

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

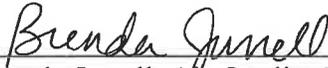
Red Cedar Gathering Company
Arkansas Loop and Simpson Treating Plants

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 1, 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.



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

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Abbreviations and Acronyms

4SLB	Four-Stroke Lean-Burn
4SRB	Four-Stroke Rich-Burn
AFS	Air Facility System database
AQP	Southern Ute Indian Tribe's Air Quality Program
bbf	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
gal	Gallon
GPM	Gallons per minute
H ₂ S	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
scf	Standard cubic feet
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: Arkansas Loop and Simpson Treating Plants

Plant Location: Section 1, T32N R9W
Latitude: N 37.053195
Longitude: W 107.785518

State: Colorado

Reservation: Southern Ute Indian Reservation

County: La Plata County

Responsible Official: President

SIC Code: 1311

AFS Plant Identification Number: 08-067-U0027

Other Clean Air Act Permits: On June 6, 2014 EPA issued Arkansas Loop and Simpson Treating Plant Minor New Source Review permit #SMNSR-SU-000010-2011.001 to retain emission limits originally established in the Part 71 operating permit. On August 28, 2014 EPA issued a Minor New Source Review permit [#MNSR-SU-000010-2014.002] to authorize a minor modification. This Part 70 operating permit replaces the facility's EPA-issued Part 71 operating permit (V-SU-00010-2005.05). There are no other CAA permits issued to this facility.

Description of Process:

The Arkansas Loop and Simpson Treating Plants, owned and operated by Red Cedar Gathering Company, are located in southwestern Colorado within the exterior boundaries of the Southern Ute Indian Reservation. Arkansas Loop and Simpson Treating Plants are production field facilities that help meet the need for carbon dioxide removal from natural gas produced on portions of the Southern Ute Reservation. Upstream of the facilities, there are production wells and compressor stations connected to a gathering pipeline system to the inlet of the facilities. The Arkansas Loop and Simpson Treating Plants provide natural gas field compression, CO₂ removal, and dehydration to remove entrained water vapor from the gas stream. The facilities are comprised of seven reciprocating internal combustion engines (RICE) for gas compression, five RICE for electric generation, three amine plants for CO₂ removal, six TEG dehydration units for gas dehydration, and three heaters associated with the amine plants. The facilities

have several other heaters, tanks, and miscellaneous equipment that qualify as insignificant emission units.

The process at Arkansas Loop begins with compressing wet natural gas to high pressure (approximately 900 – 1000 psig) from the field pipeline and compressor stations. This gas is then mixed with other gas (already at high pressure) and treated through the amine trains (Amine 1 & 2). The gas is then sent through 4 glycol dehydrators to remove entrained water vapor from the gas stream. The treated gas is then mixed with untreated gas so that the gas leaving the plant is less than 2% CO₂.

The process at Simpson does not include compression of the natural gas. The gas comes into the plant at high pressure and is treated to remove CO₂ and then water, similar to Arkansas Loop. Like Arkansas Loop the treated gas is then mixed with untreated gas to achieve a CO₂ percentage of less than 2%.

The facilities do not extract natural gas liquids from field gas nor fractionate mixed NGL's to natural gas products. The facilities have storage vessels, but none with the potential for flash emissions. The facilities have various heaters, tanks and pigging units that qualify as insignificant emission units. Insignificant emissions for the pigging units occur only during launch and retrieval operations.

The facilities are scheduled to operate 24 hours per day, 7 days per week, 365 days per year. Fuel used for all combustion units is medium pressure, partially dehydrated inlet gas which meets pipeline specifications except for water and CO₂ content.

Arkansas Loop uses approximately 1,500 MMscf of fuel per year (4.0 MMscf/day, with a maximum fuel use of approximately 0.2 MMscf/hr). Total natural gas processed through the facility (including gas that bypasses the amine trains) is approximately 210-230 MMscf/day.

Simpson uses approximately 600 MMscf of fuel per year (1,680 scf/day, with a maximum fuel use of approximately 0.1 MMscf/hr). Total natural gas processed through the facility is approximately 100-110 MMscf/day.

I.B. Source Emission Points

**Table 1 – Emission Units
Red Cedar Gathering Company, Arkansas Loop and Simpson Treating Plants**

Emission Unit ID	Description	Control Equipment
E-301 E-401	4– Ajax/Superior 16SGTB (SI 4SLB) Natural Gas-fired Compressor Engine, 2,650 nameplate rated HP Serial No.:314849 Installed: 05/02/2011 Serial No.:321719 Installed: 05/26/2009	AFRC

E-501 E-601	Serial No.:311459 Serial No.:314839	Installed: 05/19/2012 Installed: 05/10/2010	
E-701 E-801	Serial No.: 3XF00253 Serial No.: 3XF00252	Installed: 10/01/2014 Installed: 10/01/2014	Miratech Oxidation Catalyst
E-001 E-002 E-003	Serial No.: C-12002/1 Serial No.: C-11051/1 Serial No.: C-12551/1	Installed: 11/16/2009 Installed: 11/16/2009 Installed: 11/16/2009	AFRC
X-1003 X-1004	Serial No.: ZBC00211 Serial No.: ZBC00212	Installed: 12/01/2010 Installed: 12/01/2010	Miratech Oxidation Catalyst with AFRC
H-450	Serial No.: J-89-455	Installed: 01/01/1989	None
H-701	Serial No.: J-90-476	Installed: 01/01/1990	None
H-781	Serial No.: 2009-022-Alt1	Installed: 12/01/2010	None
R-002 R-003	Serial No.: NA Serial No.: NA	Installed: 01/01/1989 Installed: 01/01/1992	None

R-004	Serial No.: NA	Installed: 01/01/1989	
RB-050	1 – J.W. Williams., Triethylene Glycol (TEG) Dehydrator, 30 MMscf/day, Reboiler Rating 0.6 MMBtu/hr		None
	Serial No.: NA	Installed: 01/01/1993	
X-1001 X-1002	2 – QB Johnson, Triethylene Glycol (TEG) Dehydrator, 70 MMscf/day, Reboiler Rating 0.75		None
	Serial No.: NA	Installed: 03/22/2011	
	Serial No.: NA	Installed: 03/22/2011	
Amine 1	1 – Propak Systems, Amine Plant, 65 MMscf/day		None
	Serial No.: NA	Installed: 01/01/1989	
Amine 2	1 – Propak Systems, Amine Plant, 75 MMscf/day		None
	Serial No.: NA	Installed: 01/01/1990	
Amine 3	1 – Thomas Russell Co., Amine Plant, 140 MMscf/day		None
	Serial No.: NA	Installed: 12/01/2010	

**Table 2 – Insignificant Emission Units
Red Cedar Gathering Company, Arkansas Loop and Simpson Treating Plants**

Emission Unit ID	Description	Size/Rating
R-002-050	4 - TEG Reboiler	0.6 MMBtu/hr
H-001-020	6 - Catalytic Heater	0.012 MMBtu/hr
CATH16, 17	2 - Catalytic Heater- oil separator building	0.012 MMBtu/hr
H-850	1 - Evaporation Pond Heater	2.6 MMBtu/hr
01-V-010	1 - Water/Oil Separator Heater	3.5 MMBtu/hr
TK-060, 061	2 - Glycol Storage Tank	750 gal
TK-180	1 - Glycol Recovery Tank	4,200 gal
TK-901-903	3 - Waste Oil Sump Tank	300 gal
TK-980	1 - Generator Oil Makeup Tank	1,001 gal
TK-981, 982	2 - Generator Coolant Tank	500 gal
TK-983	1 - Compressor Oil Makeup Tank	2,534 gal
TK-984	1 - Coolant Storage Tank	1,000 gal
TK-985	1 - Compressor Coolant Drain Tank	500 gal
T-804	1 - Waste Oil Tank	8,820 gal
GT-1	1 - Gasoline Tank	1,000 gal
V-409	1 - Amine Storage Tank	3,000 gal
BGS-2	1 - Below Grade Sump Tank	7,481 gal

V-487, 488	2 - TEG Reboiler	1.2 MMBtu/hr
TK-801	1 - Inlet Coalescing Filter Dump Tank	6,615 gal
TK-881	1 - Heat Medium Makeup Storage Tank	125 gal
TK-882	1 - Heat Medium PSV Blowdown Tank	6,615 gal
TK-884	1 - TEG Makeup Storage Tank	1,575 gal
TK-886	1 - Dehydrator Still Vent Tank	1,316 gal
TK-887, 888	2 - Coolant Tank	542 gal
TK-889	1 - Used Engine Oil Tank	542 gal
TK-890	1 - Engine Oil Tank	542 gal
TK-893	1 - TEG Recovery Tank	1,575 gal
TK-894	1 - Process and Oily Water Drain Tank	2,835 gal
TK-895	1 - Oily Water Sump Tank	2,835 gal

II. Site Specific Requirements

II.A. 40 CFR Part 60, Subpart A –Standards of Performance for New Stationary Sources, General Provisions [40 CFR 60.1 - 60.19, RAC 3-102]

This facility is subject to the requirements of 40 CFR Part 60, Subpart A. Notwithstanding conditions in this permit, the permittee shall comply with all applicable requirements of 40 CFR Part 60, Subpart A.

Requirements for Steam Generating Units

II.B. Standards of Performance for Small Industrial-Commercial-Institutional Steam Generating Units - 40 CFR Part 60, Subpart Dc [40 CFR 60.40c-60.48c, RAC 3-102]

This facility is subject to the requirements of 40 CFR Part 60, Subpart Dc. Notwithstanding conditions in this permit, the permittee shall comply with all applicable requirements of 40 CFR Part 60, Subpart Dc.

1. Affected Sources [40 CFR 60.40c]

a. 40 CFR Part 60, Subpart Dc applies to the following emission units:

- i. Unit H-701, a natural gas-fired heat medium heater with a maximum design heat input of 36.7 MMBtu/hr
- ii. Unit H-781, a natural gas-fired heat medium heater with a maximum design heat input of 80 MMBtu/hr

2. Operating and Emission Limits [40 CFR 60.42c - 60.43c]

- a. The sole source of fuel for emission units H-701 and H-781 shall be natural gas as defined in §60.41c

3. Notifications [40 CFR 60.48c]

- a. The Permittee shall submit notification of the date of construction or reconstruction and actual startup, as provided by §60.7 of this subpart. This notification shall include:
 - i. The design heat input capacity of the affected facility and identification of fuels to be combusted in the affected facility; and
 - ii. The annual capacity factor at which the owner or operator anticipates operating the affected facility based on all fuels fired and based on each individual fired

4. Recordkeeping Requirements [40 CFR 60.48c]

- a. The permittee shall record and maintain the following:
 - i. Fuel used and the supplier of the fuel;
 - ii. Total amount of fuel used for H-701 and H-781 delivered to the property each calendar month; and
 - iii. A certified statement signed by the owner or operator of the affected facility that the records of fuel and fuel supplier represent all of the fuel combusted.
- b. All required records shall be maintained by the permittee for a period of two (2) years.

Requirements for Engines

II.C. Standards of Performance for Stationary Spark Ignition Internal Combustion Engines - 40 CFR Part 60, Subpart JJJJ

This source is subject to the requirements of 40 CFR Part 60, Subpart JJJJ. Notwithstanding conditions in this permit, the Permittee shall comply with all applicable requirements of 40 CFR Part 60, Subpart JJJJ.

