Red Willow Production Company
Howard Salt Water Disposal Facility
Southern Ute Indian Reservation
La Plata County, Colorado

1. Facility Information

a. Location

The Howard Salt Water Disposal Facility, owned and operated by Red Willow Production Company (Red Willow), is located within the exterior boundary of the Southern Ute Indian Reservation. The exact location is Section 19, T34N, R6W, in La Plata County, at latitude North 37.173459 and longitude West 107.540919. The Mailing address is:

Red Willow Production Company
Howard Salt Water Disposal Facility
P.O. Box 369 / 14933 Highway 172
Ignacio, CO 81137

b. Contacts

Facility Contact: Mitch Morris
Environmental Compliance Specialist
Red Willow Production Company
P.O. Box 369 / 14933 Highway 172
Ignacio, CO 81137
(970) 563-5287

Responsible Official: John Larkin
Vice President of Operations
Red Willow Production Company
P.O Box 369 / 14933 Highway 172
Ignacio, CO 81137
(970) 563-5273

c. Description of Operations

The Howard Salt Water Disposal Facility is a salt water disposal facility for nearby oil and gas production. A 675 horsepower (547 site-rated horsepower) Caterpillar G3412TA engine is used to power the primary generator at this facility to provide electricity for the site associated electrical injection pumps. An additional 400 horsepower (370 site-rated horsepower) Caterpillar G3408TA engine is used to power the secondary generator to provide additional electricity to the site when required. Additional facility equipment includes: three 500 gallon lubricating oil storage tanks, four 1000 bbl produced water tanks, one 40 bbl partially buried open-top sump/slop tank, and one 300 bbl out-of-service and decommissioned slop tank
d. List of All Units and Emission-Generating Activities

Red Willow provided the information contained in Tables 1 and 2 in its Part 70 permit renewal 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 Willow Production Company, Howard Salt Water Disposal Facility**

<table>
<thead>
<tr>
<th>Emission Unit ID</th>
<th>Description</th>
<th>Control Equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td>E1</td>
<td>Caterpillar G3412TA (4SRB SI) Natural Gas-Fired Generator Engine 675 Nameplate Rated HP</td>
<td>NSCR and AFRC (Enforceable*)</td>
</tr>
<tr>
<td></td>
<td>Serial No. 7DB01604 Install Date: 12/15/2008</td>
<td></td>
</tr>
<tr>
<td>E2</td>
<td>Caterpillar G3408TA (4SRB SI) Natural Gas-Fired Generator Engine 400 Nameplate Rated HP</td>
<td>NSCR and AFRC (Not Enforceable)</td>
</tr>
<tr>
<td></td>
<td>Serial No. 3WR00501 Install Date: 2/1/2014</td>
<td></td>
</tr>
</tbody>
</table>

*Unit E1 is required to be equipped and operated with a catalytic control per the Final Order in In the Matter of Samson Resources Company, United States Environmental Protection Agency Region 8, Docket Number CAA-08-2013-0015, May 1, 2014; however, operation of the control device does not create federally enforceable limitations on the source’s potential to emit.

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 Willow stated in its Part 70 permit renewal application that the emission units in Table 2, below, are insignificant. Red Willow 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 Willow’s claim that these units qualify as insignificant.
Table 2 – Insignificant Emission Units
Red Willow Production Company, Howard Salt Water Disposal Facility

