

**Air Pollution Control
Federal Title V Permit to Operate
Statement of Basis for Draft Permit No. V-UO-000007-2004.00**

**Caerus Uintah, LLC
Cottonwood Wash Compressor Station
Uintah & Ouray Indian Reservation
Uintah County, Utah**

I. Facility Information

A. Location

Caerus Uintah, LLC's (Caerus) Cottonwood Wash Compressor Station (Cottonwood Wash) is located on Indian country lands within the Uintah & Ouray Indian Reservation (U&O Reservation), in the northeastern part of the state of Utah, in Uintah County. Cottonwood Wash is located at SW/NW Section 27, Township 9S, Range 21E, Latitude 40.009722, Longitude -109.543889. The facility mailing address is:

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B. Contact

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C. Description of Operations

Cottonwood Wash is a natural gas production facility used for natural gas compression and treatment. Natural gas, produced water and condensate from the field enters the station through a 10-inch intermediate pressure line at about 350 pounds per square inch gauge (psig) or through an 8, 10 and 12-inch diameter low pressure pipeline at about 75 psig. Produced water and condensate drop out in the respective low pressure or intermediate pressure inlet separators and are sent to the onsite tank battery (emissions unit TANKBAT) where flashed vapors are collected by the vapor recovery unit (VRU) or routed to the flare (emissions unit TANKFLR) for combustion.

Natural gas from the inlet separators is routed to either the low pressure reciprocating compressors, driven by three reciprocating internal combustion engines (RICE) (emissions units ENG-WEST-4, ENG-WEST-5 and ENG-WEST-6) and compressed to about 350 psig. This compressed natural gas is routed to the intermediate pressure reciprocating compressors driven by the four remaining RICE (emissions units ENG1, ENG2, ENG4 and ENG5) and compressed to about 935 psig. These compressors are necessary to overcome the pipeline pressure to ensure transportation of natural gas in the gathering pipeline system until it is further processed. The high pressure gas then goes through Sulfa-Check liquid contactors for sulfur removal and then through the low-emission dehydration unit (DEHY-LO) to lower the water content to pipeline specifications prior to leaving the outlet of the station. There are also two natural gas-fired 250 kilowatt (kW) turbine generators that supply the site with electricity as necessary.

The DEHY-LO feeds lean glycol to the top of an absorber where it is contacted with the incoming wet natural gas stream entering from the bottom of the absorber. The glycol removes the water from the natural gas by physical absorption and is then carried out the bottom of the column. The now dry natural gas exits the top of the absorption column and is routed to a natural gas gathering pipeline.

The rich glycol stream is routed to a low-pressure flash separator where the hydrocarbon vapors are removed and any liquid hydrocarbons are skimmed off of the glycol. After leaving the flash vessel, the rich glycol is heated in a cross-exchanger and fed to the glycol regenerator. The glycol regenerator consists of a column, an overhead condenser, and a reboiler. The rich glycol flows down the reboiler while contacting hot gases rising up from the reboiler. The glycol is thermally heated to remove enough water vapor to regain the high glycol purity. Finally, the glycol is pumped back to the top of the absorber column to continually repeat the process while routing the dry natural gas to the gathering pipeline for sale. Cottonwood Wash utilizes a low-emission dehydration unit that captures the non-condensable portion of still vent and flash tank vapors and routes the vapor to the station inlet as natural gas product or to the station fuel system.

Pigging operations are conducted at the compressor station on the 12-inch pipeline approximately once per month and on the 10-inch line about twice a month. All pigged liquids are collected in the inlet separators. The only emissions generated during pigging operations are during the depressurization of the pig chamber to remove the pig.

D. Emissions Points

Table 1 lists emissions units and emissions generating activities, including any air pollution control devices, that are operating at Cottonwood Wash, according to the information provided in Caerus's Part 71 permit renewal application. Title V Operating Permit Program at 40 CFR part 71 (Part 71) allows the Permittee to separately list in the permit application units or activities that qualify as "insignificant"

based on potential emissions below 2 tons per year (tpy) for all regulated pollutants that are not listed as hazardous air pollutants (HAP) under Clean Air Act (CAA) section 112(b) and below 1,000 lbs/year or the de minimis level established under CAA section 112(g), whichever is lower, for HAP. However, the application may not omit information needed to determine the applicability of, or to impose, any applicable requirement. Units and activities 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 1. Emissions Units and Emissions Generating Activities

