



**Air Pollution Control
Title V Permit to Operate
Statement of Basis for Permit No V-SUIT-0022-2014.00
{Date}**

**BP America Production Company
Florida River Central Delivery Point
Southern Ute Indian Reservation
La Plata County, Colorado**

1. Facility Information

a. Location

The Florida River Central Delivery Point (Florida River CDP), owned and operated by BP America Production Company (BP), is located within the exterior boundary of the Southern Ute Indian Reservation. The exact location is Section 25, T34N, R9W, in La Plata County, at latitude North 37.156305 and longitude West -107.78052. The Mailing address is:

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Florida River Central Delivery Point
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b. Contacts

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c. Description of Operations

According to BP, the Florida River CDP processes coal bed methane gas to reduce the CO₂ and water content to within pipeline specifications; and compress this gas for delivery into interstate pipeline systems. The plant has four medium pressure gas inlets (Area 6, ECBM, MPP, Red Cedar) and two low pressure gas inlets (Area 1 East, Area West).

Current plant throughput averages 275 million standard cubic feet per day (MMscf/day) with plant process capacity around 400 MMscf/day. Low pressure gas (about 85 MMscf/day) enters the plant through an inlet separator to remove free liquids after which it is compressed from 50 to 300 psig. Initial compression of low pressure gas is done by two electric driven, glycol/fin fan cooled screw compressors and two electric driven reciprocating compressors. The low pressure gas is then commingled with medium pressure gas and treated by MethylDiethanolAmine (MDEA) sweetening to remove CO₂, followed by Triethylene Glycol (TEG) dehydration to remove water vapor from the gas; the CO₂ and water vapor are vented to the atmosphere. The gas is then compressed to 800 psig and sent to El Paso, Transwestern, or Northwest Pipeline for transport to market via interstate pipeline.

Gas from Area 6, ECBM and Red Cedar (about 75 MMscf/day) enters the plant at 300 psig, goes directly to the treating processes, and is then compressed to 800 psig and sent to market. Gas from the medium pressure pipeline enters the plant already low in CO₂ and previously dried at upstream compression. The gas is commingled with the processed gas and compressed for transport via pipeline. The treating processes include two MDEA trains to remove CO₂ and three TEG dehydration units.

Gas fired heaters are utilized to heat Ethylene Glycol (EG) which is used as the heat medium to regenerate lean MDEA from CO₂ saturated (rich) MDEA and for heating some tanks in the plant. The dehydrators are fired on natural gas to evaporate water from rich TEG. Post treatment compression consists of three electric driven centrifugal compressors and two natural gas fired Solar Centaur turbine driven centrifugal compressors. The flare system disposes of an average of about 100 Mscf/day, but is designed to handle the full inlet for a very brief period in emergency or plant upset situations.

d. List of All Units and Emission-Generating Activities

BP provided the information contained in Tables 1 and 2 in its initial Part 70 permit application. Table 1 lists emission units and emission generating activities, including any air pollution control devices. Emission units identified as “insignificant” emitting units (IEUs) are listed separately in Table 2.

Table 1 – Emission Units
BP America Production Company, Florida River Central Delivery Point

Emission Unit ID	Description	Control Equipment
T-1	1 – Solar Centaur H T5500 Natural Gas-Fired Simple Cycle Turbine, 37 MMBtu/hr	None

	Serial No.: HC90781 Installed: 1995	
T-2	1 – Solar Centaur H T5700 Natural Gas-Fired Simple Cycle Turbine, 39 MMBtu/hr Serial No.: HC93D50 Installed: 08/1999	None
AH-1	1 – Amine Unit Natural Gas-Fired Regenerator Heater, 44.5 MMBtu/hr, (Process Heater) Serial No.: 421 Installed: 05/30/1989	None
AH-2	1 – Amine Unit Natural Gas-Fired Regenerator Heater, 44.0 MMBtu/hr, (Process Heater) Serial No.: 2440 Installed: 1980	None
Dehy1	1 – Triethylene Glycol (TEG) Dehydration Unit, 90 MMscf/day Serial No.: NA Installed: NA	None
Dehy2 Dehy3	1 – Triethylene Glycol (TEG) Dehydration Unit, 35 MMscf/day Serial No.: NA Installed: NA Serial No.: NA Installed: NA	None
Plant Flare	1 – Zecco Multipoint Ground Flare, 3 Stage Flare System with 90 burners, 4.0 MMBtu/hr Pilot, 400 MMscf/day Serial No.: NA Installed: 01/2004	NA

The Southern Ute Indian Tribe/State of Colorado Environmental Commission’s Reservation Air Code allows sources to separately list in the permit application units or activities that qualify as “insignificant” based on potential emissions below 2 tpy for all regulated pollutants that are not listed as hazardous air pollutants (HAPs) under Section 112(b) of the Clean Air Act (CAA) and below 1,000 lbs per year or the de minimis level established under Section 112(g), whichever is lower, for HAP emissions (RAC 2-106(4)(f); RAC 1-103(36) and (37)). However, the application may not omit information needed to determine the applicability of, or to impose, any applicable requirement, or to calculate the fee (RAC 2-106(4)(f)). Units that qualify as “insignificant” for the purposes of the Part 70 application are in no way exempt from applicable requirements or any requirements of the Part 70 permit.

BP stated in its initial Part 70 permit application that the emission units in Table 2, below, are insignificant. The application provided calculations for heater/reboiler emissions based on EPA’s AP-42 emission factors. BP provided sufficient information, including EPA Tanks 4.0.9d calculations, to verify

any emissions from liquids in the tanks were insignificant. This data supports BP's claim that these units qualify as insignificant.