[40 CFR 60.4246]

1. Applicability [40 CFR 60.4230]

- a. 40 CFR Part 60, Subpart JJJJ applies to the following emission units:
 - i. Caterpillar G3516B LE engine identified as X-1003 in Table 1 of this permit; and
 - ii. Caterpillar G3516B LE engine identified as X-1004 in Table 1 of this permit

2. General Provisions [40 CFR 60.4, 60.4246, and 60.4236(b)]

- a. All reports required under 40 CFR Part 60, Subpart A shall be sent to the Tribe and Administrator at the following addresses as listed in §60.4:

Part 70 Program
Environmental Programs Division
Air Quality Program
P.O. Box 737, MS #84
Ignacio, Colorado 81137

and

Director, Air and Toxics Technical Enforcement Program, 8ENF-AT
Office of Enforcement, Compliance and Environmental Justice
1595 Wynkoop Street, Denver, CO 80202-1129
8ENF-AT

[40 CFR 60.4]

- b. The permittee shall not install stationary SI ICE with a maximum engine power of greater than or equal to 500 HP that do not meet the applicable requirements in §60.4233.

[40 CFR 60.4236(b)]

3. Emission Standards [40 CFR 60.4233, 60.4234]

- a. The Permittee must comply with the following emissions standards for each engine as specified in §60.4233(e) and Table 1 of 40 CFR Subpart JJJJ:

Emission standards					
g/HP-hr			ppmvd at 15% O ₂		
NO _x	CO	VOC	NO _x	CO	VOC
1.0	2.0	0.7	82	270	60

For each engine that was certified to the certification emission standards in 40 CFR part 1048 applicable to engines that are not severe duty engines, the permittee may meet the CO certification (not field testing) standard for which the engine was certified in accordance with §60.4233(e).

- b. The Permittee must operate and maintain the engines subject to the emission standards over the entire life of the engine, as specified in §60.4234.

4. Compliance Requirements [40 CFR 60.4243]

- a. The Permittee must meet all of the applicable compliance requirements as specified in §60.4243.

5. Testing Requirements [40 CFR 60.4244]

- a. For each performance test required under §60.4243, the Permittee must meet the performance testing requirements of §60.4244.

6. Notification, Reports, and Records [40 CFR 60.4245]

- a. The Permittee must meet all of the applicable notification, reporting, and recordkeeping requirements of §60.4245.

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

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

II.E. 40 CFR Part 63, Subpart ZZZZ - National Emission Standards for Hazardous Air Pollutants From Reciprocating Internal Combustion Engines [40 CFR 63.6580 - 63.6675]

This facility is subject to the requirements of 40 CFR part 63, Subpart ZZZZ for new four-stroke lean-burn (4SLB) stationary reciprocating internal combustion engines (RICE) with a site rating of more 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.

1. Affected Sources

- a. 40 CFR part 63, Subpart ZZZZ applies to the following engines:
 - i. X-1003: 1,622 site rated bhp, Caterpillar G3516B LE, natural gas-fired 4SLB engine constructed after December 19, 2002; and
 - ii. X-1004: 1,622 site rated bhp, Caterpillar G3516B LE, natural gas-fired 4SLB engine constructed after December 19, 2002

2. Emission Limits and Operating Requirements

- a. Emissions from engine units X-1003 and X-1004, equipped with oxidation catalyst devices, must meet one of the following emission limitations according to Table 2a of 40 CFR part 63,

Subpart ZZZZ:

- i. Except during periods of startup:
 1. Reduce carbon monoxide emissions by 93 percent or more; or
 2. Limit the concentration of formaldehyde in the engine exhaust to 14 ppmvd or less at 15 percent O₂.
- ii. During periods of startup:
 1. Minimize the engine's time spent at idle 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 non-startup emission limitations apply.

[40 CFR 63.6600(b) & Table 2a of 40 CFR Part 63, Subpart ZZZZ]

- b. 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)]

- c. For engine units X-1003 and X-1004, each equipped with an oxidation catalyst device, the permittee must meet the following operating limitations except during periods of startup according to Table 2b to 40 CFR part 63, Subpart ZZZZ:

- i. Maintain the catalyst so that the pressure drop across the catalyst does not change by more than two inches of water at 100 percent load plus or minus 10 percent from the pressure drop across the catalyst measured during the initial performance test; and
- ii. Maintain the temperature of the engine exhaust so that the catalyst inlet temperature is greater than or equal to 450 °F and less than or equal to 1,350 °F.

[40 CFR 63.6600(b) and Table 2b of Subpart ZZZZ]

3. Operation and Maintenance Requirements

- a. 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)]

4. Performance Test Requirements

- a. The permittee must conduct an initial performance test or other initial compliance demonstrations that apply within 180 days after the compliance date that is specified for engine units X-1003 and X-1004 in §63.6595 and according to the provisions of §63.7(a)(2).

[40 CFR 63.6610(a)]

- b. The permittee is not required to conduct an initial performance test on units for which a performance test has been previously conducted, but the test must meet all of the conditions described in §§63.6610(d)(1) through (5).

[40 CFR 63.6610(d)]

- c. The permittee shall perform subsequent performance tests semi-annually. After compliance is demonstrated for two consecutive tests, the testing frequency shall be reduced to annually. However, should the results of any subsequent annual performance test indicate that engine units X-1003 and X-1004 are not in compliance with the emission limitations, or the permittee deviates from any operating limitations, then semi-annual performance tests shall be resumed.

[40 CFR 63.6615, Table 3]

5. Performance Test Procedures

- a. The permittee may demonstrate compliance with the requirements to reduce carbon monoxide emissions using the performance test requirements according to Table 4, Item 1 of 40 CFR 63 Subpart ZZZZ; or
- b. The permittee may demonstrate compliance with the requirements to limit the concentration of formaldehyde in the engine exhaust using the performance test requirements according to Table 4, Item 3 of 40 CFR part 63, subpart ZZZZ.

[40 CFR 63.6610(a)]

- c. The permittee must conduct each performance test according to the requirements in Table 4 of 40 CFR part 63, subpart ZZZZ. The test must be conducted at any load condition within plus or minus 10 percent of 100 percent load. If engine units X-1003 or X-1004 are 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)]

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

[40 CFR 63.6620(d)]

- e. The permittee must use the equations of §63.6620(e) when:

- i. Demonstrating compliance with the percent carbon monoxide reduction requirements; or
- ii. Demonstrating compliance by limiting the concentration of formaldehyde.

[40 CFR 63.6620(e)]

- f. 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 must be included in the notification of compliance status. The following information must be included in the written report:

- i. The engine model number;
- ii. The engine manufacturer;
- iii. The year of purchase;
- iv. The manufacturer's site-rated brake horsepower;
- v. The ambient temperature, pressure, and humidity during the performance test;
- vi. All assumptions that were made to estimate or calculate percent load during the performance test must be clearly explained; and
- vii. 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)]

6. Monitoring

- a. The permittee must install, operate, and maintain each Continuous Parameter Monitoring System (CPMS) according to the requirements in paragraphs (b)(1) through (6) of §63.6625 of 40 CFR part 63, subpart ZZZZ.

[40 CFR 63.6625(b)]

- b. Except for monitor malfunctions, associated repairs, required performance evaluations, and required quality assurance or control activities (including, as applicable, calibration checks and required zero and span adjustments), the permittee must monitor continuously at all times that the engines are operating.

[40 CFR 63.6635(b)]

- c. The permittee may not use data recorded during monitoring malfunctions, associated repairs, and required quality assurance or control activities in data averages and calculations used to report emission or operating levels. The permittee must, however, use all the valid data collected during all other periods.

[40 CFR 63.6635(c)]

7. Initial Compliance Requirements

- a. The permittee must demonstrate initial compliance with each emission and operating limitation that applies according to the following:
 - i. For the engine units X-1003 and X-1004 complying with the requirement to reduce CO emissions and using an oxidation catalyst as specified in Section II.C.1 of this permit, the permittee shall:
 1. Demonstrate that the average reduction of emissions of CO determined from the initial performance test achieves the required CO percent reduction; and
 2. Install a Continuous Parameter Monitoring System (CPMS) to continuously monitor catalyst inlet temperature according to the requirements in §63.6625(b); and
 3. Record the catalyst pressure drop and catalyst inlet temperature during the initial performance test.
 - b. For engine units X-1003 and X-1004 complying with the requirement to reduce CO emissions, using an oxidation catalyst as specified in the **Emission Limits and Operating Requirements** of this section, and using a continuous emissions monitoring system (CEMS) the permittee shall:

- i. Install a CEMS to continuously monitor CO and either O₂ or CO₂ at both the inlet and outlet of the oxidation catalyst according to the requirements in §63.6625(a);
 - 1. Conduct a performance evaluation of the CEMS using performance specifications 3 and 4A or 40 CFR part 60, Appendix B; and
 - 2. Demonstrate that the average reduction of CO equals or exceeds the required percent reduction. The initial test comprises the first 4-hour period after successful validation of the CEMS. Compliance is based on the average percent reduction achieved during the 4-hour period.

 - c. For the engine units X-1003 and X-1004 complying with the requirement to limit the concentration of formaldehyde in the engine exhaust and using an oxidation catalyst as specified in the **Emission Limits and Operating Requirements** of this section, the permittee shall:
 - i. Demonstrate that the average formaldehyde concentration, corrected to 15 percent O₂, dry basis, from the three test runs is less than or equal to the formaldehyde emission limitation;
 - ii. Install a CPMS to continuously monitor catalyst inlet temperature according to the requirements in §63.6625(b); and
 - iii. Record the catalyst pressure drop and catalyst inlet temperature during the initial performance test.
- [40 CFR 63.6630(a)]
- d. During the initial performance test, the permittee must establish each of the following operating limitations for engine units X-1003 and X-1004:
 - i. The pressure drop across the catalyst at 100 percent load plus or minus 10 percent; and
 - ii. The temperature of the engine exhaust so that the catalyst inlet temperature is greater than or equal to 450 °F and less than or equal to 1,350 °F.
- [40 CFR 63.6630(b)]
- e. 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)]

8. Continuous Compliance Requirements

- a. The permittee must demonstrate continuous compliance with each emission limitation and operating limitation in 40 CFR part 63, subpart ZZZZ that applies according to the following methods:
 - i. For engine units X-1003 and X-1004 complying with the requirement to reduce CO emissions using an oxidation catalyst as specified in the **Emission Limits and Operating Requirements** of this section and using a Continuous Parameter Monitoring System (CPMS), the permittee shall:
 1. Conduct semiannual performance tests for CO to demonstrate that the required CO percent reduction is achieved. After compliance has been demonstrated for two consecutive tests, the permittee may reduce the frequency of subsequent performance tests to annually. If the results of any subsequent annual performance test indicate the engine is not in compliance with the CO or formaldehyde emission limitations, or the permittee deviates from any of the operating limitations, the permittee must resume semiannual performance tests; and
 2. Collect the catalyst inlet temperature data according to §63.6625(b) reduce these data to 4-hour rolling averages, and maintain the 4-hour rolling average within the operating limitations for the catalyst inlet temperature; and
 3. Measure the pressure drop across the catalyst once per month and demonstrate that the pressure drop across the catalyst is within the operating limitation established during the performance test.
 - ii. For engine units X-1003 and X-1004 complying with the requirement to reduce CO emissions using an oxidation catalyst as specified in the **Emission Limits and Operating Requirements** of this section and using a continuous emissions monitoring system (CEMS) the permittee shall:
 1. Collect monitoring data according to §63.6625(a), reducing the measurements to 1-hour averages, calculating the percent reduction of CO emission according to §63.6620;
 2. Demonstrate that the catalyst achieves the required percent reduction of CO emissions over the 4-hour averaging period; and
 3. Conduct an annual RATA of the CEMS using performance specifications 3 and 4A of 40 CFR part 60, Appendix B, as well as daily and periodic data quality checks in

accordance with 40 CFR part 60 Appendix F, procedure 1.

