Air Pollution Control
Title V Permit to Operate
Statement of Basis for Permit No. V-SUIT-0049-2015.02
Minor Permit Revision
February 20, 2019

Red Cedar Gathering Company
Sambrito Compressor Station
Southern Ute Indian Reservation
La Plata County, Colorado

Description of Permit Revision

On November 27, 2018, the Southern Ute Indian Tribe Air Quality Program (AQP) received a minor permit revision request from Red Cedar Gathering Company (Red Cedar) for the Sambrito Compressor Station. Red Cedar requested a permit revision to add the serial number and install date for emission unit C-2500, a 4735 horsepower four-stroke lean-burn reciprocating internal combustion engine, authorized to be constructed by Tribal Minor New Source Review permit #SMNSR-SU-000049-2011.001.

Specifically, the following revisions have been made to this permit:

The permit was updated to the AQP's new permit format.

Section I.2. - Source Emission Points - Table 1 - Emission Units

- Added serial number and install date for emission unit C-2500

Section III.1. – 40 CFR 60 Subpart OOOOa

- Added applicable requirements (collection of fugitive emissions components at a compressor station and reciprocating compressor rod packing requirements).

Section III.2. – 40 CFR 63 Subpart ZZZZ

- Added C-2500 to applicable requirements

AQP is making this revision as a minor permit revision in accordance with RAC 2-111(3). The permit will be reissued as permit number V-SUIT-0049-2015.02.

For specific applicability information regarding the Part 70 permit for this facility, please reference the Statement of Basis for permit number V-SUIT-0049-2015.00.

Air Pollution Control
Title V Permit to Operate
Statement of Basis for Permit No. V-SUIT-0049-2015.01
Administrative Permit Revision
May 23, 2016

Red Cedar Gathering Company
Sambrito Compressor Station
Southern Ute Indian Reservation
La Plata County, Colorado

Description of Permit Revision

On May 16th, 2016, the Southern Ute Indian Tribe Air Quality Program (AQP) received an administrative permit revision request from Red Cedar Gathering Company (Red Cedar) for the Sambrito Compressor Station. Red Cedar requested a permit revision to correct the serial numbers for compressor engines C-2100 and C-2200, which were inadvertently switched in the original permit application.

Specifically, the following revisions have been made to this permit:

Section I.B. - Source Emission Points - Table 1 - Emission Units

- Serial numbers for emission units C-2100 and C-2200, which were mistakenly switched in the original permit application, have been corrected.

AQP is making this revision as an administrative permit revision in accordance with RAC 2-111(2). The permit will be reissued as permit number V-SUIT-0049-2015.01.

For specific applicability information regarding the Part 70 permit for this facility, please reference the Statement of Basis for permit number V-SUIT-0049-2015.00.

Air Pollution Control
Title V Permit to Operate
Statement of Basis for Permit No V-SUIT-0049-2015.00
January 6, 2015

Red Cedar Gathering Company
Sambrito Compressor Station
Southern Ute Indian Reservation
La Plata County, Colorado

1. Facility Information

a. Location

The Sambrito Compressor Station, owned and operated by Red Cedar Gathering Company (Red Cedar), is located within the exterior boundary of the Southern Ute Indian Reservation. The exact location is Section 3, T32N, R6W, in La Plata County, at latitude North 37.044483 and longitude West 107.493534. The Mailing address is:

Red Cedar Gathering Company
Sambrito Compressor Station
125 Mercado St.; Suite 201
Durango, CO 81301

b. Contacts

Facility Contact:
Daniel Fauth
Environmental Compliance Specialist, Air Quality
Red Cedar Gathering Company
125 Mercado Street; Suite 201
Durango, CO 81301
970-764-6910

