



**Air Pollution Control
Title V Permit to Operate
Statement of Basis for Permit No V-SUIT-0009-2020.00
March 2, 2021**

**SIMCOE, LLC
Salvador I/II Central Delivery Point
Southern Ute Indian Reservation
La Plata County, Colorado**

1. Facility Information

a. Location

The Salvador I/II Central Delivery Point, owned and operated by SIMCOE, LLC (SIMCOE), is located within the exterior boundary of the Southern Ute Indian Reservation. The exact location is NW ¼, NW ¼, Section 28, T33N, R7W, in La Plata County, at latitude North 37.079052 and longitude West -107.61829. The Mailing address is:

**SIMCOE, LLC
Salvador I/II Central Delivery Point
1199 Main Ave., Suite 101
Durango, CO 81301**

b. Contacts

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c. Description of Operations

The Salvador I/II CDP is a natural gas compression facility located in southwestern Colorado. The Salvador I portion of the facility is located on fee land and the Salvador II portion is located on trust land within the exterior boundary of the Southern Ute Indian Reservation.

The Salvador I/II CDP provides natural gas field compression. Upstream of the facility are Fruitland Gas (coal bed methane) wells which are connected to a gathering pipeline system and the inlet of the facility. The Salvador Gas Unit A #1 wellsite is located within the fence line of the facility, and the wellsite natural gas commingles with the field gas coming into the facility and passes through one inlet separator. The commingled natural gas composition is primarily methane. In addition, the gas contains some carbon dioxide and is saturated with water vapor. No condensate or natural gas liquids are produced. Free liquid water, water vapor, and entrained lubricating oil are removed from the gas, and the gas is compressed and sent on to third party or SIMCOE, LLC-owned gathering systems.

d. List of all Units and Emission-Generating Activities

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

Table 1 – Emission Units

Emission Unit ID	Description				Control Equipment
	Waukesha L7042GL Natural Gas-Fired (4SLB SI) Compressor Engine 1,478 Nameplate Rated HP				Oxidation Catalyst
Unit 1	Serial No.	C-12554/4	Install Date:	7/2016	
	Caterpillar G3516 Natural Gas-Fired (4SLB SI) Compressor Engine 1,150 Nameplate Rated HP				Oxidation Catalyst
Unit 2	Serial No.	4EK00106	Install Date:	10/30/2015	
	Waukesha L7042GL Natural Gas-Fired (4SLB SI) Compressor Engine 1,478 Nameplate Rated HP				None
Unit 3	Serial No.	C10461/5	Install Date:	1/2016	
	Waukesha L7042GSI Natural Gas-Fired (4SRB SI) Compressor Engine 1,478 Nameplate Rated HP				NSCR Catalyst and AFRC
Unit 4	Serial No.	296421	Install Date:	8/2016	
	Caterpillar G3606LE Natural Gas-Fired (4SLB SI) Compressor Engine 1,895 Nameplate Rated HP				Oxidation Catalyst
Unit 5	Serial No.	3XF00160	Install Date:	10/25/2018	

The Southern Ute Indian Tribe/State of Colorado Environmental Commission’s Reservation Air Code allows sources to separately list in the permit application units or activities that qualify as “insignificant”

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

BP stated in its 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. BP provided sufficient information, including EPA Tanks 4.0.9d calculations, to verify any emissions from liquids in the tanks were insignificant. This data supports BP’s claim that these units qualify as insignificant.

Table 2 – Insignificant Emission Units

Emission Unit ID	Amount	Description	Size	Units
IEU-7	1	Tri-Ethylene Glycol (TEG) Tanks	500	gal
IEU-8	5	Lube Oil Tanks	500	gal
IEU-9	2	Ethylene Glycol (EG) / Water (50 / 50) Tanks	500	gal
IEU-10	5	Used Oil Tank	500	gal
IEU-11	6	Compressor / Dehy Drip Tanks	95	bbl
IEU-12	4	Produced Water Tanks	500	bbl
IEU-13	6	Tank Heaters	0.25	MMBtu/hr
IEU-17, IEU-18	2	Separator Heaters	0.15	MMBtu/hr
IEU-21	N/A	Fugitive Emissions	N/A	N/A
IEU-25	1	Tri-Ethylene Glycol (TEG) Dehydrator Regenerator	45	MMscfd
IEU-26	1	Tri-Ethylene Glycol (TEG) Dehydrator Flash Tank Vent	45	MMscfd
IEU-27	2	Oily Water Tanks	300	bbl
IEU-28	1	Oily Water Breakout Tank Heater	0.26	MMBtu/hr
IEU-32	1	Baker Petrolite DF03009 Defoamer Tank	<100	gal
IEU-33	1	Corrosion Inhibitor Tank	<100	gal
IEU-34	1	F-20 Soap Tank	500	gal