- iii. For engine units X-1003 and X-1004 complying with the requirement to limit the concentration of formaldehyde in the engine exhaust and using an oxidation catalyst as specified in the **Emission Limits and Operating Requirements** of this section, the permittee shall:
 - 1. Conduct semiannual performance tests for formaldehyde to demonstrate that the emissions remain at or below the formaldehyde concentration limit. After compliance has been demonstrated for two consecutive tests, the permittee may reduce the frequency of subsequent performance tests to annually. If the results of any subsequent annual performance test indicate the engine is not in compliance with the CO or formaldehyde emission limitations, or the permittee deviates from any of the operating limitations, the permittee must resume semiannual performance tests;
 - 2. Collect the catalyst inlet temperature data according to §63.6625(b);
 - 3. inlet temperature; and
 - 4. Measure the pressure drop across the catalyst once per month and demonstrate that the pressure drop across the catalyst is within the operating limitation established during the performance test.

[40 CFR 63.6640(a)]
- b. The permittee must report each instance in which an emission or operating limit 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)]
- c. Upon changing of catalyst, values of the operating parameters measured during the initial performance test must be reestablished. Upon reestablishment of the operating parameters, the permittee must conduct a performance test to demonstrate that the required emission limitations continue to be met.

[40 CFR 63.6640(b)]
- d. Deviations from the emission or operating limitations that occur during 200 hours of operation from engine startup (engine burn-in period) are not violations.

[40 CFR 63.6640(d)]

- e. 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)]

9. Notifications Requirements

- a. 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 that apply by the dates specified.

[40 CFR 63.6645(a)]

- b. Upon startup of a new or reconstructed stationary RICE, the permittee must submit an Initial Notification no later than 120 days after it becomes subject to 40 CFR part 63, subpart ZZZZ.

[40 CFR 63.6645(c)]

- c. If the permittee is required to submit an Initial Notification but the engine in question is otherwise not affected by the requirements of 40 CFR part 63, Subpart ZZZZ, in accordance with §63.6590(b), the notification should include the information in §§63.9(b)(2)(i) through (v), and a statement that the engine has no additional requirements and explain the basis of the exclusion (for example, that it operates exclusively as an emergency stationary RICE).

[40 CFR 63.6645(f)]

- d. 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)]

- e. 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).

[40 CFR 63.6645(h)]

10. Record Keeping

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

- i. 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);

- ii. Records of the occurrence and duration of each malfunction of operation (i.e. process

- equipment) or the air pollution control and monitoring equipment;
- iii. Records of performance tests and performance evaluations as required in §63.10(b)(2)(viii);
 - iv. Records of all required maintenance performed on the air pollution control equipment; and
 - v. 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)]

b. For each CEMS or CPMS, the permittee must keep the following records:

- i. Records described in §63.10(b)(2)(vi) through (xi);
- ii. Previous (i.e., superseded) versions of the performance evaluation plan as required in §63.8(d)(3); and
- iii. Requests for alternatives to the relative accuracy test for CEMS or CPMS as required in §63.8(f)(6)(i), if applicable.

[40 CFR 63.6655(b)]

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

[40 CFR 63.6655(d)]

d. Records must be in a form suitable and readily available for expeditious review.

[40 CFR 63.6660(a) and 40 CFR 63.10(b)(1)]

e. The permittee must keep each record for 5 years following the date of each occurrence, measurement, maintenance, corrective action, report, or record.

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

f. The permittee must keep each record readily accessible in hard copy or electronic form at Red Cedar's headquarters in Durango, Colorado, for five (5) years after the date of each occurrence, measurement, maintenance, corrective action, report, or record. Such files may be

maintained on microfilm, on a computer, on computer floppy disks, on magnetic tape disks, or on microfiche.

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

11. Reporting

- a. 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 prior six-month period from July 1st through the end of December. The report due on October 1st shall cover the prior six-month period from January 1st through the end of June.

[40 CFR 63.6650(b)(5)]

- b. The compliance report shall be submitted with the semi-annual monitoring report required by §70.6(a)(3)(iii)(A) and the **General Reporting 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)]

- c. The semiannual compliance report must contain the following:
 - i. Company name and address;
 - ii. Statement by the responsible official, with that official's name, title, and signature, certifying the accuracy of the content of the report;
 - iii. The date of the report and beginning and ending dates of the reporting period;
 - iv. 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;
 - v. 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
 - vi. If there were no periods during which the continuous monitoring system (CMS), 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)]

- d. 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:
- i. Information required in Section II.E.11.c.i. through iv. of this permit;
 - ii. The total operating time of the engine at which the deviation occurred during the reporting period; and
 - iii. Information on the number, duration, and cause of deviations (including unknown cause, if applicable), and the corrective action taken.

[40 CFR 63.6650(d)]

- e. 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 following information:
- i. Information required in Section II.E.11.c.i. through iv. of this permit;
 - ii. The date and time that each malfunction started and stopped;
 - iii. The date, time, and duration that each CMS was inoperative, except for zero (low-level) and high-level checks;
 - iv. The date, time, and duration that each CMS was out-of-control, including the information in §63.8(c)(8);
 - v. The date and time that each deviation started and stopped, and whether each deviation occurred during a period of malfunction or during another period;
 - vi. A summary of the total duration of the deviation during the reporting period, and the total duration as a percent of the total source operating time during that reporting period;
 - vii. A breakdown of the total duration of the deviations during the reporting period into those that are due to control equipment problems, process problems, other known causes, and other unknown causes;

- viii. A summary of the total duration of CMS downtime during the reporting period, and the total duration of CMS downtime as a percent of the total operating time of the engine at which the CMS downtime occurred during the reporting period;
- ix. An identification of each parameter and pollutant (CO or formaldehyde) that was monitored at the engine;
- x. A brief description of the engine;
- xi. A brief description of the CMS;
- xii. The date of the last CMS certification audit; and
- xiii. A description of any changes in CMS, processes, or controls since the last reporting period.

[40 CFR 63.6650(e)]

Requirements for Dehydrators

II.F. 40 CFR Part 63, Subpart HH - National Emission Standards for Hazardous Air Pollutants from Oil and Natural Gas Production Facilities [40 CFR 63.760 - 63.774, RAC 4-103]

This facility is subject to the requirements of 40 CFR Part 63, Subpart HH. Notwithstanding conditions in this permit, the permittee shall comply with all applicable requirements of 40 CFR Part 63, Subpart HH.

1. Affected Sources [40 CFR 63.760(a) through (e)]

- a. The following units are affected sources for purposes of 40 CFR Part 63, Subpart HH:
 - i. R-002, a J.W. Williams TEG Dehydration Unit with actual annual average benzene emissions less than 0.90 Mg/yr (1 tpy), as determined according to § 63.772(b).
 - ii. R-003, a J.W. Williams TEG Dehydration Unit with actual annual average benzene emissions less than 0.90 Mg/yr (1 tpy), as determined according to § 63.772(b).
 - iii. R-004, a J.W. Williams TEG Dehydration Unit with actual annual average benzene emissions less than 0.90 Mg/yr (1 tpy), as determined according to § 63.772(b).
 - iv. RB-050, a J.W. Williams TEG Dehydration Unit with actual annual benzene emissions less than 0.90 Mg/yr (1 tpy), as determined according to § 63.772(b).
 - v. X-1001, a QB Johnson TEG Dehydration Unit with actual annual average benzene emissions less than 0.90 Mg/yr (1 tpy), as determined according to § 63.772(b).

- vi. X-1002, a QB Johnson TEG Dehydration Unit with actual annual average benzene emissions less than 0.90 Mg/yr (1 tpy), as determined according to § 63.772(b).

[40 CFR 63.760(b)(1)(i)(A)]

2. General Standards [40 CFR 63.764]

- a. Table 2 of 40 CFR Part 63, Subpart HH specifies the General Provisions of 40 CFR Part 63, Subpart A that apply.

[40 CFR 63.764(a)]

- b. All reports required under 40 CFR Part 63, Subpart A shall be sent to the Tribe and Administrator at the following addresses:

Part 70 Program
Environmental Programs Division
Air Quality Program
P.O. Box 737 MS #84
Ignacio, CO 81137

and

Director, Air and Toxics Technical Enforcement Program
Office of Enforcement, Compliance and Environmental Justice
1595 Wynkoop Street, Denver, CO 80202-1129
Mail Code 8ENF-AT

Reports may be submitted on electronic media.

[40 CFR 63.764(b)]

- c. The permittee shall comply with 40 CFR Part 63, Subpart HH as follows:
 - i. For each glycol dehydration unit process vent subject to this subpart, the permittee shall comply with the following:
 - 1. The control requirements for glycol dehydration unit process vents specified in §63.765;
 - 2. The monitoring requirements specified in §63.773; and
 - 3. The recordkeeping and reporting requirements specified in §§63.774 and 63.775.

[40 CFR 63.764(c)(1)]

- d. At all times the owner or operator 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.
[40 CFR 63.764(j)]
- e. The permittee shall comply with all provisions for affirmative defense for violations of emission standards during malfunctions as specified in §63.762.
[40 CFR 63.762]

3. Control Equipment Requirements [40 CFR 63.771]

- a. The permittee shall comply with the control equipment requirements as follows:
 - i. For each closed vent system, the permittee shall comply with the closed vent system requirements specified in §63.771(c);
 - ii. For each control device connected to a large dehydration unit process vent, the permittee shall comply with the applicable control device requirements specified in §63.771(d); and
 - iii. For each control device connected to a small dehydration unit process vent, the permittee shall comply with the applicable control device requirements specified in §63.771(f); and
 - iv. For each process modification made to comply with glycol dehydration unit process vent standards at §63.765(c)(2), the permittee shall comply with the process modification standards specified in §63.771(e).

[40 CFR 63.771]

[Explanatory note: Pursuant to the definition of “control device” at §63.761, if the gas or vapor recovered from regulated equipment is used, reused, returned back to the process, or sold then the recovery system used, including piping, connections, and flow inducing devices is not considered a control device or a closed-vent system.]

4. Test Methods, Compliance Procedures and Compliance Determinations

[40 CFR 63.772]

- a. The permittee shall determine the glycol dehydration unit natural gas flow rate and benzene emissions in accordance with the requirements specified in §63.772(b).
- b. The permittee shall conduct the no detectable emissions test procedure in accordance with the requirements specified in §63.772(c).

- c. For each small dehydration unit, the permittee shall conduct test procedures and compliance demonstrations as specified in §63.772(d).
- d. The permittee shall conduct the control device performance test procedure in accordance with the requirements specified in §63.772(e).
- e. The permittee shall demonstrate compliance for the control device performance requirements in accordance with the requirements specified in §63.772(f).
- f. The permittee shall demonstrate compliance with the percent reduction performance requirements for condensers in accordance with the requirements specified in §63.772(g).
- g. The permittee may utilize the manufacturer performance test procedures in accordance with the requirements specified in §63.772(h) and demonstrate compliance in accordance with the requirements specified in §63.772(i) as an alternative to conducting a performance test as specified in §63.772(e).

[40 CFR 63.772]

5. Inspection and Monitoring Requirements [40 CFR 63.773]

- a. For each control device whose model was tested under §63.772(h), the permittee shall develop an inspection and maintenance plan for each control device in accordance with the requirements specified in §63.773(b).
- b. For each closed-vent system or cover required by the permittee to comply with 40 CFR Part 63, Subpart HH, the permittee shall comply with the requirements specified in §63.773(c).
- c. For each control device required by the permittee to comply with 40 CFR Part 63, Subpart HH, the permittee shall comply with the requirements as specified in §63.773(b) or §63.773(d).

[40 CFR 63.773]

6. Record Keeping Requirements [40 CFR 63.774]

- a. The permittee must keep the records required by the recordkeeping provisions of 40 CFR Part 63, Subpart A, as specified in Table 2 of 40 CFR Part 63, Subpart HH.
- b. The permittee shall maintain records as specified in §63.774(b).
- c. The permittee shall maintain records as specified in §63.774(c).