Unit I.D.	Description (Acronyms defined below)	Control Equipment
ENG1	Caterpillar G3516TALE, 1,340 hp 4SLB RICE Natural Gas-Fired Compressor Engine Serial No. WPW00294 Installed: 6/6/2011 Manufactured: 7/10/2006	Oxidation Catalyst
ENG2	Serial No. WPW01970 Installed: 3/20/2012 Manufactured: 1/26/2008	
ENG4	Serial No. 4EK04687 Installed: 1/28/2011 Manufactured: 7/7/2005	
ENG5	Serial No. 4EK3173 Installed: 5/25/2017 Manufactured: 11/27/2000	
ENG-WEST-4	Caterpillar G3608LE, 2,370 hp 4SLB RICE Natural Gas-Fired Compressor Engine Serial No. BEN00590 Installed: 7/14/2011 Manufactured: 5/31/2009	Oxidation Catalyst
ENG-WEST-5	Caterpillar G3606TALE, 1,775 hp 4SLB RICE Natural Gas-Fired Compressor Engine Serial No. 4ZS00751 Installed: 1/18/2012 Manufactured: 1/25/2007	
ENG-WEST-6	Serial No. 4ZS00755 Installed: 1/19/2012 Manufactured: 2/2/2007	
TANKFLR	Flare King 25' height, 12" diameter Installed: 3/28/2008	None
TANKBAT	Three – 400 bbl Produced Water and Condensate Storage Tanks	None
DEHY-LO	80 MMscfd TEG Dehydration Unit Installed: 7/2008	None
REBLR-2	1.4 MMBtu/hr Reboiler associated with DEHY-LO	
FUG	Fugitive Emissions	None
Misc. Tanks, Generators, and Heaters	Seven – 200 bbl Methanol/Antifreeze Tank One – Sulfa Check Unit Three – 500 gal Lube Oil Storage Tanks Two – 250 kW Ingersoll Rand microturbine generators (electric generators, no emissions) One – Triethylene Glycol Storage Tank One – 0.25 MMBtu/hr Heater	None (insignificant emissions unit)

* hp = horsepower; bbl = barrel; gal = gallon; kW=kilowatt; MMscfd = million standard cubic feet per day; MMBtu/hr = million British thermal units per hour.

E. Potential to Emit

Pursuant to 40 CFR 52.21, potential to emit (PTE) is defined as the maximum capacity of a stationary source to emit a pollutant under its physical and operational design. Any physical or operational limitation on the capacity of the source to emit a pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored or processed, shall be treated as part of its design if the limitation, or the effect it would have on emissions, is federally enforceable. Independently enforceable applicable requirements are considered enforceable to the extent that the source is in compliance with the standard. In addition, beneficial reductions in non-targeted pollutants resulting from compliance with an independently enforceable applicable requirement may be counted towards PTE provided the emission reduction of the non-targeted pollutant is enforceable as a practical matter and compliance is being met. See the 1995 guidance memo signed by John Seitz, Director of the Office of Air Quality Planning and Standards titled, "Options for Limiting Potential to Emit of a Stationary Source under Section 112 and Title V of the Clean Air Act."

Caerus reported the controlled emissions unit-specific PTE in their Part 71 permit application. The PTE in Table 2 are based on the applicable legally and practically enforceable requirements outlined in the draft permit, including a federal Consent Decree (CD) (See Section II.T below). Table 2 also contains the total PTE for all insignificant emissions units.