e. Facility Construction and/or Permitting History

Salvador I/II Central Delivery Point commenced operation in 1997. EPA issued the initial part 71 permit, #V-SU-0009-00.00, on March 27, 2000. BP submitted a synthetic minor permit application for the facility under the Federal Minor New Source Review Program in Indian Country to transfer the enforceable emissions limitation established under the part 71 permit. EPA issued Salvador I/II Central Delivery Point the synthetic minor new source review permit [SMNSR-SU-000009-2012.001] on September 18, 2014 with an effective date of October 20, 2014. That synthetic minor permit was revised prior to the effective date and reissued as SMNSR-SU-000009-2012.002. The permit did not authorize the construction of any new emission sources or authorize any physical modifications to the facility or its operations. On October

20, 2014, Salvador I/II was no longer a major source and no longer subject to Title V; therefore, the Part 71 permit was terminated. On October 21, 2015 EPA received an application requesting a synthetic minor permit for a modification at Salvador I/II Central Delivery Point. On May 19, 2016, EPA issued the permit as SMNSR-SU-000009-2015.03. That permit authorized the construction of a compressor engine and established legally and practically enforceable reductions in emissions for the new engine and one existing engine. On October 25, 2018, BP started the new engine and emissions at Salvador I/II increased to over Title V thresholds. BP submitted an initial Part 70 application to the Southern Ute Indian Tribe Air Quality Program (AQP) on October 16, 2019. On November 19, 2020, BP submitted a permit revision application to reflect the change of ownership from BP to SIMCOE. The AQP issued the initial Part 70 permit, V-SUIT-0009-2020.00, on March 2, 2021.

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 Salvador I/II Delivery Point was listed by BP in Forms “GIS”, “PTE”, and the various forms “EMISS” of the Part 70 operating permit initial application. Table 3 shows PTE data broken down by each individual emission unit, as well as the total facility-wide PTE.

Table 3 - Potential to Emit

Emission Unit ID	Regulated Air Pollutants (tons per year)								
	NO_x	VOC	SO₂	PM₁₀	CO	Lead	Total HAPs	Largest Single HAP (CH₂O)	GHGs (CO_{2e} tpy)
Unit 1	20.6	12.9	0.0	0.4	3.9	0.0	1.5	1.5	4,895.4
Unit 2	33.0	6.4	0.0	0.4	2.8	0.0	1.4	1.4	4,357.7
Unit 3	19.3	12.9	0.0	0.4	38.6	0.0	3.7	3.7	4,895.4
Unit 4	28.3	14.2	0.0	1.0	34.0	0.0	0.7	0.7	5,868.8
Unit 5	18.1	15.7	0.0	0.6	4.5	0.0	2.0	2.0	6,479.1
IEUs	0.9	0.5	0.0	0.1	0.7	0.0	0.0	0.0	61,088.8
TOTAL	120.2	62.6	0.0	2.9	84.5	0.0	9.3	9.3	87,585.2

2. Tribal Authority

Salvador I/II Central Delivery Point is located within the exterior boundaries of the Southern Ute Indian Reservation and is thus within Indian Country as defined at 18 U.S.C. §1151. On March 2, 2012, the EPA determined that the Southern Ute Indian Tribe of the Southern Ute Indian Reservation had met the

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

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

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

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 BP in its Part 70 initial permit application and are only intended to present the information certified to be true and accurate by the Responsible Official of this facility.

Tribal Minor New Source Review (TMNSR) – 40 CFR Part 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 ₁₀	5
PM _{2.5}	3
Lead	0.1
Fluorides	1
Sulfuric Acid Mist	2
Hydrogen Sulfide (H ₂ S)	2
Total Reduced Sulfur (including H ₂ S)	2
Reduced Sulfur Compounds (including H ₂ S)	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 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 only if a general permit is available for that source category. All new true minor sources not in the oil and natural gas sector which intend to construct after September 2, 2014 are required to apply for a preconstruction permit. After March 2, 2016, all minor modifications at major sources and true minor sources in the oil and natural gas sector that intend to construct will have to apply for a preconstruction permit.

