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June 14, 2016

Via E-Mail (RidsRgn4MailCenter.Resource@nrc.gov; jackie.whitten@nrc.gov)

Jackie Whitten
Chief, Nuclear Materials Safety Branch B
Division of Nuclear Materials Safety
U.S. Nuclear Regulatory Commission, Region IV
1600 East Lamar Boulevard
Arlington, Texas 76011-4511

Re: Application for Approval of Transfer of Control of NRC License No. 53-35137-01
(Docket No. 030-38728)

Dear Mr. Whitten:

Chevron U.S.A. Inc. ("Chevron"), a Pennsylvania corporation, on behalf of Chevron Products Company, a division of Chevron ("Licensee"), and Island Energy Services, LLC ("IES"), respectfully request written consent from the U.S. Nuclear Regulatory Commission ("NRC") for the direct transfer of control of the above-listed radioactive materials license, License No. 53-35137-01 ("License") from the Licensee to IES Downstream, LLC ("New Licensee"), a wholly-owned subsidiary of IES. Attachment 1 provides the basis for this request.

IES is a Delaware limited liability company with its principal offices at 30 Rockefeller Plaza, 54th Floor, New York, NY 10112. IES is a wholly-owned subsidiary of One Rock Capital Partners, LP that was created in order to purchase Chevron's Hawaii refining, fuel distribution, and retail marketing assets. One Rock Capital Partners, LP is a "known entity" to the NRC because its wholly-owned subsidiary, Petroplex Acidizing Inc., holds a number of registrations in the United States, including U. S. Department of Transportation ("DOT") Pipeline and Hazardous Materials Safety Administration Registration No. 052815 600 015X. See Attachment 2 for supporting documentation. Below is the contact information for the DOT office that administers the registration:

Pipeline and Hazardous Materials Safety Administration
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590
Phone: (202) 366-4109

PUBLIC
☐ Immediate Release
☐ Normal Release

NON-PUBLIC
☐ A3 Sensitive-Security Related
☐ A7 Sensitive
☒ Other: A-4
Reviewer: CHILLI 6/23/16

Under the proposed transaction, Chevron will sell to IES the operating assets related to its business of owning and operating a petroleum refinery at 91-480 Malakole Street, Kapolei, Hawaii ("Refinery"), for

Publically available
w/o Attachments 2 and 3
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which Chevron, through the Licensee, possesses the License. When completed, the transaction will result in a direct transfer of control of the License from the Licensee to the New Licensee.


Chevron and IES executed an Asset Sale and Purchase Agreement on April 18, 2016, and intend to close the transaction promptly upon receipt of all necessary regulatory approvals, among other closing conditions. Therefore, Chevron and IES respectfully request that the NRC provide written approval of this license transfer on an expedited basis, and in any event no later than July 27, 2016, if possible, so as not to delay closing the transaction.

As a result of the transaction, an administrative amendment to the License to reflect the new Licensee as "IES Downstream, LLC" is necessary. A license amendment application to reflect the New Licensee's name is attached. See Attachment 3.

If you have any questions or comments regarding this transaction, please contact Chevron's internal counsel Michael Green (925-216-6284/mgreen@chevron.com), Chevron's external counsel Chuck Wehland, at Jones Day (312-269-4388/ctwehland@jonesday.com), or IES's counsel, Amy Roma, at Hogan Lovells (202-637-6831/amy.roma@hoganlovells.com).

I declare under penalty of perjury that the matters set forth in this cover letter and attachments with respect to Chevron U.S.A. Inc. and Chevron Products Company, a division of Chevron U.S.A. Inc., are true and correct to the best of my knowledge, information and belief; provided that this certification does not extend to any statements about matters occurring or expected to occur after the transfer of the Refinery because those matters are controlled exclusively by IES Downstream, LLC.

Executed on June 14, 2016



Paul Fruin
Attorney-in-Fact
Chevron U.S.A. Inc.