Table 2. Potential-to-Emit with Legally and Practically Enforceable Controls

Unit I.D.	NO _x *	CO*	VOC*	PM*	SO ₂ *	CH ₂ O	Total HAP*	CO _{2e} *
ENG-1 ^a	19.4	1.7	3.2	0.4	0.01	0.9	1.3	6,469
ENG-2 ^a	19.4	1.7	3.2	0.4	0.01	0.9	1.3	6,469
ENG-4 ^a	19.4	1.7	3.2	0.4	0.01	0.9	1.3	6,469
ENG-5 ^a	19.4	1.7	3.2	0.4	0.01	0.9	1.3	6,469
ENG-WEST 4 ^a	16.0	4.0	10.3	0.7	-	1.4	2.1	10,092
ENG-WEST 5 ^a	12.0	3.0	10.3	0.7	-	4.5	2.1	7,558
ENG-WEST 6 ^a	12.0	3.0	10.3	0.7	-	4.5	2.1	7,558
REBLR-2	0.6	0.5	0.1	0.1	-		0.1	-
DEHY-LO	-	-	0.1	-	-		0.1	-
TANKFLR	-	1.2	0.1	-	-		-	-
TANKBAT	0.2	-	18.3	-	-		0.9	-
FUG	-	-	12.2	-	-		0.8	-
Insignificant Units	-	-	-	-	-		-	-
TOTAL	126.5	20.4	57.0	3.8	0.2	7.8	12.5	48,002

a. Based on the enforceable requirements of a federal Consent Decree Case No. 07-CV-01034-EWN-KMT (See Section VII below).

*NO_x = nitrogen oxide; CO = carbon monoxide; VOC = volatile organic compound; PM = particulate matter; SO₂ = sulfur dioxide; CH₂O = formaldehyde; HAP = hazardous air pollutant; CO_{2e} = equivalent CO₂.

II. Applicable Requirement Review

The following sections discuss the information provided by Caerus in their Part 71 permit initial application, certified to be true and accurate by the Responsible Official of this facility.

A. 40 CFR 52.21 - Prevention of Significant Deterioration

The Prevention of Significant Deterioration (PSD) Permit Program at 40 CFR part 52 (Part 52) is a preconstruction review requirement of the CAA that applies to proposed projects that are sufficiently large (in terms of emissions) to be a “major” stationary source or “major” modification of an existing stationary source. Source size is defined in terms of PTE, which is its capability at maximum design capacity to emit a pollutant, except as constrained by existing legally and practically enforceable conditions applicable to the source. A new stationary source or a modification to an existing minor stationary source is major if the proposed project has the PTE for any pollutant regulated under the Part 52 requirements in amounts equal to or exceeding specified major source thresholds. The major source thresholds are 100 tpy for 28 listed industrial source categories and 250 tpy for all other sources. The PSD Permit Program also applies to modifications at existing major sources that cause a “significant net emissions increase” at that source. Significance levels for each pollutant are defined in the PSD regulations at 40 CFR 52.21.

According to information provided by Caerus in the Part 71 permit initial application, at the time of its construction, Cottonwood Wash was a minor source of emissions with respect to the PSD Permit Program, as the PTE did not exceed the major source thresholds of any criteria pollutants regulated under the PSD Permit Program. As such, the source was not subject to preconstruction permitting requirements of the PSD Permit Program.

B. 40 CFR 49.166 – Federal Major New Source Review Program for Nonattainment Areas in Indian Country

The Federal Major New Source Review (NSR) Program for Nonattainment Areas in Indian Country (NNSR Permit Program) at 40 CFR 49 is a preconstruction review requirement of the CAA that applies to proposed projects that are sufficiently large (in terms of emissions) to be a “major” stationary source or “major modification” of an existing stationary source in an area that the EPA has designated nonattainment for a National Ambient Air Quality Standards (NAAQS) (See 40 CFR 49.167). Similar to the PSD Permit Program, source size is defined in terms of PTE, but a new stationary source or a modification to an existing stationary source is major if the proposed project has the PTE for any pollutant regulated under the 40 CFR part 49 requirements in amounts equal to or exceeding specified major source thresholds defined in 40 CFR part 51, appendix S.

On April 30, 2018, the EPA designated portions of the Indian country lands within the U&O Reservation as marginal nonattainment for the 2015 ozone NAAQS, effective on August 3, 2018. Cottonwood Wash is located within that marginal ozone nonattainment area. Appendix S lists the marginal ozone nonattainment major source threshold for VOC or NO_x emissions as 100 tpy. As such, although at the time of construction, Cottonwood Wash was considered a minor source with respect to the PSD Permit Program, it is now considered an existing major source for ozone with respect to the NNSR Permit Program for NO_x emissions. The preconstruction review requirements of the NNSR Permit Program would apply to any future proposed modification at Cottonwood Wash that exceeds 40 tpy of NO_x emissions (see 40 CFR 51.165). Cottonwood Wash remains a minor source with respect to PSD for all other criteria pollutants.

