



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 5

77 WEST JACKSON BOULEVARD

CHICAGO, IL 60604-3590

SEP 08 2009

REPLY TO THE ATTENTION OF:

(AR-18J)

Ms. Gina Bozzer (P62688)
Zimmerman, Kuhn, Darling, Boyd,
Taylor and Quandt, PLC
Counsel for Summit Petroleum
412 South Union Street
P.O. Box 987
Traverse City, Michigan 49685

Dear Ms. Bozzer:

This letter is to follow-up on the June 17, 2009, call between the U.S. Environmental Protection Agency, Region 5, and Summit Petroleum Corporation and its representatives (Summit). Based on the information provided in the January 18, 2006, and April 18, 2008, letters from Summit to EPA, information confirmed during the call, and the regulations at 40 C.F.R. § 71.3(a)(1), EPA determined that the sour gas wells and the sweetening plant constitute a single source for purposes of permitting under Title V of the Clean Air Act (Act). We provided our analysis in the letters sent to you on April 26, 2007 and April 16, 2009. The participants at the call agreed that the gas sweetening plant and most of the sour gas wells are located within the Saginaw Chippewa Tribe's Isabella Reservation. Because Michigan Department of Environmental Quality's Title V program authority does not extend to sources within Indian country, EPA is the Title V permitting authority in this case. Accordingly, Summit must obtain a Title V permit under 40 C.F.R. part 71. In conformity with the requirements at 40 C.F.R. § 71.5(1)(i), please submit a complete permit application to Region 5 within 12 months from the date of this letter.

To respond to your question on whether including the potential to emit (PTE) of every emission unit is necessary, or a sum of the PTE for all emission units or an estimate for each unit would suffice, Region 5 gathered information from other regions, and found that, as a general procedure, emission units are classified as significant or insignificant emission units. Any emissions unit that has a PTE above 2 tons per year of any regulated pollutant, excluding hazardous air pollutants (HAPs), must be included in the permit application as a significant emission unit. Further, any emissions unit that has a PTE for HAPs above 1000 pounds per year, or above the de minimis level established under section 112(g) of the Act, is a significant source of HAP emissions and must be included. Emission units with a PTE below these thresholds fall into the category of insignificant emission units. See 40 C.F.R. § 71.5(11)(ii).

Finally, you asked us to explain the difference between criteria pollutants and HAPs for the purpose of aggregation. In the preamble to the proposed rule 40 C.F.R. part 63, Subpart HH (63 Fed. Reg. 6288, 6303 (Feb. 6, 1998)), EPA discussed its proposal to limit the definition of a production field facility to glycol dehydration units and storage tanks with flash emission potential. EPA stated that its "evaluation of HAP emissions sources in production field operations indicates that the two primary HAP emission points at field operation facilities are glycol dehydration units and storage tanks with flash emissions, and that other potential HAP emission points at these facilities (e.g., equipment leaks) will be inconsequential to the determination of a facility's major source status." EPA further stated that "by eliminating the need to quantify HAP emissions from small sources at such facilities, the burden on an owner or operator to make a major source determination would be greatly reduced, while still ensuring an accurate classification of the facility as a major or area source of HAP emissions." Thus, EPA believed that the nonaggregation of potential HAP emissions from the small emissions units did not affect the ability of owners and operators to make an accurate major source determination for HAPs. However, EPA did not make that finding for criteria pollutants. Therefore, it is necessary for owners and operators to use the definition of "major source" as defined at 40 C.F.R. § 71.2 when making an applicability determination for criteria pollutants, as explained in our April 26, 2007, letter to you.

If you have any questions regarding this letter, please free to contact Laura L. Cossa of my staff at (312) 886-0661, or email at cossa.laura@epa.gov.

Sincerely,



Pamela Blakley
Chief
Air Permits Section

cc: Chris Hare, MDEQ
William Presson, MDEQ