Responsible Official:
Albert J. Brown
President
Red Cedar Gathering Company
125 Mercado Street; Suite 201
Durango, CO 81301
970-764-6900

c. Description of Operations

According to Red Cedar, the Sambrito Compressor Station is a low to high pressure compressor station capable of processing roughly 80 MMscf/day. The station receives inlet gas from various producer pipelines and well locations on the east side of the reservation, with an inlet pressure of approximately 50-60 psi. The gas is first compressed through 4 compressors driven by Caterpillar G3616LE lean burn compressor engines to approximately 900-950 psi. The gas is then processed through two Tri-ethylene

glycol dehydrators set in parallel (i.e., the gas is split evenly between the two dehydration units). The gas comes in saturated and leaves the station at less than 7 lbs H_2O/MMscf.

d. List of All Emission Units and Emission-Generating Activities

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

Table 1 – Emission Units
Red Cedar Gathering Company, Sambrito Compressor Station

Emission Unit ID	Description	Control Equipment
C-2100 C-2200 C-2300 C-2400 C-2500[1]	4– Caterpillar G3516LE (4SLB SI) natural gas-fired Compressor Engine 4,735 nameplate rated HP Serial No.:BLB00315 Installed: 07/01/2007 Serial No.:BLB00314 Installed: 07/01/2007 Serial No.:BLB00425 Installed: 12/03/2009 Serial No.:BLB00651 Installed: 05/10/2011 Serial No.: TBD Installed: TBD	Miratech oxidation catalyst with AFRC
G-5500	1 – Waukesha P48GL (4SLB SI) natural gas-fired emergency generator engine, 959 nameplate rated HP Serial No.:C-17113/1 Installed: 07/01/2007	Miratech oxidation catalyst with AFRC
S-3300	1 – Q.B. Johnson TEG Dehydrator 40 MMscf/day Serial No.: N/A Installed: 07/01/2007	Flash Tank Combustion Device
S-3400	1 – I.T.S. TEG Dehydrator 50 MMscf/day Serial No.: N/A Installed: 04/14/2010	Flash Tank Combustion Device

[1] – Red Cedar has been authorized to install a fifth engine at the facility under permit #SMNSR-SU-000049-2011.001. This engine will be limited to a maximum site-rating of 4,375 horsepower. However, this engine is not onsite at this time, and is being included in Tables 1 and 3 for informational purposes only.

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

Red Cedar stated in its Part 70 initial permit application that the emission units in Table 2, below, are insignificant. The application provided calculations for heater/reboiler emissions based on EPA's AP-42 emission factors and fugitive emission estimates from EPA's 1995 Protocol for Equipment Leak Emission Estimates, Table 2-4. Red Cedar provided sufficient information, including EPA Tanks 4.0.9d calculations, to verify any emissions from liquids in the tanks were insignificant. This data supports Red Cedar's claim that these units qualify as insignificant.

Table 2 – Insignificant Emission Units
Red Cedar Gathering Company, Sambrito Compressor Station

Emission Unit ID	Description	Size/Rating
H-5600	1 - Triethylene Glycol (TEG) Dehydrator Reboiler	0.75 MMBtu/hr
H-5700	1 - Triethylene Glycol (TEG) Dehydrator Reboiler	1.5 MMBtu/hr
H-4300 – 4430	13 - Catalytic Heater – compressor building	0.040 MMBtu/hr
E-4500A-F	6 - Catalytic Heater – fuel gas building	0.012 MMBtu/hr
H-8010	1 - Catalytic Heater – meter building	0.008 MMBtu/hr
TK-3000	1 - Coolant Storage Tank	4,725 gal
TK-3800	1 - Waste Oil Drain Tank	6,615 gal
TK-3900	1 - Engine Lube Oil Tank	21,000 gal
TK-5125, 5127	2 - Dehydrator Still Vent Tank	1,554 gal
TK-5126	1 - Generator Engine Oil Sump Tank	1,554 gal
TK-5128	1 - Glycol Recovery Tank	300 gal
TK-5530	1 - Generator Engine Oil Day Tank	500 gal
TK-5540	1 - Generator Engine Coolant Tank	500 gal
TK-9301	1 - Engine Lube Oil Makeup Tank	500 gal
TK-9302	1 Compressor Lube Oil Tank	1,500 gal

e. Facility Construction and/or Permitting History

The Sambrito Compressor Station commenced construction in 2006. Operations began at the facility in July of 2007. EPA issued the initial part 71 permit, in September of 2009. That permit was modified in November of 2009, February of 2011, and November of 2011. Sambrito is currently operating under Part 71 permit #V-SU-00049-2008.03 and synthetic minor new source review permit # SMNSR-SU-000049-2011.001. The Part 71 permit will be replaced by this initial part 70 permit, # V-SUIT-0049-2015.00.

