Southern Ute Indian Tribe
Environmental Programs Division
Air Quality Program
151 CR 517
Ignacio, Colorado 81137

AIR POLLUTION CONTROL
TITLE V PERMIT TO OPERATE

In accordance with the provisions of Title V of the Clean Air Act (42 U.S.C. 7661-7661f) and Part 1, Article II of the Southern Ute Indian Tribe/State of Colorado Environmental Commission's Reservation Air Code (RAC) and applicable rules and regulations,

Red Cedar Gathering Company
Diamondback Compressor Station

is authorized to operate air emission units and to conduct other air pollutant emitting activities in accordance with the conditions listed in this permit.

This source is authorized to operate at the following location:

Southern Ute Indian Reservation
Section 8, T32N R9W
La Plata County, Colorado

Terms not otherwise defined in this permit have the meaning assigned to them in the referenced regulations. All terms and conditions of the permit are enforceable by the Tribe and citizens under the Clean Air Act.

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Brenda Jarrell, Air Quality Program Manager
Environmental Programs Division
Southern Ute Indian Tribe

AIR POLLUTION CONTROL
TITLE V PERMIT TO OPERATE
Red Cedar Gathering Company
Diamondback Compressor Station

Permit Number: V-SUIT-0018-2014.00
[Replaces EPA-issued Permit No.: V-SU-0018-08.01]

Issue Date: {TBD}
Effective Date: {TBD}
Expiration Date: {TBD}

The permit number cited above should be referenced in future correspondence regarding this facility.

Permit History

DATE	TYPE OF ACTION	SECTION NUMBER AND TITLE	DESCRIPTION OF ACTION
May 1, 2003	Initial Part 71 Permit Issued		# V-SU-0018-02.00
September 1, 2003	Minor Modification		# V-SU-0018-02.01
June 22, 2006	Two Administrative Amendments		# V-SU-0018-02.02
August 23,2007			# V-SU-0018-02.03
January 1, 2009	1st Renewal Permit Issued		# V-SU-0018-08.00
August 27, 2010	Minor Modification		# V-SU-0018-08.01
{TBD}	Initial Part 70 Permit Issued		# V-SUIT-0018-2014.00 Replaces EPA-issued permit # V-SU-0018-08.01

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Abbreviations and Acronyms

4SLB	Four-Stroke Lean-Burn
4SRB	Four-Stroke Rich-Burn
AQP	Southern Ute Indian Tribe's Air Quality Program
bbl	Barrels
BACT	Best Available Control Technology
CAA	Clean Air Act [42 U.S.C. Section 7401 et seq.]
CAM	Compliance Assurance Monitoring
CEMS	Continuous Emission Monitoring System
CFR	Code of Federal Regulations
CMS	Continuous Monitoring System (includes COMS, CEMS and diluent monitoring)
COMS	Continuous Opacity Monitoring System
CO	Carbon monoxide
CO_2	Carbon dioxide
dscf	Dry standard cubic foot
dscm	Dry standard cubic meter
EPA	United States Environmental Protection Agency
FGD	Flue gas desulfurization
gal	Gallon
GPM	Gallons per minute
H_2S	Hydrogen sulfide
HAP	Hazardous Air Pollutant
hr	Hour
ID	Identification Number
kg	Kilogram
lbs	Pounds
MACT	Maximum Achievable Control Technology
Mg	Megagram
MMBtu	Million British Thermal Units
MMSCFD	Million standard cubic feet per day
mo	Month
NESHAP	National Emission Standards for Hazardous Air Pollutants
NMHC	Non-methane hydrocarbons
NO_x	Nitrogen Oxides
NSPS	New Source Performance Standard
NSR	New Source Review
pH	Negative logarithm of effective hydrogen ion concentration (acidity)
PM	Particulate Matter
PM_{10}	Particulate matter less than 10 microns in diameter
ppbvd	Parts per billion by volume, dry
ppm	Parts per million
ppmvd	Parts per million by volume, dry
PSD	Prevention of Significant Deterioration
PTE	Potential to Emit
psi	Pounds per square inch
psia	Pounds per square inch absolute
RAC	Southern Ute Indian Tribe/State of Colorado Environmental Commission's Reservation Air Code
RICE	Reciprocating Internal Combustion Engine
RMP	Risk Management Plan
scfm	Standard cubic feet per minute
SI	Spark Ignition
SO_2	Sulfur Dioxide
SUIT	Southern Ute Indian Tribe
tpy	Ton(s) Per Year
Tribe	Southern Ute Indian Tribe
US EPA	United States Environmental Protection Agency
VOC	Volatile Organic Compounds

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I. Source Information and Emission Unit Identification

I.A. Source Information

Parent Company Name: Red Cedar Gathering Company

Plant Name: Diamondback Compressor Station

Plant Location: Section 8, T32N R9W
Latitude: 37.035978
Longitude: -107.84593556

Reservation: Southern Ute Indian Reservation

State: Colorado

County: La Plata County

Responsible Official: President

SIC Code: 1311

AFS Plant Identification Number: 08-067-U0011

Other Clean Air Act Permits: This permit replaces the facility's EPA-issued Part 71 permit. There are no other CAA permits issued to this facility.

Description of Process:

According to Red Cedar's application, the Diamondback Compressor Station is a mid-stream gathering/boost natural gas compressor station capable of processing roughly 16 MMscf/day. The station receives inlet gas from multiple wells, with an inlet pressure of approximately 30 psi. The gas is first compressed through three compressors driven by Waukesha L7042GL lean burn compressor engines to approximately 330 psi. The gas is processed through one triethylene glycol dehydrator (there are currently two dehydration units installed at the location; however they are not operated at the same time). The gas comes in saturated and leaves the station at less than 7 lbs H_20/MMscf.

The primary source for emissions is from the facility's three natural gas-fired four-stroke lean-burn (4SLB) spark ignition (SI) compressor engines, one natural gas-fired four-stroke rich-burn (4SRB) spark ignition (SI) generator engine, and two triethylene glycol (TEG) dehydration units.

