



**Air Pollution Control
Title V Permit to Operate
Statement of Basis for Permit No V-SUIT-0008-2023.00
March 12, 2024**

**SIMCOE, LLC
Four Queens Central Delivery Point
Southern Ute Indian Reservation
La Plata County, Colorado**

1. Facility Information

a. Location

The Four Queens Central Delivery Point (Four Queens), owned and operated by SIMCOE, LLC (SIMCOE) , is located within the exterior boundary of the Southern Ute Indian Reservation. The exact location is SE ¼ SE ¼ Section 26, T33N, R11W, in La Plata County, at latitude North 37.069597 and longitude West -108.002985. The mailing address is:

SIMCOE, LLC
Four Queens Central Delivery Point
1199 Main Ave. Suite 101
Durango, CO 81301

b. Contacts

Facility Contact:	Responsible Official:
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Environmental Specialist	Area Manager, Midstream
SIMCOE, LLC	SIMCOE, LLC
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c. Description of Operations

Four Queens is a natural gas compression facility located within the exterior boundaries of the Southern Ute Indian Reservation in southwestern Colorado. The facility was installed in 1997 to provide field compression. The Fruitland natural gas wells produce coal bed methane which is a mixture of approximately 78% methane and 15% carbon dioxide. This gas mixture is water vapor saturated. The natural gas coming into the central delivery point is at approximately 15 psig and 65 degrees Fahrenheit. These wells do not produce any condensate or natural gas liquids and the VOC content of the inlet gas is approximately 5% by weight.

The natural gas enters the compression facility and passes through an inlet separator to remove any free liquid water in the gas stream by gravity. The gas stream then passes to a distribution header, which

distributes the gas to one of two compressors that boost the gas pressure to approximately 350 psi. The gas then passes to a glycol absorber column where it contacts a triethylene glycol solution. The purpose of this contact is to remove water vapor in the gas. The gas is then metered and custody transferred to a third party gathering system for transportation to interstate markets.

The primary source for emissions is from the facility’s two compressor engines, which are fueled by natural gas and utilize lean burn technology, then natural gas fired generator, and the triethylene glycol dehydrator. Current production at this facility is about 10 MMscf.

d. List of all Units and Emission-Generating Activities

SIMCOE provided the information contained in Tables 1 and 2 in its 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
SIMCOE LLC, Four Queens Central Delivery Point**

Emission Unit ID	Description				Control Equipment
	Caterpillar G3608TALE (4SLB SI) Natural Gas-Fired Compressor Engine 2,225 Nameplate Rated HP				None
Unit 1	Serial No.	4WF00064	Install Date:	1998	
Unit 2	Serial No.	4WF00065	Install Date:	1998	
	Caterpillar G3306NA (4SRB SI) Natural Gas-Fired Generator Engine 145 Nameplate Rated HP				NSCR Catalyst
Gen1	Serial No.	07Y06117	Install Date:	1997	
	Triethylene Glycol (TEG) Dehydrator Regenerator and Flash Tank Vent 40 MMscf/d				None
Dehyl	Serial No.	N/A	Install Date:	1997	

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.

SIMCOE stated in its Part 70 permit application that the emission units in Table 2, below, are insignificant. The application provided calculations for heater/reboiler emissions based on EPA’s AP-42 emission factors. SIMCOE provided sufficient information, including EPA Tanks 4.0.9d calculations, to verify any emissions from liquids in the tanks were insignificant. This data supports SIMCOE’s claim that these units qualify as insignificant.

**Table 2 – Insignificant Emission Units
SIMCOE LLC, Four Queens Central Delivery Point**

Emission Unit ID	Amount	Description	Size	Units
IEU-1, IEU-2	2	Triethylene Glycol (TEG) Dehydration Reboilers	0.375	MMBtu/hr
IEU-3	1	TEG Tank	500	gal
IEU-4	7	Lube Oil Tanks	500	gal
IEU-5	1	Lube Oil Tank	100	bbl
IEU-6	1	Ethylene Glycol (EG) / Water Tank (50/50 mixture)	500	gal
IEU-7	1	Waste Oil Tank	100	bbl
IEU-9	1	Compressor Drip Tank	95	bbl
IEU-10	2	Chemical Tanks	75	gal
IEU-11	N/A	Fugitives	N/A	N/A
IEU-12	1	Catalytic Heater	5	MBtu/hr
IEU-13	1	Catalytic Heater	8	MBtu/hr
IEU-14	1	Catalytic Heater	18	MBtu/hr
IEU-15	1	Waste Oil Tank	500	gal
IEU-16	1	Dye Diesel Tank	300	gal
IEU-17	1	Methanol Tank	300	gal