**Table 2 – Insignificant Emission Units
BP America Production Company, Florida River Central Delivery Point**

Emission Unit ID	Description	Size/Rating
Gen1	1 - Emergency Diesel Generator	135 hp
AV-1	1 - Amine Unit #1 Vent	140 MMscf/day
AV-2	1 - Amine Unit #2 Vent	75 MMscf/day
AV-2a	1 - Amine #2 Flash Tank	NA
IEU1	1 - Dehy Reboiler #1a	2.5 MMBtu/hr
IEU1	1 - Dehy Reboiler#1b	2.5 MMBtu/hr
IEU2	1 - Dehy Reboiler#2	2.5 MMBtu/hr
IEU3	1 - Dehy Reboiler#3a	2.14 MMBtu/hr
IEU3	1 - Dehy Reboiler#3b	2.14 MMBtu/hr
IEU4	1 - Process Fugitive Emissions	NA
IEU5	1 - Gasoline Tank	500 gal
IEU5	1 - MDEA Tank	250 bbl
IEU5	1 - EG Tank	300 bbl
IEU5	1 - EG Tank	1,500 gal
IEU5	1 - TEG Tank	100 bbl
IEU5	1 - Diesel Fuel Tank	100 gal
IEU5	1 - Diesel Tank	300 gal
IEU5	1 - Waste Oil Tank	300 bbl
IEU5	1 - Lube Oil Tank	210 bbl
IEU5	1 - Oily Water Tank	100 bbl
IEU5	3 - Lube Oil Tank	550 gal
IEU5	2 - Lube Oil Tank	500 gal
IEU5	1 - Compressor Lube Oil Drain and Sump	238 gal
IEU5	3 - Lube Oil Tank	55 gal
IEU6	1 - Treated Water Tank	250 bbl
IEU6	1 - Well Water Tank	100 bbl
IEU6	1 - Produced Water Tank	4,000 gal
IEU6	2 - Water Breakout Tank	400 bbl
IEU6	2 - Dehy Water Collection Tank	90 bbl
IEU6	2 - Evaporative Cooler Fresh Water Tank	3,000 gal
IEU6	1 - Evaporative Cooler Fresh Water Tank	1,260 gal
IEU7	1 - Fuel Gas Scrubber Heater	NA
IEU8	3 - Recycle Oil (bunkered)	12.8 bbl
IEU8	1 - Recycle Oil (bunkered)	95 bbl

e. Facility Construction and/or Permitting History

The Florida River CDP commenced operation prior to 1987 and BP America Production Company (BP), previously Amoco Production Company, initially permitted the facility through the CDPHE in 1987 as a minor source with respect to PSD and Title V. BP obtained ownership and operator status of the EL Paso Compressor Station, which consisted of two turbines. The two facilities separately were minor sources with respect to PSD and Title V; the BP acquisition brought the Florida CDP total facility emissions above PSD and Title V major source thresholds. EPA Region 8 ascertained jurisdiction over regulation of this facility. On June 5, 2001, the initial Part 71 permit was issued for the Florida CDP. EPA deemed the 2005 submitted Title V permit renewal application complete on January 19, 2006. On November 15, 2011, EPA issued the Part 71 permit. There have been no major modifications to the facility that triggered PSD permitting requirements. The site's existing Part 71 Title V operating permit No. V-SU-000022-2005.01 is scheduled to expire on November 27, 2015.

f. Potential to Emit

Under RAC 1-103(51), potential to emit (PTE) is defined as the maximum capacity of a stationary source to emit a pollutant under its physical and operational design. Any physical or operational limitation on the capacity of the source to emit a pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored, or processed, shall be treated as part of its design if the limitation, or the effect it would have on emissions, is federally enforceable.

Greenhouse Gas Tailoring Rule

On June 3, 2010, EPA promulgated the final PSD and Title V Greenhouse Gas Tailoring Rule (Tailoring Rule). The Tailoring Rule established the applicability criteria that determine which stationary sources and modification projects are subject to PSD and Title V permitting requirements for greenhouse gas (GHG) emissions. As of January 2, 2011, GHGs are regulated NSR pollutants under the PSD major source permitting program when they are emitted by new sources or modifications in amounts that meet the Tailoring Rule's set of applicability thresholds.

For PSD and Title V purposes, GHGs are a single air pollutant defined as the aggregate group of the following six gases: carbon dioxide (CO₂), nitrous oxide (N₂O), methane (CH₄), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF₆). CO₂-equivalent (CO₂e) is defined as the sum of the mass emissions of each individual GHG adjusted for its global warming potential value in Table A-1 of the Greenhouse Gas Reporting Program (40 CFR Part 98, Subpart A, Table A-1).

The Tailoring Rule established the following applicability criteria for GHGs:

PSD Applicability Criteria

PSD applies to GHGs if any of the following conditions are met:

1. The source is a new source otherwise subject to PSD (for another regulated NSR pollutant) and the source has a GHG PTE equal to or greater than
 - 75,000 tpy CO₂e;
2. The source is a new source and has a GHG PTE equal to or greater than:
 - 100,000 tpy CO₂e, and
 - 100 / 250 tpy mass basis
3. A modification to an existing source is otherwise subject to PSD (for another regulated NSR pollutant) and has a GHG emissions increase and net emissions increase:
 - Equal to or greater than 75,000 tpy CO₂e, and
 - Greater than 0 tpy mass basis
4. An existing source has a GHG PTE equal to or greater than:
 - 100,000 tpy CO₂e, and
 - 100 / 250 tpy mass basisand a modification to an existing source has a GHG emissions increase and net emissions increase:
 - Equal to or greater than 75,000 tpy CO₂e, and
 - Greater than 0 tpy mass basis
5. The source is an existing minor source for PSD, and a modification alone has actual or potential GHG emissions equal to or greater than:
 - 100,000 tpy CO₂e, and
 - 100 / 250 tpy mass basis

Title V Applicability Criteria

Title V applies to GHGs at the following sources:

1. Existing or newly constructed sources that emit or have a PTE equal to or greater than:
 - 100,000 tpy CO₂e, and
 - 100 tpy mass basis

A detailed summary and guidance of permitting requirements established by the Tailoring Rule can be found in the March 2011 EPA document titled “PSD and Title V Permitting Guidance for Greenhouse Gases”, located at <http://www.epa.gov/nsr/ghgdocs/ghgpermittingguidance.pdf>.