I.B. Source Emission Points

Table 1 - Emission Units
Red Cedar Gathering Company, Diamondback Compressor Station

Emission Unit ID	Description	Control Equipment
C-100 C-200 C-300	3 - Waukesha G7042GL (4SLB SI) natural gas-fired Compressor Engines, 1,478 hp Serial No.: 402853 Installed: 01/10/11 Serial No.: C-13152/1 Installed: 05/28/07 Serial No.: C-13153/1 Installed: 04/03/08	None
G-100	1 – Cummins GTA8.3-G1 (4SRB SI) natural gas-fired Generator Engine, 185 hp Serial No.: 46443679 Installed: 06/01/10	Catalytic control system
X-600	1 - Triethylene Glycol (TEG) Dehydrator, 18 MMscf/d Installed: 07/01/11	None
X-700	1 - Triethylene Glycol (TEG) Dehydrator, 12 MMscf/d Installed: not provided	None

Table 2 - Insignificant Emission Units
Red Cedar Gathering Company, Diamondback Compressor Station

Emission Unit ID	Description	Size/Rating
X-600	1 - Triethylene Glycol (TEG) Reboiler	0.650 MMBtu/hr
X-700	1 - Triethylene Glycol (TEG) Reboiler	0.250 MMBtu/hr
H-500	1 - Catalytic Heater (Inlet Slug Catcher V-500)	0.012 MMBtu/hr
H-501, H-502	2 - Catalytic Heater (Sidewinder fuel/meter building	0.012 MMBtu/hr
H-503	1 - Tank Heater (TK-500)	0.325 MMBtu/hr
H-504	1 - Tank Heater (TK-501)	0.325 MMBtu/hr
H-509	1 - Tank Heater (TK-501S @ Sidewinder)	0.325 MMBtu/hr
TK-500	1 - Waste Oil Drain Tank	6,600 gal
TK-501	1 - Waste Water Drain Tank	21,000 gal
TK-502	1 - Lube Oil Storage Tank	1,600 gal
TK-503	1 - Glycol Still Column Vent Tank (X-600)	520 gal
TK-504A, TK-504B	2 - Engine Coolant Storage Tank	500 gal
TK-505	1 - TEG Storage Tank	1,000 gal
TK-506	1 - Glycol Still Column Vent Tank (X-700)	322 gal
TK-514	1 - Generator Lube Oil Tank	55 gal
TK-501s	1 - Produced Water Storage Tank (Sidewinder)	21,000gal
	Fugitives	N/A

II. Requirements for Engines

[Explanatory Note: The compliance date for emission unit G-100 is October 19, 2013. This draft permit is expected to be issued final after October 19, 2013 and therefore the requirements of Subpart ZZZZ have been included in this permit.]

II.A. 40 CFR Part 63, Subpart A - National Emission Standards for Hazardous Air Pollutants, General Provisions [40 CFR 63.1 - 63.16, and RAC 4-103]

1. This facility is subject to the requirements of 40 CFR Part 63, Subpart A as outlined in Table 8 of 40 CFR Part 63, Subpart ZZZZ. Notwithstanding conditions in this permit, the permittee shall comply with all applicable requirements of 40 CFR Part 63, Subpart A.

[40 CFR 63.6665]

II.B. 40 CFR Part 63, Subpart ZZZZ - National Emission Standards for Hazardous Air Pollutants for Reciprocating Internal Combustion Engines [40 CFR 63.6580 - 63.6675 and RAC 4-103]

1. This facility is subject to the requirements of 40 CFR Part 63, Subpart ZZZZ for existing stationary reciprocating internal combustion engines (RICE) with a site rating of equal to or less than 500 brake horsepower located at a major source of hazardous air pollutants (HAPs). Notwithstanding conditions in this permit, the permittee shall comply with all applicable requirements of 40 CFR Part 63, Subpart ZZZZ.

2. 40 CFR Part 63, Subpart ZZZZ applies to the following engine:

   G-100 - 185 bhp, Cummins GTA8.3-G1 (4SRB) SI natural gas-fired generator engine, constructed or reconstructed before June 12, 2006.

II.C. Emission Limits

1. Emissions from engine unit G-100 must meet the following emissions limitations according to Table 2c of 40 CFR Part 63, Subpart ZZZZ:

   (a) Except during periods of startup the permittee must:

      (i) Limit the concentration of formaldehyde in the engine exhaust to 10.3 ppmvd or less at 15 percent O_2.

   (b) During periods of startup the permittee must:

(i) Minimize the engine's time spent at idle and minimize the engine's startup time at startup to a period needed for appropriate and safe loading of the engine, not to exceed 30 minutes, after which the non-startup emission limitations apply.

[40 CFR 63.6602 and Table 2c of 40 CFR Subpart ZZZZ]

2. The permittee shall comply with the emission limitations, operating limitations, and other requirements in 40 CFR Part 63, Subpart ZZZZ at all times.

[40 CFR 63.6605(a)]

II.D. Operation and Maintenance Requirements

1. At all times, the permittee must operate and maintain any affected source, including associated air pollution control equipment and monitoring equipment, in a manner consistent with safety and good air pollution control practices for minimizing emissions to the levels required by 40 CFR Part 63, Subpart ZZZZ. The general duty to minimize emissions does not require the permittee to make any further efforts to reduce emissions if the required levels have been achieved. Determination of whether such operations and maintenance procedures are being used will be based on information available to the Administrator, which may include, but is not limited to, monitoring results, review of operation and maintenance procedures, review of operation and maintenance records, and inspection of the source.

[40 CFR 63.6605(b)]

II.E. Initial Compliance Requirements

1. For G-100, the permittee shall demonstrate initial compliance with each emission limitation, operating limitation, and other requirements that apply according to Table 5 of 40 CFR Part 63, Subpart ZZZZ.

[40 CFR 63.6630(a)]

2. The permittee must submit the Notification of Compliance Status containing the results of the initial compliance demonstration, including the performance test results, before the close of business on the 60th day following the completion of the performance test according to requirements of §63.10(d)(2).

