



**NAVAJO NATION ENVIRONMENTAL PROTECTION AGENCY**  
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Dr. Joe Shirley, Jr.  
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VICE PRESIDENT

**TITLE V PERMIT TO OPERATE**

<u>PERMIT #:</u>	<u>FACILITY NAME:</u>	<u>LOCATION:</u>	<u>COUNTY:</u>	<u>STATE:</u>
NN-OP 00-02	RESOLUTE NATURAL RESOURCES COMPANY – ANETH UNIT	MONTEZUMA CREEK	SAN JUAN	UT
<u>ISSUE DATE:</u>	<u>EXPIRATION DATE:</u>	<u>AFS PLANT ID:</u>	<u>PERMITTING AUTHORITY:</u>	
07/30/07	07/30/12	04-017-NAV01	NNEPA	

**ACTION/STATUS:** STATEMENT OF BASIS

**1. Facility Information**

a. Applicant/Permittee

Resolute Natural Resources Company  
1675 Broadway, Suite 1950  
Denver, Colorado 80202

b. Location of Source

The Aneth Unit is an oil field operation located near the community of Montezuma Creek in Utah on the reservation of the Navajo Nation at the following locations:  
CO<sub>2</sub> Recycle Facility – SENE Section 22, T40S, R24E  
Tank Battery 21 – SENW Section 21, T40S, R24E  
Header 21-14 – SWNE Section 14, T40S, R24E  
Header 21-15 – NENE Section 15, T40S, R24E  
Header 21-16 – SENW Section 16, T40S, R24E  
Header 21-22 – SWNE Section 22, T40S, R24E

c. Facility contacts

Permit Contact: Patrick E. Flynn, Environmental Health, & Safety Manager  
Resolute Natural Resources Company  
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Responsible Official: Dale E. Cantwell, Vice President of Operations  
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d. Description of operations, products

Resolute Natural Resources Company (Resolute) acquired the Aneth Unit from ChevronTexaco Exploration and Production Company (ChevronTexaco) in 2004 and currently owns and operates the site. Therefore, Resolute is the current owner, operator, and applicant for purposes of the permit and this statement of basis.

The Aneth Unit is a combined crude oil and natural gas production site. The site consists of Tank Batteries 20, 21, 26 and 29, a CO<sub>2</sub> Recycle Facility, and several wells and headers. For Title V permitting of criteria pollutants (i.e., NO<sub>x</sub>, SO<sub>x</sub>, VOC, PM, CO, Lead) headers 21-14, 21-15, 21-16 and 21-22, and Tank Battery 21 and the CO<sub>2</sub> Recycle Facility, including the surface structures and their associated emission units at these operations, constitute a single source because they are under common control and in close proximity to each other. For purposes of permitting HAP emissions, Tank Batteries 20, 21, 26 and 29, and the CO<sub>2</sub> Recycle Facility constitute separate ‘facilities’ based on Section 112(n)(4)(A) of the Clean Air Act and the definition of ‘facility’ and ‘major source’ in 40 CFR § 63.761. Tank Batteries 20, 26 and 29 constitute separate stationary sources and are area, or minor, sources for Title V permitting.

Wells and Headers: The major activities of crude oil and natural gas production are to bring wellhead fluid to the surface. Wellhead fluid consists of crude oil, water, and hydrocarbon gases. Oil and natural gas are separated from the wellhead fluid and piped to headers. At the headers, oil and natural gas are further separated in pressure vessels. Each header consists of a well manifold, oil/gas separators, a pressure safety valve (PSV) vent tank, and a flare. The headers are dedicated to individual tank batteries and only headers 21-14, 21-15, 21-16, and 21-22 and their associated wells feed Tank Battery 21 before custody transfer.

Natural gas is metered at a custody transfer point at the header and enters a pipeline for processing at a separate gas plant. Bulk fluid flows from individual wells which can either be shut off or processed at the headers.

Tank Battery 21: Tank Battery 21 is a 4-tank oil production tank battery that is used to store oil from headers 21-14, 21-15, 21-16, and 21-22 and their associated wells. Crude oil from the headers flows to a manifold where liquid-phase “free” water and gas are separated from the oil and the oil is then discharged into one of 4 oil storage tanks. The pressure of the oil is reduced to atmospheric pressure in these tanks, resulting in the flashing of higher vapor pressure compounds dissolved in the oil. These flash gases are recovered by a vapor recovery unit (VRU). The flash gas is combined with produced natural gas prior to custody transfer and sent off for processing. Tank battery 21 and each header have a flare so that flash gas is not released untreated in the event of a gas plant outage or malfunction.