- d. For glycol dehydration units operating at the facility that meets the exemption criteria in §63.764(e)(1)(i) or §63.764(e)(1)(ii), the permittee shall maintain records as specified in §63.774(d).
- e. If using a flare to comply with 63.771(d), the permittee shall maintain records as specified in 63.774(e).
- f. The permittee shall maintain records of the occurrence and duration of each malfunction of operation (*i.e.*, process equipment) or the air pollution control equipment and monitoring equipment as specified in §63.771(g).
- g. For each control device whose model was tested under §63.772(h), the permittee shall maintain records as specified in §63.774(h).

[40 CFR 63.774]

7. Reporting Requirements [40 CFR 63.775]

- a. The permittee must submit the reports required by the reporting provisions of Subpart A as specified in Table 2 of 40 CFR Part 63, Subpart HH.
- b. The permittee shall submit the information specified in §63.775(b).
- c. *Notification of Compliance Status Report.* The permittee shall submit a Notification of Compliance Status Report as required under §63.9(h) within 180 days after the compliance date specified in §63.760(f). In addition to the information required under §63.9(h), the Notification of Compliance Status Report shall include the information specified in paragraphs (d)(1) through (12) of §63.775. This information may be submitted in an operating permit application, in an amendment to an operating permit application, in a separate submittal, or in any combination of the three (3). If all of the information required under this paragraph has been submitted at any time prior to 180 days after the applicable compliance dates specified in §63.760(f), a separate Notification of Compliance Status Report is not required.
- d. *Periodic Reports.* The permittee shall prepare Periodic Reports in accordance with §63.775(e)(2) and submit them to the Tribe and the Administrator semi-annually by April 1st and October 1st of each year. The report due on April 1st shall cover the July 1st – December 31st reporting period of the previous calendar year. The report due on October 1st shall cover the January 1st – June 30th reporting period of the previous calendar year. The initial report shall cover the period from the effective date of this permit through the end of the relevant semi-annual reporting period.

- e. *Notification of process change.* Whenever a process change is made, or a change in any of the information submitted in the Notification of Compliance Status Report, the permittee shall submit a report within 180 days after the process change is made or as a part of the next Periodic Report. The report shall include the requirements of §63.775(f).
- f. *Electronic Reporting.* Within 60 days after the date of completing each performance test as required to comply with 40 CFR Part 63, Subpart HH, the permittee must submit the results of the performance tests to EPA's WebFIRE database by using the Compliance and Emissions Data Reporting Interface (CEDRI) that is accessed through EPA's Central Data Exchange (CDX) (www.epa.gov/cdx) in accordance with the provisions specified at §63.775(g).

Requirements for Boilers and Process Heaters

II.G. 40 CFR Part 63, Subpart DDDDD - National Emission Standards for Hazardous Air Pollutants For Major Sources: Industrial, Commercial, and Institutional Boilers and Process Heaters [40 CFR 63.7480 - 63.7575, RAC 4-103]

This facility is subject to the requirements of 40 CFR Part 63, Subpart DDDDD. Notwithstanding conditions in this permit, the permittee shall comply with all applicable requirements of 40 CFR Part 63, Subpart DDDDD.

1. Affected Sources [40 CFR 63.7490(a) through (e)]

- a. The following existing process heaters and industrial boilers as defined in 63.7575 are affected sources for purposes of 40 CFR Part 63, Subpart DDDDD:
 - i. H-450, a natural gas-fired heat medium heater with a maximum design heat input capacity of 31.3 MMBtu/hr
 - ii. H-701, a natural gas-fired heat medium heater with a maximum design heat input capacity of 36.7 MMBtu/hr
 - iii. H-781, a natural gas-fired heat medium heater with a maximum design heat input capacity of 80 MMBtu/hr

[40 CFR 63.7490(a)(1)]

2. General Standards [40 CFR 63.7500]

- a. Each existing process heater must comply with the applicable requirements of this Subpart no later than January 31, 2016.

- b. The Permittee shall comply with the emission limitations, work practice standards, and operating limitations specified in §63.7500(a).
- c. The standards shall apply at all times the affected unit is operating, except during periods of startup and shutdown during which time you must comply only with Table 3 to this subpart.

[40 CFR 63.7500(a) and (f)]

3. Initial Compliance Requirements [40 CFR 63.7510]

- a. The Permittee must demonstrate compliance with all applicable emission limits as specified in §63.7505.
- b. The Permittee must conduct the initial performance tests or other compliance demonstrations requirements as specified in §63.7510.
- c. The Permittee must conduct subsequent performance tests, fuel analysis or tune-ups as specified in §63.7515.
- d. For each performance test, the Permittee must use the stack tests and procedures requirements specified in §63.7520.
- e. For each fuel analyses and fuel specifications, the Permittee must use the procedures specified in §63.7521.
- f. If the averaged emission rates are not more than 90% of the applicable emission limit for existing units, the Permittee may demonstrate compliance according to the procedures outlined in §63.7522.
- g. The Permittee must meet the monitoring, installation, operation, and maintenance requirements specified in §63.7525.
- h. The Permittee must demonstrate initial compliance with the emission limitations, fuel specifications, and work practice standards that apply as specified in §63.7530.
- i. The Permittee may use efficiency credits to demonstrate compliance in accordance with the procedures specified in §63.7533.

4. Continuous Compliance Requirements [40 CFR 63.7535]

- a. For each CMS, the Permittee must monitor and collect data in accordance with the procedures specified in §63.7535 and the site-specific monitoring plan required by §63.7505(d).

- b. The Permittee must demonstrate continuous compliance with the emission limitations, fuel specifications, and work practice standards in accordance with §63.7540.
- c. For each unit complying with the emission averaging provisions specified in §63.7522, the Permittee must demonstrate continuous compliance in accordance with §63.7541.

5. Notifications, Reports, and Records [40 CFR 63.7545]

- a. The Permittee must submit notifications as specified in §63.7545.
- b. The Permittee must submit reports as specified in §63.7550.
- c. The Permittee must keep records as specified in §63.7555.
- d. The Permittee must keep the records in the format and for the duration as specified in §63.7560.

40 CFR Part 49 Requirements

II.H. Synthetic Minor New Source Review Permit Requirements [#SMNSR-SU-000010-2011.001]

Arkansas Loop and Simpson Treating Plants are subject to the requirements of permit #SMNSR-SU-000010-2011.001. Notwithstanding conditions in this permit, the permittee must comply with all requirements of #SMNSR-SU-000010-2011.001.

1. Applicability

- a. This permit is being issued under authority of the MNSR permit program.
- b. The requirements in this permit have been created, at the Permittee's request, to avoid the requirements of the Prevention of Significant Deterioration Permit Program at 40 CFR Part 52 (PSD) for construction of the Simpson Treating Plant (an otherwise PSD significant modification to the Arkansas Loop Treating Plant).
- c. Any conditions established for this facility or any specific units at this facility pursuant to any permit issued under PSD or the MNSR permit program shall continue to apply.
- d. By issuing this permit, the EPA does not assume any risk of loss which may occur as a result of the operation of the permitted facility by the Permittee, Owner, and/or Operator, if the conditions of this permit are not met by the Permittee, Owner, and/or Operator.

2. Construction Requirements

- a. The Permittee may install, maintain and operate the following equipment at the Simpson Treating Plant:

Table 3 – Approved Emission Unit Construction

Two (2) - 1,622 maximum site rated hp, 4SLB operated, natural gas-fired reciprocating internal combustion engines used for electric generation
One (1) - 80 MMBtu/hr, natural gas-fired custom made heat medium heater
One (1) - 100 MMscfd custom made amine plant
Two (2) - 70 MMscfd TEG Dehydration Systems each with 1.2 MMBtu/hr, natural gas-fired TEG reboiler
One (1) - 6,615 gallon inlet coalescing filter dump tank (production water)*
One (1) - 125 gallon heat medium makeup storage tank *
One (1) - 6,615 gallon heat medium pressure safety valve (PSV) blowdown tank *
One (1) - 30 gallon oil tote tank (anti-foam) *
One (1) - 1,575 gallon TEG makeup storage tank*
One (1) - 1,316 gallon still vent tank*
One (1) each 542 gallon coolant tank, coolant maintenance tank, used engine oil tank, engine oil tank*
One (1) each 55 gallon coolant overflow barrel and oil overflow barrel*
One (1) - 1,575 gallon TEG recovery tank*
One (1) - 2,835 gallon process and oily water drain tank*
One (1) - 2,835 gallon oily water sump tank*

*Insignificant emission unit, as defined in 40 CFR 71.2

- b. Only the engines that are operated and controlled as specified in this permit are approved for installation under this permit.

3. Emission Limits

- a. Total cumulative volatile organic compound (VOC) emissions from the approved emission units for the Simpson Treating Plant, specified in Table 1 above, shall not exceed 41.6 tons during any consecutive 12 months.
- b. VOC emissions (to include formaldehyde (CH₂O) and acetaldehyde) from each 1,622 hp 4SLB natural gas-fired engine shall not exceed the following:

- i. 2.1 pounds per hour (lbs/hr); and
 - ii. 9.4 tons per year (tpy).
- c. CH₂O emissions from each 1,622 hp 4SLB natural gas-fired engine shall not exceed the following:
- i. 1.4 lbs/hr; and
 - ii. 6.3 tpy.
- d. Emission limits shall apply at all times, unless otherwise specified in this permit.

4. Control and Operational Requirements

- a. The Permittee shall ensure that each engine is equipped with an oxidation catalyst control system capable of reducing uncontrolled VOC and CH₂O emissions to meet the emission limits specified in this permit.
- b. The Permittee shall install, operate and maintain temperature-sensing devices (i.e. thermocouple or resistance temperature detectors) before the catalytic control system on each engine to continuously monitor the exhaust temperature at the inlet of the catalyst bed. Each temperature-sensing device shall be calibrated and operated according to manufacturer specifications or equivalent specifications developed by the Permittee or vendor.
- c. Except during startups, which shall not exceed 30 minutes, the engine exhaust temperature of each engine, at the inlet to the catalyst bed shall be maintained at all times the engines operate with an inlet temperature of at least 550 °F and no more than 1,250 °F.
- d. During operation the pressure drop across the catalyst bed on each 1,622 hp engine shall be maintained to within ± 2 inches of water from the baseline pressure drop reading taken during the most recent performance test. The baseline pressure drop for the catalyst bed shall be determined at 100% \pm 10% of the engine load measured during the most recent performance test.
- e. The Permittee shall only fire each 1,622 hp 4SLB engine with natural gas. The natural gas shall be pipeline-quality in all respects except that the carbon dioxide (CO₂) concentration in the gas is not required to be within pipeline-quality.
- f. The Permittee shall follow, for each 1,622 hp 4SLB engine and its respective catalytic control

system, the manufacturer recommended maintenance schedule and procedures, or equivalent maintenance schedule and procedures developed by the Permittee or vendor, to ensure optimum performance of each engine and its respective catalytic control system.

- g. The Permittee may rebuild an existing permitted engine or replace an existing permitted engine with an engine of the same hp rating, and configured to operate in the same manner as the engine being rebuilt or replaced. Any emission limits, requirements, control technologies, testing or other provisions that apply to the permitted engines that are replaced shall also apply to the rebuilt and replaced engines.
- h. The Permittee may resume operation without the catalytic control system during an engine break-in period, not to exceed 200 operating hours, for rebuilt and replaced engines.