Salvador I/II Central Delivery Point is subject to the Tribal Minor New Source Review Rule. On September 18, 2014 EPA issued Salvador I/II Central Delivery Point a synthetic minor new source review permit SMNSR-SU-000009-2012.001 to retain emission limits for NO_x, CO, and CH₂O previously established in a Part 71 permit. The synthetic minor permit was revised on December 4, 2014 and reissued as SMNSR-SU-000009-2012.002. EPA issued a synthetic minor permit on October 16, 2019, to authorize the construction of one compressor engine and establish legally and practically enforceable reductions in emissions for the new engine and one existing engine. The permit was issued as SMNSR-SU-000009-2015.003. The requirements of the new source review permits have been incorporated into the Part 70 operating permit.

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.

Salvador I/II Central Delivery Point is not a PSD named source. Therefore, the PTE threshold for determining PSD applicability for this source is 250 tpy for criteria pollutants. The PTE of regulated pollutants at this facility are currently below the major source threshold of 250 tpy. **Therefore, Salvador I/II Central Delivery Point is not subject to the requirements of PSD 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 Salvador I/II Central Delivery Point is subject to 40 CFR Part 60, Subpart JJJJ and Subpart OOOOa. **Therefore, the General Provisions of Part 60 do 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 BP, the Salvador I/II Central Delivery Point 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 BP, the Salvador I/II Central Delivery Point 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 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 BP, the Salvador I/II Central Delivery Point is a drilling and production facility prior to custody transfer. **Therefore, Subpart K does not apply.**

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

According to BP, the Salvador I/II Central Delivery Point is a drilling and production facility prior to custody transfer. **Therefore, Subpart Ka does not apply.**

40 CFR Part 60, Subpart Kb: Standards of Performance for Volatile Organic Liquid Storage Vessels (Including Petroleum Liquid Storage Vessels) for which Construction, Reconstruction, or Modification Commenced After July 23, 1984. This rule applies to storage vessels with a capacity greater than or equal to 75 cubic meters (472bbl, or 19,813 gal). The subpart does not apply to storage vessels with a capacity greater than or equal to 151 cubic meters storing a liquid with a maximum true vapor pressure less than 3.5 kPa or with a capacity greater than or equal to 75 cubic meters but less than 151 cubic meters storing a liquid with a maximum true vapor pressure less than 15.0 kPa.

According to BP, all tanks storing volatile organic liquids at the Salvador I/II Central Delivery Point are less than 75 m³. **Therefore, Subpart Kb does not apply.**

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

According to BP, there are no stationary gas turbines located at the Salvador I/II Central Delivery Point. **Therefore, Subpart GG 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 BP, the Salvador I/II Central Delivery Point does not extract natural gas liquids from field gas, nor does it fractionate mixed NGLs to natural gas products, and thus does not meet the definition of a natural gas processing plant under this subpart. **Therefore, Subpart KKK does not apply.**

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

According to BP, the Salvador I/II Central Delivery Point does not perform sweetening or sulfur recovery. **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 BP, there are no stationary compression ignition (diesel) internal combustion engines (ICE) located at Salvador I/II Central Delivery Point. **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)).

**NSPS Subpart JJJJ Applicability Determination
Salvador I/II Central Delivery Point**

Unit	Serial No.	Unit Description	Maximum HP	Commence Construction Date	Manufactured, Reconstructed, or Modified	Trigger Date for Applicability	Subject to NSPS Subpart JJJJ
Unit 1	C-12554/4	Waukesha L7042GL SI 4SLB Compressor Engine	1,478	Before 6/12/2006	Reconstructed after 6/12/2006	After 6/12/2006	Yes
Unit 2	4EK00106	Caterpillar G3516 SI 4SLB Compressor Engine	1,150	Before 6/12/2006	Modified after 6/12/2006	After 6/12/2006	Yes
Unit 3	C10461/5	Waukesha L7042GL SI 4SLB Compressor Engine	1,478	Before 6/12/2006	Manufactured before 6/12/2006	7/1/2007	No
Unit 4	296421	Waukesha L7042GSI SI 4SRB Compressor Engine	1,478	Before 6/12/2006	Manufactured before 6/12/2006	7/1/2007	No
Unit 5	3XF00160	Caterpillar G3606LE SI 4SLB Compressor Engine	1,895	Before 6/12/2006	Manufactured 3/31/1998	7/1/2007	No

