EXHIBIT 5

Memo from Richard R. Long, Region VIII Dir., Air and Radiation Program to Lynn Menlove, Manager, New Source Review Section, Utah Division of Air Quality (May 21, 1998)

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION VIII
999 18th STREET - SUITE 500
DENVER, COLORADO 80202-2466

May 21, 1998

Ref: 8P2-A

Lynn Menlove, Manager
New Source Review Section
Utah Division of Air Quality
P.O. Box 144820
Salt Lake City, UT 84114-4820

Re: Response to Request for Guidance in Defining Adjacent with Respect to Source Aggregation

Dear Mr. Menlove:

This is in response to your letter of January 15, 1998, to Mike Owens of my staff, requesting guidance and/or specific recommendations in the matter of Utility Trailer Manufacturing Company. For the purpose of determining if two Utility Trailer facilities should or should not be aggregated into a single source under Clean Air Act Title V and New Source Review permitting programs, you asked what is the specific physical distance associated with the definition of "adjacent." The word "adjacent" is part of the definition of "source" in the Utah SIP regulations, at R307-1-1. The SIP definition follows the Federal definition found in 40 CFR 51.166.

In brief, our answer is that the distance associated with "adjacent" must be considered on a case-by-case basis. This is explained in the preamble to the August 7, 1980 PSD rules, which says "EPA is unable to say precisely at this point how far apart activities must be in order to be treated separately. The Agency can answer that question only through case-by-case determinations." After searching the New Source Review Guidance Notebook, and after querying the other Regions and EPA's Office of Air Quality Planning and Standards, we have found no evidence that any EPA office has ever attempted to indicate a specific distance for "adjacent" on anything other than a case-by-case basis. We could not find any previous EPA determination for any case that is precisely like Utility Trailer, i.e., two facilities under common control, with the same primary 2-digit SIC code, located about a mile apart, both producing very similar products, but claimed by the company to be independent production lines.

Utah SIP regulations do not define "adjacent." The definition in the 1995 edition of Webster's New College Dictionary is: 1. Close to; nearby, or 2. Next to; adjoining. We realize this leaves considerable gray area for interpretation; however, since the term "adjacent" appears in the Utah SIP as part of the definition of "source," any evaluation of what is "adjacent" must relate to the guiding principle of a common sense notion of "source." (The phrase "common

sense notion" appears on page 52695 of the August 7, 1980 PSD preamble, with regard to how to define "source.") Hence, a determination of "adjacent" should include an evaluation of whether the distance between two facilities is sufficiently small that it enables them to operate as a single "source." Below are some types of questions that might be posed in this evaluation, as it pertains to Utility Trailer. Not all the answers to these questions need be positive for two facilities to be considered adjacent.

-- Was the location of the new facility chosen primarily because of its proximity to the existing facility, to enable the operation of the two facilities to be integrated? In other words, if the two facilities were sited much further apart, would that significantly affect the degree to which they may be dependent on each other?

-- Will materials be routinely transferred between the facilities? Supporting evidence for this could include a physical link or transportation link between the facilities, such as a pipeline, railway, special-purpose or public road, channel or conduit.

-- Will managers or other workers frequently shuttle back and forth to be involved actively in both facilities? Besides production line staff, this might include maintenance and repair crews, or security or administrative personnel.

-- Will the production process itself be split in any way between the facilities, i.e., will one facility produce an intermediate product that requires further processing at the other facility, with associated air pollutant emissions? For example, will components be assembled at one facility but painted at the other?

One illustration of this type of evaluation involved Great Salt Lake Minerals in Utah, which we wrote to you about on August 8, 1997, in response to your inquiry. (See enclosure #1.) We recommended, as EPA guidance, that you treat the two GSLM facilities as a single source (i.e., "adjacent"), despite the fact that they are a considerable distance apart (21.5 miles). We based that advice on the functional inter-relationship of the facilities, evidenced in part by a dedicated channel between them. We wrote that the lengthy distance between the facilities "is not an overriding factor that would prevent them from being considered a single source."

Another illustration is ESCO Corporation in Portland, Oregon, which operates two metal casting foundries (a "Main Plant" and a "Plant 3"), a couple of blocks apart. All castings produced by foundries at both facilities are coated, packaged and shipped at the "Main Plant". EPA Region 10 wrote to the State of Oregon on August 7, 1997 (see enclosure #2), that the guiding principle in evaluating whether the two facilities are "adjacent" is "the common sense notion of a plant. That is, pollutant emitting activities that comprise or support the primary product or activity of a company or operation must be considered part of the same stationary source." EPA determined that the two ESCO facilities must be considered a single major stationary source, since they function together in that manner, even though the Plant 3 foundry operates independently from the Main Plant foundry.

Another illustration is Anheuser-Busch in Fort Collins, Colorado, which operates a brewery and landfarm about six miles apart. A memo from OAQPS to our Regional Office, dated August 27, 1996 (see enclosure #3), stated that with regard to "contiguous or adjacent," the facilities should be treated as one source, due to their functional inter-relationship (landfarm as an integral part of the brewery operations), evidenced in part by a disposal pipeline between them. The fact that they are a considerable distance apart "does not support a PSD determination that the brewery proper and the landfarm constitute separate sources for PSD purposes."

Another illustration is Acme Steel Company, which operates an integrated steel mill consisting of coke ovens and blast furnaces at a site in Chicago, Illinois, along with basic oxygen furnaces, casting and hot strip mill operations at a site in Riverdale, Illinois, about 3.7 miles away. The blast furnace in Chicago produces hot metal that is transported via commercial rail to the BOF shop in Riverdale for further processing into steel. EPA Region 5 wrote to the State of Illinois on March 13, 1998 (see enclosure #4), that "Although the two sites are separated by Lake Calumet, landfills, I-94, and the Little Calumet River, USEPA considers that the close proximity of the sites, along with the interdependency of the operations and their historical operation as one source, as sufficient reasons to group these two facilities as one."

Therefore, in the matter of Utility Trailer, we recommend you evaluate, using questions such as those we posed above, whether the two facilities (one existing and one proposed for construction) will, in fact, operate independently of each other, as the company has claimed. Athough Utility Trailer writes that "The present facility is not capable of conversion to the new trailer manufacturing process," they also write that the existing facility is "an inefficient manufacturing process which has made this facility less cost-competitive." This suggests to us the possibility that the existing facility could become a support facility for the new one. The company should be advised that if the two facilities are later discovered by the State and/or EPA to be actually operating as a single major source, and no Title V or PSD permit applications have been submitted where required by regulation, the company could become subject to State or EPA enforcement action or citizen suit.

Finally, please be aware that if the facilities are treated as two separate sources, no emission netting between them can be allowed, to avoid major source NSR permitting at either facility, in the event of future facility modifications.

We hope this letter will be helpful. It has been written only as guidance, as it remains the State's responsibility to make source aggregation determinations under EPA-approved State programs and regulations. This letter has been reviewed by specialists at OAQPS, by our Office of Regional Counsel, and by Office of General Counsel at EPA Headquarters. We apologize for the delay in getting our response to you.

If you have questions, please contact Mike Owens. He is at at (206) 553-6511 until late June, after which he may be reached at (303) 312-6440.

Sincerely,

Richard R. Long
Director
Air Program

Enclosures (4)

cc: Rick Sprott, Utah DAQ
Scott Manzano, Utah DAQ
Jose Garcia, Utah DAQ

EXHIBIT 6

Draft Title V Permit for the Wolf Point Compressor Station,
Permit Number V-SU-0034-07.00

United States Environmental Protection Agency
Region VIII
Air Program
1595 Wynkoop Street
Denver, Colorado 80202

AIR POLLUTION CONTROL
TITLE V PERMIT TO OPERATE

In accordance with the provisions of title V of the Clean Air Act and 40 CFR part 71 and applicable rules and regulations,

BP America Production Company
Wolf Point Compressor Station

is authorized to operate air emission units and to conduct other air pollutant emitting activities in accordance with the permit conditions listed in this permit.

This source is authorized to operate at the following location:

Southern Ute Indian Reservation
NW ¼ Section 16, T33N, R9W
La Plata County, Colorado

Terms not otherwise defined in this permit have the meaning assigned to them in the referenced regulations. All terms and conditions of the permit are enforceable by EPA and citizens under the Clean Air Act.

Callie A. Videtich, Director
Air Program
US EPA Region VIII

Date

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AIR POLLUTION CONTROL
TITLE V PERMIT TO OPERATE
BP America Production Company
Wolf Point Compressor Station

Permit Number: V-SU-0034-07.00
Replaces Amended Permit No.: V-SU-0034-02.04

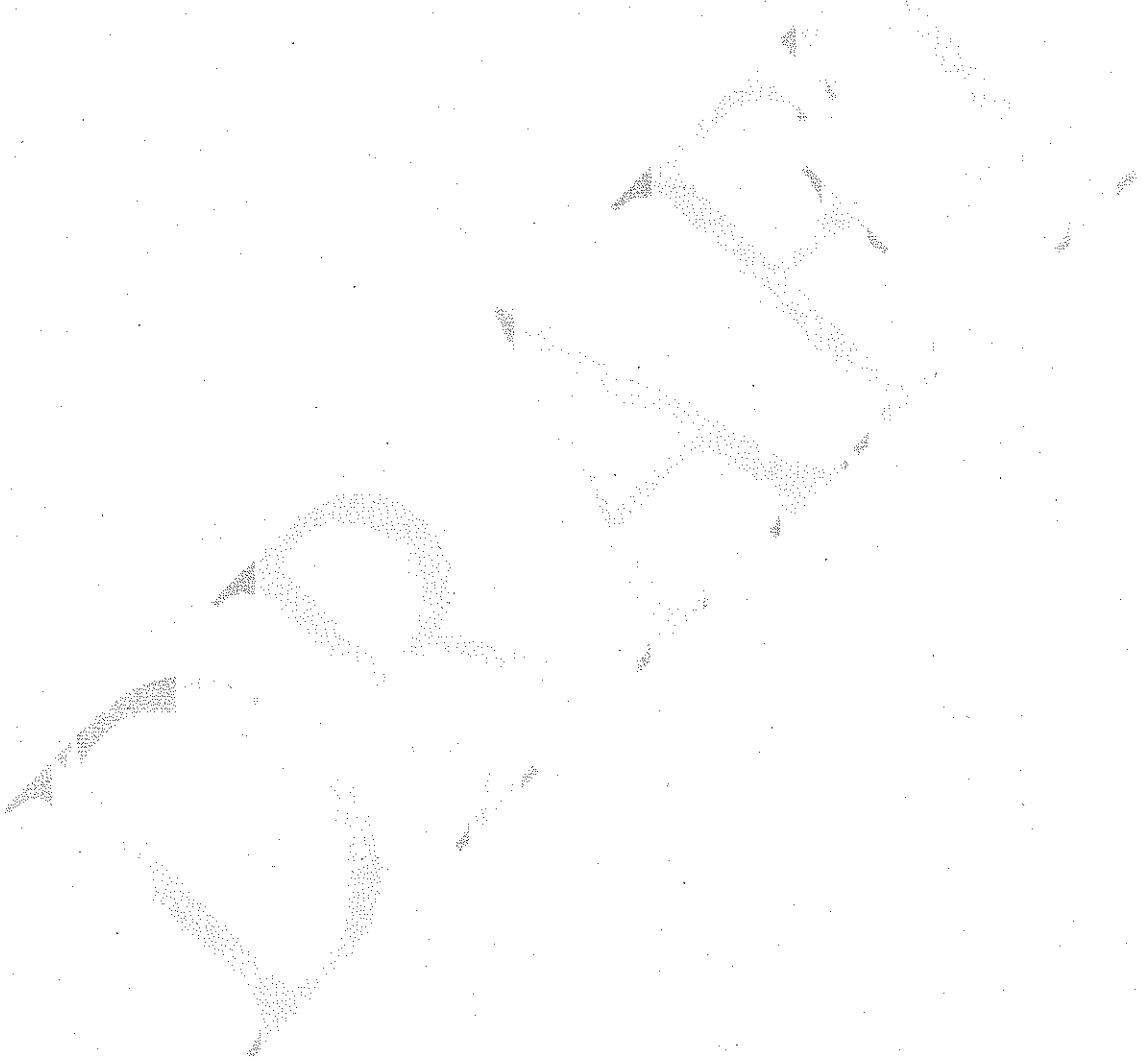
Issue Date:
Effective Date:
Expiration Date:

The permit number cited above should be referenced in future correspondence regarding this facility.

Permit Revision History

DATE OF REVISION	TYPE OF REVISION	SECTION NUMBER, CONDITION NUMBER	DESCRIPTION OF REVISION
February 2003	Initial Permit Issued		Title V Permit #V-SU-0034-02.00
TBD	1st Renewal Permit Issued		Title V Permit #V-SU-0034-07.00

TABLE OF CONTENTS



Abbreviations and Acronyms

AR	Acid Rain
ARP	Acid Rain Program
bbls	Barrels
BACT	Best Available Control Technology
CAA	Clean Air Act [42 U.S.C. Section 7401 et seq.]
CAM	Compliance Assurance Monitoring
CEMS	Continuous Emission Monitoring System
CFR	Code of Federal Regulations
CMS	Continuous Monitoring System (includes COMS, CEMS and diluent monitoring)
COMS	Continuous Opacity Monitoring System
CO	Carbon monoxide
CO2	Carbon dioxide
DAHS	Data Acquisition and Handling System
dscf	Dry standard cubic foot
dscm	Dry standard cubic meter
EIP	Economic Incentives Programs
EPA	Environmental Protection Agency
FGD	Flue gas desulfurization
gal	Gallon
GPM	Gallons per minute
H2S	Hydrogen sulfide
gal	gallon
HAP	Hazardous Air Pollutant
hr	Hour
Id. No.	Identification Number
kg	Kilogram
lb	Pound
MACT	Maximum Achievable Control Technology
MVAC	Motor Vehicle Air Conditioner
Mg	Megagram
MMBtu	Million British Thermal Units
mo	Month
NESHAP	National Emission Standards for Hazardous Air Pollutants
NMHC	Non-methane hydrocarbons
NOx	Nitrogen Oxides
NSPS	New Source Performance Standard
NSR	New Source Review
pH	Negative logarithm of effective hydrogen ion concentration (acidity)
PM	Particulate Matter
PM_{10}	Particulate matter less than 10 microns in diameter
ppm	Parts per million
PSD	Prevention of Significant Deterioration
PTE	Potential to Emit
psi	Pounds per square inch
psia	Pounds per square inch absolute
RICE	Reciprocating Internal Combustion Engine
RMP	Risk Management Plan
scfm	Standard cubic feet per minute
SNAP	Significant New Alternatives Program
SO_2	Sulfur Dioxide
tpy	Ton Per Year
US EPA	United States Environmental Protection Agency
VOC	Volatile Organic Compounds

LIST OF TABLES

I. Source Information and Emission Unit Identification

I.A. Source Information

Parent Company Name: BP America Production Company

Plant Name: Wolf Point Compressor Station

Plant Location: NW ¼ Section 16, T33N, R9W
Latitude: 37.10743378 Longitude: -107.8353513

Region: VIII

State: Colorado

County: La Plata

Reservation: Southern Ute Indian Reservation

Tribe: Southern Ute Indian Tribe

Responsible Official: Florida Operations Manager

SIC Code: 1311

AFS Number: 08-067-00360

Other Clean Air Act Permits: This is the first renewal of the part 71 permit. There are no other Federal CAA permits, such as PSD or minor NSR, issued to this facility.

Description of Process:

BP America Production Company owns and operates the Wolf Point Compressor Facility. Fruitland coal bed methane wells feed into a gathering pipeline system leading to this facility. The natural gas produced from these wells contains approximately 93% methane and 7% carbon dioxide and is water vapor saturated. The wells do not produce any condensate or natural gas liquids.

Upon entering the compressor station, the gas first passes through an inlet separator vessel to remove any free liquids in the gas stream by gravity. The gas then passes to a filter vessel, which serves to filter out any solids such as coal dust in the gas. The gas is then compressed and finally passes through an outlet coalescer vessel which removes any entrained droplets of lubricating oil before being metered and sent to the BP Florida River Compressor Facility for further processing. In addition, there are no pigging facilities or operations associated with this station.

Description of Phased Engine Replacement Project:

BP plans to conduct a compressor engine replacement project that will be phased to avoid major status for emissions of hazardous air pollutants (HAP) and to avoid triggering applicability to requirements for major sources of HAPs. BP will be replacing the four existing Waukesha L7042GL compressor engines with three Caterpillar G3606 compressor engines operating with federally enforceable oxidation catalyst controls and emission limits. The replacement project is anticipated to begin in 2008, with operation in later 2008 or early 2009. Concurrent with installation of the replacement engines, the existing engines will be removed from service.

Under current operations, the facility is a major source of HAP emissions, because the four existing Waukesha engines have a potential to emit (PTE) formaldehyde greater than 10 tons per year (tpy). Current operations have not, however, triggered requirements of the National Emission Standards for Hazardous Air Pollutants for Reciprocating Internal Combustion Engines, Maximum Achievable Control Technology (RICE MACT, 40 CFR part 63, subpart ZZZZ) or the New Source Performance Standards for Spark Ignition Internal Combustion Engines (SI NSPS), because the current configuration of engines is "existing" 4 stroke lean burn (4SLB) engines per 40 CFR §§60.2, 60.4230, 63.2 and 63.6590. Because these engines are existing per the definitions in the RICE MACT and SI NSPS, they are therefore not subject to any of the associated requirements. In order to maintain the facility's status for non-applicability to the major source requirements of the RICE MACT, the engines will be replaced in phases according to the Alternative Operating Scenarios in **Table 1** below, each of which will reduce (Scenarios #1a-c and #2) and maintain (Scenario #3) the maximum PTE of formaldehyde below the HAP major source threshold of 10 tons per year (tpy) throughout the replacement project. For the first phase of the project, BP may operate the facility under any one of Alternative Operating Scenarios #1a, #1b, #1c, or #2. BP would then operate the facility under Alternative Operating Scenario #3 for the second and final phase of the project.