<table>
<thead>
<tr>
<th>Emission Unit ID</th>
<th>Amount</th>
<th>Description</th>
<th>Size</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>IE-1</td>
<td>1</td>
<td>Lubricating Oil Storage Tank (For Caterpillar G3412TA)</td>
<td>500</td>
<td>gal</td>
</tr>
<tr>
<td>IE-2</td>
<td>1</td>
<td>Lubrication Oil Storage Tank (For Caterpillar G3408TA)</td>
<td>500</td>
<td>gal</td>
</tr>
<tr>
<td>IE-3</td>
<td>1</td>
<td>Lubrication Oil Storage Tank (For 2 Electric Driven Injection Pumps)</td>
<td>500</td>
<td>gal</td>
</tr>
<tr>
<td>IE-4, IE-5, IE-6, IE-7</td>
<td>4</td>
<td>Produced Water Tank</td>
<td>1000</td>
<td>bbl</td>
</tr>
<tr>
<td>IE-8</td>
<td>1</td>
<td>Partially Buried Open-Top Sump / Slop Tank</td>
<td>40</td>
<td>bbl</td>
</tr>
<tr>
<td>IE-9</td>
<td>1</td>
<td>Slop Tank (Out of Service and Decommissioned but On-Site)</td>
<td>300</td>
<td>bbl</td>
</tr>
</tbody>
</table>

Table 3 - Potential to Emit
Red Willow Production Company, Howard Salt Water Disposal Facility

<table>
<thead>
<tr>
<th>Emission Unit ID</th>
<th>Regulated Air Pollutants¹ in tpy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NOₓ</td>
</tr>
<tr>
<td>E1</td>
<td>118.6</td>
</tr>
<tr>
<td>E2</td>
<td>86.2</td>
</tr>
<tr>
<td>IEUs</td>
<td>0.0</td>
</tr>
<tr>
<td></td>
<td>204.8</td>
</tr>
</tbody>
</table>

¹ Uncontrolled emissions for Unit E1 are based on manufacturer emission factors.

2. Tribal Authority
Howard Salt Water Disposal Facility 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.

Tribal Minor New Source Review Program: Minor Sources of air pollution located within the Southern Ute Indian Reservation exterior boundaries must comply with either the “Federal Implementation Plan for Managing Air Emissions from True Minor Sources in Indian Country in the Oil and Natural Gas Production and Natural Gas Processing Segments of the Oil and Natural Gas Sector’ listed at 40 CFR §49.101 – 105 or the “Federal Minor New Source Review Program in Indian Country’ listed at 40 CFR §49.151 – 164.

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 Willow in its Part 70 permit renewal application and are only intended to present the information certified to be true and accurate by the Responsible Official of this facility.
Prevention of Significant Deterioration (PSD) - 40 CFR 52.21

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

The Howard Salt Water Disposal Facility is not a PSD named source. Therefore, the PTE threshold for determining PSD applicability for this source is 250 tpy for criteria pollutants. The potential to emit of regulated pollutants at this facility are below major source thresholds. Therefore, the Howard Salt Water Disposal Facility is not subject to the requirements of the PSD program at this time.

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 Howard Salt Water Disposal Facility is not subject to any specific subparts under 40 CFR Part 60. Therefore, the General Provisions of Part 60 do not apply.

40 CFR Part 60, Subpart Db: Standards of Performance for Industrial-Commercial-Institutional Steam Generating Units. This rule applies to steam generating units with a heat input capacity of greater than 100 MMBtu/hr and commenced construction, modification, or reconstruction after June 19, 1984.

According to the information provided by Red Willow, the Howard Salt Water Disposal Facility has no steam generating units with a heat input capacity greater than 100 MMBtu/hr at the facility. Therefore, Subpart Db does not 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 the information provided by Red Willow, the Howard Salt Water Disposal Facility has no steam generating units with a maximum design heat input capacity of 100 MMBtu/hr or
less, but greater than or equal to 10 MMBtu/hr at the facility. Therefore, Subpart Dc does not apply.

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

According to the information provided by Red Willow, there are no stationary gas turbines located at the Howard Salt Water Disposal Facility. Therefore, Subpart GG 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 the information provided by Red Willow, there are no storage tanks that were constructed prior to May 19, 1978 at the Howard Salt Water Disposal Facility. 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 the information provided by Red Willow, there are no storage tanks which were constructed between May 18, 1978, and July 23, 1984 at the Howard Salt Water Disposal Facility. 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 (~629 bbl).