Attachment: Attachment 1, Application for Approval of Transfer of Control of License
Attachment 2, "Known Entity" Documentation
Attachment 3, License Amendment Application

cc: Michael Green, Chevron U.S.A. Inc.
Chuck Wehland, Jones Day
Amy Roma, Hogan Lovells US LLP

I declare under penalty of perjury that the matters set forth in this cover letter and attachments with respect to Island Energy Services, LLC and its affiliates and subsidiaries, including IES Downstream, LLC are true and correct to the best of my knowledge, information and belief.

Executed on June 14, 2016



Tony W. Lee
Secretary and Treasurer, Island Energy Services, LLC
IES Downstream, LLC

Attachment 1

**Application for Approval of Direct
Transfer of Control of NRC Materials License No. 53-35137-01**

This information is submitted consistent with NUREG-1556, Vol. 15, *Consolidated Guidance About Materials Licenses: Program-Specific Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Materials Licenses*, at Section 5.1 through 5.6.

SECTION 5.1. DESCRIPTION OF TRANSACTION

- 1. A complete clear description of the transaction, including any transfer of stocks or assets, mergers, etc., so that legal counsel is able, when necessary, to differentiate between name changes and changes of ownership.*

The direct transfer of control would occur as a result of a proposed transaction under which Chevron U.S.A. Inc. ("Chevron"), a Pennsylvania corporation, will sell to Island Energy Services, LLC ("IES") the assets related to Chevron's business of owning and operating a petroleum refinery at 91-480 Malakole Street, Kapolei, Hawaii ("Refinery"). Chevron, through Chevron Products Company, a division of Chevron ("Licensee"), possesses NRC License No. 53-35137-01 ("License") for the Refinery. As a result of the transaction, IES's newly formed and wholly-owned subsidiary IES Downstream, LLC ("New Licensee") will own and operate the Refinery assets, which include the activities and materials covered by the License. Therefore, the parties request NRC approval of a direct transfer of the License from the Licensee to the New Licensee.

- 2. The new name of the licensed organization. If there is no change, the licensee should so state.*

The new name of the licensed organization is "IES Downstream, LLC." A license amendment application to reflect the New Licensee is attached. See Attachment 2.

- 3. The new licensee contact and telephone number(s) to facilitate communications.*

The New Licensee's contact and telephone information is as follows:

IES Downstream, LLC
c/o One Rock Capital Partners, LLC
30 Rockefeller Plaza, 54th Floor
New York, NY, 10112

Attn: Tony W. Lee, Secretary and Treasurer
Email: tlee@onerockcapital.com
Phone: 212-605-6060

IES Downstream, LLC intends that the Radiation Safety Officer for the Refinery will remain Kyle Toyama, who is listed on the License. If this changes, IES Downstream, LLC will notify the NRC immediately and provide a new qualified RSO to be listed on the License.

SECTION 5.2. CHANGES OF PERSONNEL

- 1. Any changes in personnel having control over licensed activities (e.g., officers of a corporation and any changes in personnel named in the license such as radiation safety officer, authorized users, or any other persons identified in previous license applications as responsible for radiation safety or use of licensed material). The*

licensee should include information concerning the qualifications, training and responsibilities of new individuals.

While the officers of the New Licensee may not be the same as the existing Licensee, no changes are currently planned by New Licensee to the personnel named in the License as being responsible for licensed activity in connection with the license transfer.

- 2. An indication of whether the transferor will remain in non-licensed business without the license.*

Chevron will continue to remain in the petroleum refinery business, but will no longer own the Refinery.

SECTION 5.3. CHANGES OF LOCATION, EQUIPMENT & PROCEDURES

- 1. A complete description of any planned changes in organization, location, facility, equipment, or procedures (i.e., changes in operating or emergency procedures).*

Other than the changes described above, currently there are no planned changes in the organization by New Licensee as a result of the proposed transaction. There are also no planned changes by New Licensee in the location, facility, equipment, or procedures in connection with the proposed transaction.