C. Source Determination

At 40 CFR 71.2, a major source is generally defined as any stationary source (or any group of stationary sources that are located on one or more contiguous or adjacent properties, and are under common control of the same person (or persons under common control)), belonging to a single major industrial grouping and that are a major source as described in the definition. On June 3, 2016, the EPA published a final rule clarifying when oil and natural gas sector equipment and activities must be deemed a single source when determining whether major source permitting programs (PSD and New Source Review preconstruction permit programs, and the Part 71 Permit Program) apply (81 FR 35622). By clarifying the term “adjacent,” the rule specifies that equipment and activities in the oil and natural gas sector that are under common control will be considered part of the same source if they are located on the same surface site or on individual surface sites that share equipment and are within ¼ mile of each other.

According to information provided by Caerus in their initial Part 71 permit application, there are no surface sites with shared emissions equipment within ¼ mile of Cottonwood Wash. The two facilities of Cottonwood Wash and West Compressor Station are considered a single source because these facilities are located within ¼ of a mile of each other, on one or more contiguous or adjacent properties, and are under common control of the same person (or persons under common control), belonging to a single major industrial grouping and that are a major source as described in the definition. West Compressor Station merged with Cottonwood Wash. The entirety of these facilities are named Cottonwood Wash and are included for applicable CAA permitting. No other shared surface sites exist within ¼ mile of Cottonwood Wash.

D. 40 CFR Part 49, Subpart C: General Federal Implementation Plan Provisions – Federal Minor New Source Review Program in Indian Country

The Federal Minor New Source Review (MNSR) Permit Program at 40 CFR part 49, subpart C (§§49.151 through 49.165), is a preconstruction review requirement of the CAA that applies to all new and modified minor sources, synthetic minor sources and minor modifications at major sources, located in Indian country where no EPA-approved program is in place. True minor sources and modifications and minor modifications at existing major sources are proposed projects that have PTE for any pollutant regulated under the MNSR Permit Program that are below the major source thresholds in the PSD Permit Program or the NNSR Permit Program at 40 CFR part 49, subpart C, and above the minor source thresholds in Table 1 of 40 CFR 49.153 (thresholds differ depending on the pollutant). The MNSR Permit Program also provides the EPA authority to establish enforceable restrictions for an otherwise major source to establish that source as a synthetic minor source for NSR-regulated pollutants or HAP for the purposes of the PSD, NNSR or Title V Permit Programs, or for the purposes of major source requirements of the National Emissions Standards for Hazardous Air Pollutants (NESHAP) at 40 CFR part 63. Additionally, the MNSR Permit Program established a Federal Implementation Plan (FIP) (§§49.101 through 49.105) for true minor sources in the oil and natural gas (O&NG) production and natural gas processing segments that are in Indian country (O&NG FIP).

Cottonwood Wash currently holds a synthetic MNSR permit issued by the EPA pursuant to the provisions of 40 CFR 49.158, effective on May 4, 2017 (permit number SMNSR-UO-000007-2012.001). This permit is only intended to incorporate required and requested enforceable emission limits and operational restrictions from a March 27, 2008, Federal Consent Decree between the United States of America (Plaintiff), and the State of Colorado, the Rocky Mountain Clean Air Action and the Natural Resources Defense Council (Plaintiff-Intervenors), and Kerr-McGee Corporation (Civil Action

No. 07-CV-01034-EWN-KMT), and the September 20, 2013 synthetic MNSR application and supplementary submittals (see 40 CFR 49.151(c)(1)(ii)(d)) and 49.158(c)(4)(ii) and (iii)). Caerus requested legally and practically enforceable requirements for the installation and operation of a low-emission tri-ethylene glycol (TEG) dehydration system for control of VOC emissions. Caerus also requested enforceable requirements for installation and operation of a flare to control VOC emissions from natural gas condensate and produced water storage tanks at the facility. Additionally, Caerus requested enforceable requirements for control of CO emissions resulting from installation and operation of a catalytic control system on each of nine¹ natural gas-fired 4-stroke lean-burn (4SLB) reciprocating internal combustion engines used for natural gas compression at the facility due to applicable and independently enforceable hazardous air pollutant emissions control requirements under NESHAP for RICE at 40 CFR part 63, subpart ZZZZ (Subpart ZZZZ). Lastly, Caerus requested an enforceable requirement to install and operate only instrument air-driven pneumatic controllers.