According to BP, Salvador I/II Central Delivery Point is potentially subject to this subpart as all engines at the site are stationary spark ignition internal combustion engines. However, Units 1, 3, 4, and 5 were manufactured prior to July 1, 2007 (the trigger date for engines with a maximum design horsepower ≥ 500); Unit 2 was manufactured prior to January 1, 2008 (the trigger date for lean burn engines with a maximum design horsepower ≥ 500 hp but $< 1,350$). According to BP, units 1 and 2 have been modified or reconstructed (as defined in §60.15) after June 12, 2006. **Therefore, Subpart JJJJ applies to Unit 1 and Unit 2.**

Should BP propose to install a replacement engine which is subject to Subpart JJJJ, BP will not be allowed to use the off permit changes provision, and will be required to submit a minor permit modification application to incorporate Subpart JJJJ requirements into the permit.

40 CFR Part 60, Subpart KKKK: Standards of Performance for Stationary Combustion Turbines. This 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 BP, there are no stationary gas turbines located at Salvador I/II Central Delivery Point. **Therefore, Subpart KKKK does not apply.**

40 CFR Part 60, Subpart OOOO: Standards of Performance for Crude Oil and Natural Gas Production, Transmission, and Distribution. This subpart establishes emission standards and compliance schedules for the control of VOC and SO₂ emissions from affected facilities that commence construction, modification or reconstruction after August 23, 2011 and on or before September 18, 2015. Affected

facilities under this subpart include gas wells, compressors, pneumatic controllers, storage vessels, process unit equipment, and sweetening units.

According to BP, the Salvador I/II Central Delivery Point is not a gas well, however, the Salvador Gas Unit A#1 gas well does exist at the site. This gas well was initially completed prior to August 23, 2011 and has not been recompleted since this date. The facility has no centrifugal compressors located at the site. The storage vessels and the five reciprocating compressors located at the Salvador I/II CDP were constructed prior to August 23, 2011 and have not been modified or reconstructed since August 23, 2011. Since requirements under this subpart are for continuous bleed natural gas drive pneumatic controllers that are constructed, reconstructed, or modified after October 15, 2013, the facility is not subject to NSPS OOOO requirements for pneumatic controllers. The facility is not considered a natural gas processing plant. **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 greenhouse gases (GHG), volatile organic compounds (VOC), and sulfur dioxide (SO₂). The standards in this subpart apply to affected facilities in the crude oil and natural gas source category that commence construction, modification, or reconstruction after September 18, 2015.

According to BP, additional compression has been installed at the site since September 18, 2015. **Therefore, the Subpart OOOOa requirements for the collection of fugitive emissions components at a compressor station 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, Salvador I/II is subject to 40 CFR Subparts HH and ZZZZ. Therefore, **the General Provisions of Part 63 apply as specified in the relevant subparts.**

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

Throughput Exemption

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

Source Aggregation

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

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

Facility

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

Production Field Facility

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

Natural Gas Processing Plant

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

Major Source Determination for Production Field Facilities

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

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

Area Source Applicability

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

Units located in densely populated areas (determined by the Bureau of Census) and known as urbanized areas with an added 2-mile offset and urban clusters of 10,000 people or more, are required to have emission controls. Units located outside these areas will be required to have the glycol recirculation pump rate optimized or operators must document that PTE of benzene is 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 Salvador I/II Central Delivery Point

According to BP, the Salvador I/II is an area source of HAPs, 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 with the potential for flash emissions need to be aggregated when determining major source status. The total HAP emissions from the glycol dehydrators and storage vessels are below major source thresholds. **Therefore, Salvador I/II is subject to the area source requirements of Subpart HH.**

Uncontrolled actual average benzene emissions from the TEG dehydration unit at the facility were determined to be less than 0.90 megagram per year. Per 40 CFR 63.764(e)(1)(ii), Salvador I/II is exempt from the general requirements found at 40 CFR 63.764(d). **Therefore, only the recordkeeping requirements of §63.774(d)(1) apply to the facility.**

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

According to BP, the Salvador I/II Central Delivery Point 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. 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

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

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

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

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 Part 63, Subpart ZZZZ to the Salvador I/II Central Delivery Point