e. Facility Construction and/or Permitting History

Four Queens commenced operation in 1997. EPA issued the initial Part 71 operating permit, # V-SU-0008-00.00, in March 2000. EPA replaced that permit with renewal Part 71 operating permit # V-SU-0008-05.00, in January 2007. In September 2007 and January 2008, EPA issued Part 71 permit # V-SU-0008-05.01 and # V-SU-0008-05.02, respectively, after BP American Production Company requested separate administrative amendments. AQD issued an initial Part 70 operating permit, # V-SUIT-0008-2013.00, in September 2013. A renewal permit, V-SUIT-0008-2018.00, was issued on August 17, 2018. No pre-construction permits have been issued to this facility. An administrative permit revision #V-SUIT-0008-2018.01 was issued on December 30, 2020, as requested by BP to reflect the transfer of ownership from BP America Production Company to SIMCOE LLC. A renewal permit, V-SUIT-0008-2023.00, was issued on March 12, 2024.

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 Four Queens was listed by SIMCOE in Forms “GIS”, “PTE”, and the various forms “EMISS” of the Part 70 operating permit 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
SIMCOE LLC, Four Queens Central Delivery Point**

Emission Unit ID	Regulated Air Pollutants in tpy (uncontrolled)								
	NOx	VOC	SO ₂	PM _{total}	CO	Lead	Total HAPs	Largest Single HAP (CH ₂ O)	GHGs (CO ₂ e mtpy)
Unit 1	14.1	12.9	0.0	0.7	51.4	0.0	5.8	5.8	8,259.4
Unit 2	14.1	12.9	0.0	0.7	51.4	0.0	5.8	5.8	8,259.4
Gen1	23.1	0.2	0.0	0.1	2.0	0.0	0.3	0.3	567.6
Dehyl	0.0	9.3	0.0	0.0	0.0	0.0	2.2	0.0	906.6
IEUs	0.3	0.8	0.0	0.0	0.3	0.0	0.1	0.0	11,808.2
TOTAL	51.6	36.1	0.0	1.5	105.1	0.0	14.2	11.9	29,801.2

2. Tribal Authority

Four Queens 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 SIMCOE in its Part 70 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 true minor sources and minor modifications at existing major sources constructed after August 30, 2011 were required to submit a registration form within 90 days of beginning operation and obtain a permit if a general permit was available for that source category. No general permit was available for sources in the oil and gas sector constructed or modified between August 30, 2011 and October 2, 2016 and these sources were only required to register with EPA.

On May 12, 2016, EPA finalized a Federal Implementation Plan (FIP) for true minor oil and gas sources in Indian County. Beginning on October 3, 2016, all new and modified true minor oil and gas sources are required to register with the EPA to obtain coverage under the FIP. Owners/operators also have the option of apply to EPA for a source-specific permit instead of complying with the FIP, or EPA may determine that a source-specific permit is necessary due to local or reservation-specific air quality concerns.

Future modifications at the Four Queens Central Delivery Point will be subject to the TMNSR rule; however, no TMNSR permits have been issued to this facility at this time.

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.

Four Queens does not belong to any of the 28 source categories. Therefore, the potential to emit threshold for determining PSD applicability for this source is 250 tons per year for criteria pollutants. The potential to emit of regulated pollutants at this facility are currently below the major source threshold of 250 tpy. **Therefore, the requirements of PSD do not apply to Four Queens 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.

According to SIMCOE, Four Queens 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 SIMCOE, Four Queens 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 SIMCOE, Four Queens 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 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 SIMCOE, Four Queens 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 SIMCOE, Four Queens 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 (472 bbl or 19,813 gal).