[40 CFR 63.6630(c) and 40 CFR 63.6645(h)(2)]

II.F. Initial Performance Test Requirements

1. The permittee must conduct any initial performance test or other initial compliance demonstrations according to Tables 4 and 5 of 40 CFR Part 63, Subpart ZZZZ that apply within 180 days after the

compliance date that is specified for engine unit G-100 in §63.6595 and according to the provisions of §63.7(a)(2).

[40 CFR 63.6612(a)]

2. The permittee is not required to conduct an initial performance test on a unit for which a performance test has been previously conducted, but the test must meet all of the conditions described in §63.6612(b).

[40 CFR 63.6612(b)]

II.G. Performance Test Procedures

1. For G-100, complying with the requirement to limit the concentration of formaldehyde in the engine exhaust, the permittee must comply with the applicable performance test requirements according to Table 4 of 40 CFR Part 63, Subpart ZZZZ.

[40 CFR 63.6620(a) and Table 4 of 40 CFR Part 63, Subpart ZZZZ]

2. If G-100 is non-operational, the permittee does not need to start up the engine solely to conduct the performance test. The permittee can conduct the performance test when the engine is started up again.

[40 CFR 63.6620(b)]

3. The permittee must conduct three separate test runs for each performance test required. Each test run must last at least 1 hour as specified in §63.7(e)(3).

[40 CFR 63.6620(d)]

4. The permittee must use the equations of §63.6620(e) to:

   (a) Determine compliance with percent reduction requirement;

   (b) Normalize CO or formaldehyde concentration at the inlet and outlet of the control device to a dry basis and to 15 percent oxygen, or an equivalent percent CO_2;

   (c) Calculate the fuel-specific F_o value for the fuel burned during the test;

   (d) Calculate the CO_2 correction factor for correcting measurement data to 15 percent oxygen; and

   (e) Calculate the CO, THC, and formaldehyde gas concentrations.

[40 CFR 63.6620(e)]

5. If the permittee complies with the requirement to limit the concentration of formaldehyde in the engine exhaust without using an oxidation catalyst or NSCR the permittee must submit a petition to the Tribe that meets the requirements of 40 CFR 63.6620(g) or (h), as applicable, for operating limitations to be established during the initial performance test and continuously monitored thereafter; or for approval of no operating limitations. The initial performance test must not be conducted until after the petition has been approved by the Tribe.

[40 CFR 63.6620(f)]

6. The engine percent load during a performance test must be determined by documenting the calculations, assumptions, and measurement devices used to measure or estimate the percent load in a specific application. A written report of the average percent load determination, in accordance with 40 CFR 63.6620(i), must be included in the notification of compliance status. The following information must be included in the written report:

   (a) The engine model number;

   (b) The engine manufacturer;

   (c) The year of purchase;

   (d) The manufacturer's site-rated brake horsepower;

   (e) The ambient temperature, pressure, and humidity during the performance test;

   (f) All assumptions that were made to estimate or calculate percent load during the performance test must be clearly explained; and

   (g) If measurement devices such as flow meters, kilowatt meters, beta analyzers, stain gauges, etc. are used, the model number of the measurement device, and an estimate of its accuracy in percentage of true value must be provided.

[40 CFR 63.6620(i)]

7. The permittee must minimize the engine's time spent at idle during startup and minimize the engine's startup time to a period needed for appropriate and safe loading of the engine, not to exceed 30 minutes, after which time the standards applicable to all times other than startup in Table 2c of 40 CFR Part 63, Subpart ZZZZ apply.

[40 CFR 63.6625(h)]

II.H. Continuous Compliance Requirements

1. The permittee shall demonstrate continuous compliance with each emission limitation, operating limitation, and other requirements in Table 2c that apply, according to the methods specified in Table 6 of 40 CFR Part 63, Subpart ZZZZ.

[40 CFR 63.6640(a)]

2. The permittee must report each instance in which an emission or operating limit in Table 2c was not met. These instance are deviations from the emission and operating limitations and must be reported according to reporting requirements of §63.6650.

[40 CFR 63.6640(b)]

3. The permittee must also report each instance in which the requirements in Table 8 of 40 CFR Part 63, Subpart ZZZZ, were not met.

[40 CFR 63.6640(e)]

II.I. Notifications

1. The permittee must submit all of the notifications in §§63.7(b) and (c), §§63.8(e), (f)(4) and (f)(6), §§63.9(b) through (e), and (g) and (h) of the General Provisions of 40 CFR Part 63 that apply by the dates specified.

[40 CFR 63.6645(a)]

2. If a performance test is required, the permittee must submit a Notification of Intent to conduct a performance test at least 60 days before the performance test is scheduled to begin as required in §63.7(b)(1).

[40 CFR 63.6645(g)]

3. If a performance test or other initial compliance demonstration is required, the permittee must submit a Notification of Compliance Status according to §63.9(h)(2)(ii) before the close of business on the 60th day following the completion of the performance test.

[40 CFR 63.6645(h)]

II.J. Record Keeping

1. The permittee must keep the following records to comply with the emission and operating limitations:

   (a) A copy of each notification and report that was submitted to comply with 40 CFR Part 63, Subpart ZZZZ, including all documentation supporting any Initial Notification or

Notification of Compliance Status that was submitted, according to the requirements of §63.10(b)(2)(xiv);

(b) Records of the occurrence and duration of each malfunction of operation (i.e. process equipment) or the air pollution control and monitoring equipment;

(c) Records of performance tests and performance evaluations as required in §63.10(b)(2)(viii);

(d) Records of all required maintenance performed on the air pollution control and monitoring equipment, if required; and

(e) Records of actions taken during periods of malfunction to minimize emissions in accordance with §63.6605(b), including corrective actions to restore malfunctioning process and air pollution control and monitoring equipment to its normal or usual manner of operation.

[40 CFR 63.6655(a)]

2. The permittee must keep the records required in Table 6 of 40 CFR Part 63, Subpart ZZZZ to show continuous compliance with each emission or operating limitation that applies.