Tank Battery 21 also contains two natural gas-fired oil heater treaters. The heater treaters are used to heat oil during colder ambient conditions to improve oil/gas separation, or when oil must be treated with additives at an elevated temperature.

CO<sub>2</sub> Recycle Facility: The CO<sub>2</sub> Recycle Facility consists of a CO<sub>2</sub>-rich recycle process that includes a 3-tank oil production tank battery with a VRU, fluid separators, a compressor, and a flare. Resolute no longer operates the triethylene glycol (TEG) natural gas dehydrator that was installed in 1999. According to Resolute's Part 71 application update submitted on January 2, 2007, the TEG dehydration unit was removed in late 2005.

The Recycle Facility is used to process CO<sub>2</sub>-rich wellhead fluid from wells that are contaminated with CO<sub>2</sub> since these wells must be segregated from the other wells and are not processed in the headers. The CO<sub>2</sub>-rich wellhead fluid is separated into component gas, water, and oil streams in a pressure vessel. The crude oil is then directed to the 3-tank battery where it is stored and flash gas is produced. The flash gas is recovered by a VRU, combined with the CO<sub>2</sub>-rich natural gas from the separator, and re-injected. The separated water is pumped to a nearby water plant and re-injected into the producing strata.

The CO<sub>2</sub>-rich production wells have a high CO<sub>2</sub> content in the produced natural gas. This is due to the tertiary recovery method used that consists of injecting CO<sub>2</sub> into a producing reservoir to increase production of oil and natural gas that is extracted from the reservoir. Gas from CO<sub>2</sub>-rich wells is compressed and re-injected back into the reservoir. Only wells from headers 21-14 and 21-15 produce CO<sub>2</sub>-rich gas. The CO<sub>2</sub> Recycle Facility also uses a flare.

e. Permitting and/or construction history

Tank Battery 21 was constructed in 1964 and the Recycle Facility in 1999. No air quality permits have been issued to the facility since, at the time of its initial construction, EPA did not have construction permit regulations in place. However, future modifications could trigger new applicable requirements.

The Region 9 Office of the Environmental Protection Agency (EPA) issued a draft Part 71 permit and statement of basis for public comment for the Aneth Unit on July 29, 2004. At the time, EPA was the permitting authority for administering the Part 71 Federal Operating Permits Program under Title V of the Clean Air Act for stationary sources located within the exterior boundaries of the Navajo Reservation. During the public comment period, EPA received comments on the draft permit from ChevronTexaco and the Navajo Nation EPA (NNEPA).

On October 15, 2004, EPA and NNEPA entered into a Delegation of Authority Agreement which allowed NNEPA to administer the Part 71 Permitting Program for twelve existing major stationary air pollution sources on the reservation, including the Aneth Unit. Through a Supplemental to the Delegation Agreement, NNEPA was given authority over two additional Part 71 sources on March 21, 2006. Therefore, NNEPA is currently the Part 71 permitting authority for stationary sources on the Navajo Reservation. Since Resolute accepted the public comments submitted by ChevronTexaco for the July 29, 2004 draft permit and statement of basis, these

comments have been directly addressed in the draft permit and this statement of basis for the Aneth Unit which will to be issued by NNEPA.

f. Potential to Emit (PTE)(in tons/year)

In its Part 71 application, ChevronTexaco requested emission limits on HAPs and during the public comment period for the July 29, 2004 draft Part 71 permit the company clarified that the company wanted emission limits on groups of emission units for NO<sub>x</sub>, VOC, SO<sub>2</sub>, CO and again on HAPs based on emission estimates that were provided in the company's Part 71 application. ChevronTexaco proposed that the emission limits include emissions due to emergency releases as well as normal operations, and be based on a 12-month rolling sum. This would make the Aneth Unit a synthetic minor source of HAPs for Part 71 purposes and synthetic minor source of NO<sub>x</sub>, VOC, SO<sub>2</sub> and CO for PSD and NSR permitting. As the new owners and operators of the Aneth Unit, Resolute accepted the synthetic minor emission limits for NO<sub>x</sub>, SO<sub>2</sub> and CO. Resolute requested an overall synthetic minor limit of 240 tpy on VOC emissions.