The PTE for Florida River CDP was listed by BP in Forms “GIS”, “PTE”, and the various forms “EMISS” of the Part 70 operating permit initial application. Table 3 shows PTE data broken down by each individual emission unit, as well as the total facility-wide PTE.

**Table 3 - Potential to Emit
BP America Production Company, Florida River Central Delivery Point**

Emission Unit ID	Regulated Air Pollutants ^{1,2,3} in tpy								
	NO _x	VOC	SO ₂	PM ₁₀	CO	Lead	Total HAPs	Largest Single HAP (CH ₂ O)	GHGs (CO ₂ e mtpy)
T-1	92.9	5.7	0.6	1.1	49.1	0.0	0.5	0.5	18,961.6
T-2	97.9	6.0	0.6	1.1	20.7	0.0	0.5	0.5	19,986.6
AH-1	24.4	1.3	0.0	1.9	20.5	0.0	0.0	0.0	22,805.2
AH-2	24.1	1.3	0.0	1.8	20.2	0.0	0.0	0.0	22,549.0
Plant Flare	2.7	0.0	0.0	0.0	14.9	0.0	0.0	0.0	36,847.1
Dehy1	0.0	52.4	0.0	0.0	0.0	0.0	4.3	0.0	10,734.5
Dehy2	0.0	34.7	0.0	0.0	0.0	0.0	2.0	0.0	9,639.5
Dehy3	0.0	43.5	0.0	0.0	0.0	0.0	0.1	0.0	12,210.6
Total IEUs	8.9	0.9	0.1	0.7	6.8	0.0	0.0	0.0	133,103.1
Total	250.9	145.8	1.3	6.6	132.2	0.0	7.4	1.0	286,837.2

¹ Uncontrolled NO_x, CO, & VOC emissions are based on manufacturer specifications. HAP emissions were calculated using the highest emissions factor from a composite of AP-42, GRI field data, and GRI literature data.

² Uncontrolled dehydrator emissions based on GRI-GLY-Calc modeled emissions.

³ Heater/reboiler emissions were calculated using AP-42 emission factors

2. Tribal Authority

Florida River Central Delivery Point is located within the exterior boundaries of the Southern Ute Indian Reservation and is thus within Indian Country as defined at 18 U.S.C. §1151. On March 2, 2012, the EPA determined that the Southern Ute Indian Tribe of the Southern Ute Indian Reservation had met the requirements of 40 CFR §70.4(b) for full approval to administer its Clean Air Act Title V, Part 70 Permitting Program (Program). In concert with that Program approval, the EPA also found that the Tribe met the requirements of Section 301(d)(2) of the CAA and 40 CFR §49.6 for treatment “in the same manner as a state” for the purposes of issuing CAA Title V, Part 70 operating permits. The EPA promulgated its approval of the Tribe’s applications on March 15, 2012 (77 FR 15267). The requirements of the Clean Air Act Title V, Part 70 Permitting Program (Program) have been incorporated at Article II, Part 1 of the Reservation Air Code. Therefore, the Southern Ute Indian Tribe is the appropriate governmental entity to issue the Title V permit to this facility.

Reservation Air Code: The Reservation Air Code was adopted pursuant to the authority vested in the Southern Ute Indian Tribe/State of Colorado Environmental Commission by (1) the Intergovernmental Agreement Between the Southern Ute Indian Tribe and the State of Colorado Concerning Air Quality Control on the Southern Ute Indian Reservation dated December 13, 1999, (2) tribal law (Resolution of the Council of the Southern Ute Indian Tribe No. 00-09), (3) State law (C.R.S. § 24- 62-101), and (4) as recognized in federal law (Act of October 18, 2004, Pub. L. No. 108-336, 118 Stat.1354).

NSPS and NESHAP Delegation: On September 6, 2013, the Southern Ute Indian Tribe received delegation from the EPA to incorporate by reference into the Reservation Air Code and enforce certain

subparts of the new source performance standards (NSPS) and national emission standards for hazardous air pollutants (NESHAP) under Sections 111 and 112 of the Clean Air Act, respectively (78 FR 40635). These NSPS and NESHAP subparts generally apply to oil and gas operations within the exterior boundaries of the Southern Ute Indian Reservation and were adopted, unchanged, into the Reservation Air Code as Parts 2 and 3.

Southern Ute Indian Tribe Minor Source Program: The Southern Ute Indian Tribe/State of Colorado Environmental Commission is currently developing a Minor Source Program in order to fill a regulatory gap wherein sources of air pollution located on the Reservation have been subject to fewer requirements than similar sources located on land under the jurisdiction of a state air pollution control agency. Until such time that EPA approves the Minor Source Program as part of a TIP under the Tribal Authority Rule, affected sources must comply with the federal rule “Review of New Sources and Modifications in Indian Country” that was published on July 1, 2011 (76 FR 38748). This rule requires new and existing synthetic minor sources currently operating under federal operating permits for sources in Indian country (regulated at 40 CFR Part 71), as well as sources proposing minor modifications at existing major sources, to submit applications to EPA starting August 30, 2011. Existing true minor sources are required to register with the permitting authority no later than March 1, 2013.

3. Applicable Requirements

The following discussion addresses a selection of the regulations from the Code of Federal Regulations (CFR) at Title 40. Note that this discussion does not include the full spectrum of potentially applicable regulations and is not intended to represent official applicability determinations. These discussions are based on the information provided by BP in its Part 70 initial permit application and are only intended to present the information certified to be true and accurate by the Responsible Official of this facility.

Prevention of Significant Deterioration (PSD) - 40 CFR 52.21

PSD is a preconstruction review requirement of the CAA that applies to proposed projects that are sufficiently large (in terms of emissions) to be a “major” stationary source or “major” modification of an existing stationary source. A new stationary source, or a modification to an existing minor stationary source, is major if the proposed project has the potential to emit any pollutant regulated under the CAA in amounts equal to or exceeding specified major source thresholds, which are 100 tpy for 28 listed industrial source categories and 250 tpy for all other sources. PSD also applies to modifications at existing major sources that cause a “significant net emissions increase” at that source. Significance levels for each pollutant are defined in the PSD regulations at 40 CFR 52.21. A modification is a physical change or change in the method of operation.