f. Potential to Emit

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

The PTE for Sambrito Compressor Station was listed by Red Cedar in Forms "GIS", "PTE", and the

various forms "EMISS" of the Part 70 operating permit initial application. Table 3 shows PTE data broken down by each individual emission unit, as well as the total facility-wide PTE.

Table 3 - Potential to Emit
Red Cedar Gathering Company, Sambrito Compressor Station

Emission Unit ID	Regulated Air Pollutants[1,2,3] in tpy								
	NO_X	VOC	SO_2	PM_{10}	CO	Lead	Total HAPs	Largest *Single* HAP (CH_2O)	GHGs (CO_2e mtpy)
C-2100	32.0	41.9	0.0	1.4	36.6	0.0	17.1	13.3	22,987.8
C-2200	32.0	41.9	0.0	1.4	36.6	0.0	17.1	13.3	22,987.8
C-2300	32.0	41.9	0.0	1.4	36.6	0.0	17.1	13.3	22,987.8
C-2400	32.0	41.9	0.0	1.4	36.6	0.0	17.1	13.3	22,987.8
C-2500	32.0	41.9	0.0	1.4	36.6	0.0	17.1	13.3	22,987.8
G-5500	6.5	8.5	0.0	0.3	10.5	0.0	3.5	2.7	4,704.8
S-3300	0.0	7.5	0.0	0.0	0.0	0.0	5.6	0.0	3,554.0
S-3400	0.0	7.5	0.0	0.0	0.0	0.0	6.8	0.0	839.9
Total IEUs	0.8	1.4	0.0	0.1	0.3	0.0	0.0	0.0	11,971.3
Total	**167.3**	**234.4**	**0.0**	**7.4**	**193.8**	**0.0**	**101.4**	**69.2**	**136,009**

[1] Uncontrolled NO_x & VOC emissions are based on manufacturer specifications. Controlled CO emissions are based on emission limitations established in synthetic minor new source review permit # SMNSR-SU-000049-2011.001. HAP emissions were calculated using the highest emissions factor from a composite of AP-42, GRI field data, and GRI literature data.

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

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

2. Tribal Authority

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

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

NSPS and NESHAP Delegation: On September 6, 2013, the Southern Ute Indian Tribe received delegation from the EPA to incorporate by reference into the Reservation Air Code and enforce certain subparts of the new source performance standards (NSPS) and national emission standards for hazardous air pollutants (NESHAP) under Sections 111 and 112 of the Clean Air Act, respectively (78 FR 40635). These NSPS and NESHAP subparts generally apply to oil and gas operations within the exterior boundaries of the Southern Ute Indian Reservation and were adopted, unchanged, into the Reservation Air Code as Parts 2 and 3.

3. Applicable Requirements

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

Tribal Minor New Source Review (TMNSR) - 40 CFR 49

EPA promulgated the federal rule “Review of New Sources and Modifications in Indian Country”, otherwise known as the Tribal Minor New Source Review Rule (TMNSR), on July 1, 2011 (76 FR 38748). The TMNSR rule applies to all new or modified industrial facilities in Indian country with a potential to emit equal to or greater than the minor NSR thresholds but less than the major source thresholds, which are generally 100 to 250 tons per year (tpy). The minor NSR thresholds for attainment/unclassifiable areas are displayed in the table below:

40 CFR 49.153 Minor NSR Thresholds

Regulated NSR Pollutant	Minor NSR Thresholds for attainment/unclassifiable areas in tons per year (TPY)
Carbon monoxide (CO	10
Nitrogen oxides (NO_x)	10
Sulfur dioxide (SO_2)	10
Volatile Organic Compounds (VOC)	5
PM 5	5
PM_{10}	5
$PM_{2.5}$	3
Lead	0.1
Fluorides	1
Sulfuric acid mist	2
Hydrogen sulfide (H_2S)	2
Total reduced sulfur (including H2S)	2
Reduced sulfur compounds (including H2S)	2
Municipal waste combustor emissions	10
Municipal solid waste landfill emissions (measured as nonmethane organic compounds)	10

Starting August 30, 2011 all minor modifications at existing major NSR sources, requests for synthetic minor limitations, and the transferring of all previously established synthetic minor limits from Part 71 permits into minor NSR permits, became subject to the TMNSR rule. All existing true minor sources were required to register with EPA by no later than March 1, 2013. All new minor sources constructed between August 30, 2011 and September 2, 2014 were required to submit a registration form within 90 days of beginning operation and obtain a permit if a general permit is available for that source category. All new true minor sources which are not in the oil and natural gas sector and intend to construct after September 2, 2014 are required to apply for a preconstruction permit. After March 2, 2016 all true minor sources and minor modifications in the oil and natural gas sector that intend to construct or modify will have to apply for a preconstruction permit.

> On June 5, 2014 EPA issued Sambrito Compressor Station minor new source review permit # SMNSR-SU-000049-2011.001 to retain legally and practically enforceable emission limits previously established in the source's Part 71 operating permit. The applicable requirements of the new source review permit have been incorporated into this Part 70 operating permit. **Therefore, Sambrito Compressor Station is subject to the Tribal Minor New Source Review Rule.**

Prevention of Significant Deterioration (PSD) - 40 CFR 52.21

PSD is a preconstruction review requirement of the CAA that applies to proposed projects that are sufficiently large (in terms of emissions) to be a "major" stationary source or "major" modification of an existing stationary source. A new stationary source, or a modification to an existing minor stationary source, is major if the proposed project has the potential to emit any pollutant regulated under the CAA in

amounts equal to or exceeding specified major source thresholds, which are 100 tpy for 28 listed industrial source categories and 250 tpy for all other sources. PSD also applies to modifications at existing major sources that cause a "significant net emissions increase" at that source. Significance levels for each pollutant are defined in the PSD regulations at 40 CFR 52.21. A modification is a physical change or change in the method of operation.

Sambrito Compressor Station is classified as a synthetic minor source. Specific emission units at this facility are subject to federally enforceable emission limits for CO. The facility is not a PSD named source. Therefore, the PTE threshold for determining PSD applicability for this source is 250 tpy. The PTE of regulated pollutants at this facility are currently below the major source threshold of 250 tpy. **Therefore, Sambrito Compressor Station is not subject to the requirements of PSD**.

New Source Performance Standards (NSPS)

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

> As explained below, the Sambrito Compressor Station is subject to the requirements of 40 CFR Part 60, Subpart JJJJ. **Therefore the General Provisions of Part 60 apply**.

40 CFR Part 60, Subpart Dc: Standards of Performance for Small Industrial-Commercial-Institutional Steam Generating Units. This rule applies to steam generating units with a maximum design heat capacity of 100 MMBtu/hr or less, but greater than or equal to 10 MMBtu/hr and commenced construction, modification, or reconstruction after June 9, 1989.

> According to Red Cedar, the Sambrito Compressor Station has no steam generating units with a capacity between 10 and 100 million BTU per hour at the at the facility. **Therefore, Subpart Dc does not apply.**

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

> According to Red Cedar, the Sambrito Compressor Station has no tanks constructed, reconstructed, or modified after June 11, 1973 and prior to May 19, 1978. **Therefore, Subpart K does not apply.**

40 CFR Part 60, Subpart Ka: Standards of Performance for Storage Vessels for Petroleum Liquids for which Construction, Reconstruction, or Modification Commenced After May 18, 1978, and Prior to

June 23, 1984. This rule applies to storage vessels for petroleum liquids with a storage capacity greater than 40,000 gallons. Subpart Ka does not apply to petroleum storage vessels with a capacity of less than 420,000 gallons used for petroleum or condensate stored, processed, or treated prior to custody transfer.