[40 CFR 63.6655(d)]

3. The permittee must keep each record in a form suitable and readily available for expeditious review, accessible in hard copy or electronic form on file for five (5) years after the date of each occurrence, measurement, maintenance, corrective action, report, or record.

[40 CFR 63.10(b)(1), 40 CFR 63.10(f), and 40 CFR 63.6660]

II.K. Reporting

1. The permittee must submit a compliance report semi-annually by April 1st and October 1st of each year. The report due on April 1st shall cover the July 1 – December 31 reporting period of the previous calendar year. The report due on October 1st shall cover the January 1 – June 30 reporting period of the current calendar year. The first semi-annual compliance report must cover the period beginning on the compliance date, October 19, 2013, and ending on December 31, 2013.

[40 CFR 63.6650(b) and 40 CFR 63.10(a)(5)]

2. The semiannual compliance report must contain the following:

(a) Company name and address;

(b) Statement by the responsible official, with that official's name, title, and signature, certifying the accuracy of the content of the report;

(c) The date of the report and beginning and ending dates of the reporting period;

(d) In the event a malfunction has occurred during the reporting period, the report must include the number, duration, and a brief description for each type of malfunction which occurred during the reporting period and which caused or may have caused any applicable emission limitation to be exceeded. The report must also include a description of actions taken by the permittee during a malfunction of an engine to minimize emissions in accordance with §63.6605(b), including actions taken to correct a malfunction;

(e) If there are no deviations from any applicable emission limitations, or operating limitations, a statement that there were no deviations from the emissions limitations or operating limitations during the reporting period; and

(f) If there were no periods during which the continuous monitoring system (CMS), if required, including CEMS and CPMS, was out-of-control, as specified in §63.8(c)(7), a statement that there were no periods during which the CMS was out-of-control during the reporting period.

[40 CFR 63.6650(c)]

3. For each deviation from an emission or operating limitation that occurs for an engine where a CMS is not being used to comply with the emission and operating limits, the compliance report must contain the following information:

(a) Information required in Condition II.K.2(a) through (d) of this permit;

(b) The total operating time of the engine at which the deviation occurred during the reporting period; and

(c) Information on the number, duration, and cause of deviations (including unknown cause, if applicable), and the corrective action taken.

[40 CFR 63.6650(c)-(d)]

4. For each deviation from an emission or operating limitation that occurs for an engine where a CMS is being used to comply with the emission and operating limits, the compliance report must contain the information specified in 40 CFR Part 63, Subpart ZZZZ 63.6650(e).

[40 CFR 63.6650(e)]

5. The compliance report shall be submitted with the semi-annual monitoring report required by RAC 2-110(7)(a) and the Facility-Wide Requirements section of this permit. Submission of the compliance report shall be deemed to satisfy any obligation to report the same deviations in the semiannual monitoring report. However, submission of a compliance report shall not otherwise affect any obligation the affected source may have to report deviations from permit requirements to the Tribe.

[40 CFR 63.6650(f)]

III. Facility-Wide Requirements

Conditions in this section of the permit apply to all emissions units located at the facility, including any units not specifically listed in Table 1 or Table 2 of the Source Emission Points section of this permit.

[RAC 2-110(1)(d)]

III.A. General Recordkeeping Requirements [RAC 2-110(6) and RAC 4-103]

The permittee shall comply with the following generally applicable recordkeeping requirements:

1. If the permittee determines that his or her stationary source that emits (or has the potential to emit, without federally recognized controls) one or more hazardous air pollutants is not subject to a relevant standard or other requirement established under 40 CFR Part 63, the permittee shall keep a record of the applicability determination at Red Cedar's Corporate Headquarters offices in Durango, Colorado, for a period of five years after the determination, or until the source changes its operations to become an affected source, whichever comes first. The record of the applicability determination shall include an analysis (or other information) that demonstrates why the permittee believes the source is unaffected (e.g., because the source is an area source).

[40 CFR 63.10(b)(3)]

2. Records shall be kept of off permit changes made, as required by the Off Permit Changes section of this permit.

3. The permittee is the owner or operator of glycol dehydration units (X-600 and X-700) that are exempt from the control requirements under 40 CFR §63.764. The permittee shall retain each determination used to demonstrate that actual annual average flowrate of natural gas to each glycol dehydration unit is less than 85,000 scm/day (3,000,000 scf/day) or the actual average benzene emissions are less than 0.9 megagrams/year.

[40 CFR 63.764(e)(1), 63.772(b), and 63.774(d)(1)]

III.B. General Reporting Requirements

1. The permittee shall submit to the Tribe all reports of any required monitoring under this permit semiannually. The report shall be submitted semi-annually, by April 1st and October 1st of each year. The report due on April 1st shall cover the July 1 – December 31 reporting period of the previous calendar year. The report due on October 1st shall cover the January 1- June 30 reporting period of the previous calendar year. The initial report shall cover the period from the issuance date of this permit through the end of the relevant semi-annual reporting period. All instances of deviations from permit requirements shall be clearly identified in such reports. All required reports shall be certified by a responsible official consistent with the Submissions section of this permit.

[RAC 2-110(7)(a)]

2. "Deviation" means any situation in which an emissions unit fails to meet a permit term or condition. A deviation is not always a violation. A deviation can be determined by observation or through review of data obtained from any testing, monitoring, or recordkeeping established in accordance with RAC 2-110(5) and (6). For a situation lasting more than 24 hours which constitutes a deviation, each 24 hour period is considered a separate deviation. Included in the meaning of deviation are any of the following:

   (a) A situation where emissions exceed an emission limitation or standard;

   (b) A situation where process or emissions control device parameter values indicate that an emission limitation or standard has not been met; or

   (c) A situation in which observations or data collected demonstrate noncompliance with an emission limitation or standard or any work practice or operating condition required by the permit.

   (d) A situation in which an exceedance or an excursion, as defined in 40 CFR Part 64 occurs.