The Florida River CDP is classified as major for PSD permitting purposes, but it does not require or operate under a PSD permit. **Therefore, any project or major modification at the site resulting in an increase of any regulated NSR pollutant must be compared to the PSD significance levels rather than major source thresholds when determining PSD applicability.**

Periodic Monitoring

The turbine engines T-1 and T-2 at the Florida CDP are subject to the Standards of Performance for Stationary Gas Turbines at 40 CFR Part 60 Subpart GG. This subpart contains insufficient periodic monitoring requirements to assure compliance with the applicable NO_x limit for turbines in §60.332; only requiring a one-time compliance test and no periodic monitoring.

Reservation Air Code (RAC) 2-110(5)(b) authorizes the Tribe to incorporate periodic monitoring requirements into a Part 70 permit when an applicable requirement does not require sufficient periodic testing or instrumental or non-instrumental monitoring to yield reliable data from the relevant time period that are representative of the source's compliance with the permit.

40 CFR 60.334(c) of Subpart GG allows an operator to demonstrate compliance with the applicable NO_x emission limit under §60.332 by using a previously approved procedure for monitoring. Therefore, this permit includes the periodic monitoring procedure previously been approved by EPA Region 8 in a May 6, 2002 letter, added under the authority of RAC 2-110(5)(b).

The EPA approved monitoring procedure requires quarterly monitoring of NO_x emissions using a portable analyzer and a monitoring protocol approved by EPA.

New Source Performance Standards (NSPS)

40 CFR Part 60, Subpart A: General Provisions. This subpart applies to the owner or operator of any stationary source that contains an affected facility, the construction or modification of which is commenced after the date of publication of any standard in Part 60. The general provisions under Subpart A apply to sources that are subject to the specific subparts of Part 60.

As explained below, the Florida River CDP is subject to 40 CFR Part 60, Subpart GG. **Therefore the General Provisions of Part 60 apply.**

40 CFR Part 60, Subpart Dc: Standards of performance for Small Industrial-Commercial-Institutional Steam Generating Units. This rule applies to steam generating units with a maximum design heat input capacity of 100 MMBtu/hr or less, but greater than or equal to 10 MMBtu/hr.

According to BP, there are no steam generating units with a maximum design heat input capacity between 10 and 100 MMBtu/hr at the Florida River CDP. **Therefore, Subpart Dc does not apply.**

40 CFR Part 60, Subpart K: Standards of performance for Storage Vessels for Petroleum Liquids for which Construction, Reconstruction, or Modification Commenced After June 11, 1973, and Prior to May 19, 1978. This rule applies to storage vessels for petroleum liquids with a storage capacity greater than 40,000 gallons. 40 CFR Part 60, Subpart K does not apply to storage vessels for petroleum or condensate stored, processed, and/or treated at a drilling and production facility prior to custody transfer.

According to BP, the Florida River CDP is a drilling and production facility prior to custody transfer. **Therefore, Subpart K does not apply.**

40 CFR Part 60, Subpart Ka: Standards of Performance for Storage Vessels for Petroleum Liquids for which Construction, Reconstruction, or Modification Commenced After May 18, 1978, and Prior to June 23, 1984. This rule applies to storage vessels for petroleum liquids with a storage capacity greater than 40,000 gallons. Subpart Ka does not apply to petroleum storage vessels with a capacity of less than 420,000 gallons used for petroleum or condensate stored, processed, or treated prior to custody transfer.

According to BP, the the Florida River CDP is a drilling and production facility prior to custody transfer. **Therefore, Subpart Ka does not apply.**

40 CFR Part 60, Subpart Kb: Standards of Performance for Volatile Organic Liquid Storage Vessels (Including Petroleum Liquid Storage Vessels) for which Construction, Reconstruction, or Modification Commenced After July 23, 1984. This rule applies to storage vessels with a capacity greater than or equal to 75 cubic meters (19,813 gal).

According to BP, all tanks at the Florida River CDP that store volatile organic liquids are less than 75 m³ (19,813 gal). **Therefore, Subpart Kb does not apply.**

40 CFR Part 60, Subpart GG: Standards of Performance for Stationary Gas Turbines. This rule applies to stationary gas turbines, with a heat input at peak load equal to or greater than 10.7 gigajoules per hour (10 MMBtu/hr), that commenced construction, modification, or reconstruction after October 3, 1977.

According to BP, turbine units T-1 and T-2 are stationary gas turbines with a maximum design heat input greater than 10MMBtu/hr that were each constructed after October 3, 1977. **Therefore, Subpart GG does apply.**

40 CFR Part 60, Subpart KKK: Standards of Performance for Equipment Leaks of VOC from Onshore Natural Gas Processing Plants for which construction, reconstruction, or modification commenced after January 20, 1984, and on or before August 23, 2011. This rule applies to compressors and other equipment at onshore natural gas processing facilities. As defined in this subpart, a natural gas processing plant is any processing site engaged in the extraction of natural gas liquids (NGLs) from field gas, fractionation of mixed NGLs to natural gas products, or both. NGLs are defined as the hydrocarbons, such as ethane, propane, butane, and pentane that are extracted from field gas.

According to BP, the Florida River CDP does not extract natural gas liquids from field gas, nor does it fractionate mixed NGLs to natural gas products, and thus does not meet the definition of a natural gas processing plant under this subpart. **Therefore, Subpart KKK does not apply.**

40 CFR Part 60, Subpart LLL: Standards of Performance for SO₂ emissions from Onshore Natural Gas Processing for which construction, reconstruction, or modification commenced after January 20, 1984, and on or before August 23, 2011. This rule applies to sweetening units and sulfur recovery units at

onshore natural gas processing facilities. As defined in this subpart, sweetening units are process devices that separate hydrogen sulfide (H₂S) and carbon dioxide (CO₂) from a sour natural gas stream. Sulfur recovery units are defined as process devices that recover sulfur from the acid gas (consisting of H₂S and CO₂) removed by a sweetening unit.