E. 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 applicability of any standard in 40 CFR part 60 (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 SI engines, Emissions Units ENG2 and ENG-WEST-4 operating at Cottonwood Wash are subject to 40 CFR part 60, subpart JJJJ. Therefore, the General Provisions of Part 60 apply.

F. 40 CFR Part 60, Subpart Dc: Standards of Performance for Small Industrial-Commercial-Institutional Steam Generating Units

This subpart applies to steam generating units having a capacity between 10 MMBtu/hr and 100 MMBtu/hr that are constructed, reconstructed or modified after June 9, 1989.

According to the information provided by Caerus in their Part 71 initial permit application, no heaters located at the facility are rated at greater than 10 MMBtu/hr. Therefore, the facility is not subject to this subpart.

G. 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 subpart establishes requirements for controlling VOC emissions from storage vessels with a capacity greater than or equal to 75 cubic meters that are used to store volatile organic liquids for which construction, reconstruction, or modification commenced after July 23, 1984.

According to the information provided by Caerus in their Part 71 initial permit application, the storage tanks at this facility are exempt from these requirements because the storage vessels have a capacity less than 75 cubic meters. Therefore, the facility is not subject to this subpart.

¹ The synthetic MNSR permit issued to Caerus will be administratively revised to show that only seven engines are currently operating at Cottonwood Wash. Two compressor engines have been removed from the facility and Caerus has indicated that no operational flexibility is being requested to allow for future replacements. Therefore, this draft Title V permit for Cottonwood Wash has an accurate inventory of the emissions units onsite.

H. 40 CFR Part 60, Subpart GG: Standards of Performance for Stationary Gas Turbines

This subpart applies to stationary gas turbines with a heat input at peak load equal to or greater than 10.7 gigajoules (10 million Btu) per hour, based on the lower heating value of the fuel fired and constructed, reconstructed or modified after October 3, 1977.

According to the information provided by Caerus in their Part 71 initial permit application, there are no gas turbines at the facility. Therefore, the facility is not subject to this subpart.

I. 40 CFR Part 60, Subpart VV: Standards of Performance for Equipment Leaks of VOC in the Synthetic Organic Chemicals Manufacturing Industry for which Construction, Reconstruction, or Modification commenced after January 5, 1981, and on or before November 7, 2006

This subpart applies to affected facilities in the synthetic organic chemical manufacturing industry constructed, reconstructed, or modified after January 5, 1981, and on or before November 7, 2006.

According to the information provided by Caerus in their Part 71 initial permit application, the facility is not a synthetic organic chemical manufacturing facility. Therefore, the facility is not subject to this subpart.

J. 40 CFR Part 60, Subpart KKK: Standards of Performance for Equipment Leaks of VOC from Onshore Natural Gas Processing Plants for which Construction, Reconstruction, or Modification Commenced After January 20, 1984, and on or Before August 23, 2011

This subpart establishes requirements for controlling fugitive VOC emissions from onshore natural gas processing plants. It applies to natural gas processing plants that commenced construction, reconstruction, or modification after January 20, 1984.

According to the information provided by Caerus in their Part 71 initial permit application, the facility is not a natural gas processing plant as defined in §60.631. Therefore, the facility is not subject to this subpart.

K. 40 CFR Part 60, Subpart LLL: Standards of Performance for SO₂ Emissions from Onshore Natural Gas Processing for which Construction, Reconstruction, or Modification Commenced After January 20, 1984, and on or Before August 23, 2011

This subpart applies to sweetening units and sulfur recovery units at onshore natural gas processing facilities. As defined in this subpart, sweetening units are process devices that separate hydrogen sulfide (H₂S) and carbon dioxide (CO₂) from a sour natural gas stream. Sulfur recovery units are defined as process devices that recover sulfur from the acid gas (consisting of H₂S and CO₂) removed by a sweetening unit.

According to the information provided by Caerus in their Part 71 initial permit application, the facility is not a natural gas processing plant and does not have a sweetening unit. Therefore, the facility is not subject to this subpart.