Resolute operates flares and VRUs that are used to control and reduce HAP and VOC emissions. The flares have an assumed control efficiency of 98 percent and VRUs capture up to 95 percent of the VOC and HAP emissions. NO<sub>x</sub>, SO<sub>2</sub>, and CO emissions are due to combustion sources and the emission estimates are based on emission factors. PM10 emissions at the Aneth Unit are negligible.

PTE limits may be established in Part 71 permits in Indian Country in order to avoid otherwise applicable requirements such as Prevention of Significant Deterioration. Such limits must be enforceable as a practical matter. EPA guidance on practical enforceability in the context of permitting can be found in the January 25, 1995 memorandum called "Options for Limiting the Potential to Emit of a Stationary Source Under Section 112 and Title V of the Clean Air Act." The memorandum states the following:

*In general, practicable enforceability for a source-specific permit means that the permit's provisions must specify: (1) a technically-accurate limitation and the portions of the source subject to the limitation; (2) the time period for the limitation (hourly, daily, monthly, and annual limits such as rolling annual limits); and (3) the method to determine compliance including appropriate monitoring, recordkeeping, and reporting (pp. 5-6).*

In order to establish a PTE limit, EPA would require a short-term emissions limit and source testing to verify compliance. A requirement to only operate emission control devices would not provide direct data on actual emissions and therefore is inadequate to establish a PTE limit.

PTE Limits on HAPs: Resolute accepted ChevronTexaco's request for emissions limits on HAP emissions from Tank Battery 21 and the Recycle Facility to remain under the major source threshold for HAPs. EPA and NNEPA are granting federally-enforceable limitations on HAPs in the Part 71 permit. The permit requires Resolute's HAP emissions to remain below 9 ton per year (tpy) for any single HAP and 24 tpy for any combination of HAPs. These limits apply to Tank Battery 21 and the Recycle Facility separately for the following reasons. First, the definition of

‘major source’ under the National Emission Standard for Hazardous Air Pollutants (NESHAP) for oil and gas production facilities at 40 CFR § 63.761 states “emissions from processes, operations, or equipment that are not part of the same facility shall not be aggregated.” Facility means oil and natural gas processing equipment located within the boundaries of an individual surface site. The Recycle Facility and Tank Battery 21 are located on separate individual surface sites, and, thus, would be considered separate facilities for the purposes of making a major source determination for HAPs. Second, according to 40 CFR § 63.761, only HAP emissions from glycol dehydration units and storage vessels with the potential for flash emissions must be aggregated for a major source determination. Therefore, the requested HAP limits apply separately to (1) the production oil storage tanks at Tank Battery 21 and (2) the production oil storage tanks at the Recycle Facility.

Resolute is required to operate VRUs and flares to control flash gas emissions from the production oil storage tanks at Tank Battery 21 and the Recycle Facility to remain an area source for HAP emissions. Resolute must also conduct monthly and annual inspections on the VRUs to ensure that the devices are not leaking and are working properly. The permit also requires Resolute to continuously measure the amount of gas combusted in the flares and inspect the flares monthly. Resolute must determine emissions at all times, including periods of normal operation and during emergencies and upsets.

PTE Limits on VOCs: Resolute requested a VOC PTE limit of 240 tpy. EPA and NNEPA are granting a federally-enforceable limit on PTE for VOCs. The Part 71 permit requires that the limit apply to all VOC sources at the Aneth Unit since the PTE limit must cover the entire source, which includes all equipment and operations at the headers, Tank Battery 21 and the CO<sub>2</sub> Recycle Facility. The permit requires Resolute to operate the VRUs and flares to control VOC emissions. Resolute must also conduct monthly and annually inspection on the VRUs to ensure that the devices are not leaking and are working properly. The permit also requires Resolute to continuously measure the amount of gas combusted in the flares and inspect the flares monthly. Resolute must determine emissions at all times, including periods of normal operation and during emergencies and upsets.