Table 1 – Potential Facility Operating Scenarios

Operating Scenario	Emission Units Operating
Current Operating Scenario	C1, C2 , C3, C4, G1
Alternative Operating Scenarios #1a - #1c	C1 (#1a) or C2(#1b) or C3 (#1c), G1, WP1, WP2
Alternative Operating Scenario #2	C4, G1, WP1, WP2
Alternative Operating Scenario #3	G1, WP1, WP2, WP3

Because the replacement RICE compressor engines will require controls for emissions of carbon monoxide and formaldehyde to comply with the requested synthetic minor emission status, specific emission limits and other requirements for the Caterpillar compressor engines (WP1, WP2, and WP3) are described in sections **II.** and **III.**, dependent on the scenario under which the facility is operating at that given time.

I.B. Source Emission Points

Table 2 - Emission Units – Current Operating Scenario
BP Wolf Point Compressor Station

Emission Unit ID	Description	Control Equipment
	1323 hp, lean burn, natural gas-fired Waukesha L7042GL Compressor Engines	None
C1	Serial No. 316401 Rebuilt*/Installed: 4/15/06 (constructed 12/20/1977)	
C2	Serial No. C61492/1 Rebuilt*/Installed: 5/19/06 (constructed 12/11/1998)	
C3	Serial No. 296963 Installed: 2001	
	1323 hp, lean burn, natural gas-fired Waukesha L7042GL Compressor Engine	Oxidation Catalyst controller (not federally enforceable)
C4	Serial No. 351077 Rebuilt*/Installed: 9/11/2007 (constructed 2001 at BP Red Willow)	
	59 hp, lean burn, natural gas-fired Kohler 50RZGB Gas Generator Set (GM 5.7 liter engine)	None
G1	Serial No. 0685338 (generator) Installed: 2001 5.7L-05349 (engine)	

*The term "rebuilt" is not to be confused with the term "reconstruction", as defined in 40 CFR 63.2. According to BP, these engines have previously operated at other facilities and have been modified for a cost less than 50% of the cost to purchase a new engine, and are therefore, not considered "reconstructed" after 12/19/2002 and thus not subject to 40 CFR part 63, subpart ZZZZ.

Table 3 - Emission Units – Alternative Operating Scenarios #1a - #1c

BP Wolf Point Compressor Station

Emission Unit ID	Description	Control Equipment
C1 (scenario #1a) or C2 (scenario #1b) or C3 (scenario #1c)	1323 hp, lean burn, natural gas-fired Waukesha L7042GL Compressor Engines Serial No. 316401 Rebuilt*/Installed: 4/15/06 (constructed 12/20/1977) Serial No. C61492/1 Rebuilt*/Installed: 5/19/06 (constructed 12/11/1998) Serial No. 296963 Installed: 2001	None
WP1 WP2	1895 hp, lean burn, natural gas-fired Caterpillar G3606 Compressor Engines (either 90°F or 129°F Engine Control Modules (ECM)) Serial No. TBD Projected Installation: 2008/2009 Serial No. TBD Projected Installation: 2008/2009	Oxidation Catalyst controllers
G1	59 hp, lean burn, natural gas-fired Kohler 50RZGB Gas Generator Set (GM 5.7 liter engine) Serial No. 0685338 (generator) Installed: 2001 5.7L-05349 (engine)	None

*The term "rebuilt" is not to be confused with the term "reconstruction", as defined in 40 CFR 63.2. According to BP, these engines have previously operated at other facilities and have been modified for a cost less than 50% of the cost to purchase a new engine, and are therefore not considered "reconstructed" after 6/12/2006 and thus not subject to 40 CFR part 60, subpart JJJJ or part 63, subpart ZZZZ.

Table 4 - Emission Units – Alternative Operating Scenario #2
BP Wolf Point Compressor Station

Emission Unit ID	Description	Control Equipment
C4	1323 hp, lean burn, natural gas-fired Waukesha L7042GL Compressor Engines Serial No. 351077 Rebuilt*/Installed: 9/11/2007 (constructed 2001 at BP Red Willow)	Oxidation Catalyst controller (not federally enforceable)
WP1 WP2	1895 hp, lean burn, natural gas-fired Caterpillar G3606 Compressor Engines (either 90°F or 129°F ECM) Serial No. TBD Projected Installation: 2008/2009 Serial No. TBD Projected Installation: 2008/2009	Oxidation Catalyst controllers
G1	59 hp, lean burn, natural gas-fired Kohler 50RZGB Gas Generator Set (GM 5.7 liter engine) Serial No. 0685338 (generator) Installed: 2001 5.7L-05349 (engine)	None

*The term "rebuilt" is not to be confused with the term "reconstruction", as defined in 40 CFR 63.2. According to BP, this engine has previously operated at another facility and has been modified for a cost less than 50% of the cost to purchase a new engine, and is, therefore, not considered "reconstructed" after 12/19/2002 and thus not subject to 40 CFR part 60, subpart JJJJ or part 63, subpart ZZZZ.

Table 5 - Emission Units – Proposed Alternative Operating Scenario #3 Equipment
BP Wolf Point Compressor Station

Emission Unit ID	Description	Control Equipment
WP1 WP2 WP3	1895 hp, lean burn, natural gas-fired Caterpillar G3606 Compressor Engines (either 90°F or 129°F ECM) Serial No. TBD Projected Installation: 2008/2009 Serial No. TBD Projected Installation: 2008/2009 Serial No. TBD Projected Installation: 2008/2009	Oxidation Catalyst controllers
G1	59 hp, lean burn, natural gas-fired Kohler 50RZGB Gas Generator Set (GM 5.7 liter engine) Serial No. 0685338 (generator) Installed: 2001 5.7L-05349 (engine)	None

Table 6 - Insignificant Emission Units (All Operating Scenarios)
BP Wolf Point Compressor Station

Emission Unit ID	Description
1	Process Fugitive Emissions
2	Compressor Blowdowns, max of 395 MMscf/yr
3	4 - 500 gallon (or one 2,000 gallon) Used Oil Tanks
4	4 - 500 gallon (or one 2,000 gallon) Lube Oil Tanks
5	1 - 300 bbl Produced Water Tank
6	1 - 0.5 MMBtu/hr heater for the produced water tank
7	1 - 300 bbl Produced Water/Oily Water Tank
8	1 - 0.5 MMBtu/hr heater for the produced water/oily water tank
9	2 – 286 bbl Water Tanks
10	2 – 0.5 MMBtu/hr Heater for the water tanks
11	1 – 575 gallon TEG Tank
12	1 – 0.25 MMBtu/hr Dehy Reboiler
13	1 - 2.0 MMscfd Glycol Still Column Vent
14	1 - 750 gallon Ethylene Glycol Tank
15	1 – 21 bbl Lube Oil Drip Tank

I.C. Changes in Facility Operating Scenario

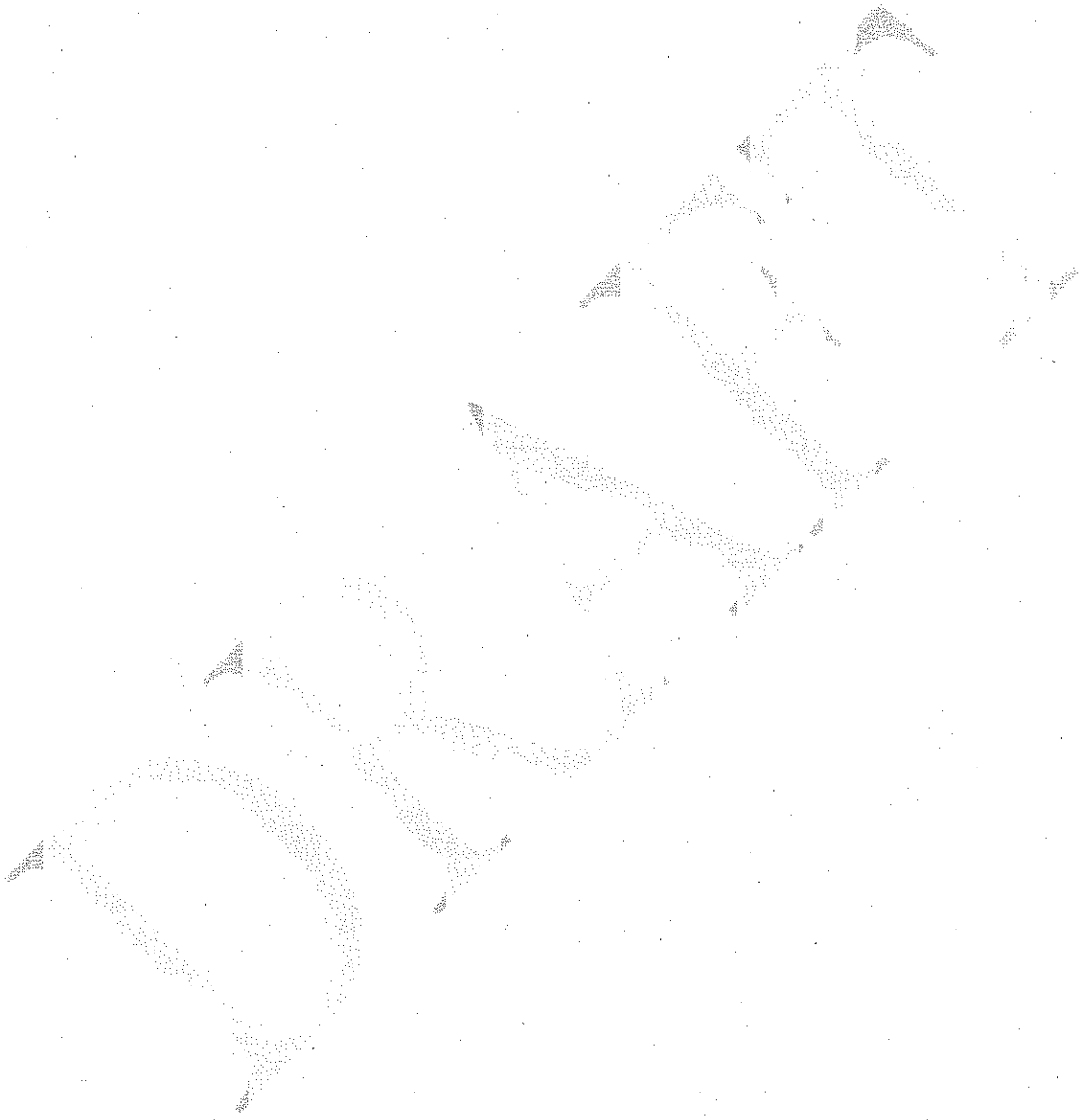
[40 CFR 71.7(e)(1), 71.6(a)(12) and (13), and 71.6(a)(3)(ii)]

1. In accordance with Off Permit Changes condition **V.Q.4.** of this permit, the permittee shall provide contemporaneous written notice to EPA prior to installation of the replacement engines that would constitute each change in the specific facility operating scenarios described in Sections **I.A.** and **I.B.** above.

2. For replacement engines which trigger new applicable requirements (i.e., NSPS, NESHAP, etc.), the minor permit modification process (condition **V.I.** of this permit) shall be utilized to maintain the permitted emission limits of the replaced engine and incorporate the new applicable requirements.

3. Upon completion of the final phase of the engine replacement project, described in Section **I.A.** above, the permittee shall use the minor permit modification process (condition **V.I.** of this

permit) to establish Alternative Operating Scenario #3, including its associated emission limits and other specific requirements, as the permanent permitted operating scenario for the facility. Installation of any additional insignificant emission units resulting from the engine replacement project shall be addressed as part of the same minor permit modification.



II. Specific Requirements for Alternative Operating Scenarios #1a, #1b,#1c and #2

Requirements in this section of the permit have been created, at the permittee's request, to recognize emissions control equipment on engine units WP1 and WP2 for limiting the PTE of carbon monoxide (CO), and formaldehyde (CH_2O).

[CAA 304(f)(4), 40 CFR 71.6(b) and 71.7(e)(1)(i)(A)(4)(i)]

II.A Limitations on Use [40 CFR 71.7(e)(1), 71.6(a)(12) and (13), and 71.6(a)(3)(ii)]

If any of the engine replacement alternative operating scenarios #1a, #1b, #1c, or #2, trigger applicability to new requirements that are not described in this section, then use of the Alternative Operating Scenario shall not be allowed. If a change would trigger applicability to new requirements, the permittee shall make the change using the minor permit modification process (condition **V.I.** of this permit).

II.B. Emission Limits

Emissions from engine units WP1 and WP2 equipped with oxidation catalysts shall not exceed:

1. 1.04 pounds per hour of carbon monoxide (CO) emissions; and

2. 0.67 pounds per hour of formaldehyde (CH_2O) emissions.

II.C. Work Practice and Operational Requirements

1. Units WP1and WP2 are Caterpillar G3606 lean burn natural gas compressor engines each with a maximum rating of 1,895 brake horsepower (bhp). Each engine shall be equipped with an oxidation catalyst control system capable of reducing uncontrolled emissions of CO and CH_20 at maximum operating rate (90% to 110% of engine capacity) to achieve the emission limits in section **II.B**.

2. The permittee shall follow, for each engine and its respective catalyst, the manufacturer's recommended maintenance schedule and procedures to ensure optimum performance of each engine and catalyst.

3. All emission units at the Wolf Point Compressor Station shall be fired only with natural gas. The natural gas shall be pipeline-quality in all respects except that CO_2 concentration in the gas shall not be required to be within pipeline-quality.

   [The purpose of this permit condition is to ensure there are no contaminants in the fuel that might foul the catalyst. CO_2 is not a potential foulant of the catalyst.]

4. The permittee shall install temperature-sensing devices before the oxidation catalyst for units WP1 and WP2 in order to monitor the inlet temperatures of the catalyst for each engine. Each temperature-sensing device shall be accurate to within 0.75% of span.

5. The engine exhaust temperature for units WP1 and WP2 at the inlet to the oxidation catalyst, shall be maintained at all times the engines operate at no less than 450°F and no more than 1350°F.

6. If the catalyst inlet temperature on any engine deviates from the acceptable range listed for each engine in section **II.C.5** above, then the following actions shall be taken:

   (a) Immediately upon determining a deviation of the catalyst inlet temperature, corrective action shall be taken on that engine to assess performance problems and/or tuning issues and the oxidation catalyst shall be inspected for possible damage and problems affecting catalyst effectiveness (including, but not limited to, plugging, fouling, destruction, or poisoning of the catalyst).

   (b) If the problem can be corrected by following the engine and/or the oxidation catalyst manufacturer's recommended procedures, then the permittee shall correct the problem within 24 hours of inspecting the engine and oxidation catalyst.

   (c) If the problem can not be corrected using the manufacturer's recommended procedures, then the affected engine shall cease operating immediately and shall not be returned to routine service until the catalyst inlet temperature is measured and found to be within the acceptable temperature range for that engine. The permittee shall also notify EPA in writing of the problem within 15 working days of observing the problem and include in the notification the cause of the problem and a corrective action plan that outlines the steps and timeframe for bringing the inlet temperature range into compliance. (the corrective action may include removal and cleaning of the oxidation catalyst according to the manufacturer's methods or replacement of the oxidation catalyst.)

7. The permittee shall utilize pressure measuring technology on units WP1 and WP2 in order to monitor pressure drop across the catalyst.

8. The pressure drop across the catalyst for units WP1 and WP2 shall not change by more than two (2) inches of water at 100% load plus or minus 10% from the baseline pressure drop across the catalyst measured during the initial performance test. *[Comment: Pressure drop is a good indication of catalyst operation; too low, the catalyst may be blown out; too high, it may be clogged].*

9. If the pressure drop exceeds two (2) inches of water from the baseline pressure drop reading taken during the initial performance test, the cause will be investigated. Investigation may include monitoring CO emissions to ensure the oxidation catalyst is functioning and testing the pressure transducers. If the cause is determined to be the catalyst, then the catalyst shall be inspected and cleaned or replaced, if necessary.

10. The permittee's completion of any or all of the actions prescribed by conditions **II.C.6(a)** through **(c)** and **II.C.9** of this permit shall not constitute, nor qualify as, an exemption from any CO and CH_2O emission limits in this permit.

II.D. Testing Requirements [40 CFR 71.6(a)(3)(i)(A) through (C)]

1. An initial performance test shall be conducted for engine units WP1 and WP2 for measuring CO and CH_2O emissions from the engines to demonstrate initial compliance with the emission limits in section **II.B**. The initial performance tests shall be conducted within ninety (90) calendar days of startup of WP1 and WP2.

2. Upon change out of the catalyst for engine units WP1 and WP2, a performance test shall be conducted for measuring CO and CH_2O emissions from the engines to demonstrate compliance with the emission limits in section **II.B** and re-establish temperature and pressure correlations. The performance test shall be conducted within ninety (90) calendar days of the catalyst change out.

3. The performance test for CO shall be conducted in accordance with the test methods specified in 40 CFR part 60, appendix A. EPA Reference Method 10 shall be used to measure CO emissions.