5. Performance Testing Requirements

- a. Performance tests shall be conducted on each 1,622 hp 4SLB natural gas-fired engine for measuring VOC, and CH₂O emissions to demonstrate compliance with the emission limits in this permit and establish a baseline percentage of the carbon monoxide (CO) emissions reduction that correlates with the compliance of the VOC and CH₂O emission limits. The performance tests shall be conducted in accordance with appropriate reference methods specified in 40 CFR Part 60, Appendix A, 40 CFR Part 63, Appendix A, or an EPA-approved American Society for Testing and Materials (ASTM) method. The Permittee may submit to the EPA a written request for approval of an alternate test method, but shall only use that alternate test method after obtaining approval from the EPA.
 - i. The initial performance test shall be conducted within 90 calendar days of startup of a new engine.
 - ii. Subsequent performance tests shall be conducted within 12 months of the most recent performance test.
 - iii. Performance tests shall be conducted within 90 calendar days of the replacement of a catalyst on an engine.
 - iv. Performance tests shall be conducted within 90 calendar days of startup of all rebuilt engines and replaced engines.
- b. The Permittee shall not perform engine tuning or make any adjustments to engine settings, catalytic control system settings, processes, or operational parameters the day of or during the engine testing. Any such tuning or adjustments may result in a determination by the EPA that the test is invalid. Artificially increasing an engine load to meet testing requirements is not considered engine tuning or adjustments.

- c. The Permittee shall not abort any engine tests that demonstrate non-compliance with the VOC or CH₂O emission limits in this permit.
- d. Performance tests conducted on each 1,622 hp 4SLB engine shall meet the following requirements:
 - i. Portable analyzer testing shall be conducted at least once during each performance test to establish a new baseline percentage reduction of CO emissions that correlates with compliance of the VOC and CH₂O emission limits.
 - ii. The pressure drop across each catalyst bed and the inlet temperature to each catalyst bed shall both be measured and recorded at least once during each performance test to establish a new baseline pressure drop and to demonstrate compliance with the operating temperature limitation of this permit.
 - iii. All performance tests shall be conducted at a maximum operating rate (90% to 110% of the maximum achievable engine load available at the time of the test). The Permittee may submit to the EPA a written request for approval of an alternate load level for testing, but shall only test at that alternative level after obtaining written approval from the EPA.
 - iv. During each test run, data shall be collected on all parameters necessary to document how VOC and CH₂O emissions, and percent reduction of CO emissions were measured and calculated (such as test run length, minimum sample volume, volumetric flow rate, moisture and oxygen corrections, etc.).
 - v. Each test shall consist of at least three 1-hour or longer valid test runs. Emission results shall be reported as the arithmetic average of all valid test runs and shall be in terms of the emission limits (lbs/hr) for VOC and CH₂O, and percentage reduction of CO.
 - vi. Performance test plans shall be submitted to the EPA for approval 60 calendar days prior to the date the test is planned.
 - vii. Performance test plans that have already been approved by the EPA for the emission units approved in this permit may be used in lieu of new test plans unless the EPA requires the submittal and approval of new test plans. The Permittee may submit new plans for EPA approval at any time.
 - viii. The test plans shall include and address the following elements:
 - 1. Purpose of the test;

2. Engines and catalytic control systems to be tested;
 3. Expected engine operating rate(s) during the test;
 4. Sampling and analysis procedures (sampling locations, test methods, laboratory identification);
 5. Quality assurance plan (calibration procedures and frequency, sample recovery and field documentation, chain of custody procedures); and
 6. Data processing and reporting (description of data handling and quality control procedures, report content).
- ix. The Permittee shall notify the EPA at least 30 calendar days prior to scheduled performance testing. The Permittee shall notify the EPA at least 1 week prior to scheduled performance testing if the testing cannot be performed.
- x. If a permitted engine is not operating, the Permittee does not need to start up the engine solely to conduct a performance test. The Permittee may conduct the performance test when the engine is started up again.

6. Monitoring Requirements

- a. The Permittee shall concurrently measure the flow rate of the acid gas entering the amine plant contactor at the Simpson Treating Plant in MMscf/hr using a flow meter and obtain a laboratory analysis of the CO₂ content of the acid gas entering the amine plant contactor, quarterly at a minimum.
- b. The Permittee shall continuously monitor the exhaust temperature of each engine at the inlet to each catalyst bed on each 1,622 hp 4SLB engine.
- c. Except during startups, which shall not exceed 30 minutes, if the engine exhaust temperature at the inlet to the catalyst bed on either 1,622 hp 4SLB natural gas-fired engine deviates from the acceptable ranges specified in this permit, then the following actions shall be taken. The Permittee's completion of any or all of these actions shall not constitute, nor qualify as, an exemption from any other emission limits in this permit.
 - i. Within 24 hours of determining a deviation of the engine exhaust temperature at the inlet to the catalyst bed, the Permittee shall investigate. The investigation shall include testing the temperature sensing device, inspecting the engine for performance problems and

assessing the catalytic control system for possible damage that could affect catalytic system effectiveness (including, but not limited to, catalyst housing damage, and fouled, destroyed or poisoned catalyst).

- ii. If the engine exhaust temperature at the inlet to the catalyst bed can be corrected by following the engine manufacturer recommended procedures or equivalent procedures developed by the Permittee or vendor, and the catalytic control system has not been damaged, then the Permittee shall correct the engine exhaust temperature at the inlet to the catalyst bed within 24 hours of inspecting the engine and catalytic control system.
- iii. If the engine exhaust temperature at the inlet to the catalyst bed cannot be corrected using the engine manufacturer recommended procedures or equivalent procedures developed by the Permittee or vendor, or the catalytic control system has been damaged, then the affected engine shall cease operating immediately and shall not be returned to routine service until the following has been met:
 1. The engine exhaust temperature at the inlet to the catalyst bed is measured and found to be within the acceptable temperature range for that engine; and
 2. The catalytic control system has been repaired or replaced, if necessary.
- d. The Permittee shall monitor the pressure drop across the catalyst bed on each 1,622 hp 4SLB engine every 30 days, using pressure sensing devices before and after the catalyst bed to obtain a direct reading of the pressure drop (also referred to as the differential pressure). *[Note to Permittee: Differential pressure measurements, in general, are used to show the pressure across the filter elements. This information will determine when the elements of the catalyst bed are fouling, blocked or blown out and thus require cleaning or replacement.]*
- e. The Permittee shall perform the first measurement of the pressure drop across the catalyst bed on each engine no more than 30 days from the date of the initial performance test. Thereafter, the Permittee shall measure the pressure drop across the catalyst bed, at a minimum, every 30 days. Subsequent performance tests, as required in this permit, can be used to meet the periodic pressure drop monitoring requirements provided it occurs within the 30-day window. The pressure drop reading can be a one-time measurement on that day, the average of performance test runs conducted on that day, or an average of all the measurements taken on that day if continuous readings are taken.
- f. If the pressure drop reading exceeds ± 2 inches of water from the baseline pressure drop established during the most recent performance test, then the following actions shall be taken. The Permittee's completion of any or all of these actions shall not constitute, nor qualify as, an

exemption from any other emission limits in this permit.

- i. Within 24 hours of determining a deviation of the pressure drop across the catalyst bed, the Permittee shall investigate. The investigation shall include testing the pressure transducers and assessing the catalytic control system for possible damage that could affect catalytic system effectiveness (including, but not limited to, catalyst housing damage, and plugged, fouled, destroyed, or poisoned catalyst).
- ii. If the pressure drop across the catalyst bed can be corrected by following the catalytic control system manufacturer recommended procedures or equivalent procedures developed by the Permittee or vendor, and the catalytic control system has not been damaged, then the Permittee shall correct the problem within 24 hours of inspecting the catalytic control system.
- iii. If the pressure drop across the catalyst bed cannot be corrected using the catalytic control system manufacturer recommended procedures or equivalent procedures developed by the Permittee or vendor, or the catalytic control system is damaged, then the Permittee shall do one of the following:
 1. Conduct a performance test within 90 calendar days, as specified in this permit to ensure that the VOC and CH₂O emission limits are being met, and to re-establish the baseline pressure drop across the catalyst bed. The Permittee shall measure CO emissions and determine the percent reduction using a portable analyzer and a monitoring protocol approved by the EPA to establish a new temporary pressure drop baseline until a performance test can be scheduled and completed; or
 2. Cease operating the affected engine immediately. The engine shall not be returned to routine service until the pressure drop is measured and found to be within the acceptable pressure range for that engine, as determined from the most recent performance test. Corrective action may include removal and cleaning of the catalyst or replacement of the catalyst.
- g. The Permittee shall monitor VOC and CH₂O emissions from the exhaust of the catalytic control system on each 1,622 hp 4SLB engine at least quarterly to demonstrate compliance with the emission limits in this permit. To meet this requirement, the Permittee shall:
 - i. Commence monitoring within 90 days of the Permittee's submittal of initial performance test results for VOC and CH₂O emissions, and the percentage reduction of CO emissions to the EPA; and

- ii. Measure CO emissions and the percentage reduction at the normal operating load using a portable analyzer and a monitoring protocol approved by the EPA as a surrogate to confirming compliance with the VOC and CH₂O emission limits using the baseline correlation established during the most recent performance test or conduct a performance test for VOC and CH₂O emissions as specified in this permit.

[Note to Permittee: The purpose for the option to measure CO emissions and percent reduction using a portable analyzer is to demonstrate VOC and CH₂O emissions reductions on a quarterly basis using CO as a surrogate, as there are currently no EPA-approved protocols for monitoring VOC or CH₂O emissions using a portable analyzer. If the catalyst is operating such that CO is effectively being reduced by at least as much as was measured during the most recent performance test where a correlation between compliance with the VOC and CH₂O emission limits was established, it can be verified that VOC and CH₂O limits are being achieved.]

- h. The Permittee shall not perform engine tuning or make any adjustments to engine settings, catalytic control system settings, or processes or operational parameters on the day of or during measurements. Any such tuning or adjustments may result in a determination by the EPA that the result is invalid. Artificially increasing an engine load to meet the testing requirements is not considered engine tuning or adjustments.
- i. For any one (1) engine: If the results of 2 consecutive quarterly portable analyzer measurements for percentage reduction of CO, or VOC and CH₂O performance tests, demonstrate compliance with the VOC and CH₂O emission limits, the required monitoring frequency for VOCs and CH₂O may change from quarterly to semi-annually.
- j. For any one (1) engine: If the results of any subsequent annual portable analyzer measurements for percentage reduction of CO, or VOC and CH₂O performance tests, demonstrate non-compliance with the VOC or CH₂O emission limits, the required monitoring frequency for VOCs and CH₂O shall change from semi-annually to quarterly.
- k. The Permittee shall submit portable analyzer specifications and monitoring protocols for to the EPA at the following address for approval at least 45 calendar days prior to the date of initial portable analyzer monitoring:

U.S. Environmental Protection Agency, Region 8
Office of Enforcement, Compliance & Environmental Justice
Air Toxics and Technical Enforcement Program, 8ENF-AT
1595 Wynkoop Street
Denver, Colorado 80202

- l. Portable analyzer protocols that have already been approved by the EPA for the emission units approved in this permit may be used in lieu of new protocols unless the EPA requires the submittal and approval of a new protocol. The Permittee may submit a new protocol for EPA approval at any time.
- m. The Permittee is not required to conduct emissions monitoring of VOC and CH₂O emissions and parametric monitoring of exhaust temperature and catalyst differential pressure on engines that have not operated during the monitoring period. The Permittee shall certify that the engine(s) did not operate during the monitoring period in the annual report specified in this permit.