According to BP, the Florida River CDP does not perform sweetening or sulfur recovery at the facility. **Therefore, Subpart LLL does not apply**

40 CFR Part 60, Subpart IIII: Standards of Performance for Stationary Compression Ignition Internal Combustion Engines. This subpart establishes emission standards and compliance requirements for the control of emissions from stationary compression ignition (CI) internal combustion engines (ICE) that commence construction after July 11, 2005, where the stationary CI ICE are manufactured on or after specified manufacture trigger dates.

According to BP, Unit Gen1 is a stationary compression ignition internal combustion engine that was manufactured on November 14, 1989. Since this manufacture date occurred before July 11, 2005 (the trigger date for CI ICE engines) **Subpart IIII does not apply**.

40 CFR Part 60, Subpart JJJJ: Standards of Performance for Stationary Spark Ignition Internal Combustion Engines. This subpart establishes emission standards and compliance requirements for the control of emissions from stationary spark ignition (SI) internal combustion engines (ICE) that commenced construction, modification or reconstruction after June 12, 2006, where the SI ICE are manufactured on or after specified manufacture trigger dates. The manufacture trigger dates are based on the engine type, fuel used, and maximum engine horsepower.

For the purposes of this subpart, the date that construction commences is the date the engine is ordered by the owner or operator (See 40 CFR 60.4230(a)).

According to BP, the Florida River CDP has no spark ignition (SI) internal combustion engines. **Therefore, the requirements of Subpart JJJJ do not apply**.

Should BP propose to install a stationary SI ICE at the Florida River CDP, which is subject to Subpart JJJJ, BP will not be allowed to use the off permit changes provision, and will be required to submit a minor permit modification application to incorporate Subpart JJJJ requirements into the permit.

40 CFR Part 60, Subpart KKKK: Standards of Performance for Stationary Combustion Turbines. This rule applies to stationary combustion turbines with a heat input at peak load equal to or greater than 10.7 gigajoules (10 MMBtu) per hour. This subpart establishes emission standards and compliance schedules for the control of emissions from stationary combustion turbines that commenced construction, modification, or reconstruction after February 18, 2005.

According to BP, the turbines operating at Florida River CDP were constructed prior to February 18, 2005 and have not been modified or reconstructed since this date. **Therefore, Subpart KKKK does not apply**

40 CFR Part 60, Subpart OOOO: Standards of Performance for Crude Oil and Natural Gas Production, Transmission and Distribution. This subpart establishes emission standards and compliance schedules for the control of VOC and SO₂ emissions from affected facilities that commence construction, modification or reconstruction after August 23, 2011. Affected facilities under this subpart include gas wells, compressors, pneumatic controllers, storage vessels, process unit equipment, and sweetening units.

According to BP, the Florida River CDP does not have any affected facilities under the rule that commenced construction after August 23, 2011. **Therefore, Subpart OOOO does not apply.**

National Emission Standards for Hazardous Air Pollutants (NESHAP)

40 CFR Part 63, Subpart A: General Provisions. This subpart contains national emissions standards for HAPs that regulate specific categories of sources that emit one or more HAP regulated pollutants under the CAA. The general provisions under subpart A apply to sources that are subject to the specific subparts of Part 63.

As explained below, the Florida River CDP is subject to 40 CFR Part 63, Subparts HH and ZZZZ. **Therefore the General Provisions of Part 63 apply as specified in the relevant subparts.**

40 CFR Part 63, Subpart HH: National Emission Standards for Hazardous Air Pollutants from Oil and Natural Gas Production Facilities. This subpart applies to the owners and operators of affected units located at natural gas production facilities that are area or major sources of HAPs, and that process, upgrade, or store natural gas prior to the point of custody transfer, or that process, upgrade, or store natural gas prior to the point at which natural gas enters the natural gas transmission and storage source category or is delivered to a final end user. The affected units are glycol dehydration units, storage vessels with the potential for flash emissions, and the group of ancillary equipment, and compressors intended to operate in volatile hazardous air pollutant service, which are located at natural gas processing plants.

Throughput Exemption

Those sources whose maximum natural gas throughput, as appropriately calculated per §63.760(a)(1)(i) through (a)(1)(iii), is less than 18,400 standard cubic meters per day are exempt from the requirements of this subpart.

Source Aggregation

Major source, as used in this subpart, has the same meaning as in §63.2, except that:

- 1) Emissions from any oil and gas production well with its associated equipment and emissions from any pipeline compressor station or pump station shall not be aggregated with emissions from other similar units.
- 2) Emissions from processes, operations, or equipment that are not part of the same facility shall not be aggregated.
- 3) For facilities that are production field facilities, only HAP emissions from glycol dehydration units and storage vessels with the potential for flash emissions shall be aggregated for a major source determination.

Facility

For the purpose of a major source determination, facility means oil and natural gas production and processing equipment that is located within the boundaries of an individual surface site as defined in Subpart HH. Examples of facilities in the oil and natural gas production category include, but are not limited to: well sites, satellite tank batteries, central tank batteries, a compressor station that transports natural gas to a natural gas processing plant, and natural gas processing plants.

Production Field Facility

Production field facilities are those located prior to the point of custody transfer. The definition of custody transfer (40 CFR 63.761) means the point of transfer after the processing/treating in the producing operation, except for the case of a natural gas processing plant, in which case the point of custody transfer is the inlet to the plant.

Natural Gas Processing Plant

A natural gas processing plant is defined in 40 CFR 63.761 as any processing site engaged in the extraction of NGLs from field gas, or the fractionation of mixed NGLs to natural gas products, or a combination of both. A treating plant or gas plant that does not engage in these activities is considered to be a production field facility.