> According to Red Cedar, the Sambrito Compressor Station has no tanks constructed, reconstructed, or modified after May 18, 1978 and prior to June 23, 1984. **Therefore, Subpart Ka does not apply.**

40 CFR Part 60, Subpart Kb: Standards of Performance for Volatile Organic Liquid Storage Vessels (Including Petroleum Liquid Storage Vessels) for which Construction, Reconstruction, or Modification Commenced After July 23, 1984. This rule applies to storage vessels with a capacity greater than or equal to 75 cubic meters (~472 bbl).

> According to Red Cedar, although all tanks at Sambrito Compressor Station were constructed after July 23, 1984, only tanks TK-3400, TK-3500, TK-3700, TK-3800, and TK-3900 have a capacity greater than 40 m^3. TK-3400 and TK-3500 store waste water and trace amounts of condensate that are mechanically removed from the gas stream. This subpart specifically exempts vessels with a design capacity less than or equal to 1,589 m^3 that store condensate prior to custody transfer, per 40 CFR 60.110b(d)(4). **Therefore, Subpart Kb does not apply to TK-3400 or TK-3500.**
>
> TK-3700, TK-3800, and TK-3900 store compressor and engine oil and waste oil with a true vapor pressure of 0.013kPa and are also exempted under 40 CFR 60.110(b). **Therefore, Subpart Kb does not apply.**

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

> According to Red Cedar, the Sambrito Compressor Station does not extract natural gas liquids from field gas, nor does it fractionate mixed NGLs to natural gas products, and thus does not meet the definition of a natural gas processing plant under this subpart. **Therefore, Subpart KKK does not apply.**

40 CFR Part 60, Subpart LLL: Standards of Performance for SO_2 emissions from Onshore Natural Gas Processing for which construction, reconstruction, or modification commenced after January 20, 1984, and on or before August 23, 2011. This rule applies to sweetening units and sulfur recovery units at onshore natural gas processing facilities. As defined in this subpart, sweetening units are process devices that separate hydrogen sulfide (H_2S) and carbon dioxide (CO_2) from a sour natural gas stream. Sulfur

recovery units are defined as process devices that recover sulfur from the acid gas (consisting of H_2S and CO_2) removed by a sweetening unit.

According to Red Cedar, Sambrito Compressor Station does not sweeten or recover sulfur. **Therefore, Subpart LLL does not apply.**

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

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

Red Cedar provided the following information:

Table 4 - NSPS Subpart JJJJ Applicability Determination
Red Cedar Gathering Company, Sambrito Compressor Station

Unit	Serial No	Unit Description	Fuel	Maximum HP	Commence Construction , Modification or Reconstruction Date	Manufacture Date	Trigger Date for Applicability- Manufactured on or after	Subject to NSPS Subpart JJJJ
C-2100	BLB00314	Caterpillar G3616LE SI 4SLB Compressor Engine	Natural Gas	4,735	12/15/2005	12/01/2006	07/01/2007	No
C-2200	BLB00315	Caterpillar G3616LE SI 4SLB Compressor Engine	Natural Gas	4,735	12/15/2005	12/01/2006	07/01/2007	No
C-2300	BLB00425	Caterpillar G3616LE SI 4SLB Compressor Engine	Natural Gas	4,735	3/10/2008	05/01/2009	07/01/2007	Yes
C-2400	BLB00651	Caterpillar G3616LE SI 4SLB Compressor Engine	Natural Gas	4,735	05/25/2010	08/27/2010	07/01/2007	Yes
G-5500	C-17113/1	Waukesha P48GL SI 4SLB Generator Engine	Natural Gas	959	12/15/2005	12/01/2006	01/01/2008	No

According to Red Cedar, C-2100 and C-2200 were manufactured prior to July 1, 2007 (the trigger date for engines with maximum engine power greater than or equal to 500 HP as defined in §60.4230 (a)(3)(i)). Also, G-5500 was manufactured prior to January 1, 2008 (the trigger date for lean burn engines with a maximum engine power greater than 500 HP but less than 1,350 HP). These engines have not been reconstructed or modified (as defined in §60.15) since June 12, 2006. **Therefore, the requirements of Subpart JJJJ do not apply to units C-2100, C-2200, and G-5500**.