According to the information provided by Red Willow, all tanks storing volatile organic liquids at the Howard Salt Water Disposal Facility are less than 75 m³ (629 bbl or 19,813 gal). 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 the information provided by Red Willow, the Howard Salt Water Disposal Facility does not extract natural gas liquids from field gas, nor does it fractionate mixed NGLs to natural gas products, and thus does not meet the definition of a natural gas processing plant under this subpart. Therefore, subpart KKK does not apply.

40 CFR Part 60, Subpart LLL: Standards of Performance for SO₂ emissions from Onshore Natural Gas Processing for which construction, reconstruction, or modification commenced after January 20, 1984, and on or before August 23, 2011. This rule applies to sweetening units and sulfur recovery units at onshore natural gas processing facilities. As defined in this subpart, sweetening units are process devices that separate hydrogen sulfide (H₂S) and carbon dioxide (CO₂) from a sour natural gas stream. Sulfur recovery units are defined as process devices that recover sulfur from the acid gas (consisting of H₂S and CO₂) removed by a sweetening unit.

According to the information provided by Red Willow, the Howard Salt Water Disposal Facility does not perform sulfur recovery at the facility. Therefore, Subpart LLL does not apply.

40 CFR Part 60, Subpart IIII: Standards of Performance for Stationary Compression Ignition Internal Combustion Engines. This subpart establishes emission standards and compliance requirements for the control of emissions from stationary combustion ignition (CI) internal combustion engines (ICE) that commence construction (which for the purposes of this subpart is the date the engine is ordered by the owner or operator) after July 11, 2005 and are manufactured as a certified National Fire Protection Association (NFPA) fire pump engine after July 1, 2006, or are manufactured after April 1, 2006 and are not fire pump engines.

According to the information provided by Red Willow, there are no stationary compression ignition (CI) internal combustion engines (ICE) located at Howard Salt Water Disposal Facility. Therefore, Subpart IIII does not apply.

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

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

Red Willow provided the following information:
Table 4 - NSPS Subpart JJJJ Applicability Determination
Red Willow Production Company, Howard Salt Water Disposal Facility

<table>
<thead>
<tr>
<th>Unit</th>
<th>Serial No</th>
<th>Unit Description</th>
<th>Fuel</th>
<th>Maximum HP</th>
<th>Manufacture/Commence Construction, Modification, or Reconstruction Date</th>
<th>Install/Startup Date</th>
<th>Trigger Date for Applicability-Manufactured on or after</th>
</tr>
</thead>
<tbody>
<tr>
<td>E2</td>
<td>3WR00501</td>
<td>Caterpillar G3408TA 4SRB Generator Engine</td>
<td>Natural Gas</td>
<td>400</td>
<td>6/11/2006&lt;sup&gt;1&lt;/sup&gt;</td>
<td>2/1/2014</td>
<td>7/1/2008</td>
</tr>
</tbody>
</table>

1. Per Red Willow, these engines have not been modified or reconstructed (as defined in Part 60) since June 12, 2006.

According to the information provided by Red Willow, emission unit E1 was manufactured prior to July 1, 2007 (the trigger date for rich-burn engines with maximum engine power greater than or equal to 500 HP). Emission unit E2 was manufactured prior to July 1, 2008 (the trigger date for rich-burn engines with maximum engine power less than 500 HP). Neither engine has been reconstructed or modified (as defined in §60.15) since June 12, 2006. Therefore, the requirements of Subpart JJJJ do not apply.

Should Red Willow propose to install a replacement engine for E1 or E2, that is subject to Subpart JJJJ, Red Willow will not be allowed to use the off-permit changes provision, and will be required to submit a minor permit modification application to incorporate Subpart JJJJ requirements into the permit.

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

According to the information provided by Red Willow, there are no stationary gas turbines located at Howard Salt Water Disposal Facility. Therefore, Subpart KKKK does not apply.