- 2. A detailed description of any changes in the use, possession, location or storage of the licensed materials.*

There are no planned changes by New Licensee in the use, possession, location, or storage of the radioactive materials to occur in connection with the transaction.

- 3. Any changes in organization, location, facilities, equipment, procedures, or personnel that would require a license amendment even without the change of ownership.*

There are no planned changes by New Licensee in the organization, facilities, equipment, procedures, or personnel that would require a license amendment even without the change of ownership.

SECTION 5.4. SURVEILLANCE RECORDS

- 1. An indication of whether all surveillance items and records (e.g., calibrations, leak tests, surveys, inventories, and accountability requirements) will be current at the time of transfer. A description of the status of all surveillance requirements and records should also be provided.*

To the extent such records are required to be maintained under the License, the proposed transaction will have no effect on the surveillance records. All licensed activities and related records will be current and will continue on an ongoing basis without interruption as required under the License. Such records will continue to be maintained by New Licensee in their existing state and in accordance with applicable requirements.

SECTION 5.5. DECOMMISSIONING AND RELATED RECORDS TRANSFERS

1. *Confirmation that all records concerning the safe and effective decommissioning/closure of the facility; public dose and waste disposal by release to sewers, incineration, radioactive material spills, and on-site burials, have been transferred to the new licensee if licensed activities will continue at the same location.*

All decommissioning and related records will transfer to the New Licensee.

2. *A description of the status of the facility. Specifically, the presence or absence of contamination should be documented. If contamination is present, will decontamination occur before transfer? If not, is the transferee knowledgeable of the extent and levels of contamination and applicable decommissioning requirements, and does the transferee agree to assume full liability for the decontamination of the facility or site?*

There is no known contamination present onsite. The New Licensee is aware of the applicable decommissioning requirements and will be responsible for any necessary radiological decontamination at the Refinery.

3. *A description of any decontamination plans, including financial surety arrangements of the transferee. This should include information about how the transferee and transferor propose to divide the transferor's assets and responsibility for any cleanup needed at the time of transfer.*

There are no decontamination plans or financial surety required under the License.

SECTION 5.6. TRANSFEREE'S COMMITMENT TO ABIDE BY THE TRANSFEROR'S COMMITMENTS

1. *Confirmation that the transferee agrees to abide by all commitments and representations previously made by the transferor. These include, but are not limited to: maintaining decommissioning records; implementing decontamination activities and decommissioning of the site; and completing corrective actions for open inspection items and enforcement actions.*

With regard to contamination of facilities and equipment, the transferee should confirm, in writing, that it accepts full liability for the site, and should provide evidence of adequate resources to fund decommissioning; or the transferor should provide a commitment to decontaminate the facility before the change of control or ownership.

With regard to open inspection items, etc., the transferee should confirm, in writing, that it accepts full responsibility for open inspection items and/or any resulting enforcement actions; or the transferee proposes alternative measures for meeting the requirements; or the transferor provides a commitment to close out all such actions with NRC before license transfer.

The New Licensee agrees to abide by all constraints, license conditions, requirements, representations and commitments identified in and attributed to the existing License, including any decommissioning and decontamination funding obligations. There are no open inspection items associated with the License.

2. *Documentation that the transferor and transferee agree to the change in ownership or control of the licensed material and activity, and the conditions of the transfer; and the transferee is made aware of all open inspection items and its responsibility for possible resulting enforcement actions.*

Chevron and IES have agreed to the change of ownership or control and the conditions of the transfer. There are no open inspection items associated with the License.

3. *A commitment by the transferee to abide by all constraints, conditions, requirements, representations and commitments identified in the existing licenses. If not, the transferee must provide a description of its program to ensure compliance with the license and regulations.*

The New Licensee agrees to abide by all constraints, conditions, requirements, representations, and commitments identified in the existing License.