According to SIMCOE, all tanks storing volatile organic liquids at Four Queens are less than 75 m³ (472 bbl or 19,813 gal). **Therefore, Subpart Kb does not apply.**

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

According to SIMCOE, there are no stationary gas turbines located at Four Queens. **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 SIMCOE, Four Queens 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 SIMCOE, Four Queens has no sweetening or sulfur recovery units and does not perform natural gas sweetening or sulfur recovery at the facility. **Therefore, Subpart LLL does not apply.**

40 CFR Part 60, Subpart IIII: Standards of Performance for Stationary Compression Ignition Internal Combustion Engines. This subpart establishes emission standards and compliance requirements for the control of emissions from stationary 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 SIMCOE, there are no stationary compression ignition (CI) internal combustion engines (ICE) located at Four Queens. **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)).

SIMCOE provided the following information:

**Table 4 - NSPS Subpart JJJJ Applicability Determination
SIMCOE, LLC, Four Queens Central Delivery Point**

Unit	Serial No	Unit Description	Fuel	Maximum HP	Manufacture Date	Commenced Construction Date	Trigger Date for Applicability- Manufactured on or after
Unit 1	4WF00064	Caterpillar G3608 TALE 4SLB Compressor Engine	Natural Gas	2,225	6/3/1997 ¹	Prior to 6/12/2006	7/1/2007
Unit 2	4WF00065	Caterpillar G3608 TALE 4SLB Compressor Engine	Natural Gas	2,225	6/17/1997 ¹	Prior to 6/12/2006	7/1/2007
Gen1	07Y06117	Caterpillar G3306NA 4SRB Generator Engine	Natural Gas	145	6/26/1997 ¹	Prior to 6/12/2006	7/1/2008

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

According to SIMCOE, Unit 1 and Unit 2 were manufactured prior to July 1, 2007 (trigger date for engines with maximum engine power greater than or equal to 500 hp) and Gen1 was manufactured prior to July 1, 2008 (trigger date for SI engines with maximum engine power less than 500 hp).

The engines have not been reconstructed or modified (as defined in §60.15) since June 12, 2006. **Therefore, Subpart JJJJ does not apply.**

Should SIMCOE propose to install a replacement engine for Unit 1, Unit 2, or Gen1 that is subject to Subpart JJJJ, SIMCOE will not be allowed to use the off permit changes provision, and will be required to submit a minor permit revision 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 SIMCOE, there are no stationary gas turbines located at Four Queens. **Therefore, Subpart KKKK does not apply.**

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

According to SIMCOE, Four Queens does not have any affected facilities under the rule that commenced construction 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 VOC and SO₂ emissions from affected facilities that commence construction, modification or reconstruction after September 18, 2015. Affected facilities and equipment under this subpart include wells, compressors, storage vessels, process unit equipment, sweetening units, pneumatic pumps and pneumatic controllers.

According to SIMCOE, Four Queens does not have any affected facilities under the rule that commenced construction after September 18, 2015. **Therefore, Subpart OOOOa does not apply.**

National Emission Standards for Hazardous Air Pollutants (NESHAP)

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

As explained below, Four Queens is subject to specific subparts of 40 CFR Part 63. **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 Four Queens Central Delivery Point

According to SIMCOE, Four Queens is located prior to the point of custody transfer and is considered a production field facility. Potential HAP emissions from the glycol dehydration unit and storage vessels at the facility are less than major source thresholds; the facility is an area source under this subpart. Furthermore, with respect to area source requirements, uncontrolled actual average benzene emissions from the TEG dehydration unit at the facility are less than 0.9 megagrams (1984 lbs.). Per 40 CFR 63.764(e)(1)(ii), the dehydration unit is exempt from the 40

CFR 63.764(d) general standards for area sources. **Therefore, SIMCOE must maintain records as specified in 63.774(d)(1).**

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 SIMCOE, Four Queens 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

Table 5 - Applicability of 40 CFR 63, Subpart ZZZZ to the Four Queens Central Delivery Point:

Unit	Serial Number	Unit Description	Fuel	Site Rated BHP	Commenced Construction, Reconstruction, or Modification Date
Unit 1	4WF00064	Caterpillar G3608 TALE Compressor Engine	Natural Gas	2,087	Prior to 12/19/2002
Unit 2	4WF00065	Caterpillar G3608 TALE Compressor Engine	Natural Gas	2,087	Prior to 12/19/2002
Gen1	07Y06117	Caterpillar G3306NA Generator Engine	Natural Gas	121	Prior to 6/12/2006

According to SIMCOE, Four Queens is a major source as defined in Subpart ZZZZ. Unit 1 and Unit 2 are four-stroke lean burn stationary RICE > 500 site-rated hp constructed before December 19, 2002, and have not been reconstructed since this date. Therefore, Unit 1 and Unit 2 are considered existing stationary RICE. Per 40 CFR 63.6590(b)(3)(ii), these units have no requirements under this part or 40 CFR Part 63, Subpart A, including initial notification requirements. Gen1 is a four-stroke rich burn stationary RICE $100 \leq$ site-rated hp \leq 500 constructed before June 12, 2006, and has not been reconstructed since this date. **Therefore, Gen1 is considered an existing stationary RICE and must comply with the applicable requirements of this subpart.**

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 65.7575. 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 SIMCOE, Four Queens is not a major source of HAPs, under the definition of an oil and gas production field facility, as defined in 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, as defined in §63.11237, and commercial boilers that are fueled by coal, biomass, or oil and are located at area sources of HAPs, as defined in §63.2, except for as specified in §63.11195. For the purposes of this subpart, an affected unit is an existing unit if it was constructed prior to June 4, 2010.

According to SIMCOE, Four Queens is not an area sources of HAPs as defined by this subpart, and there are no coal, oil, or biomass boilers located at this facility. **Therefore, Subpart JJJJJ does not apply.**

Compliance Assurance Monitoring (CAM) Rule

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

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

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

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

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

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

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

According to SIMCOE, the CAM rule does not apply to any of the units at Four Queens as the pre-controlled emissions for each unit are less than the major source threshold. **Therefore, CAM does not apply.**

Chemical Accident Prevention Program

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

Based on SIMCOE's application, Four Queens 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 SIMCOE, there are two air conditioning units at the Four Queens Central Delivery Point that contain Class I or Class II refrigerants (chlorofluorocarbons (CFCs)). Therefore, Four Queens must comply with the standards of part 82, subpart F for recycling and emissions reduction if they service, maintain, or repair the air conditioning units in any way or if they dispose of the units.

40 CFR Part 82, Subpart H: Halon Fire Extinguishers. According to , there are no halon fire extinguishers at Four Queens. However, should SIMCOE 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, SIMCOE would be required to comply with 40 CFR Part 82 and submit an application for a revision to this Title V permit.

Mandatory Greenhouse Gas Reporting

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

4. Public Participation

a. Public Notice

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

by United State Postal Service to:

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

by any other delivery service to:

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

Public notice for the draft permit was published in the Durango Herald and the Southern Ute Drum on November 22, 2023 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 were available at:

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

All documents were available for review at the Southern Ute Indian Tribe's Environmental Programs Department 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 to the Part 70 Permit Contact at the address listed above. 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 believes any condition of the draft permit was inappropriate could have raised all reasonably ascertainable issues and submitted all arguments supporting his or her position by the close of the public comment period. Any supporting materials submitted must have been included in full and may not have been incorporated by reference, unless the material had already been submitted as part of the administrative record in the same proceeding or consisted of Environmental Commission, tribal, state or Federal statutes and regulations, EPA documents of general applicability, or other generally available reference material.

c. Opportunity to Request a Hearing

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

d. Public Petitions to the Administrator

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

e. Appeal of Permits

Within 60 days after the Tribe's final permit action, an applicant, any person who filed comments on the draft permit or participated in the public hearing, and any other person who could obtain judicial review of that action under applicable law, may appeal to the Environmental Commission in accordance with the RAC and the Commission's Procedural Rules. Solely for the purpose of obtaining administrative review before the Commission for failure to take final permit action, final permit action shall include the failure of the Tribe to take final action on an application for a permit within the time required.

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