7. Emissions Calculations

- a. Monthly emissions calculations shall be based on the actual average daily emissions for the Simpson Treating Plant for each month.
- b. VOC emissions from all controlled and uncontrolled emitting units, as specified in Table 1 of this permit, shall be included in the VOC emission calculations, including, but not limited to: the engines, heaters, amine plant TEG dehydrators and reboilers, and liquid storage tanks.
- c. VOC emissions from the 4SLB natural gas-fired engines shall also include acetaldehyde and CH₂O emissions.
- d. At the end of the first full calendar month following the initial performance tests for the 1,622 hp 4SLB engines, the Permittee shall calculate the actual VOC emissions, in tons per year (tpy) for the entire Simpson Treating Plant, and the actual VOC and actual CH₂O emissions in tpy from each 4SLB natural gas-fired engine for that month.
- e. Prior to twelve full months of emission calculations, the Permittee shall, at the end of each calendar month, add the emissions for that month to the calculated emissions for all previous months since the initial tests for the 1,622 hp 4SLB engines and record the total. Thereafter, the Permittee shall, at the end of each month, add the emissions for that month to the calculated emissions for the preceding eleven months and record a new twelve-month total.
- f. The total VOC emissions for the Simpson Treating Plant, and the VOC and CH₂O emissions for each 1,622 hp 4SLB engine shall be calculated as follows:
 - i. For each 1,622 hp 4SLB engine:
 1. CH₂O emissions shall be calculated by multiplying the most recent performance test results for CH₂O for each engine, in lb/hr by the number of operating hours for the engine for that month and converting to tpy.

2. Acetaldehyde emissions shall be calculated using the AP-42 emission factor and accompanying conversion formulas provided in AP-42, Fifth Edition, Volume I Chapter 3: Stationary Internal Combustion Sources, Section 3.2: Natural Gas-fired Reciprocating Combustion Engines, and the number of operating hours for the engine for that month and converting to tpy.
 3. VOC emissions for the month shall be calculated by multiplying the most recent performance test results for VOC in lbs/hr, by the number of operating hours the engine for that month, adding the calculated CH₂O and acetaldehyde emissions, and converting to tpy.
 4. Monthly emissions calculations shall account for any engine break-in period where the engine was operated without the catalytic control system installed. VOC and CH₂O emissions during break-in periods shall be calculated by multiplying the manufacturer-specified VOC and CH₂O emission factors in lb/hr for an uncontrolled engine by the hours the engine operated without the catalytic control system installed for that month, and converting to tpy.
- ii. For the remaining emission units at the Simpson Treating Plant, specified in Table 1 of this permit, except for the units identified as insignificant emission units (IEUs), total VOC emissions for the month shall be calculated as follows and then converted to tons:
1. For the 80 MMBtu/hr natural gas-fired custom made heat medium heater using the manufacturer-supplied VOC emission factor of 0.019 lb/mmscf, an hourly fuel consumption rate of 88.667 mmscf/hr (based on conservative fuel heat content of 900 Btu/scf), and the operating hours for the calendar month.
 2. For the 100 MMscfd custom made amine plant acid gas vent using the hours the amine plant operated for the month, and the appropriate manufacturer-specified VOC emission factor in lb/hr from Table 4 below, based on the results of the most recent CO₂ content laboratory analysis and the concurrently-measured throughput of the acid gas entering the amine plant contactor at the Simpson Treating Plant. If the results of the most recent laboratory analysis and measured throughput do not fall within the scenarios below, the Permittee shall use 0.7 lb/hr or obtain new emission factors from the manufacturer and use those factors as appropriate:

Table 4 – Emissions from Amine Plant CO2 Vent Stack¹

CO ₂ %	6% Summer ²	6% Winter ²	6.5% Summer ²	6.5% Winter ²	8% Summer ²	8% Winter ²
Gas through Contactor	100 MMscf/d	100 MMscf/d	88.8 MMscf/d	88.8 MMscf/d	79.2 MMscf/d	79.2 MMscf/d
Total VOC (lb/hr)	0.62	0.69	0.58	0.65	0.59	0.66

¹ Source: Red Cedar's December 20, 2011 Synthetic Minor NSR Permit Application. Emission factors, reported in tpy, are based on CO₂ content laboratory analysis of the acid gas entering the amine plant contactor and have been converted to lb/hr.

² Summer vs. winter distinction based on ambient temperatures of 90° F and 10° F, respectively. Similar to natural gas dehydration units, the amine process is more efficient in colder weather, so more gas can be processed in the winter.

3. For the two (2) 70 MMscfd TEG dehydration systems, adding the following, calculated as described below:

(A) The VOC emissions for each of the two (2) 1.2 MMBtu/hr natural gas-fired TEG reboilers, using: the VOC emission factor of 5.5 lb/MMscf found in AP-42 Fifth Edition, Volume I, Chapter 1: Stationary External Combustion Sources, Section 1.4: Natural Gas Combustion, Table 1.4-2; the hourly fuel consumption rate of 1.667 mmscf/hr (based on conservative fuel heat content of 900 Btu/scf); and the operating hours for the calendar month; and

(B) The VOC emissions from each of the TEG dehydration system regenerator still vents and flash tanks, using GRIGlyCalc Version 4.0 or higher.

4. If data on operating hours is not available for a particular unit for that month, full-time operation (24 hours per day) for the month shall be assumed.
- iii. Total VOC emissions for each of the liquid storage tank IEUs at the Simpson Treating Plant specified in Table 1 of this permit, for each month, shall be 1/12 of the annual emissions estimated in tons using EPA Tanks Version 4.0 or higher.
 - iv. Subsequent to the initial calculation, emissions of VOC for the Simpson Treating Plant shall be calculated each month, as specified above, except that for calculating VOC and CH₂O emissions from each 1,622 hp 4SLB natural gas-fired engine, results from the most recent performance tests shall be used in the calculation.

8. Recordkeeping Requirements

The Permittee shall keep the following records:

- a. The total monthly and 12-month consecutive VOC emissions for the Simpson Treating Plant

- and all information used to calculate the values;
- b. The total monthly and 12-month consecutive VOC and CH₂O emissions for each 1,622 hp 4SLB natural gas-fired engine and all information used to calculate the values;
 - c. Manufacturer specifications, maintenance requirements, and all documentation pertaining to the development of VOC emission factors for the 100 MMscfd custom-made amine plant.
 - d. Manufacturer and/or equivalent Permittee or vendor specifications and maintenance requirements for each engine, catalytic control system, temperature-sensing device, and pressure-measuring device;
 - e. All calibration and maintenance conducted for each engine, catalytic control system, temperature-sensing device, and pressure-measuring device;
 - f. All temperature measurements on each engine required by this permit, as well as a description of any corrective actions taken pursuant to this permit;
 - g. All pressure drop measurements on each engine required by this permit, as well as a description of any corrective actions taken pursuant to this permit;
 - h. Records sufficient to demonstrate, pursuant to this permit, that the fuel for the engines is pipeline-quality natural gas in all respects, with the exception of the CO₂ concentration in the natural gas;
 - i. The results of all required testing and monitoring in this permit. The records shall include the following:
 - i. The date, place, and time of sampling or measurements;
 - ii. The date(s) analyses were performed;
 - iii. The company or entity that performed the analyses;
 - iv. The analytical techniques or methods used;
 - v. The results of such analyses or measurements; and
 - vi. The operating conditions as existing at the time of sampling or measurement;
 - j. All catalyst replacements, engine rebuilds, and engine replacements;

- k. Each rebuilt or replaced engine break-in period, pursuant to the requirements of this permit, where an existing engine that has been rebuilt or replaced resumes operation without the catalyst control system, for a period not to exceed 200 operating hours; and
- l. Each time any engine is shut down due to a deviation at the inlet temperature to the catalyst bed or pressure drop across the catalyst bed. The Permittee shall include in the record the cause of the problem, the corrective action taken, and the timeframe for bringing the temperature at the inlet to the catalyst bed or the pressure drop across the catalyst bed back into the range of compliance.

9. Records Retention

- a. The Permittee shall retain all records required by this permit for a period of at least 5 years from the date the record was created.
- b. Records shall be kept at the facility or the location that has day-to-day operational control over the facility.

II.I. Minor New Source Review Permit Requirements (#MNSR-SU-000010-2014.002)

Arkansas Loop and Simpson Treating Plants are subject to the requirements of permit #MNSR-SU-000010-2014.002. Notwithstanding conditions in this permit, the permittee must comply with all requirements of permit #MNSR-SU-000010-2014.002.

1. Applicability

- a. This Conditional Permit to Construct is being issued under authority of the MNSR Permit Program.
- b. Any conditions for this facility or any specific units at this facility established pursuant to any permit to construct issued under the authority of the Prevention of Significant Deterioration Permit Program at 40 CFR Part 52 (PSD) or the MNSR permit program shall continue to apply.
- c. By issuing this permit, the EPA does not assume any risk of loss which may occur as a result of the operation of the permitted facility by the Permittee, Owner, and/or Operator, if the conditions of this permit are not met by the Permittee, Owner, and/or Operator.

2. Construction and Operational Requirements

- a. The Permittee may install, operate, and maintain no more than two (2) reciprocating internal combustion engines for natural gas compression, each meeting the following specifications:
 - i. Operated as a 4-stroke lean-burn engine;
 - ii. Fired with natural gas; and
 - iii. Limited to a maximum site rating of 1,767 hp.
- b. Only the engines that are operated and controlled as specified in this permit are approved for installation under this permit.

3. Emission Limits

- a. Emissions from each engine shall not exceed the following:
 - i. Nitrogen oxides (NO_x): 1.0 grams per horsepower-hour (g/hp-hr);
 - ii. Carbon monoxide (CO): 2.0 g/hp-hr
 - iii. Volatile organic compounds (VOCs): 0.7 g/hp-hr.
- b. Emission limits shall apply at all times, unless otherwise specified in this permit.

4. Control and Operational Requirements

- a. In the event that an engine cannot meet the emission limits specified in this permit without emission controls, the engine shall be equipped with an air-to-fuel ratio (AFR) and/or catalytic control system that is capable of reducing the mass content of uncontrolled emissions to meet the emission limits specified in this permit.
- b. AFR Control Systems: If an AFR control system is used to meet the emission limits specified in this permit, then the Permittee shall replace the oxygen (O₂) sensor on the AFR controller within every 2,190 hours of engine run time.
- c. Catalytic Control Systems: If an AFR control system is used to meet the emission limits specified in this permit, then the following requirements shall be met:
 - i. The Permittee shall install, operate, and maintain one of the following:

1. Temperature-sensing devices (i.e., thermocouple or resistance temperature detectors) before the catalytic control system on each engine to continuously monitor the exhaust temperature at the inlet of the catalyst bed. Each temperature-sensing device shall be calibrated and operated according to manufacturer specifications; or
 2. Equipment to automatically shut down the engine if the catalyst inlet temperature exceeds 1,350 °F.
- ii. Except during startups, which shall not exceed 30 minutes, the engine exhaust temperature of the engine at the inlet to each catalyst bed shall be maintained at all times the engine operates at no less than 450 °F and no more than 1,350 °F.
 - iii. During operation, the pressure drop across the catalyst bed on each engine shall be maintained to within ± 2 inches of water from the baseline pressure drop measured during the initial performance test, or the most recent performance test following replacement of the catalyst on an engine, if applicable. The baseline pressure drop for the catalyst bed shall be determined at 100% $\pm 10\%$ of the engine load measured during the most recent performance test.
- d. The Permittee shall only fire each engine with natural gas. The natural gas shall be pipeline-quality in all respects except that the carbon dioxide (CO₂) concentration in the gas is not required to be within pipeline-quality.
 - e. The Permittee shall follow, for each engine and any respective emission control system, the manufacturer recommended maintenance schedule and procedures, or equivalent procedures developed by the Permittee or vendor, to ensure optimum performance of each engine and any respective emission control system.
 - f. The Permittee may rebuild or replace an existing permitted engine with an engine of the same hp rating, and configured to operate in the same manner as the engine being rebuilt or replaced. Any emission limits, requirements, control technologies, testing or other provisions that apply to the permitted engines that are replaced shall also apply to the rebuilt and replaced engines.
 - g. The Permittee may resume operation without any necessary control system, during an engine break-in period, not to exceed 200 operating hours, for rebuilt and replaced engines.