Major Source Determination for Production Field Facilities

The definition of major source in subpart HH (at 40 CFR 63.761) states, in part, that only emissions from the dehydration units and storage vessels at production field facilities shall be aggregated when comparing to the major source thresholds.

For facilities that are not production field facilities, HAP emissions from all HAP emission units shall be aggregated.

Area Source Applicability

40 CFR Part 63, Subpart HH also applies to area sources of HAPs. An area source is a HAP source whose total HAP emissions are less than 10 tpy of any single HAP or 25 tpy for all HAPs in aggregate. This subpart requires different emission reduction requirements for glycol dehydration units found at oil and gas production facilities based on their geographical location.

Units located in densely populated areas (determined by the Bureau of Census) and known as urbanized areas with an added 2-mile offset and urban clusters of 10,000 people or more, are required to have emission controls. Units located outside these areas will be required to have the glycol recirculation pump rate optimized or operators must document that uncontrolled annual actual benzene emissions are less than 0.9 megagrams (1,984 lbs.).

Any source that determines that it is not a major source but has actual emissions of 5 tons per year of a single HAP or 12.5 tons per year of a combination of HAP (i.e. 50 percent of the major source thresholds), shall update its major source determination within 1 year of the prior determination and each year thereafter, using gas composition data measured during the preceding 12 months.

Applicability of Subpart HH to the Florida River CDP

According to BP, the Florida River CDP is located prior to the point of custody transfer (and therefore prior to the point at which natural gas leaves the natural gas processing category and enters the natural gas transmission and storage category). Because the facility is in the natural gas production category only emissions from dehydration units and storage vessels need to be aggregated when determining major source status. The total HAP emissions from the glycol dehydrators and storage vessels are below major source thresholds. **Therefore, Florida River CDP is an area source of HAPs under Subpart HH.**

Units Dehy1, Dehy2, and Dehy3 qualify as affected sources under this rule. However, according to BP, the uncontrolled actual annual average benzene emissions from each dehydration unit were determined to be less than 0.90 megagrams per year. Per §63.764(e), **Florida River CDP is only subject to the recordkeeping requirements specified in §63.774(d)(1) of Subpart HH.**

40 CFR Part 63, Subpart HHH: National Emission Standards for Hazardous Air Pollutants from Natural Gas Transmission and Storage Facilities. This subpart applies to natural gas transmission and storage facilities that transport or store natural gas prior to entering the pipeline to a local distribution company or to a final end user, and that are a major source of hazardous air pollutant (HAP) emissions. Natural gas transmission means the pipelines are used for long distance transport (excluding processing).

According to BP, the Florida River CDP is not a natural gas transmission facility. **Therefore, Subpart HHH does not apply.**

40 CFR Part 63, Subpart YYYY: National Emission Standards for Hazardous Air Pollutants from Stationary Combustion Turbines. This rule establishes national emission limitations and work practice standards for HAPs emitted from stationary combustion turbines. An affected source includes any stationary combustion turbine located at a major source of HAP emissions.

Stationary Combustion Turbine:

Stationary combustion turbines are defined in §63.6175 as all equipment, including but not limited to the turbine, the fuel, air, lubrication and exhaust gas systems, control systems (except emissions control equipment), and any ancillary components and sub-components comprising any simple cycle stationary combustion turbine, any regenerative/recuperative cycle stationary combustion turbine, the combustion turbine portion of any stationary combined cycle steam/electric generating system. Stationary means that the combustion turbine is not self-propelled or intended to be propelled while performing its function. Stationary combustion turbines do not include turbines located at a research or laboratory facility, if research is conducted on the turbine itself and the turbine is not being used to power other applications at the research or laboratory facility.

Major Source:

Major Source for purposes of this subpart has the same meaning as provided in 40 CFR 63.2 with the exception that emissions from any oil or gas exploration or production well (with its associated equipment) and emissions from any pipeline compressor station or pump station shall not be aggregated with emissions from other similar units, to determine whether such emission points or station are major sources, even when emission points are in a contiguous area or under common control.

Applicability of Subpart YYYY to the Florida River CDP

The Florida River CDP is not a major source of HAPs as defined by this rule. **Therefore, Subpart YYYY does not apply**

40 CFR Part 63, Subpart ZZZZ (RICE MACT): National Emission Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines (RICE). This rule establishes national emission limitations and operating limitations for HAPs emitted from stationary spark-ignition reciprocating internal combustion engines (SI RICE) and stationary compression ignition reciprocating internal combustion engines (CI RICE).

For the purposes of this standard, construction or reconstruction is as defined in §63.2.

Summary of Applicability to Engines at Major Sources of HAPs

Major HAP Sources			
Engine Type	Horse Power Rating	New / Existing	Applicability Trigger Date
SI RICE – All ¹	≥ 500 HP	New	On or After: 12/19/2002
SI RICE – 4SRB	> 500 HP	Existing	Before: 12/19/2002

SI RICE – All ¹	≤ 500 HP	New	On or After: 6/12/2006
SI RICE – All ¹	≤ 500 HP	Existing	Before: 6/12/2006
CI RICE – All ²	≥ 500 HP	New	On or After: 12/19/2002
CI RICE – Non Emergency	> 500 HP	Existing	Before: 12/19/2002
CI RICE – All ²	≤ 500 HP	New	On or After: 6/12/2006
CI RICE – All ²	≤ 500 HP	Existing	Before: 6/12/2006

1. All includes emergency RICE, limited use RICE, RICE that burn land fill or digester gas, 4SLB, 2SLB, and 4SRB.
2. All includes emergency RICE and limited use RICE

Summary of Applicability to Engines at Area Sources of HAPs

Area HAP Sources			
Engine Type	Horse Power Rating	New / Existing	Applicability Trigger Date
SI RICE – All ¹	All HP	New	On or After: 6/12/2006
SI RICE – All ¹	All HP	Existing	Before: 6/12/2006
CI RICE – All ²	All HP	New	On or After: 6/12/2006
CI RICE – All ²	All HP	Existing	Before: 6/12/2006