[RAC 1-103(21)]

3. The permittee shall promptly report to the Tribe deviations from permit requirements, (including emergencies), including the date, time, duration, and the probable cause of such deviations, the quantity and pollutant type of excess emissions resulting from the deviation, and any preventative, mitigation, or corrective actions or measures taken. "Prompt" is defined as follows:

   (a) Where the underlying applicable requirement contains a definition of "prompt" or otherwise specifies a time frame for reporting deviations, that definition or time frame shall govern.

   (b) Where the underlying applicable requirement fails to address the time frame for reporting

deviations, reports of deviations will be submitted based on the following schedule:

(i) For emissions of a hazardous air pollutant or a toxic air pollutant (as identified in the applicable regulation) that continue for more than an hour in excess of permit requirements, the report must be made by email, telephone, verbal, or facsimile communication by the close of business the next working day, upon discovery of the occurrence, and in writing within 10 working days from the occurrence;

(ii) For emissions of any regulated air pollutant, excluding those listed in RAC § 2-110(7)(b)(i), that continue for more than 2 hours in excess of permit requirements, the report must be made by email, telephone, verbal, or facsimile communication by the close of business the next working day, upon discovery of the occurrence, and in writing within 10 working days from the occurrence;

(iii) For all other deviations from permit requirements, the report shall be contained in the report submitted with the semi-annual monitoring report.

[RAC 2-110(7)(b)]

III.C. Alternative Operating Scenarios [RAC 2-110(8)]

1. Replacement of an existing engine identified in this permit with a new or overhauled engine shall be allowed as an off-permit change pursuant to the Off Permit Changes provisions of this permit provided all of the following conditions are met:

(a) The engine exchange is not subject to any requirements under Title IV of the Clean Air Act and are not modifications under Title I of the Clean Air Act;

(b) The new or overhauled engine is of the same make, model, horsepower rating, and configured to operate in the same manner as the engine being replaced.

(c) The new or overhauled engine meets all applicable requirements identified in this permit that apply to the existing engine being replaced.

(d) All applicable requirements that apply to the new or overhauled engine are already identified in the permit. Replacement of an existing engine identified in this permit with a new or overhauled engine must utilize a Minor Permit Revision as specified in RAC 2-111(3) or a Significant Permit Revision as specified in RAC 2-111(4) to incorporate any new applicable requirements. The applicable requirements include, but may not be limited to:

(i) Standards of Performance for Stationary Spark Ignition Internal Combustion Engines at 40 CFR Part 60, Subpart JJJJ;

(ii) Standards of Performance for Stationary Compression Ignition Internal Combustion at 40 CFR Part 60, Subpart IIII;

(iii) National Emission Standard for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines at 40 CFR Part 63, Subpart ZZZZ;

(iv) Requirements established in a permit or permits issued pursuant to the Federal Minor New Source Review Program in Indian Country at 40 CFR Part 49;

(v) Requirements established in a permit or permits issued pursuant to the Prevention of Significant Deterioration of Air Quality Program at 40 CFR Part 52; or Requirements established in any promulgated Federal Implementation Plan that may apply to engines located on the Southern Ute Indian Reservation.

2. The Permittee shall provide contemporaneous written notice to the Tribe and the Administrator of any replacement of an existing engine identified in this permit with a new or overhauled engine. Such notice shall state when the exchange occurred and shall describe the change and any applicable requirement that would apply as a result of the change.

3. The Permittee shall keep a record of the engine exchange.

III.D. Permit Shield [RAC 2-110(10)(c)]

Nothing in this permit shall alter or affect the following:

1. The provisions of Section 303 of the Clean Air Act, 42 U.S.C. § 7603 concerning emergency powers, including the respective authorities of the Administrator under those sections;

2. The liability of a permittee for any violation of applicable requirements prior to or at the time of permit issuance; or

3. The ability of the Administrator respectively to obtain information from a source pursuant to Section 114 of the Clean Air Act, 42 U.S.C. § 7414.

[RAC 2-110(10)(c)]

IV. Part 70 Administrative Requirements

IV.A. Annual Fee Payment [RAC 2-110(1)(h) and RAC 2-118]

1. An annual operating permit emission fee shall be paid to the Tribe by the permittee.

[RAC 2-118(2)]

2. The permittee shall pay the annual permit fee each year no later than April 1st for the preceding calendar year, except that the first annual permit fee will cover the period from the issuance date of this permit through December 31 of the same year.

[RAC 2-118(2)]

3. Fee payments shall be remitted in the form of a money order, bank draft, certified check, corporate check, or electronic funds transfer payable to the Southern Ute Indian Tribe and sent or delivered by the United States Postal Service c/o Environmental Programs Division Part 70 Program, P.O. Box 737 MS #84, Ignacio, Colorado 81137; or by common carrier (such as UPS or FedEx) c/o Environmental Programs Division Part 70 Program, 398 Ouray Drive, Ignacio, Colorado 81137.

[RAC 2-118(4)(a)]

4. The permittee shall send an updated fee calculation worksheet submitted annually by the same deadline as required for fee payment to the address listed in the Submissions section of this permit.

[RAC 2-118]

5. Basis for calculating annual fee:

   (a) Subtotal annual fees shall be calculated by multiplying the applicable emission fee set pursuant to RAC § 2-119(1) times the total tons of actual emissions, as defined at RAC 1-103(2), for each fee pollutant. The permittee may, in absence of actual emissions data, calculate the annual fee based on the potential to emit (as defined at RAC 1-103(51)) for each fee pollutant. Emissions of any regulated air pollutant that already are included in the fee calculation under a category of regulated pollutant, such as a federally listed hazardous air pollutant that is already accounted for as a VOC or as PM10, shall be counted only once in determining the source's actual emissions.