4. The performance test for CH_2O shall be conducted in accordance with the test methods specified in 40 CFR part 63, appendix A. EPA Reference Method 320 or 323 shall be used to measure CH_2O emissions.

5. All tests for CO and CH_2O emissions must meet the following requirements:

   (a) All tests shall be performed at a maximum operating rate (90% to 110% of engine capacity).

   (b) During each test run, data shall be collected on all parameters necessary to document how CO and CH_2O emissions in pounds per hour were measured or calculated (such as test run length, minimum sample volume, volumetric flow rate, moisture and oxygen corrections, etc.). The temperature at the inlet to the catalyst and the pressure drop across the catalyst shall also be measured and recorded during each test run for each engine.

   (c) Each source test shall consist of at least three (3) 1-hour or longer valid test runs. Emission results shall be reported as the arithmetic average of all valid test runs and shall be in terms of the emission limits (pounds per hour and grams per horsepower-hour).

   (d) A source test plan for engine units WP1 and WP2 for CO and CH_2O emissions shall be submitted to EPA for approval at least forty five (45) calendar days prior to the scheduled performance test.

   (e) The source test plan shall include and address the following elements:

      (i) Purpose of the test;
      (ii) Engines and catalysts to be tested;
      (iii) Expected engine operating rate(s) during test;

(iv) Schedule/dates for test;
(v) Sampling and analysis procedures (sampling locations, test methods, laboratory identification);
(vi) Quality assurance plan (calibration procedures and frequency, sample recovery and field documentation, chain of custody procedures); and
(vii) Data processing and reporting (description of data handling and quality control procedures, report content).

II.E. Monitoring Requirements [40 CFR 71.6(a)(3)(i)(A) through (C)]

1. The permittee shall measure CO emissions from units WP1 and WP2 at least semi-annually or once every six (6) month period to demonstrate compliance with the emission limits in section **II.B** above. The two six month periods are January 1st through June 30th and July 1st through December 31st. To meet this requirement, the permittee shall measure CO emissions from the engine unit using a portable analyzer and a monitoring protocol approved by EPA. The permittee shall submit the analyzer specifications and monitoring protocol to EPA for approval within forty-five (45) calendar days of the start-up WP1 or WP2. Monitoring for CO emissions shall commence during the first complete calendar quarter following the permittee's submittal of the initial performance test results for CO to EPA.

2. The permittee shall measure CH_2O emissions from units WP1 and WP2 at least annually or once per calendar year to demonstrate compliance with the emission limits in section **II.B** above. To meet this requirement, the permittee shall measure CH_2O emissions from the engine using the performance test methods and requirements listed in section **II.D** above and the test plan approved by EPA as required in section **II.D.5(d)**. Monitoring for CH_2O emissions shall commence no sooner than the second calendar quarter after the permittee's submittal of the initial compliance test results for CH_2O to EPA.

3. The engine exhaust temperature at the inlet to the oxidation catalyst shall be measured at least **once per week**. Each temperature-sensing device shall be accurate to within 0.75% of span.

4. The pressure drop across the oxidation catalyst shall be measured **monthly**. The pressure sensing devices shall be accurate to within plus or minus one tenth (0.1) inches of water.

II.F. Recordkeeping Requirements [40 CFR 71.6(a)(3)(ii)]

1. The permittee shall comply with the following recordkeeping requirements:

   (a) Records shall be kept of all temperature and pressure measurements required by this permit.
   (b) Records shall be kept of vendor specifications for the temperature-sensing devices and pressure gauges.
   (c) Records shall be kept of vendor specifications for the oxidation catalyst on WP1 and WP2.
   (d) Records shall be kept that are sufficient to demonstrate, pursuant to condition **II.C.3** of this permit, that the fuel for the engines is pipeline-quality natural gas in all respects, with the exception of CO_2 concentration in the natural gas.

2. The permittee shall keep records of all required testing (section **II.D**) and monitoring (section **II.E**) in this permit. The records shall include the following:

   (a) The date, place, and time of sampling or measurements;

   (b) The date(s) analyses were performed;

   (c) The company or entity that performed the analyses;

   (d) The analytical techniques or methods used;

   (e) The results of such analyses or measurements; and

   (f) The operating conditions as existing at the time of sampling or measurement.

3. Records shall be kept of off-permit changes, as required by condition **V.Q** of this permit.

4. The permittee shall retain records of all required monitoring data and support information for a period of at least 5 years from the date of the monitoring sample, measurement, report, or application. These records shall be made available upon request by EPA. Support information includes all calibration and maintenance records, all original strip-chart recordings for continuous monitoring instrumentation, and copies of all reports required by this permit.

II.G. Reporting Requirements [40 CFR 71.6(a)(3)(iii)]

1. The permittee shall submit to EPA a written report of the results of the performance tests required in condition **II.D.** of this permit. This report shall be submitted within sixty (60) calendar days of the date of testing completion.

2. The permittee shall submit to EPA, as part of the semi-annual monitoring reports required by condition **IV.B** of this permit, a report of any instances where the temperature at the inlet to the catalyst is outside the limits established in condition **II.B.**, where the pressure drop across the catalyst is outside the limits established in the initial performance testing, or where an excursion of the CO or CH_2O emission limits has occurred, as well as a description of any corrective actions taken. If no such instances have been detected, then a statement shall be provided to say so.

III. Specific Requirements for Alternative Operating Scenario #3

Requirements in this section of the permit have been created, at the permittee's request, to recognize emissions control equipment on engine units WP1, WP2, and WP3 for limiting the PTE of carbon monoxide (CO), and formaldehyde (CH_2O).

[CAA 304(f)(4), 40 CFR 71.6(b) and 71.7(e)(1)(i)(A)(4)(i)]

III.A. Limitations on Use [40 CFR 71.7(e)(1), 71.6(a)(12) and (13), and 71.6(a)(3)(ii)]

If Alternative Operating Scenario #3 triggers applicability to new requirements that are not described in this section, then use of the Alternative Operating Scenario shall not be allowed. If the change would trigger applicability to new requirements, the permittee shall make the change using the minor permit modification process (condition **V.I.** of this permit).

III.B. Emission Limits

Emissions from engine units WP1, WP2, WP3 equipped with oxidation catalysts shall not exceed:

1. 1.04 pounds per hour of carbon monoxide (CO) emissions; and

2. 0.67 pounds per hour of formaldehyde (CH_2O) emissions.

III.C. Work Practice and Operational Requirements

1. Units WP1, WP2, and WP3 are Caterpillar G3606 lean burn natural gas compressor engines each with a maximum rating of 1,895 brake horsepower (bhp). Each engine shall be equipped with an oxidation catalyst control system capable of reducing uncontrolled emissions of CO and CH_2O emissions at maximum operating rate (90% to 110% of engine capacity) to achieve the emission limits in section **III.B**.

2. The permittee shall follow, for each engine and its respective catalyst, the manufacturer's recommended maintenance schedule and procedures to ensure optimum performance of each engine and catalyst.

3. All emission units at the Wolf Point Compressor Station shall be fired only with natural gas. The natural gas shall be pipeline-quality in all respects except that CO_2 concentration in the gas shall not be required to be within pipeline-quality.

   [The purpose of this permit condition is to ensure there are no contaminants in the fuel that might foul the catalyst. CO_2 is not a potential foulant of the catalyst.]

4. The permittee shall install temperature-sensing devices before the oxidation catalyst for units WP1, WP2, and WP3 in order to monitor the inlet temperatures of the catalyst for each engine. Each temperature-sensing device shall be accurate to within 0.75% of span.

5. The engine exhaust temperature for units WP1, WP2, and WP3 at the inlet to the oxidation catalyst, shall be maintained at all times the engines operate at no less than 450°F and no more than 1350°F.

6. If the catalyst inlet temperature on any engine deviates from the acceptable range listed for each engine in section **III.C.5.** above, then the following actions shall be taken:

   (a) Immediately upon determining a deviation of the catalyst inlet temperature, corrective action shall be taken on that engine to assess performance problems and/or tuning issues and the oxidation catalyst shall be inspected for possible damage and problems affecting catalyst effectiveness (including, but not limited to, plugging, fouling, destruction, or poisoning of the catalyst).

   (b) If the problem can be corrected by following the engine and/or the oxidation catalyst manufacturer's recommended procedures, then the permittee shall correct the problem within 24 hours of inspecting the engine and oxidation catalyst.

   (c) If the problem can not be corrected using the manufacturer's recommended procedures, then the affected engine shall cease operating immediately and shall not be returned to routine service until the catalyst inlet temperature is measured and found to be within the acceptable temperature range for that engine. The permittee shall also notify EPA in writing of the problem within 15 working days of observing the problem and include in the notification the cause of the problem and a corrective action plan that outlines the steps and timeframe for bringing the inlet temperature range into compliance. (The corrective action may include removal and cleaning of the oxidation catalyst according to the manufacturer's methods or replacement of the oxidation catalyst.)

7. The permittee shall utilize pressure measuring technology on units WP1, WP2, and WP3 in order to monitor pressure drop across the catalyst.

8. The pressure drop across the catalyst for units WP1, WP2, and WP3 shall not change by more than two (2) inches of water at 100% load plus or minus 10% from the baseline pressure drop across the catalyst measured during the initial performance test. *[Comment: Pressure drop is a good indication of catalyst operation; too low, the catalyst may be blown out; too high, it may be clogged].*

9. If the pressure drop exceeds two (2) inches of water from the baseline pressure drop reading taken during the initial performance test, the cause will be investigated. Investigation may include monitoring CO emissions to ensure the oxidation catalyst is functioning and testing the pressure transducers. If the cause is determined to be the catalyst, then the catalyst shall be inspected and cleaned or replaced, if necessary.

10. The permittee's completion of any or all of the actions prescribed by conditions **III.C.6(a)** through **(c)** and **III.C.9.** of this permit shall not constitute, nor qualify as, an exemption from any CO and CH_2O emission limits in this permit.

III.D. Testing Requirements [40 CFR 71.6(a)(3)(i)(A) through (C)]

1. An initial performance test shall be conducted for engine units WP1, WP2, and WP3 for measuring CO and CH_2O emissions from the engines to demonstrate initial compliance with the emission limits in section **III.B**. The initial performance tests shall be conducted within ninety (90) calendar days of startup of WP1, WP2, and WP3.

2. Upon change out of the catalyst for engine units WP1, WP2, and WP3, a performance test shall be conducted for measuring CO and CH_2O emissions from the engines to demonstrate compliance with the emission limits in section **III.B.** and re-establish temperature and pressure correlations. The performance test shall be conducted within ninety (90) calendar days of the catalyst change out.

3. The performance test for CO shall be conducted in accordance with the test methods specified in 40 CFR part 60, appendix A. EPA Reference Method 10 shall be used to measure CO emissions.

4. The performance test for CH_2O shall be conducted in accordance with the test methods specified in 40 CFR part 63, appendix A. EPA Reference Method 320 or 323 shall be used to measure CH_2O emissions.

5. All tests for CO and CH_2O emissions must meet the following requirements:

   (a) All tests shall be performed at a maximum operating rate (90% to 110% of engine capacity).

   (b) During each test run, data shall be collected on all parameters necessary to document how CO and CH_2O emissions in pounds per hour were measured or calculated (such as test run length, minimum sample volume, volumetric flow rate, moisture and oxygen corrections, etc.). The temperature at the inlet to the catalyst and the pressure drop across the catalyst shall also be measured and recorded during each test run for each engine.

   (c) Each source test shall consist of at least three (3) 1-hour or longer valid test runs. Emission results shall be reported as the arithmetic average of all valid test runs and shall be in terms of the emission limits (pounds per hour and grams per horsepower-hour).

   (d) A source test plan for engine units WP1, WP2, and WP3 for CO and CH_2O emissions shall be submitted to EPA for approval at least forty five (45) calendar days prior to the scheduled performance test.

   (e) The source test plan shall include and address the following elements:

      (i) Purpose of the test;
      (ii) Engines and catalysts to be tested;
      (iii) Expected engine operating rate(s) during test;

(iv) Schedule/dates for test;
(v) Sampling and analysis procedures (sampling locations, test methods, laboratory identification);
(vi) Quality assurance plan (calibration procedures and frequency, sample recovery and field documentation, chain of custody procedures); and
(viii) Data processing and reporting (description of data handling and quality control procedures, report content).

III.E. Monitoring Requirements [40 CFR 71.6(a)(3)(i)(A) through (C)]

1. The permittee shall measure CO emissions from units WP1, WP2, and WP3 at least semi-annually or once every six (6) month period to demonstrate compliance with the emission limits in section **III.B.** above. The two six month periods are January 1st through June 30th and July 1st through December 31st. To meet this requirement, the permittee shall measure CO emissions from the engine unit using a portable analyzer and a monitoring protocol approved by EPA. The permittee shall submit the analyzer specifications and monitoring protocol to EPA for approval within forty-five (45) calendar days of the start-up WP1, WP2, or WP3. Monitoring for CO emissions shall commence during the first complete calendar quarter following the permittee's submittal of the initial performance test results for CO to EPA.

2. The permittee shall measure CH_2O emissions from units WP1, WP2, and WP3 at least annually or once per calendar year to demonstrate compliance with the emission limits in section **III.B.** above. To meet this requirement, the permittee shall measure CH_2O emissions from the engine using the performance test methods and requirements listed in section **III.D.** above and the test plan approved by EPA as required in section **III.D.5(d)**. Monitoring for CH_2O emissions shall commence no sooner than the second calendar quarter after the permittee's submittal of the initial compliance test results for CH_2O to EPA.

3. The engine exhaust temperature at the inlet to the oxidation catalyst shall be measured at least **once per week**. Each temperature-sensing device shall be accurate to within 0.75% of span.

4. The pressure drop across the oxidation catalyst shall be measured **monthly**. The pressure sensing devices shall be accurate to within plus or minus one tenth (0.1) inches of water.

III.F. Recordkeeping Requirements [40 CFR 71.6(a)(3)(ii)]

1. The permittee shall comply with the following recordkeeping requirements:

   (a) Records shall be kept of all temperature and pressure measurements required by this permit.

   (b) Records shall be kept of vendor specifications for the temperature-sensing devices and pressure gauges.

   (c) Records shall be kept of vendor specifications for the oxidation catalyst on WP1, WP2, and WP3.

(d) Records shall be kept that are sufficient to demonstrate, pursuant to condition **III.C.3.** of this permit, that the fuel for the engines is pipeline-quality natural gas in all respects, with the exception of CO_2 concentration in the natural gas.

2. The permittee shall keep records of all required testing (section **III.D.**) and monitoring (section **III.E.**) in this permit. The records shall include the following:

(a) The date, place, and time of sampling or measurements;

(b) The date(s) analyses were performed;

(c) The company or entity that performed the analyses;

(d) The analytical techniques or methods used;

(e) The results of such analyses or measurements; and

(f) The operating conditions as existing at the time of sampling or measurement.

3. Records shall be kept of off-permit changes, as required by condition **V.Q.** of this permit.

4. The permittee shall retain records of all required monitoring data and support information for a period of at least 5 years from the date of the monitoring sample, measurement, report, or application. These records shall be made available upon request by EPA. Support information includes all calibration and maintenance records, all original strip-chart recordings for continuous monitoring instrumentation, and copies of all reports required by this permit.

III.G. Reporting Requirements [40 CFR 71.6(a)(3)(iii)]

1. The permittee shall submit to EPA a written report of the results of the performance tests required in condition **III.D.** of this permit. This report shall be submitted within sixty (60) calendar days of the date of testing completion.

2. The permittee shall submit to EPA, as part of the semi-annual monitoring reports required by condition **IV.B.** of this permit, a report of any instances where the temperature at the inlet to the catalyst is outside the limits established in condition **III.C.**, where the pressure drop across the catalyst is outside the limits established in the initial performance testing, or where an excursion of the CO or CH_2O emission limits has occurred, as well as a description of any corrective actions taken. If no such instances have been detected, then a statement shall be provided to say so.

IV. Facility-Wide Requirements

Conditions in this section of the permit apply to all emissions units located at the facility, including any units not specifically listed in **Tables 2** through **6** of section **I.B.**

[40 CFR 71.6(a)(1)]

IV.A. General Recordkeeping Requirements [40 CFR 71.6(a)(3)(ii)]

The permittee shall comply with the following generally applicable recordkeeping requirements:

1. If a permittee determines that his or her stationary source that emits (or has the potential to emit, without considering controls) one or more hazardous air pollutants is not subject to a relevant standard or other requirement established under 40 CFR part 63, the permittee shall keep a record of the applicability determination at the Operations Center for a period of 5 years after the determination, or until the source changes its operations to become an affected source, whichever comes first. The record of the applicability determination shall include an analysis (or other information) that demonstrates why the owner or operator believes the source is unaffected (e.g., because the source is an area source). The analysis (or other information) shall be sufficiently detailed to allow the Administrator to make a finding about the source's applicability status with regard to the relevant standard or other requirement. If relevant, the analysis shall be performed in accordance with requirements established in subparts of 40 CFR part 63 for this purpose for particular categories of stationary sources. If relevant, the analysis should be performed in accordance with EPA guidance materials published to assist sources in making applicability determinations under section 112, if any.

   [40 CFR 63.10(b)(3)]

2. The permittee is an owner or operator of a glycol dehydration unit that is exempt from the control requirements under §63.764(e)(1). The permittee shall retain the GRI-GLYCalc determination used to demonstrate that actual average benzene emissions are below 1 tpy.