Emission units C-2300 and C-2400 commenced construction after June 12, 2006 and were manufactured after July 1, 2007 (the trigger date for engines with a maximum engine power greater than or equal to 500 HP as defined in §60.4230(a)(3)(ii)). **Therefore, the requirements of Subpart JJJJ apply to units C-2300 and C-2400**

Should Red Cedar propose to install a replacement engine for C-2100, C-2200, or G-5500, which is subject to Subpart JJJJ, Red Cedar will not be allowed to use the off permit changes provision, and will be required to submit a minor permit modification application to incorporate Subpart JJJJ requirements into the permit.

40 CFR Part 60, Subpart OOOO: Standards of Performance for Crude Oil and Natural Gas Production, Transmission and Distribution. This subpart establishes emission standards and compliance schedules for the control of VOC and SO_2 emissions from affected facilities that commence construction, modification or reconstruction after August 23, 2011. Affected facilities under this subpart include gas wells, compressors, pneumatic controllers, storage vessels, process unit equipment, and sweetening units. The effective date for this subpart is October 15, 2012.

According to Red Cedar, the Sambrito Compressor Facility does not have any affected facilities that commenced construction, modification, or reconstruction after August 23, 2011. **Therefore, Subpart OOOO does not apply.**

National Emission Standards for Hazardous Air Pollutants (NESHAP)

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

As explained below, the Sambrito Compressor Station is subject to 40 CFR 63 Subparts HH and ZZZZ; therefore the General Provisions of Part 63 apply as specified in the relevant subparts.

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

Throughput Exemption

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

Source Aggregation

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

1) Emissions from any oil and gas production well with its associated equipment and emissions from any pipeline compressor station or pump station shall not be aggregated with emissions from other similar units.

2) Emissions from processes, operations, or equipment that are not part of the same facility shall not be aggregated.

3) For facilities that are production field facilities, only HAP emissions from glycol dehydration units and storage vessels shall be aggregated for a major source determination.

Facility

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

Production Field Facility

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

Natural Gas Processing Plant

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

Major Source Determination for Production Field Facilities

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

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

Major Source Glycol Dehydrator Applicabilities

For facilities that are determined to be major HAP sources, each glycol dehydration unit is subject to the glycol dehydration unit process vent standards of 40 CFR 63.765 for small or large dehydration units, defined, as follows, in 40 CFR 63.760:

Small Glycol Dehydration Unit: a glycol dehydration unit, located at a major source, with an actual annual average natural gas flowrate less than 85 thousand standard cubic meters per day or actual annual average benzene emissions less than 0.90 Mg/yr, determined according to §63.772(b).

Large Glycol Dehydration Unit*:* a glycol dehydration unit with an actual annual average natural gas flowrate equal to or greater than 85 thousand standard cubic meters per day and actual annual average benzene emissions equal to or greater than 0.90 Mg/yr, determined according to §63.772(b). A glycol dehydration unit complying with the 0.9 Mg/yr control option under §63.765(b)(1)(ii) is considered to be a large dehydrator.