   [RAC 2-119(2)(a)]

   (i) "Actual emissions" means the actual rate of emissions in tpy of any fee pollutant (for fee calculation) emitted from a Title V source over the preceding calendar year or any other period determined by the Tribe to be more representative of normal

operation and consistent with the fee schedule adopted by the Tribe and approved by the Administrator. Actual emissions shall be calculated using each emissions units actual operating hours, production rates, in-place control equipment, and types of materials processed, stored, or combusted during the preceding calendar year or other period used for this calculation.

[RAC 1-103(2)]

(ii) Actual emissions shall be computed using compliance methods required by the permit.

[RAC 2-118(1)(b)]

(iii) If actual emissions cannot be determined using the compliance methods in the permit, the permittee shall use other federally recognized procedures.

[RAC 2-118(1)(b)]

(b) The total annual fee submitted shall be the greater of the applicable minimum fee or the sum of subtotal annual fees for all fee pollutants emitted from the source.

[RAC 2-119(2)(b)]

[Explanatory Note: The applicable emission fee amount and applicable minimum fee (if necessary) are revised each calendar year to account for inflation, and they are available from AQP prior to the start of each calendar year.]

(c) The permittee shall exclude the following emissions from the calculation of fees:

(i) The amount of actual emissions of any one fee pollutant that the source emits in excess of 4,000 tons per year.

(ii) Any emissions that come from insignificant activities not required in a permit application pursuant to RAC § 2-106(4).

[RAC 1-103(2)(c)]

6. Annual fee calculation worksheets shall be certified as to truth, accuracy, and completeness by a responsible official.

[RAC 2-105 and RAC 2-118(2)(c)]

7. Failure of the permittee to pay fees by the due date shall subject the permittee to assessment of penalties and interest in accordance with RAC § 2-118(6).

[RAC 2-118(6)]

8. When notified by the Tribe of underpayment of fees, the permittee shall remit full payment within 30 days of receipt of an invoice from the Tribe.

[RAC 2-119(3)(b)]

9. A permittee who thinks a Tribe assessed fee is in error and who wishes to challenge such fee shall provide a written explanation of the alleged error to the Tribe along with full payment of the assessed fee.

[RAC 2-119(3)(c)]

IV.B. Compliance Requirements

1. Compliance with the Permit

(a) The permittee must comply with all conditions of this Part 70 permit. Any permit noncompliance with federally enforceable or Commission-only permit conditions constitutes a violation of the RAC and Clean Air Act and is grounds for enforcement action; for permit termination, revocation and reissuance, or revision; or for denial of a permit renewal application.

[RAC 2-110(3)(a)]

(b) It shall not be a defense for a permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.

[RAC 2-110(3)(b)]

(c) All terms and conditions of this permit which are required under the Clean Air Act or under any of its applicable requirements, including any provisions designed to limit a source's potential to emit, are enforceable by the Administrator and citizens under the Clean Air Act, except terms and conditions the permit specifically designates as not being federally enforceable under the Clean Air Act that are not required under the Clean Air Act or under any of its applicable requirements. Terms and conditions so designated are not subject to the requirements of RAC §§ 2-108, 2-111, 2-112, other than those contained in this paragraph.

[RAC 2-110(3)(f)]

(d) This permit, or the filing or approval of a compliance plan, does not relieve any person from civil or criminal liability for failure to comply with the provisions of the RAC and the Clean Air Act, applicable regulations thereunder, and any other applicable law or regulation.

[RAC 2-110(3)(g)]

(e) For the purpose of submitting compliance certifications in accordance with the Compliance Certifications condition below of this permit, or establishing whether or not a person has

violated or is in violation of any requirement of this permit, nothing shall preclude the use, including the exclusive use, of any credible evidence or information, relevant to whether a source would have been in compliance with applicable requirements if the appropriate performance or compliance test or procedure had been performed.

[Section 113(a) and 113(e)(1) of the Act, 40 CFR §§ 51.212, 52.12, 52.33, 60.11(g), and 61.12]

2. Compliance Certifications

The permittee shall submit to the Tribe and the Administrator an annual certification of compliance which shall certify the source's compliance status with all permit terms and conditions and all applicable requirements relevant to the source, including those related to emission limitations, standards, or work practices. The compliance certification shall be certified as to truth, accuracy, and completeness by a responsible official consistent with RAC § 2-110(9)(a). The certification of compliance shall be submitted annually by April 1st and shall cover the preceding calendar year in which the certification of compliance is due, except that the first annual certification of compliance will cover the period from the issuance date of this permit through December 31 of the same year.

[RAC 2-110(9)(c)]

3. Compliance Schedule

(a) For applicable requirements with which the source is in compliance, the source will continue to comply with such requirements.

[RAC 2-106(4)(l)(ii)]

(b) For applicable requirements that will become effective during the permit term, the source shall meet such requirements on a timely basis.

[RAC 2-106(4)(l)(iii)]

IV.C. Duty to Provide and Supplement Information [RAC 2-110(7)(e), 2-106(5), and 2-124]

1. The permittee shall furnish to the Tribe, within the period specified by the Tribe, any information that the Tribe requests in writing to determine whether cause exists for modifying, revoking, and reissuing, or terminating the permit, or to determine compliance with the permit. Upon request, the permittee shall also furnish to the Tribe copies of records that are required to be kept by the permit, including information claimed to be confidential. Information claimed to be confidential must be accompanied by a claim of confidentiality according to the provisions of RAC 2-124.

[RAC 2-110(7)(e) and RAC 2-124]

2. The permittee, upon becoming aware that any relevant facts were omitted or incorrect information was submitted in the permit application or in a supplemental submittal, shall promptly submit such supplementary facts or corrected information. In addition, a permittee shall provide additional information as necessary to address any requirements that become applicable after the date a complete application is filed, but prior to release of a draft permit.

[RAC 2-106(5)]

IV.D. Submissions [RAC 2-105]

1. Any application, form, report, compliance certification, or other document submitted by the permittee under this permit shall contain a certification by a responsible official of truth, accuracy, and completeness. This certification shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.

[Explanatory Note: The Tribe has developed a reporting form "CTAC" for certifying truth, accuracy and completeness of Part 70 submissions. The form may be found on the AQP's website (http://www.southernute-nsn.gov/air-quality).]