Unit	Serial Number	Unit Description	Fuel	Site Rated HP	Commenced Construction, Reconstruction, or Modification Date	Trigger Date for Area Source Standards	Subject to Area Source Standards
Unit 1	C-12554/4	Waukesha L7042GL SI 4SLB Compressor Engine	Natural Gas	1,334	Reconstructed after 6/12/2006	6/12/2006	Yes
Unit 2	4EK00106	Caterpillar G3516 SI 4SLB Compressor Engine	Natural Gas	1,138	Modified after 6/12/2006	6/12/2006	Yes
Unit 3	C10461/5	Waukesha L7042GL SI 4SLB Compressor Engine	Natural Gas	1,334	Before 6/12/2006	6/12/2006	Yes
Unit 4	296421	Waukesha L7042GSI SI 4SRB Compressor Engine	Natural Gas	1,467	Before 6/12/2006	6/12/2006	Yes
Unit 5	3XF00160	Caterpillar G3606LE SI 4SLB Compressor Engine	Natural Gas	1,874	3/31/1998	6/12/2006	Yes

According to BP, the Salvador I/II Central Delivery Point is an area source of hazardous air pollutants (HAP) as defined in Subpart ZZZZ. Units 1 and 2 are four-stroke lean-burn (4SLB) and were reconstructed/modified after June 12, 2006; and therefore, meet the requirements of Subpart ZZZZ by meeting the requirements of 40 CFR 60, Subpart JJJJ under 40 CFR 63.6590(c)(1). Units 3 and 5 are 4SLB stationary RICE > 500 site-rated hp. Unit 4 is a four-stroke rich-burn (4SRB) stationary RICE > 500 site-rated hp. Units 3, 4, and 5 are considered remote engines according to the remote status determination performed by the Air Quality Program and BP. **Therefore, Salvador I/II is subject to the Subpart ZZZZ requirements for existing 4SLB and 4SRB remote stationary RICE > 500 hp at an area source of HAP.**

40 CFR Part 63, Subpart DDDDD (Boiler MACT): National Emission Standards for Hazardous Air Pollutants for Major Sources: Industrial, Commercial, and Institutional Boilers and Process Heaters. This rule establishes national emission limitations and work practice standards for HAPs emitted from new and existing industrial boilers, institutional boilers, commercial boilers, and process heaters that are located at major sources of HAPs, as defined by 40 CFR 63.7575. Boilers or process heaters that combust natural gas for fuel or have a maximum designed heat input capacity less than 10 MMBtu/hr are subject to work practice standards in lieu of emission limits. For the purposes of this subpart, an affected unit is an existing unit if it was constructed prior to June 4, 2010.

According to BP, the Salvador I/II CDP is not a major source as defined in 40 CFR 63.7575. **Therefore, Subpart DDDDD does not apply.**

40 CFR Part 63, Subpart JJJJJ: 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, as defined by 40 CFR 63.11237, and are located at area

sources of HAPs, as defined by 40 CFR 63.2, except as specified in 40 CFR 63.11195. For the purposes of this subpart, an affected unit is an existing unit if it was constructed prior to June 4, 2010.

According to BP, there are no coal, oil, or biomass boilers at Salvador I/II Central Delivery Point. **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 BP, while Unit 4 has a pre-control potential to emit greater than 100 tons per year of NO_x and CO, according to 40 CFR 64.2(b)(vi), CAM requirements do not apply to any emission unit that is subject to an emission limit or standard for which an applicable requirement specifies a continuous compliance determination method. The permit conditions for this controlled engine will require demonstrations through semi-annual stack gas concentration monitoring of NO_x and CO, monthly parametric monitoring, and maintenance activities. These conditions are sufficient to provide a reasonable assurance of continuous compliance and allow BP to make an informed certification of compliance. **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.

Based on information provided in BP's permit application, Salvador I/II Central Delivery Point 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.**

Mandatory Greenhouse Gas Reporting

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

4. Public Participation

a. Public Notice

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

by United State Postal Service to:

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

by any other delivery service to:

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 November 4, 2020 and the Southern Ute Drum on November 6, 2020 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, this statement of basis for the draft permit, and all supporting materials for the draft permit. Copies of these documents are available at:

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

All documents 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 at the address specified in the public notice. The Tribe will consider and address comments in making a final decision on the permit. The Tribe keeps a record of the commenters and of the issues raised during the public participation process.

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

c. Opportunity to Request a Hearing

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

d. Public Petitions to the Administrator

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

e. Appeal of Permits

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

Petitions for administrative review of final permit actions can be filed after the deadline designated by the Commission only if they are based solely on grounds arising after the deadline for administrative review. 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