L. 40 CFR Part 60, Subpart JJJJ: Standards of Performance for Stationary Spark Ignition

Internal Combustion Engines

This subpart establishes emission standards and compliance requirements for the control of emissions from stationary spark ignition (SI) internal combustion engines (ICE) that commenced construction, modification or reconstruction after June 12, 2006, where the SI ICE are manufactured on or after specified manufacture trigger dates. The manufacture trigger dates are based on the engine type, fuel used and maximum engine horsepower.

According to the information provided by Caerus in their Part 71 initial permit application, the SI ICE, Emissions Units ENG2 and ENG-WEST-4, have a maximum engine power greater than 500 hp and were manufactured after July 1, 2007 and constructed after June 12, 2006. Therefore, ENG2 and ENG-WEST-4 are subject to this subpart.

According to the information provided by Caerus in their Part 71 initial permit application, the SI ICE ENG1, ENG4, ENG5, ENG-WEST-5, ENG-WEST-5 and ENG-WEST-6 were manufactured prior to the specified trigger date and therefore, are not subject to this subpart.

M. 40 CFR Part 60, Subpart OOOO: Standards of Performance for Crude Oil and Natural Gas production, Transmission, and Distribution for which Construction, Modification or Reconstruction Commenced After August 23, 2011, and on or before September 18, 2015

This subpart establishes emission standards for the control of VOC and SO₂ emissions from affected facilities that commence construction, modification, or reconstruction after August 23, 2011 and on or before September 18, 2015. Affected facilities include, but are not limited to well completions, centrifugal compressors, reciprocating compressor, pneumatic controllers, storage vessels and sweetening units.

According to the information provided by Caerus in their Part 71 initial permit application, the current equipment operating at the facility predates the applicability date for this subpart. Therefore, the facility is not subject to this subpart.

N. 40 CFR Part 60, Subpart OOOOa: Standards of Performance for Crude Oil and Natural Gas Facilities for which Construction, Modification or Reconstruction Commenced After September 18, 2015

This subpart establishes emission standards for the control of VOC and SO₂ emissions from affected facilities that commence construction, modification, or reconstruction on or after September 18, 2015. Affected facilities include, but are not limited to well completions, centrifugal compressors, reciprocating compressors, pneumatic controllers, storage vessels and sweetening units.

According to the information provided by Caerus in their Part 71 initial permit application, the current equipment operating at the facility predates the applicability date for this subpart. Therefore, the facility is not subject to this subpart.

O. 40 CFR Part 63, Subpart A: National Emission Standards for Hazardous Air Pollutants for Source Categories, General Provisions

The requirements of 40 CFR part 63 subpart A (Part 63) apply to sources that are subject to the specific subparts of Part 63.

As explained below, the RICE, Emissions Units ENG1, ENG2, ENG4, ENG5, ENG-WEST-4, ENG-WEST-5 and ENG-WEST-6 operating at Cottonwood Wash are subject to Subpart ZZZZ and the dehydration unit, Emissions Unit DEHY-LO, operating at Cottonwood Wash is subject to 40 CFR part 63, subpart HH; therefore, the General Provisions of Part 63 apply.

P. 40 CFR Part 63, Subpart HH: National Emission Standards for Hazardous Air Pollutants from Oil and Natural Gas Production Facilities

This subpart establishes emission standards for the control of HAP emissions from affected units located at natural gas production facilities 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 natural gas throughput greater than 79,500 liters per day (660 bbls/day), and the group of ancillary equipment and compressors intended to operate in volatile HAP service which is located at natural gas processing plants.

According to the information provided by Caerus in their Part 71 initial permit application, the facility is exempt from emissions and operating limitations in Subpart HH because the facility is an area source located outside of an urbanized area (UA) plus offset urban cluster (UC) boundary (defined in §63.761) and has benzene emissions less than 0.9 megagrams per year. Therefore, the facility is only subject to the recordkeeping requirements under §63.774(d)(1).

Q. 40 CFR Part 63, Subpart ZZZZ: National Emission Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines

This subpart establishes emission standards and operating limitations for the control of HAP emissions from reciprocating and compression ignition engines.

According to the information provided by Caerus in their Part 71 initial permit application, Cottonwood Wash is an area source of HAP emissions. Emissions Units ENG4 and ENG5 are subject to this subpart as a RICE greater than 500 hp at an area source. Therefore, ENG4 and ENG5 are subject to this subpart.