5. Performance Testing Requirements

- a. Performance tests shall be conducted on each engine for measuring NO_x, CO, and VOC, to demonstrate compliance with the emission limits in this permit. The performance tests shall be

conducted in accordance with appropriate reference methods specified in 40 CFR Part 60, Appendix A, or an EPA-approved American Society for Testing and Materials (ASTM) method. The Permittee may submit to the EPA a written request for approval of an alternate test method, but shall only use that alternate test method after obtaining written approval from the EPA.

- i. The initial performance test shall be conducted within 90 calendar days of startup of a new engine.
 - ii. Subsequent performance tests for VOC emissions shall be conducted within 12 months of the most recent performance test.
 - iii. Performance tests shall be conducted within 90 calendar days of replacement of the catalyst on an engine.
 - iv. Performance tests shall be conducted within 90 calendar days of startup of all rebuilt and replaced engines.
- b. All performance tests conducted on each engine shall meet the following requirements:
- i. All tests shall be performed at a maximum operating rate (90% to 110% of the maximum achievable engine load available at the time of the test). The Permittee may submit to the EPA a written request for approval of an alternate load level for testing, but shall only test at that alternative level after obtaining written approval from the EPA.
 - ii. All performance tests for NO_x and CO emissions on each engine shall be performed simultaneously.
 - iii. During each test run, data shall be collected on all parameters necessary to document how NO_x, CO, and VOC emissions were measured and calculated (such as test run length, minimum sample volume, volumetric flow rate, moisture and oxygen corrections, etc.).
 - iv. Each test shall consist of at least three 1-hour or longer valid test runs. Emission results shall be reported as the arithmetic average of all valid test runs and shall be in terms of the emission limits (g/hp-hr) in this permit.
 - v. The Permittee shall not abort any engine tests that demonstrate non-compliance with the emission limits in this permit.

- vi. Catalytic Control Systems: If a catalytic control system is used to meet the emission limits in this permit, the pressure drop across each catalyst bed and the inlet temperature to each catalyst bed shall be measured and recorded at least once per test to demonstrate compliance with the operating limitations of this permit.
- vii. Performance test plans shall be submitted to the EPA for approval 60 calendar days prior to the date the test is planned.
- viii. The test plans shall include and address the following elements:
 - 1. Purpose of the test;
 - 2. Engines, and oxidation catalysts if applicable, to be tested
 - 3. Expected engine operating rate(s) during test;
 - 4. Sampling and analysis procedures (sampling locations, test methods, laboratory identification);
 - 5. Quality assurance plan (calibration procedures and frequency, sample recovery and field documentation, chain of custody procedures); and
 - 6. Data processing and reporting (description of data handling and quality control procedures, report content).
- ix. The Permittee shall notify the EPA at least 30 calendar days prior to scheduled performance testing. The Permittee shall notify the EPA at least 1 week prior to scheduled performance testing if the testing cannot be performed.
- x. If a permitted engine is not operating, the Permittee does not need to start up the engine solely to conduct a performance test. The Permittee may conduct the performance test when the engine is started up again.

6. Monitoring Requirements

- a. The Permittee shall monitor NO_x and CO emissions from each engine, at least quarterly to indicate compliance with the emission limits in this permit. To meet this requirement, the Permittee shall:
 - i. Measure NO_x and CO emissions, at the normal operating load using a portable analyzer and a monitoring protocol approved by the EPA or conduct a performance test as specified in this permit;

- ii. Measure NOx and CO emissions simultaneously;
 - iii. Commence monitoring within 90 days of the Permittee's submittal of initial performance test results for NOx and CO emissions to the EPA.
- b. For any one (1) engine: If the results of 2 consecutive quarterly portable analyzer measurements demonstrate compliance with the NOx and CO emission limits in this permit, the required monitoring frequency may change from quarterly to semi-annually.
 - c. For any one (1) engine: If the results of any subsequent semi-annual portable analyzer measurements for NOx or CO demonstrate non-compliance with the NOx and/or CO emission limits in this permit, the required monitoring frequency shall revert from semi-annually back to quarterly.
 - d. The Permittee shall submit portable analyzer specifications and a monitoring protocol to the EPA at the following address for approval at least 45 calendar days prior to the date of initial portable analyzer monitoring:

U.S. U.S. Environmental Protection Agency, Region 8
Office of Enforcement, Compliance & Environmental Justice
Air Toxics and Technical Enforcement Program, 8ENF-AT
1595 Wynkoop Street
Denver, Colorado 80202

- e. The Permittee may submit a new portable analyzer protocol for EPA approval at any time.
- f. Catalytic Control Systems: If a catalytic control system is used to meet the emission limits specified in this permit, then the following monitoring requirements shall be met:
 - i. The Permittee shall monitor the exhaust temperature of each engine at the inlet to the catalyst bed.
 - ii. Except during startups, which shall not exceed 30 minutes, if the engine's exhaust temperature at the inlet to the catalyst bed deviates from the acceptable ranges specified in this permit, then the following actions shall be taken. The Permittee's completion of any or all of these actions shall not constitute, nor qualify as, an exemption from any other emission limits in this permit.
 - 1. Within 24 hours of determining a deviation of the engine exhaust temperature at the inlet to the catalyst bed, the Permittee shall investigate. The investigation shall include

testing the temperature sensing device, inspecting the engine for performance problems and assessing the catalytic control system for possible damage that could affect catalytic system effectiveness (including, but not limited to, catalyst housing damage, and fouled, destroyed or poisoned catalyst).

2. If the engine exhaust temperature at the inlet to the catalyst bed can be corrected by following the engine manufacturer recommended procedures or equivalent procedures developed by the Permittee of vendor, and the catalytic control system has not been damaged, then the Permittee shall correct the engine exhaust temperature at the inlet to the catalyst bed within 24 hours of inspecting the engine and catalytic control system.
3. If the engine exhaust temperature at the inlet to the catalyst bed cannot be corrected using the engine manufacturer recommended procedures or equivalent procedures developed by the Permittee or vendor, or the catalytic control system has been damaged, then the affected engine shall cease operating immediately and shall not be returned to routine service until the following has been met:

(A) The engine exhaust temperature at the inlet to the catalyst bed is measured and found to be within the acceptable range for that engine; and

(B) The catalytic control system has been repaired or replaced, if necessary.

- iii. The Permittee shall monitor the pressure drop across the catalyst bed on each engine every 30 days, using pressure sensing devices before and after the catalyst bed to obtain a direct reading of the pressure drop (also referred to as the differential pressure). *[Note to Permittee: Differential pressure measurements, in general, are used to show the pressure across the filter elements. This information will determine when the elements of the catalyst bed are fouling, blocked or blown out and thus require cleaning or replacement.]*
- iv. The Permittee shall perform the first measurement of the pressure drop across the catalyst bed no more than 30 calendar days from the date of the initial performance test. Thereafter, the Permittee shall measure the pressure drop across the catalyst bed, at a minimum, every 30 calendar days. Subsequent performance tests, as required in this permit, can be used to meet the periodic pressure drop monitoring requirements provided it occurs within the 30-day window. The pressure drop reading can be a one-time measurement on that day, the average of performance test runs conducted on that day, or an average of all measurements taken on that day if continuous readings are taken.
- v. If the pressure drop exceeds ± 2 inches of water from the baseline pressure drop established during the initial performance test of most recent performance test following

replacement of the catalyst in an engine, then the following actions shall be taken. The Permittee's completion of any or all of these actions shall not constitute, nor qualify as, an exemption from any other emission limits in this permit.

1. Within 24 hours of determining a deviation of the pressure drop across the catalyst bed, the Permittee shall investigate. The investigation shall include testing the pressure transducers and assessing the catalytic control system for possible damage that could affect the catalytic system effectiveness (including, but not limited to, catalyst housing damage, and plugged, fouled, destroyed, or poisoned catalyst).
 2. If the pressure drop across the catalyst bed can be corrected by following the catalytic control system manufacturer recommended procedures or equivalent procedures developed by the Permittee or vendor, and the catalytic control system has not been damaged, then the Permittee shall correct the problem within 24 hours of inspecting the catalytic control system.
 3. If the pressure drop across the catalyst bed cannot be corrected using the catalytic control system manufacturer recommended procedures or equivalent procedures developed by the Permittee or vendor, or the catalytic control system is damaged, then the Permittee shall do one of the following:
 - (A) Conduct a performance test within 90 calendar days, as specified in this permit to ensure that the emission limits are being met. The Permittee shall perform a portable analyzer test to indicate compliance with the emission limits in this permit until a performance test can be scheduled and completed; or
 - (B) Cease operating the affected engine immediately. The engine shall not be returned to routine service until the pressure drop is measured and found to be within the acceptable pressure range for that engine, as determined from the most recent performance test. Corrective action may include removal and cleaning of the catalyst or replacement of the catalyst.
- g. The permittee is not required to conduct emissions monitoring, and parametric monitoring of engine exhaust temperature and catalyst differential pressure, if applicable, on engines that have not operated during the monitoring period. The Permittee shall certify that the engine(s) did not operate during the monitoring period in the annual report.

7. Recordkeeping Requirements

The Permittee shall keep the following records:

- a. The total monthly and 12-month consecutive NO_x, CO and VOC emissions from each engine and all information used to calculate the values;
- b. Manufacturer, Permittee, or vendor specifications for each engine, AFR controller, catalytic control system, temperature-sensing device, and pressure-measuring device, as applicable;
- c. All calibration and maintenance conducted for each engine, AFR controller, catalytic control system, temperature-sensing device, and pressure-measuring device, as applicable;
- d. All temperature measurements on each engine with a catalytic control system, as well as a description of any corrective actions taken pursuant to this permit;
- e. All pressure drop measurements on each engine with a catalytic control system, as well as a description of any corrective actions taken pursuant to this permit;
- f. Records sufficient to demonstrate, pursuant to this permit, that the fuel for the engines is pipeline-quality natural gas in all respects, with the exception of the CO₂ concentration in the natural gas;
- g. The results of all required testing and monitoring in this permit. The records shall include the following:
 - i. The date, place, and time of sampling or measurements;
 - ii. The date(s) analyses were performed;
 - iii. The company or entity that performed the analyses;
 - iv. The analytical techniques or methods used;
 - v. The results of such analyses or measurements; and
 - vi. The operating conditions as existing at the time of sampling or measurement
- h. All catalyst replacements, engine rebuilds, and engine replacements;
 - i. Each rebuilt or replaced engine break-in period, pursuant to the requirements of this permit, where an existing engine with a catalytic control system that has been rebuilt or replaced resumes operation without the catalytic control system, for a period not to exceed 200 hours; and

- j. Each time any engine with a catalytic control system is shut down due to a deviation at the inlet temperature to the catalyst bed or pressure drop across the catalyst bed. The Permittee shall include in the record the cause of the problem, the corrective action taken, and the timeframe for bringing the temperature at the inlet to the catalyst bed or the pressure drop across the catalyst bed back into the range of compliance.

8. Records Retention

- a. The Permittee shall retain all records required by this permit for a period of at least 5 years from the date the record was created.
- b. Records shall be kept at the facility or the location that has day-to-day operational control over the facility.