40 CFR Part 60, Subpart OOOO: Standards of Performance for Crude Oil and Natural Gas Production, Transmission and Distribution. This subpart establishes emission standards and compliance schedules for the control of VOC and SO<sub>2</sub> 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 the information provided by Red Willow, the Howard Salt Water Disposal Facility does not have any affected facilities under the rule that commenced construction, modification, or reconstruction after August 23, 2011. Therefore, Subpart OOOO does not apply.
40 CFR Part 60, Subpart OOOOa: Standards of Performance for Crude Oil and Natural Gas Facilities. This subpart establishes emission standards and compliance schedules for the control of the pollutant greenhouse gases (GHG) from affected facilities in the crude oil and natural gas source category that commence construction, modification or reconstruction after September 18, 2015. Affected facilities under this subpart include gas wells, compressors, pneumatic controllers, pneumatic pumps, storage vessels, and the collection of fugitive emission components at well sites and compressor stations.

According to the information provided by Red Willow, the Howard Salt Water Disposal Facility does not have any sources that were constructed after September 18, 2015. **Therefore, the facility is not subject to Subpart OOOOa.**

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 Howard Salt Water Disposal Facility is subject to 40 CFR 63 Subpart ZZZZ. **Therefore, the General Provisions of Part 63 apply** as specified in the relevant subparts.

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

According to the information provided by Red Willow, the Howard Salt Water Disposal Facility is not a major source of HAP emissions and there is not a dehydration unit at the facility. **Therefore, Subpart HH does not apply.**

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 the information provided by Red Willow, the Howard Salt Water Disposal Facility is 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. This rule establishes national emission limitations and operating limitations for HAPs emitted from stationary spark ignition internal combustion engines (SI ICE) and stationary compression ignition internal combustion engines (CI ICE).

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

**Summary of Applicability to Engines at Major HAP Sources**

<table>
<thead>
<tr>
<th>Engine Type</th>
<th>Horse Power Rating</th>
<th>New / Existing</th>
<th>Applicability Trigger Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>SI ICE – All¹</td>
<td>≥ 500 HP</td>
<td>New</td>
<td>On or After: 12/19/2002</td>
</tr>
<tr>
<td>SI ICE – 4SRB</td>
<td>&gt; 500 HP</td>
<td>Existing</td>
<td>Before: 12/19/2002</td>
</tr>
<tr>
<td>SI ICE – All¹</td>
<td>≤ 500 HP</td>
<td>New</td>
<td>On or After: 6/12/2006</td>
</tr>
<tr>
<td>SI ICE – All¹</td>
<td>≤ 500 HP</td>
<td>Existing</td>
<td>Before: 6/12/2006</td>
</tr>
<tr>
<td>CI ICE – All²</td>
<td>≥ 500 HP</td>
<td>New</td>
<td>On or After: 12/19/2002</td>
</tr>
<tr>
<td>CI ICE – Non Emergency</td>
<td>&gt; 500 HP</td>
<td>Existing</td>
<td>Before: 12/19/2002</td>
</tr>
<tr>
<td>CI ICE – All²</td>
<td>≤ 500 HP</td>
<td>New</td>
<td>On or After: 6/12/2006</td>
</tr>
<tr>
<td>CI ICE – All²</td>
<td>≤ 500 HP</td>
<td>Existing</td>
<td>Before: 6/12/2006</td>
</tr>
</tbody>
</table>

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

**Summary of Applicability to Engines at Area HAP Sources**

<table>
<thead>
<tr>
<th>Engine Type</th>
<th>Horse Power Rating</th>
<th>New / Existing</th>
<th>Applicability Trigger Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>SI ICE – All¹</td>
<td>All HP</td>
<td>New</td>
<td>On or After: 6/12/2006</td>
</tr>
<tr>
<td>SI ICE – All¹</td>
<td>All HP</td>
<td>Existing</td>
<td>Before: 6/12/2006</td>
</tr>
<tr>
<td>CI ICE – All²</td>
<td>All HP</td>
<td>New</td>
<td>On or After: 6/12/2006</td>
</tr>
<tr>
<td>CI ICE – All²</td>
<td>All HP</td>
<td>Existing</td>
<td>Before: 6/12/2006</td>
</tr>
</tbody>
</table>