   [40 CFR 63.774(d)(1)]

3. Records shall be kept of off-permit changes, as required by condition **V.Q.** of this permit.

IV.B. General Reporting Requirements [40 CFR 71.6(a)(3)(iii)]

1. The permittee shall submit to EPA reports of any monitoring and recordkeeping required under this permit semi-annually by April 1st and October 1st of each year. The report due on April 1st shall cover the prior six-month period from July 1st through December 31st. The report due on October 1st shall cover the prior six-month period from January 1st through June 30th. All instances of deviations from permit requirements must be clearly identified in such reports. All required reports must be certified by a responsible official consistent with section **V.E.** of this permit.

2. The permittee shall promptly report to the EPA Regional Office deviations from permit requirements, including those attributable to upset conditions as defined in this permit, the

probable cause of such deviations and any corrective actions or preventive measures taken. "Prompt" is defined as follows:

(a) Any definition of "prompt" or a specific timeframe for reporting deviations provided in an underlying applicable requirement as identified in this permit;

(b) Where the underlying applicable requirement fails to address the time frame for reporting deviations, reports of deviations will be submitted based on the following schedule:

(i) For emissions of a hazardous air pollutant or a toxic air pollutant (as identified in the applicable regulation) that continue for more than an hour in excess of permit requirements, the report must be made within 24 hours of the occurrence.

(ii) For emissions of any regulated air pollutant, excluding a hazardous air pollutant or a toxic air pollutant that continues for more than two hours in excess of permit requirements, the report must be made within 48 hours.

(iii) For all other deviations from permit requirements, the report shall be submitted with the semi-annual monitoring report.

3. If any of the conditions in **IV.B.2.(b)(i)** or **(ii),** are met, the source must notify EPA by telephone (1-800-227-8917) or facsimile (303-312-6064) based on the timetables listed above. *[Notification by telephone or fax must specify that this notification is a deviation report for a part 71 permit].* A written notice, certified consistent with section **V.E** of this permit must be submitted within 10 working days of the occurrence. All deviations reported under this section must also be identified in the 6-month report required under permit condition **IV.B.1**.

[Explanatory note: To help part 71 permittees meet reporting responsibilities, EPA has developed a form "PDR" for prompt deviation reporting. The form may be found on EPA website at: http://www.epa.gov/air/oaqps/permits/p71forms.html]

4. "Deviation" means any situation in which an emissions unit fails to meet a permit term or condition. A deviation is not always a violation. A deviation can be determined by observation or through review of data obtained from any testing, monitoring, or recordkeeping established in accordance with §71.6(a)(3)(i) and (a)(3)(ii). For a situation lasting more than 24 hours which constitutes a deviation, each 24 hour period is considered a separate deviation. Included in the meaning of deviation are any of the following:

(a) A situation where emissions exceed an emission limitation or standard;

(b) A situation where process or emissions control device parameter values indicate that an emission limitation or standard has not been met;

(c) A situation in which observations or data collected demonstrate noncompliance with an emission limitation or standard or any work practice or operating condition required by the permit; or

(d) A situation in which an exceedance or an excursion, as defined in 40 CFR part 64 occurs.

IV.C. Permit Shield [40 CFR 71.6(f)(3)]

1. Nothing in this permit shall alter or affect the following:

(a) The liability of a permittee for any violation of applicable requirements prior to or at the time of permit issuance;

(b) The ability of the EPA to obtain information under section 114 of the Clean Air Act or;

(c) The provisions of section 303 of the Clean Air Act (emergency orders), including the authority of the Administrator under that section.

IV.D. Alternative Operating Scenarios [40 CFR 71.6(a)(9) and 40 CFR 71.6(a)(3)(ii)]

Engine Replacement/Overhaul

1. Replacement of an existing permitted compressor engine with a new or overhauled engine of the same make, model, horsepower rating, and configured to operate in the same manner as the engine being replaced, and which satisfies all of the provisions for Off Permit Changes, including the provisions specific to engine replacement, shall be considered an allowed alternative operating scenario under this permit.

2. Any emission limits, requirements, control technologies, testing, or provisions that apply to engines that are replaced under this Alternative Operating Scenarios section (includes, but is not limited to the specific Alternative Operating Scenarios described in Section **I.A.** of this permit) shall also apply to the replacement engines.

3. A replacement engine for units WP1, WP2, or WP3 shall be considered a new unit and thus subject to the initial compliance test required by conditions **II.D.**, **III.D.**, and all other conditions applicable to units WP1, WP2, and WP3 in this permit.

4. Replacement of a permitted compressor engine with an engine subject to 40 CFR part 60, subpart JJJJ is not allowed under this alternative operating scenario.

5. Replacement of a permitted compressor engine with an engine subject to 40 CFR part 63, subpart ZZZZ is not allowed under this alternative operating scenario.

[Explanatory note: This section was included to allow for Off-Permit replacement of engines that may have existing federally enforceable limits. As mentioned in permit condition I.C., for replacement engines which trigger new applicable requirements (i.e., NSPS, NESHAP, etc.), the minor permit modification process (condition V.I. of this permit) shall be utilized to maintain the permitted emission limits of the replaced engine and incorporate the new applicable requirements.]

V. Part 71 Administrative Requirements

V.A. Annual Fee Payment [40 CFR 71.6(a)(7) and 40 CFR 71.9]

1. The permittee shall pay an annual permit fee in accordance with the procedures outlined below.

[40 CFR 71.9(a)]

2. The permittee shall pay the annual permit fee each year no later than April 1st. The fee shall cover the previous calendar year.

[40 CFR 71.9(h)]

3. The fee payment shall be in United States currency and shall be paid by money order, bank draft, certified check, corporate check, or electronic funds transfer payable to the order of the U.S. Environmental Protection Agency.

[40 CFR 71.9(k)(1)]

4. The permittee shall send fee payment and a completed fee filing form to:

For regular U.S. Postal Service mail	**For non-U.S. Postal Service Express mail** (FedEx, Airborne, DHL, and UPS)
U.S. Environmental Protection Agency FOIA and Miscellaneous Payments Cincinnati Finance Center P.O. Box 979078 St. Louis, MO 63197-9000	U.S. Bank Government Lockbox 979078 U.S. EPA FOIA & Misc. Payments 1005 Convention Plaza SL-MO-C2-GL St. Louis, MO 63101

[40 CFR 71.9(k)(2)]

5. The permittee shall send an updated fee calculation worksheet form and a photocopy of each fee payment check (or other confirmation of actual fee paid) submitted annually by the same deadline as required for fee payment to the address listed in section **V.E.** of this permit.

[40 CFR 71.9(h)(1)]

[Explanatory note: The fee filing form "FF" and the fee calculation worksheet form "FEE" may be found on EPA website at: http://www.epa.gov/air/oaqps/permits/p71forms.html]

6. Basis for calculating annual fee:

   (a) The annual emissions fee shall be calculated by multiplying the total tons of actual emissions of all "regulated pollutants (for fee calculation)" emitted from the source by the presumptive emissions fee (in dollars/ton) in effect at the time of calculation.

[40 CFR 71.9(c)(1)]

(i) "Actual emissions" means the actual rate of emissions in tpy of any regulated pollutant (for fee calculation) emitted from a part 71 source over the preceding calendar year. Actual emissions shall be calculated using each emissions unit's actual operating hours, production rates, in-place control equipment, and types of materials processed, stored, or combusted during the preceding calendar year.

[40 CFR 71.9(c)(6)]

(ii) Actual emissions shall be computed using methods required by the permit for determining compliance, such as monitoring or source testing data.

[40 CFR 71.9(h)(3)]

(iii) If actual emissions cannot be determined using the compliance methods in the permit, the permittee shall use other federally recognized procedures.

[40 CFR 71.9(e)(2)]

[*Explanatory note: The presumptive fee amount is revised each calendar year to account for inflation, and it is available from EPA prior to the start of each calendar year.]*

(b) The permittee shall exclude the following emissions from the calculation of fees:

(i) The amount of actual emissions of each regulated pollutant (for fee calculation) that the source emits in excess of 4,000 tons per year.

[40 CFR 71.9(c)(5)(i)]

(ii) Actual emissions of any regulated pollutant (for fee calculation) already included in the fee calculation.

[40 CFR 71.9(c)(5)(ii)]

(iii) The quantity of actual emissions (for fee calculation) of insignificant activities [defined in §71.5(c)(11)(i)] or of insignificant emissions levels from emissions units identified in the permittee's application pursuant to §71.5(c)(11)(ii).

[40 CFR 71.9(c)(5)(iii)]

7. Fee calculation worksheets shall be certified as to truth, accuracy, and completeness by a responsible official.

[40 CFR 71.9(h)(2)]

[Explanatory note: The fee calculation worksheet form already incorporates a section to help you meet this responsibility.]

8. The permittee shall retain fee calculation worksheets and other emissions-related data used to determine fee payment for 5 years following submittal of fee payment. [Emission-related data include, for example, emissions-related forms provided by EPA and used by the permittee for fee calculation purposes, emissions-related spreadsheets, and emissions-related data, such as records of emissions monitoring data and related support information required to be kept in accordance with §71.6(a)(3)(ii).]

[40 CFR 71.9(i)]

9. Failure of the permittee to pay fees in a timely manner shall subject the permittee to assessment of penalties and interest in accordance with §71.9(l).

[40 CFR 71.9(l)]

10. When notified by EPA of underpayment of fees, the permittee shall remit full payment within 30 days of receipt of notification.

[40 CFR 71.9(j)(2)]

11. A permittee who thinks an EPA assessed fee is in error and who wishes to challenge such fee, shall provide a written explanation of the alleged error to EPA along with full payment of the EPA assessed fee.

[40 CFR 71.9(j)(3)]

V.B. Annual Emissions Inventory [40 CFR 71.9(h)(1)and (2)]

The permittee shall submit an annual emissions report of its actual emissions for both criteria pollutants and regulated HAPS for this facility for the preceding calendar year for fee assessment purposes. The annual emissions report shall be certified by a responsible official and shall be submitted each year to EPA on April 1st.

The annual emissions report shall be submitted to EPA at the address listed in section **V.E.** of this permit.

[Explanatory note: An annual emissions report, required at the same time as the fee calculation worksheet by §71.9(h), has been incorporated into the fee calculation worksheet form as a convenience.]

V.C. Compliance Requirements

1. Compliance with the Permit

   (a) The permittee must comply with all conditions of this part 71 permit. Any permit noncompliance constitutes a violation of the Clean Air Act and is grounds for enforcement action; for permit termination, revocation and reissuance, or modification; or for denial of a permit renewal application.

[40 CFR 71.6(a)(6)(i)]

(b) It shall not be a defense for a permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.

[40 CFR 71.6(a)(6)(ii)]

(c) For the purpose of submitting compliance certifications in accordance with section **V.C.2** of this permit, or establishing whether or not a person has violated or is in violation of any requirement of this permit, nothing shall preclude the use, including the exclusive use, of any credible evidence or information, relevant to whether a source would have been in compliance with applicable requirements if the appropriate performance or compliance test or procedure had been performed.

[Section 113(a) and 113(e)(1) of the Act, 40 CFR 51.212, 52.12, 52.33, 60.11(g), and 61.12.]

2. Compliance Certifications

The permittee shall submit to EPA a certification of compliance with permit terms and conditions, including emission limitations, standards, or work practices annually by April 1st, and shall cover the preceding calendar year.

[Explanatory note: To help part 71 permittees meet reporting responsibilities, EPA has developed a reporting form for annual compliance certifications. The form may be found on EPA website at: http://www.epa.gov/air/oaqps/permits/p71forms.html]

The compliance certification shall be certified as to truth, accuracy, and completeness by a responsible official consistent with §71.5(d).

[40 CFR 71.6(c)(5)]

(a) The certification shall include the following:

(i) Identification of each permit term or condition that is the basis of the certification.

(ii) The identification of the method(s) or other means used for determining the compliance status of each term and condition during the certification period, and whether such methods or other means provide continuous or intermittent data. Such methods and other means shall include, at a minimum, the methods and means required in this permit. If necessary, the permittee also shall identify any other material information that must be included in the certification to comply with Section 113(c)(2) of the Clean Air Act, which prohibits knowingly making a false certification or omitting material information.

(iii) The status of compliance with each term and condition of the permit for the period covered by the certification based on the method or means designated in **(ii)** above. The certification shall identify each deviation and take it into account in the compliance certification.

(iv) Such other facts as the EPA may require to determine the compliance status of the source.

(v) Whether compliance with each permit term was continuous or intermittent.

[40 CFR 71.6(c)(5)(iii)]

2. Compliance Schedule

3. For applicable requirements with which the source is in compliance, the source will continue to comply with such requirements.

[40 CFR 71.5(c)(8)(iii)(A)]

4. For applicable requirements that will become effective during the permit term, the source shall meet such requirements on a timely basis.

[40 CFR 71.5(c)(8)(iii)(B)]

V.D. Duty to Provide and Supplement Information
[40 CFR 71.6(a)(6)(v), 71.5(a)(3), and 71.5(b)]

1. The permittee shall furnish to EPA, within a reasonable time, any information that EPA may request in writing to determine whether cause exists for modifying, revoking, and reissuing, or terminating the permit, or to determine compliance with the permit. Upon request, the permittee shall also furnish to the EPA copies of records that are required to be kept pursuant to the terms of the permit, including information claimed to be confidential. Information claimed to be confidential must be accompanied by a claim of confidentiality according to the provisions of 40 CFR part 2, subpart B.

[40 CFR 71.6(a)(6)(v) and 71.5(a)(3)]

2. The permittee, upon becoming aware that any relevant facts were omitted or incorrect information was submitted in the permit application, shall promptly submit such supplementary facts or corrected information. In addition, a permittee shall provide additional information as necessary to address any requirements that become applicable after the date a complete application is filed, but prior to release of a draft permit.

[40 CFR 71.5(b)]

V.E. Submissions [40 CFR 71.5(d), 71.6(c)(1) and 71.9(h)(2)]

1. Any document (application form, report, compliance certification, etc.) required to be submitted under this permit shall be certified by a responsible official as to truth, accuracy, and completeness. Such certifications shall state that based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.

[Explanatory note: EPA has developed a reporting form "CTAC" for certifying truth, accuracy and completeness of part 71 submissions. The form may be found on EPA website at: http://www.epa.gov/air/oaqps/permits/p71forms.html]

5. Any documents required to be submitted under this permit, including reports, test data, monitoring data, notifications, compliance certifications, fee calculation worksheets, and applications for renewals and permit modifications shall be submitted to:

Part 71 Permit Contact
Air Program, 8P-AR
U.S. Environmental Protection Agency,
1595 Wynkoop Street
Denver, Colorado 80202-1129

V.F. Severability Clause [40 CFR 71.6(a)(5)]

The provisions of this permit are severable, and in the event of any challenge to any portion of this permit, or if any portion is held invalid, the remaining permit conditions shall remain valid and in force.

V.G. Permit Actions [40 CFR 71.6(a)(6)(iii)]

This permit may be modified, revoked, reopened, and reissued, or terminated for cause. The filing of a request by the permittee for a permit modification, revocation and reissuance, or termination, or of a notification of planned changes or anticipated noncompliance does not stay any permit condition.

V.H. Administrative Permit Amendments [40 CFR 71.7(d)]

1. The permittee may request the use of administrative permit amendment procedures for a permit revision that:

(a) Corrects typographical errors;

(b) Identifies a change in the name, address, or phone number of any person identified in the permit, or provides a similar minor administrative change at the source;

(c) Requires more frequent monitoring or reporting by the permittee;

(d) Allows for a change in ownership or operational control of a source where the EPA determines that no other change in the permit is necessary, provided that a written agreement containing a specific date for transfer of permit responsibility, coverage, and liability between the current and new permittee has been submitted to the EPA;

(e) Incorporates into the part 71 permit the requirements from preconstruction review permits authorized under an EPA-approved program, provided that such a program meets procedural requirements substantially equivalent to the requirements of §§71.7 and 71.8 that would be applicable to the change if it were subject to review as a permit

modification, and compliance requirements substantially equivalent to those contained in §71.6; or

(f) Incorporates any other type of change which EPA has determined to be similar to those listed above in subparagraphs **(a)** through **(e)** above. *[Note to permittee: If subparagraphs (a) through (e) above do not apply, please contact EPA for a determination of similarity prior to submitting your request for an administrative permit amendment under this provision.]*

V.I. Minor Permit Modifications [40 CFR 71.7(e)(1)]

1. The permittee may request the use of minor permit modification procedures only for those modifications that:

   (a) Do not violate any applicable requirement;

   (b) Do not involve significant changes to existing monitoring, reporting, or recordkeeping requirements in the permit;

   (c) Do not require or change a case-by-case determination of an emission limitation or other standard, or a source-specific determination for temporary sources of ambient impacts, or a visibility or increment analysis;

   (d) Do not seek to establish or change a permit term or condition for which there is no corresponding underlying applicable requirement and that the source has assumed to avoid an applicable requirement to which the source would otherwise be subject. Such terms and conditions include:

      (i) A federally enforceable emissions cap assumed to avoid classification as a modification under any provision of title I; and

      (ii) An alternative emissions limit approved pursuant to regulations promulgated under section 112(i)(5) of the Clean Air Act;

   (e) Are not modifications under any provision of title I of the Clean Air Act; and

   (f) Are not required to be processed as a significant modification.

   [40 CFR 71.7(e)(1)(i)(A)]

2. Notwithstanding the list of changes ineligible for minor permit modification procedures in paragraph **1** above, minor permit modification procedures may be used for permit modifications involving the use of economic incentives, marketable permits, emissions trading, and other similar approaches, to the extent that such minor permit modification procedures are explicitly provided for in an applicable implementation plan or in applicable requirements promulgated by EPA.

