Air Quality Permit

Issued To: Omimex Canada, Ltd.
East Keith Field, Station 037
5608 Malvey, Penthouse Suite
Fort Worth, TX 76107

Permit #2758-06
Administrative Amendment (AA) Received: 03/05/04
Department Decision on AA: 06/30/04
Permit Final: 07/16/04
AFS #: 051-0001

An air quality permit, with conditions, is hereby granted to Omimex Canada, Ltd. (Omimex), - East Keith Field, Station 037, pursuant to Sections 75-2-204 and 211, of the Montana Code Annotated (MCA), as amended, and the Administrative Rules of Montana (ARM) 17.8.740, *et seq*., as amended, for the following:

Section I: Permitted Facilities

A. Plant Location

Omimex operates a natural gas compressor station and associated equipment located in the SE¼ of the NE¼ of Section 22, Township 36 North, Range 6 East, in Liberty County, Montana. This facility is known as the East Keith Field, Station 037. A complete list of the permitted equipment is contained in Section I.A. of the permit analysis.

B. Current Permit Action

On March 5, 2004, the Department of Environmental Quality (Department) received a letter from Omimex requesting that the Department change the corporate name on Permit #2758-05 from EnCana Gathering Services (USA), Inc. (EnCana Gathering) to Omimex. The current permitting action changes the corporate name and updates the permit to reflect current permit language and rule references. Permit #2758-06 replaces Permit #2758-05.

Section II: Limitations and Conditions

A. Emission Limitations

1. Emissions from the 637-horsepower (hp) Caterpillar compressor engine shall be controlled with lean burn technology. The compressor engine emissions shall not exceed the following (ARM 17.8.752):

NO_X[1]	2.81 lb/hr
CO	4.21 lb/hr
VOC	2.95 lb/hr

2. Omimex shall not cause or authorize emissions to be discharged into the outdoor atmosphere from any sources installed on or before November 23, 1968, that exhibit an opacity of 40% or greater averaged over 6 consecutive minutes (ARM 17.8.304).

[1] NO_X reported as NO_2.

3. Omimex shall not cause or authorize emissions to be discharged into the outdoor atmosphere from any sources installed after November 23, 1968, that exhibit an opacity of 20% or greater averaged over 6 consecutive minutes (ARM 17.8.304).
4. Omimex shall not cause or authorize emissions to be discharged into the atmosphere from haul roads, access roads, parking lots, or the general plant property without taking reasonable precautions to control emissions of airborne particulate matter (ARM 17.8.308).

5. Omimex shall treat all unpaved portions of the access roads, parking lots, and general plant area with water and/or chemical dust suppressant as necessary to maintain compliance with the reasonable precautions limitation in Section II.A.4 (ARM 17.8.749).

B. Testing Requirements

1. The 637-hp Caterpillar compressor engine shall be tested for nitrogen oxides (NO_X) and carbon monoxide (CO), concurrently, to demonstrate compliance with the emission limitations contained in Section II.A.1. Further testing shall continue on an every 4-year basis or according to another testing/monitoring schedule as may be approved by the Department. The 637-hp Caterpillar compressor engine was last tested in February 2003 (ARM 17.8.105 and 17.8.749).

2. All compliance source tests shall conform to the requirements of the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).

3. The Department may require further testing (ARM 17.8.105).

C. Operational Reporting Requirements

1. Omimex shall supply the Department with annual production information for all emission points, as required by the Department in the annual emission inventory request. The request will include, but is not limited to, all sources of emissions identified in Section I.A. of the permit analysis.

   Production information shall be gathered on a calendar-year basis and submitted to the Department by the date required in the emission inventory request. Information shall be in the units as required by the Department. This information may be used to calculate operating fees, based on actual emissions from the facility, and/or to verify compliance with permit limitations (ARM 17.8.505).

2. Omimex shall notify the Department of any construction or improvement project conducted pursuant to ARM 17.8.745, that would include a change in control equipment, stack height, stack diameter, stack flow, stack gas temperature, source location, or fuel specifications, or would result in an increase in source capacity above its permitted operation or the addition of a new emission unit. The notice must be submitted to the Department, in writing, 10 days prior to start-up or use of the proposed de minimis change, or as soon as reasonably practicable in the event of an unanticipated circumstance causing the de minimis change and must include the information requested in ARM 17.8.745(1)(d) (ARM 17.8.745).

3. All records compiled in accordance with this permit must be maintained by Omimex as a permanent business record for at least 5 years following the date of

the measurement, must be available at the plant site for inspection by the Department, and must be submitted to the Department upon request (ARM 17.8.749).

Section III: General Conditions

A. Inspection - Omimex shall allow the Department's representatives access to the source at all reasonable times for the purpose of making inspections or surveys, collecting samples, obtaining data, auditing any monitoring equipment (CEMS, CERMS) or observing any monitoring or testing, and otherwise conducting all necessary functions related to this permit.

B. Waiver - The permit and all the terms, conditions, and matters stated herein shall be deemed accepted if the recipient fails to appeal as indicated below.

C. Compliance with Statutes and Regulations - Nothing in this permit shall be construed as relieving Omimex of the responsibility for complying with any applicable federal or Montana statute, rule, or standard, except as specifically provided in ARM 17.8.740 *et seq.* (ARM 17.8.756).