PTE Limits on NO<sub>x</sub>, SO<sub>2</sub>, and CO: Resolute accepted ChevronTexaco's request for PTE limits of 21.92 tpy of NO<sub>x</sub>, 153.10 tpy of SO<sub>2</sub>, and 112.70 of CO emissions. EPA and NNEPA are granting these limits on PTE. The Part 71 permit requires monthly calculation of emissions from combustion units and flares. The permit also requires Resolute to continuously measure the amount of gas combusted in the flares and inspect the flares monthly. Resolute must determine emissions at all times, including periods of normal operation and during emergencies and upsets.

g. Table 1. Emission-generating units and activities

<b>Emission Unit I.D. No.</b>	<b>Unit Description</b>	<b>Associated Control Equipment</b>	<b>Installation Date</b>
21-15-F-1, 21-16-F-1, 21-22-F-1, 21-22-F-2, 21-F-1	Process and emergency flares at headers 21-14, 21-15, 21-16, 21-22, and Tank Battery 21 <sup>1</sup>	None	1964
21-ST-1, 21-ST-2, 21-ST-3, 21-ST-4	Tank Battery 21 oil storage tanks, four (4) 3000 bbl tanks with vapor recovery	Vapor Recovery Unit 21-ST-VRU and Flare 21-F-1	1991
INJ-F-1	Recycle Facility flare	None	1999
INJ-ST-1, INJ-ST-2, INJ-ST-3	Production oil storage tanks at Recycle Facility	Vapor Recovery Unit INJ-ST-VRU and Flare INJ-F-1	1999
INJ-COMP-1	Electric compressor engine	None	2000
INJ-Fugitives, 21-Fugitives, Road Fugitives	VOC and HAP fugitive emissions from components and road	None	-
TRBN-1, TRBN-2	Solar Gas turbine #1 and #2, 10.42 MMbtu/hr each <sup>2</sup>	None	1975
21-OT-1, 21-OT-2	Oil treaters/heaters, 2 MMbtu/hr each <sup>3</sup>	None	1973

1 According to Resolute's application update dated January 2, 2007, flare 21-14-F-1 at header 21-14 was removed sometime in 2000. Also, flare 21-22-F-2 is an additional flare at header 21-22 that was installed in late 1999 or early 2000 because flare 21-22-F-1 could not handle the total volume of gas directed to it at certain times. Flare 21-22-F-2 is identical in construction and operation to flare 21-22-F-1.

2 These emissions units have been shutdown, but are currently located at the Aneth Unit site.

3 These emissions units have been shutdown, but are currently located at the Aneth Unit site.

## **2. Tribe Information**

### **a. General**

The reservation of the Navajo Nation is one of the largest Indian reservations in the country, covering more than 26,000 square miles in three states: Arizona, Utah, and New Mexico. The Navajo Nation currently consists of more than 210,000 people. Industries on the reservation include oil and natural gas processing, electricity generation, coal and uranium mining, and tourism.

### **b. Local air quality and attainment status**

All areas of the Navajo Nation are currently designated as attainment or unclassifiable for all pollutants for which a National Ambient Air Quality Standard (NAAQS) has been established.

## **3. General Applicable Requirements**

### **a. Stratospheric Ozone and Climate Protection**

Based on its application, the applicant does not currently engage in the activities regulated under 40 CFR Part 82, which applies to stratospheric ozone and climate protection. Including this term in the permit minimizes the need to reopen the permit if the facility does any maintenance, service, repair, or disposal, of any equipment containing chlorofluorocarbons (CFCs), or contracts with someone to do this work.

### **b. Demolition or Renovation Activity**

Based on its application, the applicant is not currently engaged in the activities regulated under 40 CFR Part 61, Subpart M, which applies to demolition or renovation activities. If Resolute conducts any demolition or renovation activity, the applicant must assure that the project is in compliance with the federal rules governing asbestos including the requirement to conduct an inspection for the presence of asbestos. Including this term in the permit minimizes the need to reopen the permit if Resolute ever conducts any demolition or renovation activity.

## **4. Non-applicable Requirements**

### **a. Standards of Performance for Storage Vessels for Petroleum Liquids**

40 CFR Part 60 Subpart K, which is the New Source Performance Standard (NSPS) for volatile liquid storage vessels constructed or modified after June 11, 1973 and Prior to May 19, 1978, does not apply to the four (4) oil storage tanks at Tank Battery 21 and the three (3) oil storage tanks at the Recycle Facility since, pursuant to 40 CFR § 60.110(b), the regulation 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.