1. All includes emergency RICE, limited use RICE, RICE that burn land fill or digester gas, 4SLB, 2SLB, and 4SRB.
2. All includes emergency RICE and limited use RICE

Table 4 – Applicability of 40 CFR 63, Subpart ZZZZ to the Florida River CDP

Unit	Serial Number	Unit Description	Fuel	Site Rated HP	Commenced Construction, Reconstruction, or Modification Date
Gen1	44423504	Cummins 6BT-5.9G1 Emergency Generator	Diesel	<100	Prior to 06/12/2006

According to BP, Florida River CDP is an area source as defined in Subpart ZZZZ. Unit Gen1 is a compression ignition emergency generator engine < 500 HP constructed before June 12, 2006, and has not been modified or reconstructed since this date. **Therefore, unit Gen1 is considered an existing emergency stationary RICE, and is subject to the area source requirements for existing emergency RICE under Subpart ZZZZ.**

40 CFR Part 63, Subpart DDDDD (Boiler MACT (for major sources)): National Emission Standards for Hazardous Air Pollutants for Major Sources: Industrial, Commercial, and Institutional Boilers and Process Heaters. This rule establishes national emission limitations and work practice standards for HAPs emitted from new and existing industrial boilers, institutional boilers, commercial boilers, and process heaters that are located at major sources of HAPs, as defined by 40 CFR 64.7575. Boilers or process heaters that combust natural gas for fuel or have a maximum designed heat input capacity less than 10 MMBtu/hr are subject to work practice standards in lieu of emission limits. For the purposes of this subpart, an affected unit is an existing unit if it was constructed prior to June 4, 2010.

According to BP, the Florida River CDP is not a major source as defined in this subpart. **Therefore, Subpart DDDDD does not apply.**

40 CFR Part 63, Subpart JJJJJ (Boiler MACT (for area sources)): National Emission Standards for Hazardous Air Pollutants for Area Sources: Industrial, Commercial, and Institutional Boilers. This rule

establishes national emission standards and operating limitations for HAPs emitted from new and existing industrial boilers, institutional boilers, as defined in §63.11237, and commercial boilers that are fueled by coal, biomass, or oil and are located at area sources of HAPs, as defined in §63.2, except for as specified in §63.11195. For the purposes of this subpart, an affected unit is an existing unit if it was constructed prior to June 4, 2010.

The Florida River CDP is an area source of HAPs as defined under 40 CFR Part 63, Subpart JJJJJ, but does not have any coal, oil, or biomass boilers at the facility. **Therefore, Subpart JJJJJ does not apply.**

Compliance Assurance Monitoring (CAM) Rule

40 CFR Part 64: Compliance Assurance Monitoring Provisions. According to 40 CFR 64.2(a), the CAM rule applies to each Pollutant Specific Emission Unit (PSEU) at a major source that is required to obtain a Part 70 or Part 71 permit if the unit satisfies all of the following criteria:

- 1) The unit is subject to an emission limitation or standard for the applicable regulated air pollutant other than an emissions limitation or standard that is exempt under §64.2(b)(1);

“§64.2(b)(1): Exempt emission limitations or standards. The requirements of this part shall not apply to any of the following emission limitations or standards:

- (i) Emission limitations or standards proposed by the Administrator after November 15, 1990 pursuant to Section 111 or 112 of the Act;*
- (ii) Stratospheric ozone protection requirements under Title VI of the Act;*
- (iii) Acid Rain Program requirements pursuant to Sections 404, 405, 406, 407(a), 407(b) or 410 of the Act;*
- (iv) Emissions limitations or standards or other applicable requirements that apply solely under an emissions trading program approved or promulgated by the Administrator under the Act that allows for trading emissions with a source or between sources;*
- (v) An emissions cap that meets the requirements specified in §70.4(b)(12) or §71.6(a)(13)(iii) of this chapter;*
- (vi) Emission limitations or standards for which a Part 70 or 71 permit specifies a continuous compliance determination method, as defined in §64.1.”*

“§64.1: Continuous compliance method means a method, specified by the applicable standard or an applicable permit condition, which:

(1) Is used to determine compliance with an emission limitation or standard on a continuous basis, consistent with the averaging period established for the emission limitation or standard; and

(2) Provides data either in units of the standard or correlated directly with the compliance limit.”

- 2) The unit uses a control device to achieve compliance with any such limit or standard; and
- 3) The unit has pre-control device emissions of the applicable regulated pollutant that are equal to or greater than 100% of the amount, in tons per year, required for a source to be classified as a major source.

According to BP, the CAM rule does not apply to any of the units at the Florida River CDP because the pre-controlled emissions for each unit are less than the major source threshold.

Therefore, CAM does not apply.

Chemical Accident Prevention Program

40 CFR Part 68: Chemical Accident Prevention Provisions. This rule applies to stationary sources that manufacture, process, use, store, or otherwise handle more than the threshold quantity of a regulated substance in a process. Regulated substances include 77 toxic and 63 flammable substances which are potentially present in the natural gas stream entering the facility and in the storage vessels located at the facility. The quantity of a regulated substance in a process is determined according to the procedures presented under §68.115. §68.115(b)(1) and (2)(i) indicate that toxic and flammable substances in a mixture do not need to be considered when determining whether more than a threshold quantity is present at a stationary source if the concentration of the substance is below one percent by weight of the mixture. §68.115(b)(2)(iii) indicates that prior to entry into a natural gas processing plant, regulated substances in naturally occurring hydrocarbon mixtures need not be considered when determining whether more than a threshold quantity is present at a stationary source. Naturally occurring hydrocarbon mixtures include condensate, field gas, and produced water.

According to BP, the Florida River CDP does not use or store any regulated substances listed in 112(r) of the Clean Air Act that is above the threshold quantity. **Therefore, the facility is not subject to the requirement to develop and submit a risk management plan.**

Stratospheric Ozone and Climate Protection

40 CFR Part 82, Subpart F: Air Conditioning Units. According to BP, there are 21 air conditioning units located at the Florida River CDP. However, only certified contractors are used to service, maintain, repair, or dispose of appliances pursuant to this subpart.