Emissions Units ENG1, ENG2, ENG-WEST4, ENG-WEST-5 and ENG-WEST-6 are considered new RICE, because they commenced construction after June 12, 2006, and they must meet the requirements of Subpart ZZZZ by meeting the requirements of 40 CFR part 60, subpart JJJJ (Subpart JJJJ). However, as explained previously in the discussion of NSPS JJJJ applicability, ENG2 and ENG-WEST-4 are subject to the standards in NSPS JJJJ, but ENG1, ENG-WEST-5 and ENG-WEST-6 are not, because they were manufactured prior to the applicability dates of NSPS JJJJ. No other requirements of Subpart ZZZZ apply to emissions units ENG1, ENG-WEST-5 and ENG-WEST-6.

R. 40 CFR Part 64: Compliance Assurance Monitoring

Pursuant to requirements concerning enhanced monitoring and compliance certification under the CAA, the EPA promulgated regulations to implement compliance assurance monitoring (CAM) for major stationary sources of air pollution, for purposes of Title V permitting that are required to obtain operating permits under Part 71. The rule requires owners or operators of such sources to conduct monitoring that provide a reasonable assurance of compliance with applicable requirements under the

CAA. The effective date of this rule is November 21, 1997.

1. CAM Applicability

According to 40 CFR 64.2(a), CAM applies to each pollutant specific emission unit (PSEU) located at a major source which is required to obtain a Part 71 permit if the unit satisfies all of the following criteria:

- (a) The unit is subject to an emission limitation or standard for the applicable regulated air pollutant other than an emissions limitation or standard that is exempt under 40 CFR 64.2(b)(1);
- (b) The unit uses a control device to achieve compliance with any such limit or standard; and
- (c) The unit has pre-control device emissions of the applicable regulated pollutant that are equal to or greater than 100 percent of the amount, in tpy, required for a source to be classified as a major Title V source.

2. CAM Plan Submittal Deadlines

- (a) Large PSEUs. A CAM plan submittal for all PSEUs with the PTE (taking into account control devices) of any one regulated air pollutant in an amount equal to or greater than 100% of the amount, in tpy, required for a source to be classified as a major source, is due at the following times:
 - (i) On or after April 20, 1998, if by that date, a Part 71 application has either:
 - (A) Not been filed; or
 - (B) Not yet been determined to be complete.
 - (ii) On or after April 20, 1998, if a Part 71 permit application for a significant modification is submitted with respect to those PSEUs for which the requested permit revision is applicable; or
 - (iii) Upon application for a renewed Part 71 permit and a CAM plan has not yet been submitted with an initial or a significant modification application, as specified above.
- (b) Other PSEUs. A CAM Plan must be submitted for all PSEUs that are not large PSEUs, but are subject to this rule, upon application for a Part 71 renewal permit.

According to the information provided by Caerus in their Part 71 initial permit application, no equipment at the facility has potential pre-control device emissions that are greater than 100 tpy. Thus, the facility does not operate any large PSEUs and is not subject to this rule until the Title V permit is renewed.

S. 40 CFR Part 68, Subpart A: Chemical Accident Prevention

This subpart contains general requirements for sources that have more than a threshold quantity of a regulated substance in a process and the requirements for a Risk Management Plan (RMP).

According to the information provided by Caerus in their Part 71 initial permit application, the facility is not subject to 40 CFR part 68.

T. Consent Decree Case No. 07-CV-01034-EWN-KMT

Cottonwood Wash is subject to the requirements of Consent Decree Case No. 07-CV-01034-EWN-KMT (Consent Decree), filed on May 17, 2007, and entered by the court on March 26, 2008. The Permittee shall comply with all applicable provisions of the Consent Decree. The Consent Decree in its entirety has been included in Appendix A of the draft permit.

III. EPA Authority

Title V of the CAA requires that the EPA promulgate, administer and enforce a federal operating permit 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), the EPA adopted regulations codified at 40 CFR part 71 setting forth the procedures and terms under which the Agency would administer a federal operating permit program. These regulations were updated on February 19, 1999 (64 FR 8247) to incorporate the EPA's approach for issuing federal operating permits to stationary sources in Indian country.