   [40 CFR 71.7(e)(1)(i)(B)]

3. An application requesting the use of minor permit modification procedures shall meet the requirements of §71.5(c) and shall include the following:

   (a) A description of the change, the emissions resulting from the change, and any new applicable requirements that will apply if the change occurs;

   (b) The source's suggested draft permit;

   (c) Certification by a responsible official, consistent with §71.5(d), that the proposed modification meets the criteria for use of minor permit modification procedures and a request that such procedures be used; and

   (d) Completed forms for the permitting authority to use to notify affected States as required under §71.8.

[40 CFR 71.7(e)(1)(ii)]

4. The source may make the change proposed in its minor permit modification application immediately after it files such application. After the source makes the change allowed by the preceding sentence, and until the permitting authority takes any of the actions authorized by §71.7(e)(1)(iv)(A) through (C), the source must comply with both the applicable requirements governing the change and the proposed permit terms and conditions. During this time period, the source need not comply with the existing permit terms and conditions it seeks to modify. However, if the source fails to comply with its proposed permit terms and conditions during this time period, the existing permit terms and conditions it seeks to modify may be enforced against it.

[40 CFR 71.7(e)(1)(v)]

5. The permit shield under §71.6(f) may not extend to minor permit modifications.

[40 CFR 71.7(e)(1)(vi)]

V.J. Group Processing of Minor Permit Modifications. [40 CFR 71.7(e)(2)]

1. Group processing of modifications by EPA may be used only for those permit modifications:

   (a) That meet the criteria for minor permit modification procedures under section **V.I.** of this permit; and

   (b) That collectively are below the threshold level of 10 percent of the emissions allowed by the permit for the emissions unit for which the change is requested, 20 percent of the applicable definition of major source in §71.2, or 5 tons per year, whichever is least.

[40 CFR 71.7(e)(2)(i)]

2. An application requesting the use of group processing procedures shall be submitted to EPA, shall meet the requirements of §71.5(c), and shall include the following:

(a) A description of the change, the emissions resulting from the change, and any new applicable requirements that will apply if the change occurs;

(b) The source's suggested draft permit;

(c) Certification by a responsible official, consistent with §71.5(d), that the proposed modification meets the criteria for use of group processing procedures and a request that such procedures be used;

(d) A list of the source's other pending applications awaiting group processing, and a determination of whether the requested modification, aggregated with these other applications, equals or exceeds the threshold set under subparagraph **(1)(b)** above; and

(e) Completed forms for the permitting authority to use to notify affected States as required under §71.8.

[40 CFR 71.7(e)(2)(ii)]

3. The source may make the change proposed in its minor permit modification application immediately after it files such application. After the source makes the change allowed by the preceding sentence, and until the permitting authority takes any of the actions authorized by §71.7(e)(1)(iv)(A) through (C), the source must comply with both the applicable requirements governing the change and the proposed permit terms and conditions. During this time period, the source need not comply with the existing permit terms and conditions it seeks to modify. However, if the source fails to comply with its proposed permit terms and conditions during this time period, the existing permit terms and conditions it seeks to modify may be enforced against it.

[40 CFR 71.7(e)(2)(v)]

4. The permit shield under §71.6(f) does not extend to group processing of minor permit modifications.

[40 CFR 71.7(e)(1)(vi)]

V.K. Significant Permit Modifications [40 CFR 71.7(e)(3)]

1. The permittee must request the use of significant permit modification procedures for those modifications that:

(a) Do not qualify as minor permit modifications or as administrative amendments;

(b) Are significant changes in existing monitoring permit terms or conditions; or

(c) Are relaxations of reporting or recordkeeping permit terms or conditions.

[40 CFR 71.7(e)(3)(i)]

2. Nothing herein shall be construed to preclude the permittee from making changes consistent with part 71 that would render existing permit compliance terms and conditions irrelevant.

[40 CFR 71.7(e)(3)(i)]

3. Permittees must meet all requirements of part 71 for applications, public participation, and review by affected states and tribes for significant permit modifications. For the application to be determined complete, the permittee must supply all information that is required by §71.5(c) for permit issuance and renewal, but only that information that is related to the proposed change.

[40 CFR 71.7(e)(3)(ii), 71.8(d), and 71.5(a)(2)]

V.L. Reopening for Cause [40 CFR 71.7(f)]

The permit may be reopened and revised prior to expiration under any of the following circumstances:

1. Additional applicable requirements under the Act become applicable to a major part 71 source with a remaining permit term of 3 or more years. Such a reopening shall be completed not later than 18 months after promulgation of the applicable requirement. No such reopening is required if the effective date of the requirement is later than the date on which the permit is due to expire, unless the original permit or any of its terms and conditions have been extended pursuant to §71.7 (c)(3);

2. Additional requirements (including excess emissions requirements) become applicable to an affected source under the acid rain program. Upon approval by the Administrator, excess emissions offset plans shall be deemed to be incorporated into the permit;

3. EPA determines that the permit contains a material mistake or that inaccurate statements were made in establishing the emissions standards or other terms or conditions of the permit; or

4. EPA determines that the permit must be revised or revoked to assure compliance with the applicable requirements.

V.M. Property Rights [40 CFR 71.6(a)(6)(iv)]

This permit does not convey any property rights of any sort, or any exclusive privilege.

V.N. Inspection and Entry [40 CFR 71.6(c)(2)]

Upon presentation of credentials and other documents as may be required by law, the permittee shall allow EPA or an authorized representative to perform the following:

1. Enter upon the permittee's premises where a part 71 source is located or emissions-related activity is conducted, or where records must be kept under the conditions of the permit;

2. Have access to and copy, at reasonable times, any records that must be kept under the conditions of the permit;

3. Inspect at reasonable times any facilities, equipment (including monitoring and air pollution control equipment), practices, or operations regulated or required under the permit; and

4. As authorized by the Clean Air Act, sample or monitor at reasonable times substances or parameters for the purpose of assuring compliance with the permit or applicable requirements.

V.O. Emergency Provisions [40 CFR 71.6(g)]

1. In addition to any emergency or upset provision contained in any applicable requirement, the permittee may seek to establish that noncompliance with a technology-based emission limitation under this permit was due to an emergency. To do so, the permittee shall demonstrate the affirmative defense of emergency through properly signed, contemporaneous operating logs, or other relevant evidence that:

   (a) An emergency occurred and that the permittee can identify the cause(s) of the emergency;

   (b) The permitted facility was at the time being properly operated;

   (c) During the period of the emergency the permittee took all reasonable steps to minimize levels of emissions that exceeded the emissions standards, or other requirements in this permit; and

   (d) The permittee submitted notice of the emergency to EPA within 2 working days of the time when emission limitations were exceeded due to the emergency. This notice must contain a description of the emergency, any steps taken to mitigate emissions, and corrective actions taken. This notice fulfills the requirements for prompt notification of deviations.

2. In any enforcement proceeding the permittee attempting to establish the occurrence of an emergency has the burden of proof.

3. An "emergency" means any situation arising from sudden and reasonably unforeseeable events beyond the control of the source, including acts of God, which situation requires immediate corrective action to restore normal operation, and that causes the source to exceed a technology-based emission limitation under the permit due to unavoidable increases in emissions attributable to the emergency. An emergency shall not include noncompliance to the extent caused by improperly designed equipment, lack of preventive maintenance, careless or improper operation, or operator error.

V.P. Transfer of Ownership or Operation [40 CFR 71.7(d)(1)(iv)]

A change in ownership or operational control of this facility may be treated as an administrative permit amendment if the EPA determines no other change in this permit is necessary and provided that a written agreement containing a specific date for transfer of permit responsibility, coverage, and liability between the current and new permittee has been submitted to EPA.

V.Q. Off Permit Changes [40 CFR 71.6(a)(12) and 40 CFR 71.6(a)(3)(ii)]

The permittee is allowed to make certain changes without a permit revision, provided that the following requirements are met, and that all records required by this section are kept at the Operations Center for a period of five years:

1. Each change is not addressed or prohibited by this permit;

2. Each change shall meet with all applicable requirements and shall not violate any existing permit term or condition;

3. Changes under this provision may not include changes subject to any requirement of 40 CFR parts 72 through 78 or modifications under any provision of title I of the Clean Air Act;

4. The permittee must provide contemporaneous written notice to EPA of each change, except for changes that qualify as insignificant activities under §71.5(c)(11). The written notice must describe each change, the date of the change, any change in emissions, pollutants emitted, and any applicable requirements that would apply as a result of the change;

5. The permit shield does not apply to changes made under this provision;

6. The permittee must keep a record describing all changes that result in emissions of any regulated air pollutant subject to any applicable requirement not otherwise regulated under this permit, and the emissions resulting from those changes;

7. For replacement of an existing permitted compressor engine with a new or overhauled engine of the same make, model, horsepower rating, and configured to operate in the same manner as the engine being replaced, in addition to satisfying all other provisions for off permit changes, the permittee satisfies the following provisions:

   (a) The replacement engine employs air emissions control devices, monitoring, record keeping and reporting that are equivalent to those employed by the engine being replaced;

   (b) The replacement of the existing engine does not constitute a major modification or major new source as defined in Federal PSD regulations (40 CFR 52.21);

   (c) No new applicable requirements, as defined in 40 CFR 71.2, are triggered by the replacement; and

   (d) The following information is provided in a written notice to EPA, prior to installation of the replacement engine, in addition to the standard information listed above for contemporaneous written notices for off permit changes:

      (i) Make, model number, serial number, horsepower rating and configuration of the existing engine and the replacement engine;

(ii) Manufacture date, commence construction date (per the definitions in 40 CFR 60.4230(a) and 63.2), and installation date of the replacement engine at the facility;

(iii) If applicable, documentation of the cost to rebuild a replacement engine versus the cost to purchase a new engine in order to support claims that an engine is not "reconstructed", as defined in 40 CFR 60.15 and 40 CFR 63.2.

(iv) 40 CFR part 60, subpart IIII (CI Engine NSPS) non-applicability documentation as appropriate;

(v) 40 CFR part 60, subpart JJJJ (SI Engine NSPS) non-applicability documentation as appropriate;

(vi) 40 CFR part 63, subpart ZZZZ (RICE MACT) non-applicability documentation for major sources, as appropriate;

(vii) 40 CFR part 63, subpart ZZZZ (RICE MACT) non-applicability documentation for area sources, as appropriate;

(viii) Documentation to demonstrate that the replacement does not constitute a major new source or major modification, as defined in Federal PSD rules (40 CFR 52.21), as follows:

(A) If the replacement will not constitute a "physical change or change in the method of operation" as described in §52.21(b)(2)(i), an explanation of how that conclusion was reached shall be provided.

(B) If the replacement will constitute a "physical change or change in the method of operation" as described §52.21(b)(2)(i), the following information shall be provided:

(1) If the existing source is a "major stationary source" as defined in §52.21(b)(1): For each "regulated NSR pollutant" as defined in §52.21(b)(50), a demonstration (including all calculations) that the replacement will not be a "major modification" as defined in §52.21(b)(2). A modification is major only if it causes a "significant emissions increase" as defined in §52.21(b)(40), and also causes a "significant net emissions increase" as defined in §§52.21(b)(3) and (b)(23).

The procedures of §52.21(a)(2)(iv) shall be used to calculate whether or not there will be a significant emissions increase. If there will be a significant emissions increase, then calculations shall be provided to demonstrate there will not be a significant net emissions increase. These latter calculations shall include all

sourcewide contemporaneous and creditable emission increases and decreases, as defined in §52.21(b)(3), summed with the PTE of the replacement unit(s).

If netting is used to demonstrate that the replacement will not constitute a "major modification," verification shall be provided that the replacement engine(s) or turbine(s) employ emission controls at least equivalent in control effectiveness to those employed by the engine(s) or turbine(s) being replaced.

PTE of replacement unit(s) shall be determined based on the definition of PTE in §52.21(b)(4). For each "regulated NSR pollutant" for which the PTE is not "significant," calculations used to reach that conclusion shall be provided.

(2) If the existing source is not a "major stationary source" as defined in §52.21(b)(1): For each "regulated NSR pollutant," a demonstration (including all calculations) that the replacement engine(s) or turbine(s), by itself, will not constitute a "major stationary source" as defined in §52.21(b)(1)(i).

8. The notice shall be kept at the Operations Center and made available to EPA on request, in accordance with the general recordkeeping provision of this permit; and

9. Submittal of the written notice required above shall not constitute a waiver, exemption, or shield from applicability of any applicable standard or PSD permitting requirements under 40 CFR 52.21 that would be triggered by the replacement of any one engine, or by replacement of multiple engines.

V.R. Permit Expiration and Renewal [40 CFR 71.5(a)(1)(iii), 71.5(a)(2), 71.5(c)(5), 71.6(a)(11), 71.7(b), 71.7(c)(1) and 71.7(c)(3)]

1. This permit shall expire upon the earlier occurrence of the following events:

   (a) Five (5) years elapses from the date of issuance; or

   (b) The source is issued a part 70 or part 71 permit under an EPA approved or delegated permit program.

   [40 CFR 71.6(a)(11)]

2. Expiration of this permit terminates the permittee's right to operate unless a timely and complete permit renewal application has been submitted at least 6 months but not more than 18 months prior to the date of expiration of this permit.

   [40 CFR 71.5(a)(1)(iii)]

3. If the permittee submits a timely and complete permit application for renewal, consistent with §71.5(a)(2), but EPA has failed to issue or deny the renewal permit, then all the

terms and conditions of the permit, including any permit shield granted pursuant to §71.6(f) shall remain in effect until the renewal permit has been issued or denied.

[40 CFR 71.7(c)(3)]

4. The permittee's failure to have a part 71 permit is not a violation of this part until EPA takes final action on the permit renewal application. This protection shall cease to apply if, subsequent to the completeness determination, the permittee fails to submit any additional information identified as being needed to process the application by the deadline specified in writing by EPA.

[40 CFR 71.7(b)]

5. Renewal of this permit is subject to the same procedural requirements that apply to initial permit issuance, including those for public participation, affected State, and tribal review.

[40 CFR 71.7(c)(1)]

6. The application for renewal shall include the current permit number, description of permit revisions and off-permit changes that occurred during the permit term, any applicable requirements that were promulgated and not incorporated into the permit during the permit term, and other information required by the application form.

[40 CFR 71.5(a)(2) and 71.5(c)(5)]

VI. Appendix

VI.A. Inspection Information

1. Driving Directions to Plant From Aztec, New Mexico:

   (a) Go north on Highway 550 to County Road 318 and take a right turn (approximately 17.4 miles)
   (b) Go 5.6 miles and turn left onto County road 310
   (c) Go 1.9 miles and turn left onto private gravel road.
   (d) Go 0.9 miles and take a right at the Y.
   (e) Continue on the gravel road 0.8 miles to the site.

2. Latitude and Longitude coordinates:

   Lat. 37.10743378, Long -107.8353513

3. Safety Considerations:

All visitors to the Wolf Point Compressor Station are required to wear a hard hat, safety glasses, safety toe footwear, hearing protection, and fire resistant clothing (FRC).

EXHIBIT 7

Draft Statement of Basis for Permit No. V-SU-0034-07.00

Air Pollution Control
Title V Permit to Operate
Draft Statement of Basis for Permit No. V-SU-0034-07.00
First Permit Renewal

BP America Production Company
Wolf Point Compressor Station
Southern Ute Reservation
La Plata County, Colorado

1. Facility Information

a. Location

BP America Production Company's Wolf Point Compressor Station is located within the exterior boundaries of the Southern Ute Indian Reservation in the southwestern part of the State of Colorado. The exact location is NW ¼ Section 16, T33N, R9W, in La Plata County, Colorado. The mailing address is:

BP America Production Company
380 Airport Road
Durango, CO 81303

b. Contacts

The Facility Contact:
Julie A. Best
Environmental Coordinator
380 Airport Road
Durango, CO 81303
970-375-7540

The Responsible Official:
Kourtney K. Hadrick
Florida Operations Manager
2906 County Road 307
Durango, CO 81303
970-247-6901

The Parent Company Contact:
Rebecca Tanory
Environmental Specialist
501 Westlake Park Boulevard
Houston, TX 77079
281-366-3946

The Alternate Responsible Official:
David P. McKenna
Operations Center Manager
380 Airport Road
Durango, CO 81303
970-247-6810

The Tribal Contact:
Christopher Lee
Air Program Manager - Southern Ute Indian Tribe
(970)-563-4705

c. Description of operations

BP America Production Company (BP) owns and operates the Wolf Point Compressor Facility. Fruitland coal bed methane wells feed into a gathering pipeline system leading to the inlet of this facility. The natural gas produced from these wells contains approximately 93% methane and 7% carbon dioxide and is water vapor saturated. The wells do not produce any condensate or natural gas liquids.