40 CFR Part 60 Subpart Ka, which is the NSPS for volatile liquid storage vessels constructed or modified after May 18, 1978 and prior to July 24, 1984, does not apply to the four (4) oil storage tanks at Tank Battery 21 and the three (3) oil storage tanks at the Recycle Facility since, pursuant to 40 CFR § 60.110a(b), each petroleum liquid storage vessel with a capacity of less than 1,589,873 liters (420,000 gallons) used for petroleum or condensate stored, processed, or treated prior to custody

transfer is not an affected facility and, therefore, is exempt from the requirements of the regulation.

40 CFR Part 60 Subpart Kb, which is the NSPS for volatile liquid storage vessels constructed or modified after 1984, does not apply to the four (4) oil storage tanks at Tank Battery 21 and the three (3) oil storage tanks at the Recycle Facility since, pursuant to 40 CFR § 60.110b(d)(4), the subpart does not apply to vessels that have a design capacity less than or equal to 1,589.874 m<sup>3</sup> and are used for petroleum or condensate stored, processed, or treated prior to custody transfer.

b. Standards of Performance for Stationary Gas Turbines

40 CFR Part 60 Subpart GG, which is the NSPS for stationary gas turbines, does not apply since the two (2) gas-fired turbines have been shutdown and the permit contains a federally-enforceable condition that requires Resolute not to operate the emissions units.

c. National Emission Standards for Hazardous Air Pollutants from Oil and Natural Gas Production Facilities

40 CFR Part 63, Subpart HH, which is the NESHAP for oil and natural gas production facilities, apply to Tank Battery 21 and the CO<sub>2</sub> Recycle Facility because they are area sources for HAPs and the facilities process, store or upgrade hydrocarbon liquids prior to the point of custody transfer. Tank Battery 21 and the CO<sub>2</sub> Recycle Facility are area sources since the permit establishes federally enforceable limits on HAPs to remain below the major source thresholds. The standard for area sources apply only to each glycol dehydration unit, which is defined as the affected source, located at a facility. In accordance with 40 CFR § 63.760(d), Tank Battery 21 and the CO<sub>2</sub> Recycle Facility are not subject to the requirements in the standard because these facilities do not contain any glycol dehydration units.

d. National Emission Standards for Equipment Leaks (Fugitive Emission Sources)

The provisions of 40 CFR Part 61 Subpart V, which is the NESHAP for equipment leaks, does not apply to the source since the benzene weight percent at the source is very low and is not expected to exceed 10 percent by weight.

e. Compliance Assurance Monitoring

40 CFR Part 64 are the regulations governing Compliance Assurance Monitoring (CAM). To be subject to CAM for a particular pollutant, an emission unit must meet all of the following criteria: (1) the unit must have an emission limit or standard for the pollutant, (2) the unit must have add-on controls for the pollutant, and (3) the pre-control potential to emit for the unit must exceed Title V major source thresholds.

CAM does not apply to the NO<sub>x</sub>, CO, and SO<sub>2</sub>, emission limitations established in the permit because the emissions units at the facility do not have add-on controls for these pollutants. Also, CAM does not apply to the HAP and VOC controls at the tank batteries because the HAP and VOC emission limitations established in the permit are exempt from CAM in accordance with 40 CFR § 64.2(b)(1)(v).

f. Chemical Accident Prevention Program

40 CFR Part 68, which is the Chemical Accident Prevention Regulation, does not apply to the Aneth Unit since the Tank Battery 21 and Recycle Facility operations do not have more than a threshold quantity of a regulated substance in a process, as determined under 40 CFR § 68.115 and the permit requires the applicant to not have a threshold quantity of any regulated substance listed in 40 CFR § 68.130 in any process at the facility.

**5. Permit Shields**

ChevronTexaco requested a number of permit shields. Resolute accepted ChevronTexaco's permit shield requests. Since Resolute is the current owner and operator of the Aneth Unit, the permit shield requests are presented below as originating from Resolute.