40 CFR Part 82, Subpart H: Halon Fire Extinguishers. According to BP, there are no halon fire extinguishers at Florida River CDP. However, should BP obtain any halon fire extinguishers, then it must comply with the standards of 40 CFR Part 82, Subpart H for halon emissions reduction, if it services, maintains, tests, repairs, or disposes of equipment that contains halon or uses such equipment during technician training. Specifically, BP would be required to comply with 40 CFR Part 82 and submit an application for a revision to this Title V permit.

Mandatory Greenhouse Gas Reporting

40 CFR Part 98: This rule requires sources above certain emission thresholds to calculate, monitor, and report greenhouse gas emissions. The requirements of 40 CFR Part 98 and CAA §307(d)(1)(V), the CAA authority under which 40 CFR Part 98 was promulgated, however, need not be included in a tribal-issued Part 70 permit because those requirements are not included in the definition of “applicable requirement” in either 40 CFR Part 70 or RAC 1-103(11). Although the rule is not an applicable requirement under 40 CFR Part 70 or the RAC, the source is not relieved from the requirement to comply with the rule separately from compliance with its Part 70 operating permit. It is the responsibility of each source to determine whether Part 98 is applicable and to comply, if necessary.

4. Public Participation

a. Public Notice

Per RAC § 2-109, all Part 70 draft operating permits shall be publicly noticed and made available for public comment.

Public notice is given by publication in a newspaper of general circulation in the area where the source is located or in a state publication designed to give general public notice, to persons on a mailing list developed by the Tribe, including those who request in writing to be on the list, and by other means if necessary to assure adequate notice to the affected public. If an interested person would like to be added to the Tribe’s mailing list to be informed of future actions on permits issued by the Tribe, please send your name and address:

by United State Postal Service to:

Part 70 Permitting Contact
Southern Ute Indian Tribe
Environmental Programs Division
Part 70 Program
PO Box 737 MS #84
Ignacio, Colorado 81137

by any other delivery service to:

Part 70 Permitting Contact
Southern Ute Indian Tribe
Environmental Programs Division
Part 70 Program
398 Ouray Drive
Ignacio, Colorado 81137

Public notice will be published in the Durango Herald, in order to provide opportunity for public comment on the draft permit and the opportunity to request a public hearing.

b. Opportunity for Comment

Members of the public will be given an opportunity to review a copy of the draft permit prepared by the Tribe, the application, this statement of basis for the draft permit, and all supporting materials for the draft permit. Copies of these documents are available at:

Southern Ute Indian Tribe
Environmental Programs Division
Air Quality Program
71 Mike Frost Way
Ignacio, Colorado 81137

All documents are available for review at the Southern Ute Indian Tribe's Environmental Programs Division office Monday through Friday from 9:00 a.m. to 4:00 p.m. (excluding holidays).

Any interested person may submit written comments on the draft Part 70 operating permit during the public comment period at the address specified in the public notice. The Tribe will consider and address comments in making a final decision on the permit. The Tribe keeps a record of the commenters and of the issues raised during the public participation process.

Anyone, including the applicant, who believes any condition of the draft permit is inappropriate should raise all reasonably ascertainable issues and submit all arguments supporting his or her position by the close of the public comment period. Any supporting materials submitted must be included in full and may not be incorporated by reference, unless the material has already been submitted as part of the administrative record in the same proceeding or consists of Environmental Commission, tribal, state or Federal statutes and regulations, EPA documents of general applicability, or other generally available reference material.

c. Opportunity to Request a Hearing

A person may submit a written request for a public hearing to the Part 70 Permit Contact, at the address listed above, by stating the nature of the issues to be raised at the public hearing. Based on the number of hearing requests received, the Tribe will hold a public hearing whenever it finds there is a significant degree of public interest in a draft operating permit. The Tribe will provide public notice of the public hearing. If a public hearing is held, any person may submit oral or written statements and data concerning the draft permit.

d. Public Petitions to the Administrator

In the event the Administrator of the United States Environmental Protection Agency does not object to issuance of the permit, on the basis that it would not be in compliance with applicable requirements, within its 45-day review period, any person may then petition the Administrator within 60 days after the expiration of the Administrator's 45-day review period to make such objection. Any such petition must be based only on objections to the permit that were raised with reasonable specificity during the public comment period unless the petitioner demonstrates that it was impracticable to raise such objections within such period, or unless the grounds for such objections arose after such period. If the administrator objects to a permit as a result of this petition, the Tribe shall not issue the permit until the Administrator's objection has been resolved, except that a petition for review does not stay the effectiveness of a permit or

its requirements if the permit was issued after the end of the 45-day review period and before the Administrator's objection.

e. Appeal of Permits

Within 60 days after the Tribe's final permit action, an applicant, any person who filed comments on the draft permit or participated in the public hearing, and any other person who could obtain judicial review of that action under applicable law, may appeal to the Environmental Commission in accordance with RAC 2-109(8) and the Commission's Procedural Rules.

Petitions for administrative review of final permit actions can be filed after the deadline designated by the Commission only if they are based solely on grounds arising after the deadline for administrative review has passed. Such petitions shall be filed no later than 60 days after the new grounds for review arise. If the final permit action being challenged is the Tribe's failure to take final action, a petition for administrative review may be filed any time before the Tribe denies or issues the final permit.

f. Notice to Affected States/Tribes

As described in RAC § 2-109(3), public notice will be given by notifying all affected programs. The following entities will be notified:

- State of Colorado, Department of Public Health and Environment
- State of New Mexico, Environment Department
- Ute Mountain Ute Tribe, Environmental Programs Department
- Navajo Tribe, Navajo Nation EPA
- Jicarilla Tribe, Environmental Protection Office
- National Park Service, Air Resources Division, Denver, CO
- U.S. Department of Agriculture, United States Forest Service, Rocky Mountain Region