Upon entering the compressor station, the gas first passes through an inlet separator vessel to remove any free liquids in the gas stream by gravity. The gas then passes to a filter vessel, which serves to filter out any solids such as coal dust in the gas. The gas is then compressed and finally passes through an outlet coalescer vessel which removes any entrained droplets of lubricating oil before being metered and sent to the BP Florida River Compressor Facility for further processing. In addition, there are no pigging facilities or operations associated with this station.

d. Permitting and/or construction history

The Wolf Point Compressor Station was constructed in 2001 to provide field compression for natural gas wells in the area. The first two Waukesha L7042GL reciprocating engines, fueled by natural gas, became operational on May 1, 2001. The third Waukesha L7042GL reciprocating engine became operational on May 15, 2001. The fourth Waukesha L7042GL reciprocating engine became operational in October 2005. EPA has never issued a pre-construction permit for the Wolf Point Compressor Station. On February 27, 2003, EPA issued an initial title V (part 71) Permit to Operate the Wolf Point Compressor Station. On September 19, 2005, EPA issued an administrative amendment to the part 71 permit (V-SU-0034-02.01), which corrected the facility location, added the latitude and longitude coordinates, and added an Alternate Responsible Official. On February 7, 2006, EPA issued a minor modification to the part 71 permit (V-SU-0034-02.02), which updated the Tribal Contact name, added an engine, and updated emission factors.

On March 27, 2006, EPA received a request to significantly modify the part 71 permit. In this modification request, BP proposed removing the four existing Waukesha L7042GL reciprocating engines and installing three new Caterpillar G3606 engines with catalytic controls for carbon monoxide (CO) and formaldehyde (CH_2O) emissions so that the facility total emissions remained below the applicability thresholds for the Reciprocating Internal Combustion Engine Maximum Achievable Control Technology Requirements (RICE MACT, 40 CFR Part 63, Subpart ZZZZ). BP requested that the part 71 permit be modified to include enforceable conditions to assure minor source status for hazardous air pollutants (HAP) with regard to applicability to the MACT regulations. On July 21, 2006, EPA issued the significant modification to the part 71 permit (V-SU-0034-02.03). The proposed modifications were never made at the facility.

On September 28, 2007, EPA issued an administrative amendment to the part 71 permit (V-SU-0034-02.04), which changed the plant mailing address, updated the names and contact information for the Alternate Responsible Official and Facility Contact, and revised the text for Alternative Operating Scenarios and Off Permit Changes to clarify the requirements.

e. Description of Draft First Permit Renewal

On September 10, 2007, EPA received an application for renewal of the part 71 permit. EPA determined the application complete on September 10, 2007. The three Caterpillar G3606 compressor engines authorized in the current permit with federally enforceable emission limits have not yet been installed, because of a change in the intended replacement schedule; therefore, the permit does not reflect the actual equipment operating at the facility, or the current major HAP emission status. In the permit renewal application, BP requested that the existing engines be added back into the permit, the specific emission-limiting conditions for the replacement engines be removed from the permit, and an alternative operating scenario be added, under which the new engines may be installed at a later date. At the time EPA received the application for renewal, this replacement project was anticipated to begin in 2008, with operation in later 2008 or early 2009. Concurrent with installation of the new engines, the existing engines will be removed from service.

BP proposed to conduct the engine replacement project in phases to avoid major HAP source status and subsequently triggrting applicability to the requirements of the RICE MACT. In order to maintain the facility's permitted minor HAP status, BP proposed two potential alternative operating scenarios for phase I of the project under which three of the existing four Waukesha L7042GL engines (exact units not specified) would be removed from service, followed by installation of two of three Caterpillar G3606 engines. For the second phase of the engine replacement project (another alternative operating scenario), the fourth Waukesha L7042GL engine would be removed, followed by installation of a third Caterpillar G3606 engine. This phased process will keep the maximum potential to emit formaldehyde below the HAP major source trigger of ten tons per year (tpy) throughout the replacement project. BP also stated in the application that additional insignificant equipment may be added as part of the engine replacement project and proposed to submit an application for a minor modification of the permit upon completion of the engine replacement project.

Based on discussions between EPA and BP after submittal of the renewal application, BP expressed a desire to keep the specific emission limiting conditions for the replacement engines in the permit in order to maintain establishment of the synthetic minor limits. Because the effective permit does not reflect actual current operations and emission status, and because BP did not specify which particular emission units would be removed and installed during each phase of the proposed engine replacement project, for clarification purposes, EPA separately identified specific operating scenarios in the draft permit, as shown in the table below, and wrote specific requirements into the draft permit that are dependent on the scenario under which the facility is operating at any given time. It is important to note that establishment of the enforceable synthetic minor limits for the alternative operating scenarios is only designed to protect the source from major HAP status and subsequent applicability to MACT standards for major sources. As discussed in the remainder of this Statement of Basis, the established enforceable limits will not protect the source from potential applicability to any recently promulgated MACT standards for area sources, or separately enforceable New Source Performance Standards (NSPS).

Table 1 – Potential Facility Operating Scenarios
BP Wolf Point Compressor Station

Operating Scenario	Emission Units Operating
Current* Operating Scenario	C1, C2 , C3, C4, G1
Alternative Operating Scenarios #1a - #1c	C1 (#1a) or C2(#1b) or C3 (#1c), G1, WP1, WP2
Alternative Operating Scenario #2	C4, G1, WP1, WP2
Alternative Operating Scenario #3	G1, WP1, WP2, WP3

* The most recent Part 71 permit (V-SU-0034-02.04) authorized emission units G1 and three Caterpillar G3606 natural gas compression engines (WP1, WP2, and WP3); however, due to changes in the installation schedule, the Caterpillar engines have not yet been installed and four previously permitted (V-SU-0034-02.02) Waukesha L7042GL engines are currently operating at the facility.

In addition to the changes described above for renewal of the part 71 permit, the following changes have also been made as part of the draft renewal permit. On October 22, 2007, EPA received a letter from BP, dated September 10, 2007, with notification of an off permit replacement of emission unit C4 with an existing leased engine of identical make, model, horsepower, and emission control equipment (not federally enforceable). The change will not result in any change in emissions and the engine will operate in the same configuration and service as the existing engine. The only change made to the draft renewal permit was to replace the serial number of the existing engine with that of the replacement engine. On November 5, 2007, EPA received a request for an administrative amendment to change the responsible official for the facility from Dennis E. Scott to Kourtney K. Hadrick. On November 8, 2007, EPA sent a letter to inform BP of a new mailing address, effective December 17, 2007, for the submittal of the annual fee payments required pursuant to 40 CFR part 71 and the title V Permits issued by EPA's Office of Air and Radiation. The fee payment bank name and address has been corrected in the Annual Fee Payment section of the draft renewal permit (section V.A.).

Additionally, in an effort to streamline the title V permits and reduce the number of administrative permit amendments requested, EPA is modifying the structure of the permit, including removing specific non-enforceable facility information, such as the names and phone numbers of the Responsible Official, Facility Contact, and Tribal Contact, as well as the plant mailing address. Part 71 does not require this information to be in the permit and changes to such information are the most often requested administrative permit amendments. This information will be maintained in the Statements of Basis for each permit action. EPA requests from this point forward that BP continue to send notification in writing of changes to such facility information; however, the changes will no longer require administrative permit amendments. The notifications will be kept on file, similar to Off Permit Change notifications, and the most current information will be updated in the Statement of Basis as part of the next permit modification or renewal. The change in responsible official that BP requested on November 5, 2007 is being represented in this Statement of Basis, because this information has been removed from the draft renewal permit.

f. List of all units and emission-generating activities

BP America Production Company provided in their application the information contained in Tables 2 through 5 for this facility, which list emission units and emission generating activities, including any air pollution control devices. Emission units identified as "insignificant" are listed separately in Table 6.

Table 2 - Emission Units – Current* Operating Scenario
BP Wolf Point Compressor Station

Emission Unit Id. No.	Description	Control Equipment
	1323 hp, lean burn, natural gas-fired Waukesha L7042GL Compressor Engines	None
C1	Serial No. 316401 Rebuilt**/Installed: 4/15/06 (constructed 12/20/1977)	
C2	Serial No. C61492/1 Rebuilt**/Installed: 5/19/06 (constructed 12/11/1998)	
C3	Serial No. 296963 Installed: 2001	
	1323 hp, lean burn, natural gas-fired Waukesha L7042GL Compressor Engine	Oxicat controller (not federally enforceable)
C4	Serial No. 351077 Rebuilt**/Installed: 9/11/2007 (constructed 2001 at BP Red Willow)	
	59 hp, lean burn, natural gas-fired Kohler 50RZGB Gas Generator Set (GM 5.7 liter engine)	None
G1	Serial No. 0685338 (generator) Installed: 2001 5.7L-05349 (engine)	

* Most recent Part 71 permit (V-SU-0034-02.04) authorized emission units G1 and three new Caterpillar G3606 natural gas compression engines (WP1, WP2, and WP3); however, due to changes in the installation schedule, these engines have not yet been installed and four previously permitted Waukesha L7042GL engines are currently operating at the facility.

** The term "rebuilt" is not to be confused with the term "reconstruction", as defined in 40 CFR 63.2. According to BP, these engines have previously operated at other facilities and have been modified for a cost less than 50% of the cost to purchase a new engine, and are therefore, not considered "reconstructed" after 12/19/2002 and thus not subject to 40 CFR part 63, subpart ZZZZ.

Table 3 - Emission Units – Alternative Operating Scenarios #1a - #1c
BP Wolf Point Compressor Station

Emission Unit Id. No.	Description	Control Equipment
C1 (scenario #1a) or C2 (scenario #1b) or C3 (scenario #1c)	1323 hp, lean burn, natural gas-fired Waukesha L7042GL Compressor Engines Serial No. 316401 Rebuilt*/Installed: 4/15/06 (constructed 12/20/1977) Serial No. C61492/1 Rebuilt*/Installed: 5/19/06 (constructed 12/11/1998) Serial No. 296963 Installed: 2001	None
WP1 WP2	1895 hp, lean burn, natural gas-fired Caterpillar G3606 Compressor Engines (either 90°F or 129° F Engine Control Modules (ECM)) Serial No. TBD Projected Installation: 2008/2009 Serial No. TBD Projected Installation: 2008/2009	Oxicat controllers
G1	59 hp, lean burn, natural gas-fired Kohler 50RZGB Gas Generator Set (GM 5.7 liter engine) Serial No. 0685338 (generator) Installed: 2001 5.7L-05349 (engine)	None

** The term "rebuilt" is not to be confused with the term "reconstruction", as defined in 40 CFR 63.2. According to BP, these engines have previously operated at other facilities and have been modified for a cost less than 50% of the cost to purchase a new engine, and are therefore not considered "reconstructed" after 12/19/2002 and thus not subject to 40 CFR part 63, subpart ZZZZ.

Table 4 - Emission Units – Alternative Operating Scenario #2
BP Wolf Point Compressor Station

Emission Unit Id. No.	Description	Control Equipment
C4	1323 hp, lean burn, natural gas-fired Waukesha L7042GL Compressor Engines Serial No. 351077 Rebuilt*/Installed: 9/11/2007 (constructed 2001 at BP Red Willow)	Oxicat controller (not federally enforceable)
WP1 WP2	1895 hp, lean burn, natural gas-fired Caterpillar G3606 Compressor Engines (either 90°F or 129° F ECM) Serial No. TBD Projected Installation: 2008/2009 Serial No. TBD Projected Installation: 2008/2009	Oxicat controllers
G1	59 hp, lean burn, natural gas-fired Kohler 50RZGB Gas Generator Set (GM 5.7 liter engine) Serial No. 0685338 (generator) Installed: 2001 5.7L-05349 (engine)	None

** The term "rebuilt" is not to be confused with the term "reconstruction" as defined in 40 CFR 63.2. According to BP, this engine has previously operated at another facility and has been modified for a cost less than 50% of the cost to purchase a new engine, and is therefore, not considered "reconstructed" after 12/19/2002 and thus not subject to 40 CFR part 63, subpart ZZZZ.

Table 5 - Emission Units – Alternative Operating Scenario #3
BP Wolf Point Compressor Station

Emission Unit Id. No.	Description	Control Equipment
	1895 hp, lean burn, natural gas-fired Caterpillar G3606 Compressor Engines (either 90°F or 129° F ECM)	Oxicat controllers
WP1	Serial No. TBD Projected Installation: 2008/2009	
WP2	Serial No. TBD Projected Installation: 2008/2009	
WP3	Serial No. TBD Projected Installation: 2008/2009	
	59 hp, natural gas-fired Kohler 50RZGB Gas Generator Set (GM 5.7 liter engine)	None
G1	Serial No. 0685338 (generator) Installed: 2001 5.7L-05349 (engine)	

Part 71 allows sources to separately list in the permit application units or activities that qualify as "insignificant" based on potential emissions below 2 tons/year for all regulated pollutants that are not listed as HAP under section 112(b) and below 1000 lbs/year or the deminimus level established under section 112(g), whichever is lower, for HAPs. However, the application may not omit information needed to determine the applicability of, or to impose, any applicable requirement, or to calculate the fee. Units that qualify as "insignificant" for the purposes of the part 71 application are in no way exempt from applicable requirements or any requirements of the part 71 permit.

Table 6 - Insignificant Emission Units (All Operating Scenarios)
BP Wolf Point Compressor Station

Emission Unit ID	Description
1	Process Fugitive Emissions
2	Compressor Blowdowns, max of 395 MMscf/yr
3	4 - 500 gallon (or one 2,000 gallon) Used Oil Tanks
4	4 - 500 gallon (or one 2,000 gallon) Lube Oil Tanks
5	1 - 300 bbl Produced Water Tank
6	1 - 0.5 MMBtu/hr heater for the produced water tank
7	1 - 300 bbl Produced Water/Oily Water Tank
8	1 - 0.5 MMBtu/hr heater for the produced water/oily water tank
9	2 – 286 bbl Water Tanks
10	2 – 0.5 MMBtu/hr Heater for the water tanks
11	1 – 575 gallon TEG Tank
12	1 – 0.25 MMBtu/hr Dehy Reboiler
13	1 - 2.0 MMscfd Glycol Still Column Vent
14	1 - 750 gallon Ethylene Glycol Tank
15	1 – 21 bbl Lube Oil Drip Tank

*BP may install additional insignificant equipment as part of the engine replacement project, but BP will address the authorization of this equipment at the time of installation, through a minor permit modification after the engine replacement project is completed (Alternative Operating Scenario #3).

g. Potential to emit

PTE means the maximum capacity of the Wolf Point Compressor Station to emit any air pollutant under its physical and operational design. Any physical or operational limitation on the capacity of Wolf Point Compressor Station to emit an air pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored, or processed, may be treated as part of its design if the limitation is enforceable by EPA (see section 2.0). Potential to emit is meant to be a worse case emissions calculation. Actual emissions may be much lower.

The PTE for the facility as a whole are as follows for the Current Operations:

Current Operations

Nitrogen Oxides (NO_x) – 83.26 tpy
Carbon Monoxide (CO) – 180.14 tpy
Volatile Organic Compounds (VOC) – 54.45 tpy
Small Particulates (PM_{10}) – 1.81 tpy
Sulfur Dioxide (SO_2) - 0.1 tpy
Total Hazardous Air Pollutants (HAPs) – 14.89 tpy
Largest Single HAP (formaldehyde, CH_2O) – 14.89 tpy

The PTE for the Wolf Point Compressor Station, with emission controls taken into consideration (see section 2.0) for Alternative Operating Scenarios #1a-#1c, #2, and #3, are proposed as follows:

Alternative Operating Scenarios #1a - #1c

Nitrogen Oxides (NO_x) – 50.11 tpy
Carbon Monoxide (CO) – 74.32 tpy
Volatile Organic Compounds (VOC) – 52.35 tpy
Small Particulates (PM_{10}) – 1.69 tpy
Sulfur Dioxide (SO_2) - 0.09 tpy
Total Hazardous Air Pollutants (HAPs) – 9.63 tpy
Largest Single HAP (formaldehyde, CH_2O) – 9.63 tpy

Alternative Operating Scenario #2

Nitrogen Oxides (NO_x) – 51.39 tpy
Carbon Monoxide (CO) – 74.32 tpy
Volatile Organic Compounds (VOC) – 52.35 tpy
Small Particulates (PM_{10}) – 1.69 tpy
Sulfur Dioxide (SO_2) - 0.09 tpy
Total Hazardous Air Pollutants (HAPs) – 9.63 tpy
Largest Single HAP (formaldehyde, CH_2O) – 9.63 tpy

Alternative Operating Scenario #3

Nitrogen Oxides (NO_x) – 43.76 tpy
Carbon Monoxide (CO) – 40.57 tpy
Volatile Organic Compounds (VOC) – 57.69 tpy
Small Particulates (PM_{10}) – 1.83 tpy
Sulfur Dioxide (SO_2) - 0.1 tpy
Total Hazardous Air Pollutants (HAPs) – 8.85 tpy
Largest Single HAP (formaldehyde, CH_2O) – 8.85 tpy

Tables 7 through 10 below illustrate the difference in facility-wide emissions that would result from each of the phased Alternative Operating Scenarios proposed in the application when compared to the Current Operating Scenario.

Table 7 - Current Operating Scenario - Summary of Potential Emissions
BP Wolf Point Compressor Station

Emission Unit ID	Description	Uncontrolled Emissions (tpy)					
		NOx	CO	PM	SO_2	VOC	CH_2O
C1	1323 hp Waukesha L7042GL (uncontrolled)	19.16	38.33	0.41	0.02	12.78	3.70
C2	1323 hp Waukesha L7042GL (uncontrolled)	19.16	38.33	0.41	0.02	12.78	3.70
C3	1323 hp Waukesha L7042GL (uncontrolled)	19.16	38.33	0.41	0.02	12.78	3.70
C4	1323 hp Waukesha L7042GL with oxidation catalyst (not federally enforceable, calculations are uncontrolled)	20.44	38.33	0.41	0.02	12.78	3.70
G1	59 hp Kohler 50RZGB Gas Generator Set (GM 5.7 liter engine)	4.10	25.81	0.06	0.00	1.14	0.07
IEUs	Insignificant Emission Units	1.23	1.04	0.09	0.002	2.21	0.0009
Total		**83.26**	**180.14**	**1.81**	**0.10**	**54.45**	**14.89**

- Existing minor source for PSD. Major HAP source.
- Waukesha engines are "existing" and, therefore, not subject to the requirements of 40 CFR 63, subpart ZZZZ.