II.J. Part 49 Reporting Requirements and General Provisions [permit #SMNSR-SU-000010-2011.001, permit #MNSR-SU-000010-2014.002, RAC 2-110(5)(a), and RAC 2-110(7)]

Arkansas Loop and Simpson Treating Plants are subject to the following General Provisions from permit #SMNSR-SU-000010-2011.001 and permit #MNSR-SU-000010-2014.002:

1. Reporting Requirements

- a. Annual Emission Reports
 - i. The Permittee shall submit annual emission reports of the actual annual emissions from all emission units at the facility covered under permit #SMNSR-SU-000010-2011.001 and permit #MNSR-SU-000010-2014.002, including emissions from startups, shutdowns, and malfunctions, each year no later than April 1st. The annual report shall cover the period for the previous calendar year. All reports shall be certified to truth and accuracy by the person primarily responsible for Clean Air Act compliance for the Permittee.
 - ii. The reports shall include NO_x, CO, VOC, and CH₂O emissions.
 - iii. The reports shall be submitted to:

U.S. Environmental Protection Agency, Region 8
Office of Partnerships and Regulatory Assistance
Tribal Air Permitting Program, 8P-AR
1595 Wynkoop Street
Denver, Colorado 80202

- b. Any documents required to be submitted under permit #SMNSR-SU-000010-2011.001 and #MNSR-SU-000010-2014.002, with the exception of the Annual Emission Reports, shall be submitted to:

U.S. Environmental Protection Agency, Region 8
Office of Enforcement, Compliance & Environmental Justice
Air Toxics and Technical Enforcement Program, 8ENF-AT
1595 Wynkoop Street
Denver, Colorado 80202

Documents may be submitted electronically to r8AirReportEnforcement@epa.gov.

- c. The Permittee shall promptly submit to the EPA a written report of any deviations of permit requirements and a description of any corrective actions or preventative measures taken. A “prompt” deviation report is one that is post marked or submitted via electronic mail to r8AirReportEnforcement@epa.gov as follows:
- i. Within 30 days from the discovery of any deviation of the emission limits or operational limits that is left un-corrected for more than 5 days after discovering the deviation; and
 - ii. By April 1st for the discovery of a deviation of recordkeeping or other permit conditions during the preceding calendar year that do not affect the Permittee’s ability to meet the emission limits.
- d. The Permittee shall submit a report for any required performance test to the EPA Regional Office within 60 days after completing the tests.
- e. The permittee shall submit any record or report required by the permit upon EPA request.

2. General Provisions

Conditional Approval:

Pursuant to the authority of 40 CFR 49.151, the EPA conditionally granted permit to construct #SMNSR-SU-000010-2011.001 and #MNSR-SU-000010-2014.002. The authorization is expressly conditioned as follows:

- a. *Document Retention and Availability:* The permit and any required attachments shall be retained and made available for inspection upon request at the location set forth herein.
- b. *Permit Application:* The permittee shall abide by all representations, statements of intent and agreements contained in the permit applications submitted by the Permittee. The EPA shall be

notified 10 days in advance of any significant deviation from a permit application as well as any plans, specifications or supporting data furnished.

- c. *Permit Deviations:* The issuance of permit #SMNSR-SU-000010-2011.001 or permit #MNSR-SU-000010-2014.002 may be suspended or revoked if the EPA determines that a significant deviation from the permit application, specifications, and supporting data furnished has been, or is to be made. If the proposed source is constructed, operated, or modified not in accordance with the terms of the permit, the Permittee will be subject to appropriate enforcement action.
- d. *Compliance with Permit:* The Permittee shall comply with all conditions of permit #SMNSR-SU-000010-2011.001 and permit #MNSR-SU-000010-2014.002, including emission limitations that apply to the affected emissions units at the permitted facility/source. Noncompliance with any permit term or condition is a violation of the permit and may constitute a violation of the Clean Air Act and is grounds for enforcement action and for a permit termination or revocation.
- e. *Fugitive Emissions:* The Permittee shall take all reasonable precautions to prevent and/or minimize fugitive emissions during the construction period.
- f. *National Ambient Air Quality Standard and PSD Increment:* The permitted source shall not cause or contribute to a National Ambient Air Quality Standard violation or a PSD increment violation.
- g. *Compliance with Federal and Tribal Rules, Regulations, and Orders:* Issuance of the permit does not relieve the Permittee of the responsibility to comply fully with all other applicable federal and tribal rules, regulations, and order nor or hereafter in effect.
- h. *Enforcement:* It is not a defense, for the Permittee, in an enforcement action, to claim that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of the permit.
- i. *Modifications of Existing Emissions Unit/Limits:* For proposed modifications, as defined at §49.152(d), that would increase an emissions unit allowable emissions of pollutants above its existing permitted annual allowable emissions limit, the Permittee shall first obtain a permit modification pursuant to the MNSR regulations approving the increase. For a proposed modification that is not otherwise subject to review under the PSD of MNSR regulations, such proposed increase in the annual allowable emissions limit shall be approved through an administrative permit revision as provided at §49.159(f).

- j. *Relaxation of Legally and Practically Enforceable Limits:* At such time that a new or modified source within the permitted facility/source or modification of the permitted facility/source becomes a major stationary source or major modification solely by virtue of a relaxation in any legally and practically enforceable limitation which was established after August 7, 1980, on the capacity of the permitted facility/source to otherwise emit a pollutant, such as a restriction on hours of operation, then the requirements of the PSD regulations shall apply to the source or modification as though construction had not yet commenced on the source or modification.
- k. *Revise, Reopen, Revoke and Reissue, or Termination for Cause:* Permit #SMNSR-SU-000010-2011.001 or permit #MNSR-SU-000010-2014.002 may be revised, reopened, revoked and reissued, or terminated for cause. The filing of a request by the Permittee, for a permit revision, revocation and reissuance, or termination, or of a notification of planned changes or anticipated noncompliance does not stay any permit condition. The EPA may reopen a permit for cause on its own initiative, e.g., if the permit contains a material mistake of the Permittee fails to assure compliance with the applicable requirements.
- l. *Severability Clause:* The provisions of permit #SMNSR-SU-000010-2011.001 and permit #MNSR-SU-000010-2014.002 are severable, and in the event of any challenge to any portion of the permit, or if any portion is held invalid, the remaining permit conditions shall remain valid and in force.
- m. *Property Rights:* Permit #SMNSR-SU-000010-2011.001 and permit #MNSR-SU-000010-2014.002 do not convey any property rights of any sort or any exclusive privilege.
- n. *Information Requests:* The Permittee shall furnish to the EPA, within a reasonable time, any information that the EPA may request in writing to determine whether cause exists for revising, revoking and reissuing, or terminating permit #SMNSR-SU-000010-2011.001 or permit #MNSR-SU-000010-2014.002, or to determine compliance with the permit. For any such information claimed to be confidential, you shall also submit a claim of confidentiality in accordance with 40 CFR Part 2, Subpart B.
- o. *Inspection and Entry:* The EPA or its authorized representatives may inspect the permitted facility/source during normal business hours for the purpose of ascertaining compliance with all conditions of the permit. Upon presentation of proper credentials, the Permittee shall allow the EPA or its authorized representatives to:
 - i. Enter upon the premises where the permitted facility/source is located or emissions related activity is conducted, or where records are required to be kept under the conditions of this permit;

- ii. Have access to and copy, at reasonable times, any records that are required to be kept under the conditions of the permit;
 - iii. Inspect, during normal business hours or while this permitted facility/source is in operation, any facilities, equipment (including monitoring and air pollution control equipment), practices, or operations regulated or required under the permit;
 - iv. Sample of monitor, at reasonable times, substances or parameters for the purpose of assuring compliance with the permit or other applicable requirements; and
 - v. Record any inspection by use of written, electronic, magnetic and photographic media.
- p. *Permit Effective Date:* The permit is effective immediately upon issuance unless comments resulted in a change in the proposed permit, in which case the permit is effective 30 days after issuance. The Permittee may notify the EPA, in writing, that the permit or a term or condition of it is rejected. Such notice should be made within 30 days of receipt of the permit and should include the reason or reasons for rejection.
- q. *Permit Transfers:* Permit transfers shall be made in accordance with 40 CFR 49.159(f). The Air Program Director shall be notified in writing at the address shown below if the company is sold or changes its name.
- U.S. Environmental Protection Agency, Region 8
Office of Partnerships and Regulatory Assistance
Tribal Air Permitting Program, 8P-AR
1595 Wynkoop Street
Denver, Colorado 80202
- r. *Invalidation of Permit:* The permit becomes invalid if construction is not commenced within 18 months after the effective date of the permit, construction is discontinued for 18 months or more, or construction is not completed within a reasonable time. The EPA may extend the 18 month period upon a satisfactory showing that an extension is justified. This provision does not apply to the time period between the construction of the approved phases of a phased construction project. The Permittee shall commence construction of each such phase within 18 months of the projected and approved commencement date.
- s. *Notification of Start-Up:* The Permittee shall submit a notification of the anticipated date of initial start-up of the permitted source to the EPA within 60 days of such date, unless the permitted source is an existing source.

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)]

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.

III.B. General Reporting Requirements

1. The permittee shall submit to the Tribe all reports of any required monitoring under this permit semiannually, by April 1 and October 1 of each year. The report due on April 1 shall cover the July 1 - December 31 reporting period of the previous calendar year. The report due on October 1 shall cover the January 1 - June 30 reporting period of the current calendar year. 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 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 replacement is not subject to any requirements under Title IV of the Clean Air Act and is not a modification under Title I of the Clean Air Act;
- b. The replacement engine is of the same make, model, horsepower rating, and configured to operate in the same manner as the engine being replaced.
- c. The replacement 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 replacement engine are already identified in the permit. Replacement of an existing engine identified in this permit with a new, modified, or reconstructed 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
 - vi. 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. Such notice shall state when the replacement occurred and shall describe the replacement and any applicable requirement that would apply as a result of the replacement.
3. The Permittee shall keep a record of the engine replacement.

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;
3. The applicable requirements of the acid rain program consistent with section 408(a) of the Act; or
4. 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.

III.E. Chemical Accident Prevention

1. The permittee has more than a threshold quantity of a regulated substance in a process, as determined under §68.115, and shall comply with the requirements of the Chemical Accident Prevention Provisions at 40 CFR Part 68 no later than the latest of the following dates:
 - a. June 21, 1999; or
 - b. Three (3) years after the date on which a regulated substance is first listed under 40 CFR §68.130; or
 - c. The date on which a regulated substance is first present above a threshold quantity in process

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 for each fee pollutant. 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

- a. 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 31st 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)(1)(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 request in writing to determine whether cause exists for reopening and revising, 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/environmental-programs/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:
Part 70 Program
Environmental Programs Division
Air Quality Program
P.O. Box 737 MS #84
Ignacio, Colorado 81137

or by Common Carrier:
Part 70 Program
Environmental Programs Division
Air Quality Program
398 Ouray Drive
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 revision meets the criteria for use of minor permit revision 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.

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 proceeding 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]

1. 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 at Red Cedar's Corporate Headquarters offices in Durango, Colorado, and made available to the Tribe on request, in accordance with the general recordkeeping provision of this permit.

[RAC 2-110(6)]

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 five years from the effective date of this permit.

[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 310/318, travel east on CR 310/318 for 2.7 miles, turn south on dirt road (Arkansas Loop Road), continue south 0.2 miles. Turn left at intersection, travel 4.7 miles, stay right at the Crows Foot Intersection. Continue south to the Arkansas Loop Plant, it is on the right.

Alt. Route – From Hwy 550 and CR 310/318 going east, travel approximately 10 miles and turn right at the dirt road. Travel approximately 1.5 miles up Herrera Hill, stay to the right at the top of the hill. Continue approximately 3.8 miles to Crows Foot, turn left, station is on the right at the bottom of the hill.

2. Global Positioning System (GPS):

Latitude: N 37.053195

Longitude: W 107.785518

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 to be issued prior to the performance of any hot work at the station.