Area Source Glycol Dehydrator Applicabilities

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

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

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

Applicability of Subpart HH to the Sambrito Compressor Station

According to Red Cedar, the Sambrito Compressor Station upgrades natural gas and is located prior to the point of custody transfer (and therefore prior to the point at which natural gas leaves the natural gas processing category and enters the natural gas transmission and storage category). Because the facility is in the natural gas processing category only emissions from dehydration units and storage vessels need to be aggregated when determining major source status for this subpart. The total HAP emissions from the glycol dehydrator and storage vessels are below major source thresholds. **Therefore, Sambrito is subject to the area source requirements of Subpart HH.**

Gylcol Dehydration units S-3300 and S-3400 are affected sources under this rule. However, according to Red Cedar, the uncontrolled actual annual average benzene emissions from each dehydration unit were determined to be less than 0.90 megagrams per year using the procedures specified in 40 CFR 63.772(b)(2). Per §63.764(e), **Sambrito is only subject to the recordkeeping requirements specified in §63.774(d)(1) of Subpart HH.**

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

According to Red Cedar, the Sambrito Compressor Station is a natural gas production facility and not a natural gas transmission or storage facility. **Therefore, Subpart HHH does not apply.**

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

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

Summary of Applicability to Engines at Major Sources of HAPs

Major HAP Sources				
Engine Type	**Horse Power Rating**	**New / Existing**	**Applicability Trigger Date**	
SI RICE – All[1]	≥ 500 HP	New	On or After:	12/19/2002
SI RICE – 4SRB	> 500 HP	Existing	Before:	12/19/2002
SI RICE – All[1]	≤ 500 HP	New	On or After:	6/12/2006
SI RICE – All[1]	≤ 500 HP	Existing	Before:	6/12/2006
CI RICE – All[2]	≥ 500 HP	New	On or After:	12/19/2002
CI RICE – Non Emergency	> 500 HP	Existing	Before:	12/19/2002
CI RICE – All[2]	≤ 500 HP	New	On or After:	6/12/2006

CI RICE – All[2]	≤ 500 HP	Existing	Before: 6/12/2006

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

Summary of Applicability to Engines at Area Sources of HAPs

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

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

Table 5-Applicability of 40 CFR 63, Subpart ZZZZ to the Sambrito Compressor Station:

Unit	Serial Number	Unit Description	Fuel	Site Rated HP	Commence Construction or Reconstruction Date	Trigger Date for Major Source Standards	Subject to Major Source Standards?
C-2100	BLB00314	Caterpillar G3616LE SI 4SLB Compressor Engine	Natural Gas	4,735	12/01/2006	12/19/2002	Yes
C-2200	BLB00315	Caterpillar G3616LE SI 4SLB Compressor Engine	Natural Gas	4,735	12/01/2006	12/19/2002	Yes
C-2300	BLB00425	Caterpillar G3616LE SI 4SLB Compressor Engine	Natural Gas	4,735	05/01/2009	12/19/2002	Yes
C-2400	BLB00651	Caterpillar G3616LE SI 4SLB Compressor Engine	Natural Gas	4,735	08/27/2010	12/19/2002	Yes
G-5500	C-17113/1	Waukesha P48GL SI 4SLB Generator Engine	Natural Gas	959	12/01/2006	12/19/2002	Yes

According to Red Cedar, the Sambrito Compressor Station is a major source as defined in subpart ZZZZ. Units C-2100, C-2200, C-2300, C-2400 and G-5500 are four-stroke lean-burn (4SLB) stationary RICE > 500 site-rated HP constructed after December 19, 2002. These units are considered new for the purposes of this subpart. **Therefore, Units C-2100, C-2200, C-2300, C-2400, and G-5500 are subject to the Subpart ZZZZ requirements for new 4SLB RICE >500hp at a major source of HAPs.**

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

Based on information submitted by Red Cedar in its initial permit application, the Sambrito Compressor Station is not a major source as defined in this subpart. **Therefore, Subpart DDDDD does not apply.**

40 CFR Part 63, Subpart JJJJJJ (Boiler MACT (for area sources)): National Emission Standards for Hazardous Air Pollutants for Area Sources: Industrial, Commercial, and Institutional Boilers. This rule establishes national emission standards and operating limitations for HAPs emitted from new and existing industrial boilers, institutional boilers, and commercial boilers that are fueled by coal, biomass, or oil and are located at area sources of HAPs. For the purposes of this subpart, an affected unit is an existing unit if it was constructed prior to June 4, 2010.