Table 8 - Alternative Operating Scenarios #1a-1c – Summary of Potential Emissions
BP Wolf Point Compressor Station

Emission Unit ID	Description	Controlled Emissions (tpy)						Uncontrolled Emissions (tpy)	
		NOx	CO	PM	SO_2	VOC	CH_2O	CO	CH_2O
C1 or C2 or C3	1323 hp Waukesha L7042GL (uncontrolled)	19.16	38.33	0.41	0.02	12.78	3.70	38.33	3.70
G1	59 hp Kohler 50RZGB Gas Generator Set (GM 5.7 liter engine)	4.10	25.81	0.06	0.00	1.14	0.07	25.81	0.07
WP1	1895 hp Caterpillar G3606 Compressor Engine w/Oxidation Catalyst	12.81	4.57	0.56	0.03	18.12	2.93	45.75	7.32
WP2	1895 hp Caterpillar G3606 Compressor Engine w/Oxidation Catalyst	12.81	4.57	0.56	0.03	18.12	2.93	45.75	7.32
IEUs	Insignificant Emission Units	1.23	1.04	0.09	0.002	2.21	0.0009	1.04	0.0009
Total		**50.11**	**74.32**	**1.69**	**0.09**	**52.35**	**9.63**	**156.68**	**18.41**

- Remove three existing Waukesha L7042GL compressor engines (C2, C3, C4) and install two Caterpillar G3606 compressor engines.
- Project does not trigger PSD. Minor HAP source with federally enforceable synthetic minor emission limits on Caterpillar engines, therefore replacement Caterpillar engines not subject to 40 CFR 63, subpart ZZZZ, provided they are not "new" engines, as defined in the subpart.

Table 9 - Alternative Operating Scenario #2 – Summary of Potential Emissions
BP Wolf Point Compressor Station

Emission Unit ID	Description	Controlled Emissions (tpy)						Uncontrolled Emissions (tpy)	
		NOx	CO	PM	SO_2	VOC	CH_2O	CO	CH_2O
C4	1323 hp Waukesha L7042GL with oxicat (not federally enforceable, calculations are uncontrolled)	20.44	38.33	0.41	0.0244	12.78	3.70	38.33	3.70
G1	59 hp Kohler 50RZGB Gas Generator Set (GM 5.7 liter engine)	4.10	25.81	0.06	0.0006	1.14	0.07	25.81	0.07
WP1	1895 hp Caterpillar G3606 Compressor Engine w/Oxidation Catalyst	12.81	4.57	0.56	0.0329	18.12	2.93	45.75	7.32
WP2	1895 hp Caterpillar G3606 Compressor Engine w/ Oxidation Catalyst	12.81	4.57	0.56	0.0329	18.12	2.93	45.75	7.32
IEUs	Insignificant Emission Units	1.23	1.04	0.09	0.002	2.21	0.0009	1.04	0.0009
Total		**51.39**	**74.32**	**1.69**	**0.09**	**52.35**	**9.63**	**156.68**	**18.41**

- Remove three existing Waukesha L7042GL compressor engines (C1, C3, C4) and install two Caterpillar G3606 compressor engines.
- Project does not trigger PSD. Synthetic minor HAP source, therefore replacement Caterpillar engines not subject to 40 CFR 63, subpart ZZZZ, provided they are not "new" engines, as defined in the subpart.

Table 10 - Alternative Operating Scenario #3 – Summary of Potential Emissions
BP Wolf Point Compressor Station

Emission Unit ID	Description	Controlled Emissions (tpy)						Uncontrolled Emissions (tpy)	
		NOx	CO	PM	SO_2	VOC	CH_2O	CO	CH_2O
G1	59 hp Kohler 50RZGB Gas Generator Set (GM 5.7 liter engine)	4.10	25.81	0.06	0.00	1.14	0.07	25.81	0.07
WP1	1895 hp Caterpillar G3606 Compressor Engine w/ Oxidation Catalyst	12.81	4.57	0.56	0.03	18.12	2.93	45.75	7.32
WP2	1895 hp Caterpillar G3606 Compressor Engine w/ Oxidation Catalyst	12.81	4.57	0.56	0.03	18.12	2.93	45.75	7.32
WP3	1895 hp Caterpillar G3606 Compressor Engine w/ Oxidation Catalyst	12.81	4.57	0.56	0.03	18.12	2.93	45.75	7.32
IEUs	Insignificant Emission Units	1.23	1.04	0.09	0.002	2.21	0.0009	1.04	0.0009
Total		**43.76**	**40.57**	**1.83**	**0.10**	**57.69**	**8.85**	**164.10**	**22.03**

- Remove fourth existing Waukesha L7042GL compressor engine (C1, C2, C3, or C4) and install third Caterpillar G3606 compressor engine.
- Minor modification of a minor PSD source. Remains a minor PSD source. Synthetic minor HAP source, therefore engines not subject to 40 CFR 63, subpart ZZZZ, provided they are not "new" engines, as defined in the subpart.

2. Establishment of Synthetic Minor Limits

a. Applicable PTE guidance

Under 40 CFR 52.21, "potential to emit" 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. Potential to emit is meant to be a worse case emissions calculation. Actual emissions may be much lower.

National EPA guidance on PTE states that air pollution control equipment (in this case, the oxidation catalysts for WP1, WP2, and WP3 under Alternative Operating Scenarios #1a-#1c, #2, and #3) can be credited as restricting PTE only if federally enforceable requirements are in place requiring the use of such air pollution control equipment. (Reference: letter dated November 27, 1995, from David Solomon, Acting Group Leader, Integrated Implementation Group, Office of Air Quality Planning & Standards, U.S. EPA, to Timothy Mohin of Intel Government Affairs.) The primary applicable guidance is a memo titled, "Guidance on Limiting Potential to Emit in New Source Permitting," dated June 13, 1989, to EPA Regional Offices, from the Office of Enforcement and Compliance Monitoring (OECA), and the Office of Air Quality Planning & Standards (OAQPS). A later memo to the EPA Regional Offices, dated January 25, 1995, titled "Guidance on Enforceability Requirements for Limiting Potential to Emit through SIP and §112 Rules and General Permits," also provides guidance on this topic.

In consultation with Office of General Counsel at EPA Headquarters, as well as with EPA Regions IX and X, the EPA Region VIII office determined that authority exists under the CAA and 40 CFR 71 to create a restriction on potential to emit through issuance of a part 71 permit. The specific citations of authority are:

CAA Section 304(f)(4): provides that the term "emission limitation, standard of performance or emission standard" includes any other standard, limitation, or schedule established under any permit issued pursuant to title V ... , any permit term or condition, and any requirement to obtain a permit as a condition of operations.

40 CFR 71.6(b): provides that all terms and conditions in a part 71 permit, including any provisions designed to limit a source's potential to emit, are enforceable by the Administrator and citizens under the Act.

40 CFR 71.7(e)(1)(i)(A)(4)(*i*): provides that a permit modification that seeks to establish a federally enforceable emissions cap assumed to avoid classification as a modification under any provision of title I of the CAA (which includes PSD), and for which there is no underlying applicable requirement, does not qualify as a minor permit modification. Under 40 CFR 71.7(e)(3)(i), it is therefore a significant permit modification, which, according to 40 CFR 71.7(e)(3)(ii), must meet all the requirements that would apply to initial permit issuance or permit renewal.

Hourly emissions limits for CO and CH_2O in pounds per hour are established in the permit as enforceable conditions for replacement units WP1, WP2, and WP3. The fitting of the engines with oxidation catalysts, along with work practice requirements, operational restrictions, and adequate testing, monitoring, reporting, and recordkeeping requirements have also been included as permit conditions to make the restrictions on potential emissions practically enforceable.

b. Components of the PTE restrictions

Potential Emissions: The current permit for the Wolf Point Compressor Station includes hourly emission limits as a component of the restriction on PTE for engines WP1, WP2, and WP3, along with certain related work practice and operational requirements, and adequate testing, monitoring, reporting, and recordkeeping requirements. The enforceable limits on the CO and CH_2O emissions for units WP1, WP2, and WP3 will reduce potential emissions to 40.57 tons per year and 8.85 tons per year, respectively. The draft renewal permit maintains these restrictions on PTE; however, because the engines are planned to be installed using a phased approach, the section of the permit describing specific requirements has been modified to include separate sections for the Current Operations and each of the Alternative Operating Scenarios.

Emission Limits: In response to BP's application request to make enforceable the use of the oxidation catalysts on engine units WP1, WP2, and WP3, emission limits for CO and CH_2O have been established in the permit, as well as work practice and operational requirements. BP requested emission limits of 1.04 pounds per hour of CO and 0.69 pounds per hour of CH_2O on each of the engines in order to avoid major HAP status for the facility.

Testing: In order to determine compliance with the established permit limits, requirements for reference method performance testing for CO and CH_2O are included as permit conditions. In addition, a requirement to conduct performance testing upon catalyst change out has been included.

Monitoring: Monitoring will be accomplished using a portable analyzer semi-annually to monitor for CO emissions, an annual performance test for CH_2O emissions, weekly temperature measurements to monitor the inlet temperatures of engine exhaust into the catalyst for each engine and monthly measurements of pressure drop across the catalyst. In order for the oxidation catalyst to effectively reduce CO and CH_2O emissions, the inlet temperature to the catalyst must be maintained at no less than 450°F and no more than 1350°F. Pressure drop is a good indication of catalyst operation; too low, the catalyst may be blown out; too high, the catalyst may be clogged. The pressure drop across the catalysts shall not change by more than two (2) inches of water at 100% load plus or minus 10% from the baseline pressure drop across the catalyst measured during the final performance test.

3. Tribe Information

a. Indian country

The BP Wolf Point Compressor Station is located within the exterior boundaries of the Southern Ute Indian Reservation and is thus within Indian country as defined at 18 U.S.C. §1151. The Southern Ute Tribe does not have a federally-approved Clean Air Act (CAA) title V operating permits program nor does EPA's approval of the State of Colorado's title V program extend to Indian country. Thus, EPA is the appropriate governmental entity to issue the title V permit to this facility.

b. The reservation

The Southern Ute Indian Reservation is located in Southwestern Colorado adjacent to the New Mexico boundary. Ignacio is the headquarters of the Southern Ute Tribe, and Durango is the closest major city, just 5 miles outside of the north boundary of the Reservation. Current information indicates that the population of the Tribe is about 1,305 people with approximately 410 tribal members living off the Reservation. In addition to Tribal members, there are over 30,000 non-Indians living within the exterior boundaries of the Southern Ute Reservation.

c. Tribal government

The Southern Ute Indian Tribe is governed by the Constitution of the Southern Ute Indian Tribe of the Southern Ute Indian Reservation, Colorado adopted on November 4, 1936 and subsequently amended and approved on October 1, 1975. The Southern Ute Indian Tribe is a federally recognized Tribe pursuant to Section 16 of the Indian Reorganization Act of June 18, 1934 (48 Stat.984), as amended by the Act of June 15, 1935 (49 Stat. 378). The governing body of the Southern Ute Indian Tribe is a seven member Tribal Council, with its members elected from the general membership of the Tribe through a yearly election process. Terms of the Tribal Council are three years and are staggered so in any given year 2 members are up for reelection. The Tribal Council officers consist of a Chairman, Vice-Chairman and Treasurer.

d. Local air quality and attainment status

The Tribe maintains an air monitoring network consisting of two sites equipped to collect Oxides of Nitrogen (NO_2), Ozone (O_3), Carbon Monoxide (CO) and meteorological data. The Tribe has collected NO_2 and O_3 data at the Ignacio site and Bondad site since June 1, 1982, and April 1, 1997, respectively. Since January 1, 2000, both sites initiated meteorological monitors measuring Wind Speed, Wind Direction, Vertical Wind Speed, Outdoor Temperature, Relative Humidity, Solar Radiation, and Rain/Snow Melt Precipitation. Particulate data (PM_{10}) was collected from December 1, 1981 to September 30, 2006, at the Ignacio site and since April 1, 1997 to September 30, 2006, at the Bondad site. The monitors indicate the following averages for the pollutant monitored: An annual average for NO_2, an hourly average for O_3 and CO, an 8-hour average for CO.

4. Applicable Requirements

a. Applicable Requirement Review

The following discussions address applicable requirements, and requirements that may appear to be applicable but are not. All applicable and non-applicable requirements addressed here are included in the Code of Federal Regulations, Title 40. In cases where applicability may appear to differ between the Current Operating Scenario and the Alternative Operating Scenarios, there is a separate applicability discussion for each scenario.

Chemical Accident Prevention Program

Based on BP's application, Wolf Point Compressor Station currently has no regulated substances above the threshold quantities in this rule and therefore are not subject to the requirement to develop and submit a risk management plan. BP has an ongoing responsibility to submit this plan IF a substance is listed that BP has in quantities over the threshold amount or IF BP ever increases the amount of any regulated substance above the threshold quantity.

Stratospheric Ozone and Climate Protection

Air Conditioning Units: Based on information supplied in BP's application, there are no air conditioning units at the Wolf Point Compressor Station. However, should BP perform any maintenance, service, repair, or disposal of any equipment containing chlorofluorocarbons (CFC's), or contracts with someone to do this work, BP would be required to comply with title VI of the Clean Air Act.

Halon Fire Extinguishers: Based on information supplied in BP's application, there are no halon fire extinguishers at the Wolf Point Compressor Station. However, should BP 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 halons or uses such equipment during technician training. Specifically, BP would be required to comply with title IV of the Clean Air Act and 40 CFR part 82, subpart H and submit an application for a modification to this title V permit.

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 which 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 Wolf Point Compressor Station is not subject to any specific subparts of part 60 under current operations and potentially under the proposed Alternative Operating Scenarios, therefore the General Provisions of part 60 do not apply under the Current Operating Scenario and potentially would not apply under the Alternative Operating Scenarios. **However, as also explained below, the Wolf Point Compressor Station may become subject**

to specific requirements of NSPS, subpart JJJJ under the proposed Alternative Operating Scenarios if the replacement engines are new or reconstructed, as defined in the subpart. In that case, the source would be subject to the General Provisions of part 60 and the replacement would require a minor modification to the permit to add applicable subpart A and subpart JJJJ requirements into the permit.

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.

The subpart does not apply to the storage vessels at the Wolf Point Compressor Station because there are no petroleum liquid storage tanks at this facility with capacity greater than 40,000 gallons that were constructed, reconstructed, or modified after June 11, 1973, and prior to May 19, 1978.

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.

This subpart does not apply to the storage vessels at the Wolf Point Compressor Station because there are no petroleum liquid storage tanks at this facility with capacity greater than 40,000 gallons that were constructed, reconstructed, or modified after May 18, 1978, and prior to June 23, 1984.

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 storing volatile organic liquids.

This subpart does not apply to the storage vessels at the Wolf Point Compressor Station because the facility has no tanks greater than or equal to 75 cubic meters that store volatile organic liquids.

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 million Btu/hr), that commenced construction, modification, or reconstruction after October 3, 1977.

There are no stationary gas turbines located at the Wolf Point Compressor Station; therefore, this subpart does not apply.

40 CFR Part 60, Subpart KKK: Standards of Performance for Equipment Leaks of VOC from Onshore Natural Gas Processing Plants. 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 from field gas, fractionation of mixed natural gas liquids (NGLs) to natural gas products, or both. Natural gas liquids are defined as the hydrocarbons, such as ethane, propane, butane, and pentane that are extracted from field gas.

The Wolf Point Compressor Station does not extract natural gas liquids from field gas, nor does it fractionate mixed NGLs to natural gas products, and thus does not meet the definition of a natural gas processing plant under this subpart. Therefore, this rule does not apply.

40 CFR Part 60, Subpart LLL: Standards of Performance for Onshore Natural Gas Processing; SO_2 Emissions. This rule applies to sweetening units and sulfur recovery units at onshore natural gas processing facilities. As defined in this subpart, sweetening units are process devices that separate hydrogen sulfide (H_2S) and carbon dioxide (CO_2) from a sour natural gas stream. Sulfur recovery units are defined as process devices that recover sulfur from the acid gas (consisting of H_2S and CO_2) removed by a sweetening unit.

There are no sweetening or sulfur recovery units at the Wolf Point Compressor Station. Therefore, this subpart does not apply.

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.

BP does not operate stationary combustion turbines at the Wolf Point Compressor Station. Therefore, this subpart 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. According to the definitions in 40 CFR 60.2, "commence" means an owner or operator has undertaken, or entered into a contractual obligation to undertake within a reasonable time, a continuous program of construction or modification. "Construction" means fabrication, erection, or installation of an affected facility. "Modification" means any physical change in, or change in the method of operation of, an existing facility which increases the amount of any air pollutant (to which a standard applies) emitted into the atmosphere by that facility or which results in the emission of any air pollutant (to which a standard applies) into that atmosphere not previously emitted. The rule applies to new, reconstructed, or modified stationary gasoline-fueled SI ICE, or any other type of ICE with a spark plug (or other type of sparking device) and with operating characteristics similar to the theoretical Otto combustion cycle. These include emergency and non-emergency stationary SI ICE of all horsepower ratings that burn gasoline, liquid petroleum gas, natural gas, and landfill/digester gas, with requirements differing based on the manufacturer dates, horsepower rating, fuel type, and emergency versus non-emergency operation.