2. Except where otherwise noted, any documents required to be submitted under this permit, including reports, test data, monitoring data, notifications, compliance certifications, fee calculation worksheets, and applications for renewals and permit modifications shall be submitted:

by United States Postal Service:	or by Common Carrier:
Part 70 Program	Part 70 Program
Environmental Programs Division	Environmental Programs Division
Air Quality Program	Air Quality Program
P.O. Box 737 MS #84	398 Ouray Drive
Ignacio, Colorado 81137	Ignacio, CO 81137

IV.E. Severability Clause [RAC 1-106 and RAC 2-110(1)(f)]

The provisions of this permit are severable, and in the event of any challenge to any portion of this permit, or if any provision is held invalid, the remaining permit conditions shall remain valid and in force.

IV.F. Permit Actions [RAC 2-110(3)]

1. This permit may be modified, reopened and revised, revoked and reissued, or terminated for cause.

[RAC 2-110(3)(c)]

2. The filing by the permittee of a request for a permit revision, reissuance, or termination, or of a notification of planned changes or anticipated noncompliance shall not stay any permit condition.

[RAC 2-110(3)(d)]

IV.G. Administrative Permit Revision [RAC 2-111(2)]

1. The permittee may submit an application for an administrative permit revision as defined in RAC § 1-103.

[RAC 2-111(2)(a)]

2. The permittee may implement an administrative permit revision immediately upon submittal of the request for the administrative revision.

[RAC 2-111(2)(c)]

[Note to permittee: If the provisions allowing for an administrative permit revision do not apply, please contact the Air Quality Program for a determination of similarity prior to submitting your request for an administrative permit revision.]

IV.H. Minor Permit Revisions [RAC 2-111(3)]

1. The permittee may submit an application for a minor permit revision as defined in RAC § 1-103.

2. An application requesting the use of minor permit revision procedures shall meet the requirements of RAC § 2-106(4) and shall include the following:

   (a) A description of the change, the emissions resulting from the change, and any new applicable requirements that will apply if the change occurs;

   (b) If changes are requested to the permit language, the permittee's suggested draft permit changes;

   (c) Certification by a responsible official, consistent with RAC § 2-105, that the proposed modification meets the criteria for use of minor permit modification procedures and a request that such procedures be used; and

   (d) Completed forms for the Tribe to use to notify the Administrator and affected programs as required under RAC § 2-108

   (e) If the requested permit revision would affect existing compliance plans or schedules, related progress reports, or certification of compliance requirements, and an outline of such effects.

[RAC 2-111(3)(a)]

3. The permittee shall not submit multiple minor permit revision applications that may conceal a larger revision that would not constitute a minor permit revision.

[RAC 2-111(3)(b)]

4. The permittee may make the change proposed in its minor permit revision application immediately after it files such application, provided, however, for sources that have previously utilized this provision during the term of the permit and, on two or more occasions have failed to file a complete application, may thereafter make the change only after the application is deemed complete. After the permittee makes the change and until the Tribe takes any of the actions specified in the following subsection, the permittee must comply with both the applicable requirements governing the change and the proposed permit terms and conditions. During this period, the permittee need not comply with the existing permit terms and conditions it seeks to modify. If the permittee fails to comply with its proposed permit terms and conditions during this period, however, the existing permit terms and conditions it seeks to modify may be enforced against it.

[RAC 2-111(3)(e)]

5. The permit shield under RAC § 2-110(10) does not extend to minor permit revisions.

[RAC 2-110(10)(d)]

IV.I. Significant Permit Revisions [RAC 2-111(4)]

1. The permittee must request the use of significant permit revision procedures as defined in RAC § 1-103.

2. Significant permit revisions shall meet all requirements of the RAC for permit issuance and renewal, including those for applications, review by the Administrator and affected programs, and public participation.

[RAC 2-111(4), 2-109, and 2-106(3)]

IV.J. Permit Reopenings, Revocations and Reissuances, and Terminations [RAC 2-112]

1. The permit may be reopened and revised for any of the reasons listed in paragraphs (a) through (d) below. Alternatively, the permit may be revoked and reissued for the reasons listed in paragraphs (c) and (d) below:

   (a) Additional requirements under the Clean Air Act become applicable to a major source with a remaining permit term of 3 or more years, provided that the Tribe shall revise such permits to incorporate such additional requirements no later than 18 months after promulgation of such requirements, and no such reopening is required if the effective date of the requirement is later than the permit expiration date unless the original permit or any

of its terms or conditions have been extended past the permit expiration date pursuant to RAC § 2-104(2)(b)(iii);

(b) Additional requirements (including excess emissions requirements) become applicable to an affected source under the acid rain program. Upon approval by the Administrator, excess emissions offset plans shall be deemed to be incorporated into the permit;

(c) The Tribe or the Administrator determines that the permit contains a material mistake or that inaccurate statements were made in establishing the terms or conditions of the permit; or

(d) The Tribe or the Administrator determines that the permit must be revised or revoked and reissued to assure compliance with applicable requirements.

2. The permit may be terminated for any of the reasons in (a) through (g) below:

(a) The permittee fails to meet the requirements of an approved compliance plan;

(b) The permittee has been in significant or repetitious noncompliance with the operating permit terms or conditions;

(c) The permittee has exhibited a history of willful disregard for environmental laws of any tribal or state authority, or of the United States;

(d) The permittee has knowingly misrepresented a material fact in any application, record, report, plan, or other document filed or required to be maintained under the permit;

(e) The permittee falsifies, tampers with, or renders inaccurate any monitoring device or method required to be maintained under the permit;

(f) The permittee fails to pay fees required under RAC§§ 2-118 and 2-119; or

(g) The Administrator has found that cause exists to terminate the permit.

IV.K. Property Rights [RAC 2-110(3)(e)]

This permit does not convey any property rights of any sort, or any exclusive privilege.

