; it is extremely low in sulfur content and contains unusually low concentrations of catalyst-fouling metals, such as iron, vanadium, and nickel. These characteristics allow Uinta Basin waxy crude oil to function as a direct feedstock for fluid catalytic cracking units at refineries, bypassing the crude distillation units. There is significant demand for this crude at refineries on the US Gulf Coast.

The Uinta Basin needs the Uinta Basin Railway. Surrounded by high mountains, there is no route out of the Uinta Basin that does not involve crossing at least one mountain pass. A common carrier railroad into the Uinta Basin would not only allow the expansion of energy production by providing high-volume access to alternate markets but would also allow a superior transportation method for inbound materials. Every well that we drill in the Uinta Basin requires large volumes of drilling mud, cement, chemicals, steel casing and pipe, and frac sand or engineered proppants. The vast majority of these materials originate at points sufficiently distant from the Uinta Basin to make rail transport attractive.

Finally, the railway can not only be used for the development of energy resources, but also can be used for construction materials, agriculture supplies, livestock transportation, and consumer goods benefiting the entire economy of the Uinta Basin.

I appreciate the opportunity to comment on the Draft Environmental Impact Statement and look forward to seeing the final document.

Thank you,

Chad England

Chad D. England
Senior Vice President and Chief Operating Officer