- a. The applicant requested a permit shield from 40 CFR Part 60, Subparts K, Ka, and Kb. A permit shield has been granted in the Part 71 permit from 40 CFR Part 60 Subparts K, Ka, and Kb since the regulations do not apply.
- b. The applicant requested a permit shield from 40 CFR Part 60, Subpart GG. A permit shield has been granted in the Part 71 permit from 40 CFR Part 60, Subpart GG for the turbines at the Aneth Unit since the two (2) gas-fired turbines have been shutdown and the permit contains a federally-enforceable condition that requires Resolute not to operate the emissions units. This permit shield shall no longer apply if the applicant does not operate in accordance with Condition II.A(10) of the permit.
- c. The applicant requested a permit shield for the requirements under 40 CFR Part 63, Subpart HH. A permit shield has been granted in the Part 71 permit from the major stationary source requirements in 40 CFR Part 63 Subpart HH since the applicant is subject to federally enforceable limits on HAPs to remain below the major source thresholds for the standard.
- d. The applicant requested a permit shield from the requirements under 40 CFR Part 61, Subpart V. A permit shield has been granted in the Part 71 permit from 40 CFR Part 61, Subpart V since the regulation does not apply.

- e. The applicant requested a permit shield from the CAM requirements under 40 CFR Part 64. NNEPA has the discretionary authority under Part 71 to grant permit shields, including in cases where there was some doubt as to whether a given applicable requirement applies to a source, but the permitting authority has subsequently determined that the requirement does not apply. However, in this case, it is clear that Part 64 does not apply to any emissions unit at the facility. The only emission control devices at the facility are the controls that reduce VOC and HAP emissions at the tank batteries. So there is no question that CAM does not apply to any emission unit at the facility for other pollutants such as NO<sub>x</sub>, CO, or SO<sub>2</sub>. CAM does not apply to the tank battery VOC and HAP controls because, as discussed above, the HAP and VOC limits do not trigger CAM. NNEPA believes that granting a permit shield from Part 64 under these circumstances is unnecessary, and is therefore denying the applicant's request.
- f. The applicant requested a permit shield from New Source Review (NSR) and Title V purposes for Tank Batteries 20, 26 and 29. A permit shield has not been granted since Tank Batteries 20, 26 and 29 are not covered in the Title V permit for this source.
- g. The applicant requested a permit shield from New Source Review (NSR) permitting for the past construction and modification of Tank Battery 21 and the Recycle Facility. A permit shield is not granted since any permit shield would apply at the time of permit issuance, and would not apply to past actions that occurred before the Title V permit is issued.
- h. The applicant requested a permit shield and an exemption from the reporting requirements in section 304 of the Emergency Planning & Community Right to Know Act (EPCRA) and section 103 of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) for upset and maintenance emissions from the VRUs and Recycle Facility flare. A permit shield is not granted since any requirements under EPCRA and CERCLA are not applicable requirements under the Clean Air Act or Part 71 regulations.
- i. The applicant requested a permit shield from the requirements under 40 CFR Part 68 since the Source does not have more than a threshold quantity of a regulated substance in a process, as determined under 40 CFR § 68.115. A permit shield has been granted in the Part 71 permit from 40 CFR Part 68 since the regulation does not apply. This permit shield shall no longer apply if the Permittee does not operate in accordance with Condition II.A(12) of the permit.

**6. Monitoring**

The following table shows the monitoring requirements in the permit that are used to comply with the enforceable emissions limitations established in the Part 71 permit.

Permit Condition	Control & Monitoring Conditions	Emissions Limitation	Emissions Unit(s)	Monitoring	
				Method	Interval
II.A.	II.B. & II.C.	240 tpy VOC	Source-	Monitor total oil	Monthly

			wide	transferred to tanks	
				Operate flares and VRUs	At all times when emissions may occur
				Inspect VRUs, storage tanks, and closed-vent systems	Monthly and annually
				Monitor total volume of gas combusted in flares	Continuously record total gas; Determine total volume monthly
				Monitor total volume of gas vented to VRUs	Daily
				Test gas Btu to flares	Semi-annually
				Monitor and inspect all flares; test flare INJ-F-1	Monthly
				Calculate total emissions	Monthly
II.A.	II.B. & II.C.	21.92 tpy NO <sub>x</sub> 153.1 tpy SO <sub>2</sub> 112.7 tpy CO	Source-wide	Monitor total volume of gas combusted in flares	Continuously record total gas; Determine total volume monthly
				Test gas Btu to flares;	Semi-annually
				Monitor and inspect all flares; test flare INJ-F-1	Monthly
				Calculate total emissions	Monthly
II.A.	II.B. & II.C.	9 tpy single HAP; 24 tpy aggregate HAPs	Tank Battery 21 Oil Production storage tanks	Monitor total oil transferred to tanks	Monthly
				Operate flares and VRUs	At all times when emissions may occur
				Monitor total volume of gas vented to VRUs	Daily
				Inspect VRUs, storage tanks, closed-vent systems and flares	Monthly and annually
				Monitor total volume of gas combusted in flares	Continuously record total gas; Determine total volume monthly
				Calculate total emissions	Monthly
II.A.	II.B. & II.C.	9 tpy single HAP; 24 tpy aggregate HAPs	CO <sub>2</sub> Recycle Facility Oil Production storage tanks	Monitor total oil transferred to tanks	Monthly
				Operate flares and VRUs	At all times when emissions may occur
				Monitor total volume of gas vented to VRUs	Daily
				Inspect VRUs, storage tanks, closed-vent systems and flares	Monthly and annually; Continuous monitoring of pilot flame in flare
				Monitor total volume of gas combusted in flares	Continuously record total gas; Determine total volume monthly
				Calculate total emissions	Monthly