All of the Waukesha L7042GL stationary spark ignition internal combustion engines and the generator currently operating at the Wolf Point Compressor Station (compressor engines C1 through C4, and generator G1) commenced construction, reconstruction, or modification prior to June 12, 2006. Therefore, this subpart does not apply under the Current Operating Scenario and would not apply under the Alternative Operating Scenarios if the replacement engines commence construction, reconstruction, or modification prior to June 12, 2006. **However, if any of the Caterpillar G3606 replacement compressor engines WP1 through WP3 installed during the replacement project commence construction, modification, or reconstruction on or after June 12, 2006, the replacement will require a minor modification to the permit (rather than a simple off permit change notification) so that conditions can be added to the permit to cover applicable general provisions of part 60, and specific applicable requirements of NSPS, subpart JJJJ.**

National Emissions Standards for Hazardous Air Pollutants (NESHAP)

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

As explained below, Wolf Point Compressor Station is not subject to any specific subparts of part 63 under the Current Operating Scenario, and potentially the proposed Alternative Operating Scenarios; therefore, the General Provisions of part 63 do not apply under the Current Operating Scenario and potentially would not apply under the proposed Alternative Operating Scenarios. However, under the Current Operating Scenario and potentially the proposed Alternative Operating Scenarios, the facility is a major or area HAP source (depending on the scenario) and operates engines greater than 500 hp that are affected units of 40 CFR 63, subpart ZZZZ (the RICE MACT). While these engines are not (or may not be) subject to the RICE MACT because they are existing units as defined in the subpart, pursuant to

§63.10(b)(3), BP must keep a record of the non-applicability for a period of five years or until conditions change at the facility causing the engines to become affected units. **As explained below, the Wolf Point Compressor Station may become subject to specific requirements of 40 CFR 63, subpart ZZZZ (the RICE MACT) under the proposed Alternative Operating Scenarios if the replacement engines are new or reconstructed, as defined in the subpart. In that case, the source would be subject to the General Provisions of part 63 and the replacement would require a minor modification to the permit to add applicable subpart A and subpart ZZZZ requirements into the permit.**

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 major sources of HAP's, 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 in §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 tanks with flash emission potential 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 NGL's from field gas, or the fractionation of mixed NGL's 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 production field facility.

Major Source Determination for Production Field Facilities:

The definition of major source in this subpart (at 40 CFR 63.761) states, in part, that only emissions from the dehydration units and storage vessels with a potential for flash emissions at production field facilities are to 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 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 triethylene 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 circulation pump rate optimized or operators can document that PTE of benzene is less than 1 tpy.

Applicability of subpart HH to the Wolf Point Compressor Station:

The Wolf Point Compressor Station does not engage in the extraction of NGL's and therefore is not considered a natural gas processing plant. Hence, the point of custody transfer, as defined in this subpart HH, occurs downstream of the station and the facility would therefore be considered a production field facility. For production field facilities, only emissions from the dehydration units and storage vessels with a potential for flash emissions are to be aggregated to determine major source status. The facility does not have flash tanks and the HAP emissions from the dehydration units alone at the facility are below the major source thresholds of 10 tons per year of a single HAP and 25 tons per year of aggregated HAPs.

With respect to the area source requirements of this subpart, the facility is located outside both an urban area and an urban cluster. Furthermore, uncontrolled benzene emissions from the one TEG glycol dehydrator unit at the facility was determined to be less than 1 tpy using GRI-GLYCalc Version 4.0, as presented in the supporting documentation in the application. **As a result, under any of the proposed Alternative Operating Scenarios, the dehydration unit at the facility is exempt from the §67.764(d) general requirements for area sources. However, the following general recordkeeping requirement does apply to this facility:**

- §63.774(d)(1) – retain the GRI-GLYCalc determinations used to demonstrate that actual average benzene emissions are below 1 tpy.

40 CFR Part 63, Subpart HHH: National Emission Standards for Hazardous Air Pollutants from Natural Gas Transmission and Storage Facilities. This rule 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 used for long distance transport and storage vessel is a tank or other vessel designed to contain an accumulation of crude oil, condensate, intermediate hydrocarbon, liquids, produced water or other liquid and is constructed of wood, concrete, steel or plastic structural support.

This subpart does not apply to the Wolf Point Compressor Station, as the facility is a natural gas production facility and not a natural gas transmission or storage facility.

40 CFR Part 63, Subpart ZZZZ: 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 reciprocating internal combustion engines (RICE). A stationary RICE is any internal combustion engine which uses reciprocating motion to convert heat energy into mechanical work and which is not mobile. This rule applies to owners or operators of new and reconstructed stationary RICE of any horsepower rating which are located at a major or area source of HAP. While all stationary RICE located at major or area sources are subject to the final rule (promulgated January 18, 2008, amending the final rule promulgated June 15, 2004), there are distinct requirements for regulated stationary RICE depending on their design, use, horsepower rating, fuel, and major or area HAP emission status. The standards in the final rule have specific requirements for most new or reconstructed RICE and for existing spark ignition (SI) 4 stroke rich burn (4SRB) stationary RICE. With the exception of the existing spark ignition 4SRB stationary RICE, other types of existing stationary RICE (i.e., SI 2 stroke lean burn (2SLB), SI 4 stroke lean burn (4SLB), compression ignition (CI), stationary RICE that combust landfill or digester gas equivalent to 10 percent or more of the gross heat input on an annual basis, emergency, and limited use units) located at major and area sources of HAP emissions are not subject to any specific requirements under the final rule.

Major Source Applicability:

Per the definitions in 40 CFR 63.6590, a stationary RICE with a site rating of greater than 500 bhp is existing at a major source of HAP emissions if construction or reconstruction (as

defined in §63.2) of the unit commenced before December 19, 2002. A stationary RICE with a site rating of less than or equal to 500 bhp is existing at a major source of HAP emissions if construction or reconstruction (as defined in §63.2) of the unit commenced before June 12, 2006. A stationary RICE with a site rating of greater than 500 bhp is new at a major source of HAP emissions if construction or reconstruction (as defined in §63.2) of the unit commenced on or after December 19, 2002. A stationary RICE with a site rating of less than or equal to 500 bhp is new at a major source of HAP emissions if construction or reconstruction (as defined in §63.2) of the unit commenced on or after June 12, 2006.

Current Operating Scenario: The Wolf Point Compressor Station under current operations is a major source of HAP emissions, as defined in subpart ZZZZ. However, the subpart does not apply, because all four Waukesha L7042GL compressor engines are considered existing 4SLB stationary RICE with a site rating of greater than 500 bhp for the following reasons: (1) the engines were constructed and installed at the facility prior to December 19, 2002 (C3 and G1), or (2) the engines were operated at another facility prior to December 19, 2002, were disassembled and removed from the previous facility, were installed at the Wolf Point Compressor Station after December 19, 2002, and do not meet the definition of reconstruction in 40 CFR 63.2 and condition V.Q.7.(d)(ii)(B)(1) of the draft permit (C1, C2, and C4), because the cost of any engine overhaul was less than 50% of the cost to replace the RICE currently operating at the Wolf Point Compressor Station.

Area Source Applicability:

Per the definitions in 40 CFR 63.6590 a stationary RICE is existing at an area source of HAP emissions if construction or reconstruction of the unit commenced before June 12, 2006. A stationary RICE is new at a major source of HAP emissions if construction or reconstruction (as defined in §63.2) of the unit commenced on or after June 12, 2006.

Alternative Operating Scenarios #1a-1c, #2, and #3: When accounting for federally enforceable engine emission controls, the Wolf Point Compressor Station under any of the Alternative Operating Scenarios would be a synthetic minor, or area source of HAP emissions (as defined in subpart ZZZZ). If the Caterpillar G3606 replacement compressor engines commenced construction or reconstruction (as defined in §63.2) before June 12, 2006, then the engines would not be subject to any specific requirements in the subpart. **However, if the Caterpillar G3606 replacement compressor engines commenced construction on or after June 12, 2006, the engines will be subject to specific requirements in the RICE MACT (as well as NSPS subpart JJJJ, which the RICE MACT refers to for SI RICE at area sources, and the General Provisions in subpart A), and the replacement will require a minor permit modification to add those requirements into the permit.**

Compliance Assurance Monitoring (CAM) Rule

The CAM rule applies to each Pollutant Specific Emission Unit (PSEU) that meets a three-part test. The PSEU must 1) be subject to an emission limitation or standard, and 2) use a control device to achieve compliance, and 3) have pre-control emissions that exceed or are

equivalent to the major source threshold.

Wolf Point Compressor Station is subject to emission limits for CO and CH_2O for specific compressor engines. Three engines (WP1, WP2, and WP3) that would operate at the site in different configurations under proposed Alternative Operating Scenarios #1a-1c, #2, and #3, are subject to a control requirement of oxidation catalysts. The engines with controls meet the requirements for applicability of CAM for the CO and CH_2O emissions. However, according to 40 CFR 64.2(b)(1)(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 draft part 71 renewal permit for these controlled engines requires demonstrations through semi-annual performance testing for CO and annual performance testing for CH_2O emissions using a portable analyzer, a monitoring protocol approved by EPA, and EPA Reference test methods. In addition, periodic parametric monitoring and maintenance activities (see sections II. and III., and IV. of the draft part 71 renewal permit) are required. Parametric measurements include differential pressure and temperature across the catalytic converter. These draft permit conditions are sufficient to provide reasonable assurance of continuous compliance and allow BP to make an informed certification of compliance.

b. Conclusion

Based on the information provided in BP's application for the Wolf Point Compressor Station, this source is subject to those existing applicable Federal CAA programs discussed above. The Wolf Point Compressor Station is not subject to any implementation plan such as exists within state jurisdictions. Therefore, the Wolf Point Compressor Station is not subject to any other substantive requirements that control their emissions under the CAA.

EPA recognizes that, in some cases, sources of air pollution located in Indian country are subject to fewer requirements than similar sources located on land under the jurisdiction of a state or local air pollution control agency. To address this regulatory gap, EPA is in the process of developing national regulatory programs for preconstruction review of major sources in non-attainment areas and of minor sources in both attainment and non-attainment areas. These programs will establish, where appropriate, control requirements for sources that would be incorporated into part 71 permits. To establish additional applicable, federally-enforceable emission limits, EPA Regional Offices will, as necessary and appropriate, promulgate Federal Implementation Plans (FIPs) that will establish Federal requirements for sources in specific areas. EPA will establish priorities for its direct Federal implementation activities by addressing as its highest priority the most serious threats to public health and the environment in Indian country that are not otherwise being adequately addressed.

Further, EPA encourages and will work closely with all tribes wishing to develop Tribal Implementation Plans (TIPs) for approval under the Tribal Authority Rule. EPA intends that its Federal regulations created through a FIP will apply only in those situations in which a tribe does not have an approved TIP.

5. EPA Authority

a. General authority to issue part 71 permits

Title V of the Clean Air Act requires that EPA promulgate, administer, and enforce a Federal operating permits program when a state does not submit an approvable program within the time frame set by title V or does not adequately administer and enforce its EPA-approved program. On July 1, 1996 (61 FR 34202), EPA adopted regulations codified at 40 CFR part 71 setting forth the procedures and terms under which the Agency would administer a Federal operating permits program. These regulations were updated on February 19, 1999 (64 FR 8247) to incorporate EPA's approach for issuing Federal operating permits to stationary sources in Indian country.

As described in 40 CFR 71.4(a), EPA will implement a part 71 program in areas where a state, local, or tribal agency has not developed an approved part 70 program. Unlike states, Indian tribes are not required to develop operating permits programs, though EPA encourages tribes to do so. See, e.g., Indian Tribes: Air Quality Planning and Management (63 FR 7253, February 12, 1998) (also known as the "Tribal Authority Rule"). Therefore, within Indian country, EPA will administer and enforce a part 71 Federal operating permits program for stationary sources until a tribe receives approval to administer their own operating permits program.

6. Use of All Credible Evidence

Determinations of deviations, continuous or intermittent compliance status, or violations of the permit are not limited to the testing or monitoring methods required by the underlying regulations or this permit; other credible evidence (including any evidence admissible under the Federal Rules of Evidence) must be considered by the source and EPA in such determinations.

7. Public Participation

a. Public notice

As described in 40 CFR 71.11(a)(5), all part 71 draft operating permits shall be publicly noticed and made available for public comment. The Public Notice of permit actions and public comment period is described in 40 CFR 71(d).

There will be a 30 day public comment period for actions pertaining to a draft permit. Public notice will be given for this draft permit by mailing a copy of the notice to the permit applicant, the affected state, tribal and local air pollution control agencies, the city and county executives, the state and Federal land managers and the local emergency planning authorities which have jurisdiction over the area where the source is located. A copy of the notice will be provided to all persons who have submitted a written request to be included on the mailing list. If you would like to be added to our mailing list to be informed of future actions on these or other Clean Air Act permits issued in Indian country, please send your name and address to the contact listed below:

Claudia Smith, Part 71 Permit Contact
U.S. Environmental Protection Agency, Region 8
1595 Wynkoop Street (8P-AR)
Denver, Colorado 80202

Public notice will be published in the Durango Herald on the date specified in the cover letter to this document, giving opportunity for public comment on the draft permit and the opportunity to request a public hearing.

b. Opportunity for Comment

Members of the public are given an opportunity to review a copy of the draft permit prepared by EPA, 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:

La Plata County Clerk's Office
1060 East 2nd Avenue
Durango, Colorado 81302

and

Southern Ute Indian Tribe
Environmental Programs Office
116 Mouache Drive
Ignacio, Colorado 81137

and

U.S. EPA Region 8
Air Program Office
1595 Wynkoop Street (8P-AR)
Denver, Colorado 80202

All documents are available for review at the U.S. EPA Region 8 office Monday through Friday from 8:00 a.m. to 4:00 p.m. (excluding Federal holidays).

Any interested person may submit written comments on the draft part 71 operating permit during the public comment period to the Part 71 Permit Contact at the address listed above. All comments will be considered and answered by EPA in making the final decision on the permit. EPA keeps a record of the commentors 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 reasonable ascertainable issues and submit all arguments supporting their 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 been already submitted as part of the administrative record in the same proceeding or consists

of 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 71 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, EPA will hold a public hearing whenever it finds there is a significant degree of public interest in a draft operating permit. EPA 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. Appeal of permits

Within 30 days after the issuance of a final permit decision, any person who filed comments on the draft permit or participated in the public hearing may petition to the Environmental Appeals Board to review any condition of the permit decision. Any person who failed to file comments or participate in the public hearing may petition for administrative review, only if the changes from the draft to the final permit decision or other new grounds were not reasonably foreseeable during the public comment period. The 30 day period to appeal a permit begins with EPA's service of the notice of the final permit decision.

The petition to appeal a permit must include a statement of the reasons supporting the review, a demonstration that any issues were raised during the public comment period, a demonstration that it was impracticable to raise the objections within the public comment period, or that the grounds for such objections arose after such a period. When appropriate, the petition may include a showing that the condition in question is based on a finding of fact or conclusion of law which is clearly erroneous; or, an exercise of discretion, or an important policy consideration which the Environmental Appeals Board should review.

The Environmental Appeals Board will issue an order either granting or denying the petition for review, within a reasonable time following the filing of the petition. Public notice of the grant of review will establish a briefing schedule for the appeal and state that any interested person may file an amicus brief. Notice of denial of review will be sent only to the permit applicant and to the person requesting the review. To the extent review is denied, the conditions of the final permit decision become final agency action.

A motion to reconsider a final order shall be filed within 10 days after the service of the final order. Every motion must set forth the matters claimed to have been erroneously decided and the nature of the alleged errors. Motions for reconsideration shall be directed to the Administrator rather than the Environmental Appeals Board. A motion for reconsideration shall not stay the effective date of the final order unless it is specifically ordered by the Board.

e. Petition to reopen a permit for cause

Any interested person may petition EPA to reopen a permit for cause, and EPA may commence a permit reopening on its own initiative. EPA will only revise, revoke and reissue, or

terminate a permit for the reasons specified in 40 CFR 71.7(f) or 71.6(a)(6)(i). All requests must be in writing and must contain facts or reasons supporting the request. If EPA decides the request is not justified, it will send the requester a brief written response giving a reason for the decision. Denial of these requests is not subject to public notice, comment, or hearings. Denials can be informally appealed to the Environmental Appeals Board by a letter briefly setting forth the relevant facts.

f. Notice to affected states/tribes

As described in 40 CFR 71.11(d)(3)(i), public notice will be given by mailing a copy of the notice to the air pollution control agencies of affected states, tribal and local air pollution control agencies which have jurisdiction over the area in which the source is located, the chief executives of the city and county where the source is located, any comprehensive regional land use planning agency and any state or Federal land manager whose lands may be affected by emissions from the source. The following entities will be notified:

State of Colorado, Department of Public Health and Environment
State of New Mexico, Environment Department
Southern Ute Indian Tribe, Environmental Programs Office
Ute Mountain Ute Tribe, Environmental Programs
Navajo Tribe, Navajo Nation EPA
Jicarilla Tribe, Environmental Protection Office
La Plata County, County Clerk
Town of Ignacio, Mayor
National Park Service, Air, Denver, CO
U.S. Department of Agriculture, Forest Service, Rocky Mountain Region
Carl Weston
San Juan Citizen Alliance
Rocky Mountain Clean Air Action