Based on information submitted by Red Cedar in its initial permit application, there are no industrial, commercial, or institutional boilers located at the Sambrito Compressor Station. **Therefore, Subpart JJJJJJ does not apply.**

Compliance Assurance Monitoring (CAM) Rule

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

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

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

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

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

(1) Is used to determine compliance with an emission limitation or standard on a continuous basis, consistent with the averaging period established for the emission limitation or standard; and
(2) Provides data either in units of the standard or correlated directly with the compliance limit."

2) The unit uses a control device to achieve compliance with any such limit or standard; and

3) The unit has pre-control device emissions of the applicable regulated pollutant that are equal to or greater than 100% of the amount, in tons per year, required for a source to be classified as a major source.

According to information provided by Red Cedar engine units C-2100, C- 2200, C-2300, and C-2400 have pre-control device emissions of a regulated air pollutant (Carbon Monoxide) that are equal to or greater that 100% of the emissions, in tons per year, for a source to be classified as a major source, and use a control device to achieve compliance with an emission limitation or standard. However, because the Part 70 permit specifies a continuous compliance determination method, as defined in §64.1, to meet the emission limitation or standard, these engine units are exempt from CAM per 64.2(b)(1). **Therefore, CAM does not apply.**

Chemical Accident Prevention Program

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

According to Red Cedar, Sambrito Compressor Station does not have regulated substances above the threshold quantities in this rule. **Therefore the facility is not subject to the requirement to develop and submit a risk management plan.**

Stratospheric Ozone and Climate Protection

40 CFR Part 82, Subpart F: Air Conditioning Units. According to Red Cedar, no maintenance, service, repair or disposal of any equipment containing Class I or Class II refrigerants chlorofluorocarbons

(CFCs)) occurs at Sambrito Compressor Station. However, if Red Cedar were to engage in any of the afore mentioned activities it must comply with the standards of part 82, Subpart F for recycling and emissions reduction if they service, maintain, or repair the air conditioning units in any way or if they dispose of the units.

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

Mandatory Greenhouse Gas Reporting

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

4. Public Participation

a. Public Notice

Per RAC §2-109, all Part 70 draft operating permits shall be publicly noticed and made available for public comment. Public notice is given by publication in a newspaper of general circulation in the area where the source is located or in a state publication designed to give general public notice, to persons on a mailing list developed by the Tribe, including those who request in writing to be on the list, and by other means if necessary to assure adequate notice to the affected public. If an interested person would like to be added to the Tribe's mailing list to be informed of future actions on permits issued by the Tribe, please send your name and address:

by United State Postal Service to:	by any other delivery service to:
Southern Ute Indian Tribe Environmental Programs Division Part 70 Program PO Box 737 MS #84 Ignacio, Colorado 81137	Southern Ute Indian Tribe Environmental Programs Division Part 70 Program 398 Ouray Drive Ignacio, Colorado 81137

Public notice for the draft permit was published in the Durango Herald, on October 1, 2014 in order to provide opportunity for public comment on the draft permit and the opportunity to request a public hearing.

b. Opportunity for Comment

Members of the public were given an opportunity to review a copy of the draft permit prepared by the Tribe, the application, the statement of basis for the draft permit, and all supporting materials for the draft permit. Copies of these documents were on the Southern Ute Air Quality Program webpage at www.southernute-nsn.gov/environmental-programs/air-quality/title-v-operating-permit-programs, and at:

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

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

Any interested person was given the opportunity to submit written comments on the draft Part 70 operating permit during the public comment period. The Tribe has considered and addressed comments in making a final decision on the permit. The Tribe keeps a record of the commenters and of the issues raised during the public participation process.

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

c. Opportunity to Request a Hearing

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

d. Public Petitions to the Administrator

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

e. Appeal of Permits

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

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

f. Notice to Affected States/Tribes

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

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