IV.L. Inspection and Entry [RAC 2-110(9)(b)]

Upon presentation of credentials and other documents as may be required by law, the permittee shall allow authorized representatives of the Tribe or other authorized representative to perform the following:

1. Enter upon the permittee's premises where a source is located or emissions-related activity is conducted, or where records must be kept under the conditions of the permit;

2. Have access to and copy, at reasonable times, any records that must be kept under the conditions of the permit;

3. Inspect at reasonable times any facilities, equipment (including monitoring and air pollution control equipment), practices, or operations regulated or required under the permit; and

4. As authorized by the Clean Air Act, sample or monitor at reasonable times substances or parameters for the purpose of assuring compliance with the permit or applicable requirements.

IV.M. Emergency Situations [RAC 2-117]

1. The permittee may seek to establish that noncompliance with a technology-based emission limitation under this permit was due to an emergency as defined in RAC § 1-103. To do so, the permittee shall demonstrate the affirmative defense of emergency through properly signed, contemporaneous operating logs, or other relevant evidence that:

   (a) An emergency occurred and that the permittee can identify the cause(s) of the emergency;

   (b) The permitted facility was at the time being properly operated;

   (c) During the period of the emergency the permittee took all reasonable steps to minimize levels of emissions that exceeded the emissions standards, or other requirements in this permit; and

   (d) The permittee reported the emergency to the Tribe in compliance with RAC § 2-110(7).

[RAC 2-117(1)]

2. In any enforcement preceding the permittee attempting to establish the occurrence of an emergency has the burden of proof.

[RAC 2-117(2)]

3. This emergency situation provision is in addition to any emergency or upset provision contained in any applicable requirement.

[RAC 2-117(3)]

IV.N. Permit Transfers [RAC 2-113]

This permit shall not be transferable, by operation of law or otherwise, from one location to another or from one source to another, except that a permit may be transferred from one location to another in the case of a portable source that has notified the Tribe in advance of the transfer, pursuant to the RAC. A permit for a source may be transferred from one person to another if the Tribe finds that the transferee is capable of operating the source in compliance with the permit. This transfer must be accomplished through an administrative permit revision in accordance with the Administrative Permit Revisions section of this permit.

IV.O. Off-Permit Changes [RAC 2-116(2)]

1. The permittee is allowed to make, without a permit revision, certain changes that are not addressed or prohibited by this permit provided that the following requirements are met:

   (a) Each such change meets all applicable requirements and shall not violate any existing permit term or condition;

   (b) Such changes are not subject to any requirements under Title IV of the Clean Air Act and are not modifications under Title I of the Clean Air Act;

   (c) Such changes are not subject to permit revision procedures under RAC § 2-111; and

   (d) The permittee provides contemporaneous written notice to the Tribe and the Administrator of each such change, except for changes that qualify as insignificant activities. Such notice shall state when the change occurred and shall describe the change, any resulting emissions change, pollutants emitted, and any applicable requirement that would apply as a result of the change.

   [RAC 2-116(2)(a)]

2. The permit shield does not apply to changes made under this provision.

   [RAC 2-110(10)(d)]

3. The permittee shall keep a record describing changes made at the source that result in emissions of any regulated air pollutant subject to an applicable requirement, but not otherwise regulated under the permit, and the emissions resulting from those changes.

   [RAC 2-116(2)(b)]

4. The notice shall be kept on file and made available to the Tribe and Administrator on request, in accordance with the general recordkeeping provision of this permit.

5. Submittal of the written notice required above shall not constitute a waiver, exemption, or shield from applicability of any applicable standard or PSD permitting requirements under 40 CFR 52.21 that would be triggered by the replacement of any one engine, or by replacement of multiple engines.

IV.P. Permit Expiration and Renewal [RAC §§ 2-104(3), 2-106(2)(b), 2-107(7)(a), 2-107(7)(b), 2-110(1)(a), and 2-106(3)]

1. This permit shall expire upon the earlier occurrence of the following events:

   (a) Five years elapse from the date of issuance; or

   (b) The source is issued a Part 70 or Part 71 permit under an EPA approved or delegated permit program.

[RAC 2-110(1)(a)]

2. Expiration of this permit terminates the permittee's right to operate unless a timely and complete permit renewal application has been submitted at least 6 months but not more than 18 months prior to the date of expiration of this permit.

[RAC 2-107(7)(b)]

3. If the permittee submits a timely and complete permit application for renewal, consistent with RAC § 2-106 but the Tribe has failed to issue or disapprove a renewal permit before the end of the permit term, then the permit shall not expire and all its terms and conditions shall remain in effect until the renewal permit has been issued or disapproved.

[RAC 2-104(2)(b)]

4. The ability to operate under this permit shall cease if (1) the Tribe takes final action to issue the permittee a renewal permit or deny the permittee a permit or (2) the permittee fails to submit by the deadline specified in writing by the Tribe any additional information identified as being needed to process the application.

[RAC 2-104(3)]

5. Renewal of this permit is subject to the same procedures, including those for public participation and affected program and EPA review, as those that apply to initial permit issuance.

[RAC 2-107(7)(a)]

6. The application for renewal shall include the current permit number, description of permit revisions and off permit changes that occurred during the permit term, any applicable requirements

that were promulgated and not incorporated into the permit during the permit term, and other information required by the application form.

[RAC 2-106(4)(e)(ix)]

V. Appendix

V.A. Inspection Information

1. Driving Directions to the facility:

   From the intersection of Hwy 550 and CR 310/3218, travel east on CR 310/318 for approximately 2.7 miles, turn south on to dirt road (Arkansas Loop Road), continue approximately 0.2 miles south past Arrowhead Compressor Station on left, continue south on dirt road for 2.1 miles, station is on your left.

2. Global Positioning System (GPS):

   Latitude: 37.035978
   Longitude: -107. 84593556

3. Safety Considerations:

   Red Cedar Gathering Company requires persons entering the site to wear a hard hat, safety glasses, safety toe footwear, hearing protection, and fire retardant clothing. Red Cedar also requires a permit be issued prior to the performance of any hot work at the station.