**7. 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 Resolute, EPA, and NNEPA in such determinations.

**8. Endangered Species Act**

Pursuant to Section 7 of the Endangered Species Act (ESA), 16 U.S.C. § 1536, and its implementing regulations at 50 CFR Part 402, EPA is required to ensure that any action authorized, funded, or carried out by EPA is not likely to jeopardize the continued existence of any Federally-listed endangered species or threatened species or result in the destruction or adverse modification of such species' designated critical habitat. The Title V permit NNEPA is issuing to Resolute does not authorize the construction of new emission units, or emission increases from existing units, nor does it otherwise authorize any other physical modifications to the facility or its operations. Therefore, NNEPA and EPA have concluded that the issuance of this permit will have no effect on listed species or their critical habitat.

**9. Public Participation**

a. Public Notice

As describe in 40 CFR § 71.11(a)(5) and Navajo Nation Operating Permit Regulations (NNOPR) Subpart IV § 403(A), all 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 § 71.11(d) and NNOPR Subpart IV.

There is 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 United States Environmental Protection Agency, and the affected state/s (Utah, Arizona, and New Mexico). A copy of the notice will also be provided to all persons who submitted a written request to be included on the mailing list. The written request should be directed to:

Charlene Nelson, Program Supervisor  
Navajo Nation Air Quality Control / Operating Permit Program  
P.O. Box 529  
Fort Defiance, AZ 86504

Public notice will be published in a daily or weekly newspaper of general circulation in the area affected by this Source.

b. Opportunity for Comment

Members of the public may review a copy of the draft permit prepared by NNEPA, this statement of basis for the draft permit, the application, and all supporting materials submitted by the Source at:

Navajo Nation Air Quality Control / Operating Permit Program  
Route 112 North, Building No. 2427  
Fort Defiance, AZ 86504

Copies of the draft permit and this statement of basis can also be obtained free of charge from NNEPA's website at [www.navajonationepa.org/title5permits.html](http://www.navajonationepa.org/title5permits.html) or by contacting Charlene Nelson as the NNAQCP address listed above or by telephone at (928) 729-4247. All documents will be available for review at the NNAQCP office indicated above during regular business hours.

If you have comments on the draft permit, you must submit them during the 30-day public comment period. All comments received during the public comment period and all comments made during any public hearing will be considered in arriving at a final decision on the permit. The final permit is a public record that can be obtained by request. A statement of reason for changes made to the draft permits and responses to comments received will be sent to persons who commented on the draft permit.

If you believe that any condition of the draft permit is inappropriate, you must raise all reasonably ascertainable issues and submit all arguments supporting your position by the end of the comment period. Any supporting documents must be included in full and may not be incorporated by reference, unless they are already part of the administrative record for this permit or consist of tribal, state, or federal statutes or regulations, or other generally available referenced materials.

c. Opportunity to Request a Hearing

A person may submit a written request for a public hearing to Charlene Nelson at the address listed in Section 9(a) above, by stating the nature of the issues to be raised at the public hearing. Based on the number of hearing request received, NNEPA will hold a public hearing whenever it finds there is a significant degree of public interest in a draft operating permit. If a public hearing is held, NNEPA will provide public notice of the hearing and any person may submit oral or written statements and data concerning the draft permit.

d. Mailing List

If you would like to be added to our mailing list to be informed of future actions on this or other Clean Air Act permits issued on the Navajo Nation, please send your name and address to Charlene Nelson at the address listed above.