As described in 40 CFR 71.4(a), the 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, tribes are not required to develop operating permits programs, though the 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, the EPA will administer and enforce a Part 71 federal operating permit program for stationary sources until a tribe receives approval to administer their own operating permit program. As of the issuance of this draft permit, the Ute Indian Tribe has not applied for or received EPA approval to administer an operating permit program.

IV. 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 Permittee and the EPA in such determinations.

V. 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 at least a 30-day public comment period for actions pertaining to a draft permit. Notification will be given for this draft permit by providing a copy of the notice to the permit applicant, the affected tribe, the affected state, the tribal and local air pollution control agencies, the city and county executives, and the state and federal land managers which have jurisdiction over the area where the source is located. A notification will also be provided to all persons who have submitted a request to

be included on the notification list.

If you would like to be added to our notification list to be informed of future actions on these or other CAA permits issued in Indian country, please send an email using the link for the Region 8 CAA public comment opportunities provided at <https://www.epa.gov/caa-permitting/caa-permit-public-comment-opportunities-region-8>, or send your name and address to the contact listed below:

Part 71 Permitting Lead
Air Permitting and Monitoring Branch (8ARD-PM)
U.S. Environmental Protection Agency, Region 8
1595 Wynkoop Street
Denver, Colorado 80202-1129

Public notice will be provided at <https://www.epa.gov/caa-permitting/caa-permit-public-comment-opportunities-region-8> giving opportunity for public comment on the draft permit and the opportunity to request a public hearing.

B. Opportunity to Comment

Due to the COVID-19 pandemic, you may view an electronic copy of the proposed permit and related documents online at the website cited below. Information is also available by emailing or speaking with the following contacts:

Ute Indian Tribe
Energy and Minerals Department Office
988 South 7500 East, Annex Building
Fort Duchesne, Utah 84026
Contact: Mike Natchees, Air Quality Program Director, at (435) 725-4974 or miken@utetribes.com

and

U.S. Environmental Protection Agency, Region 8, 8ARD-PM
1595 Wynkoop Street
Denver, Colorado 80202-1129
Contact: Colin Schwartz, Environmental Scientist, at (303) 312-6043 or schwartz.colin@epa.gov

Electronic copies of the draft permit, Statement of Basis and supporting permit record may be viewed at: <https://www.epa.gov/caa-permitting/caa-permit-public-comment-opportunities-region-8>.

Any interested person may submit written comments on the draft Part 71 operating permit during the public comment period to the Part 71 Operating Permits Lead at the address listed in Section A above, or by email using the instructions on the public comment opportunities web site at the address listed above or through <https://www.regulations.gov> (Docket ID # EPA-R08-OAR-2020-0134). All comments will be considered and responded to by the EPA in making the final decision on the permit. The EPA keeps a record of the commenters and of the issues raised during the public participation process.

Anyone, including the applicant, who believes any condition of the draft permit is inappropriate should raise all 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 already been 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.

The final permit will be a public record that can be obtained upon request. A statement of reasons for changes made to the draft permit and responses to comments received will be sent to all persons who comment on the draft permit. The final permit, response to comments document and the full administrative record for the permit will also be accessible online at:

<https://www.epa.gov/caa-permitting/caa-permits-issued-epa-region-8>. Anyone may request a paper copy of the final permit at any time by contacting the Tribal Air Permit Program at (800) 227-8917 or by sending an email to r8airpermitting@epa.gov.

C. Opportunity to Request a Hearing

A person may submit a written request for a public hearing to the Part 71 Permitting Lead, U.S. EPA Region 8, by stating the nature of the issues to be raised at the public hearing. Based on the number of hearing requests received, the EPA will hold a public hearing whenever it finds there is a significant degree of public interest in a draft operating permit. The 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.

In light of the current COVID-19 pandemic, the EPA reserves the right to delay, within reason, or hold virtual public hearings if possible. Further guidance regarding public hearings will be decided at a later date taking into account local health and safety with regards to the COVID-19 pandemic.

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 (EAB) 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 the 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 that the EAB should review.

The EAB 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 ten 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 EAB. A motion for reconsideration shall not stay the effective date of the final order unless it is specifically ordered by the EAB.

E. Petition to Reopen a Permit for Cause

Any interested person may petition the EPA to reopen a permit for cause, and the EPA may commence a permit reopening on its own initiative.

The 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 the 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 EAB by a letter briefly setting forth the relevant facts.