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

**Applicability of 40 CFR 63, Subpart ZZZZ to the Howard Salt Water Disposal Facility:**

<table>
<thead>
<tr>
<th>Unit</th>
<th>Serial Number</th>
<th>Unit Description</th>
<th>Fuel</th>
<th>Site Rated HP</th>
<th>Commenced Construction, Reconstruction, or Modification Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>E1</td>
<td>7DB01604</td>
<td>Caterpillar 3412TA 4SRB Generator Engine</td>
<td>Natural gas</td>
<td>547</td>
<td>Prior to 06/12/2006</td>
</tr>
<tr>
<td>E2</td>
<td>3WR00501</td>
<td>Caterpillar G3408TA 4SRB Generator Engine</td>
<td>Natural Gas</td>
<td>370</td>
<td>Prior to 06/12/2006</td>
</tr>
</tbody>
</table>

According to the information provided by Red Willow, the Howard Salt Water Disposal Facility is an area source as defined in Subpart ZZZZ. Unit E1 is a four-stroke rich-burn remote stationary RICE greater than 500 site-rated hp constructed prior to June 12, 2006. Thus, Unit E1 is considered existing stationary RICE. Unit E2 is a four-stroke rich-burn stationary RICE less than 500 site-rated hp constructed prior to June 12, 2006. **Therefore, Units E1 and E2 are subject to the applicable area source requirements of Subpart ZZZZ.**

**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 Willow, emission units E1 and E2 are a PSEU with pre-controlled NOx emissions greater than 100% of the major source threshold. However, unit E1 and E2 (4SRB engines) do not use a control device to achieve compliance with an emission limit or standard for the applicable regulated air pollutant (NOx). Therefore, CAM does not apply.
Chemical Accident Prevention Program

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

According to the information provided by Red Willow, the Howard Salt Water Disposal Facility 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 Willow, there are no air conditioning units at the Howard Salt Water Disposal Facility containing Class I or Class II refrigerants chlorofluorocarbons (CFCs). However, if Red Willow were to obtain air conditioning units containing Class I or Class II CFCs and engage in maintenance, service, repair or disposal, the facility must comply with the standards of part 82, Subpart F for recycling and emissions reduction.

40 CFR Part 82, Subpart H: Halon Fire Extinguishers. According to Red Willow, there are no halon fire extinguishers at Howard Salt Water Disposal Facility. However, should Red Willow 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 Willow 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:

Part 70 Permitting Contact  Part 70 Permitting Contact
Southern Ute Indian Tribe  Southern Ute Indian Tribe
Environmental Programs Division  Environmental Programs Division
PO Box 737 MS #84  398 Ouray Drive
Ignacio, Colorado 81137  Ignacio, Colorado 81137

Public notice for the draft permit was published in the Durango Herald and the Southern Ute Drum on August 9, 2019 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 https://www.southernute-nsn.gov/justice-and-regulatory/epd/air-quality/, 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 addresses listed above, by stating the nature of the issues to be raised at the public hearing. Based on the number of hearing requests received, the Tribe will hold a public hearing whenever it finds there is a significant degree of public interest in a draft operating permit. The Tribe will provide public notice of the public hearing. If a public hearing is held, any person may submit oral or written statements and data concerning the draft permit.

d. Public Petitions to the Administrator

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

e. Appeal of Permits

Within 60 days after the Tribe’s final permit action, an applicant, any person who filed comments on the draft permit or participated in the public hearing, and any other person who could obtain judicial review of that action under applicable law, may appeal to the Environmental Commission in accordance with RAC 2-109(8) and the Commission’s Procedural Rules.
Petitions for administrative review of final permit actions can be filed after the deadline designated by the Commission only if they are based solely on grounds arising after the deadline for administrative review has passed. Such petitions shall be filed no later than 60 days after the new grounds for review arise. If the final permit action being challenged is the Tribe’s failure to take final action, a petition for administrative review may be filed any time before the Tribe denies or issues the final permit.

f. Notice to Affected States/Tribes

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

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