D. Enforcement - Violations of limitations, conditions and requirements contained herein may constitute grounds for permit revocation, penalties or other enforcement as specified in Section 75-2-401 *et seq.*, MCA.

E. Appeals - Any person or persons jointly or severally adversely affected by the Department's decision may request, within 15 days after the Department renders it’s decision, upon affidavit setting forth the grounds therefore, a hearing before the Board of Environmental Review (Board). A hearing shall be held under the provisions of the Montana Administrative Procedures Act. The Department's decision on the application is not final unless 15 days have elapsed and there is no request for a hearing under this section. The filing of a request for a hearing postpones the effective date of the Department's decision until conclusion of the hearing and issuance of a final decision by the Board.

F. Permit Inspection - As required by ARM 17.8.755, Inspection of Permit, a copy of the air quality permit shall be made available for inspection by the Department at the location of the source.

G. Permit Fees - Pursuant to Section 75-2-220, MCA, as amended by the 1991 Legislature, failure to pay the annual operation fee by Omimex may be grounds for revocation of this permit, as required by that section and rules adopted thereunder by the Board.

Permit Analysis
Omimex Canada, Ltd.
East Keith Field, Station 037
Permit #2758-06

I. Introduction/Process Description

A. Permitted Equipment

Omimex Canada, Ltd. (Omimex) operates a natural gas compressor station and associated equipment located in the SE¼ of the NE¼ of Section 22, Township 36 North, Range 6 East, in Liberty County. The facility is known as the East Keith Field, Station 037. The facility includes the following equipment:

(1) 1965 440-horsepower (hp) Worthington Compressor Engine
(1) 637-hp Caterpillar Compressor Engine
(1) 300-thousand British thermal units per hour (MBtu/hr) Olman Heath Reboiler
(2) 80-MBtu/hr Little Giant Heaters
(1) 110-MBtu/hr Little Giant Heater
(3) 105-MBtu/hr Modine Heaters
(1) 120-MBtu/hr Moores Heater

B. Source Description

The Omimex facility has two primary purposes. The first purpose is to pump the field gas up to the required pressure in the natural gas transmission system. Compression of the gas is accomplished using both the 440-hp Worthington Compressor Engine and the 637-hp Caterpillar Compressor Engine. Engine heaters (3), garage heaters (3), and an auxiliary building heater provide heat to the various station facilities.

The second purpose of the Omimex facility is to "dry" the gas as it is being processed. The gas contains some moisture, which must be removed from the system prior to being sent into the transmission system. This is accomplished with the dehydrator, also commonly called a reboiler or glycol unit.

The gas is treated with a glycol solution, which absorbs the water in the gas stream. The glycol solution is then heated to about 300 degrees Fahrenheit (°F) to drive off the water and return the glycol. The heat necessary for this activity is generated by burning natural gas in the dehydrator reboiler. This unit will have a heat input of approximately 300 MBtu/hr. The reboiler is small by industrial standards, having a size approximately equivalent to a typical natural gas-fired small office heating system.

C. Permit History

Montana Power Company (Montana Power) was issued **Permit #2758-00** for the operation of their compressor station and associated equipment, located in the Southeast ¼ of the Northeast ¼ of Section 22, Township 36 North, Range 6 East, in Liberty County near Shelby, Montana. The station was identified as the East Keith Field, Station 037. On June 7, 1993, Permit #2758-00 became final.

The first permit change revised the emission limitation units from grams per brake horsepower-hour (g/bhp-hr) to pounds per hour (lb/hr). The revision provided Montana Power with the operational flexibility to account for varying parameters such as engine

revolutions per minute (rpm), operating load (bhp), ambient air temperature, gas temperature, site, elevation, fuel gas quality, air/fuel ratio (AFR), field gas conditions, etc. Also, to clarify nitrogen oxides (NO_x) mass emission calculations, NO_x emission limitations were identified as nitrogen dioxide (NO_2). Furthermore, the White Superior Compressor Engine was removed from service and the permit. **Permit #2758-01** replaced Permit #2758-00. On March 1, 1994, Permit #2758-01 became final.

Montana Power requested a name change to Montana Power Gas Company. The appropriate references in the permit were changed to reflect the name change. Since the source was tested and demonstrated compliance on November 15, 1993, the initial source testing requirements were removed from Permit #2758-01. In addition, the rule references were updated, and the permit was updated to reflect the current format used for writing permits. **Permit #2758-02** replaced Permit #2758-01. On March 17, 1999, Permit #2758-02 became final.

Permit #2758-03 added the 637-hp Caterpillar Compressor Engine to the permit and removed the 360-hp Ajax Compressor Engine from the permit. Permit #2758-03 replaced Permit #2758-02. On August 8, 1999, Permit #2758-03 became final.

On January 22, 2002, the Department of Environmental Quality (Department) received a notice of corporate merger and name change from PanCanadian Energy Resources, Inc. (PanCanadian). The letter notified the Department that Montana Power Gas Company, Xeno, Inc., and Entech Gas Ventures, Inc. merged into North American Resources Company (NARCO) as of January 1, 2002. The letter also stated that at the same time, NARCO changed its corporate name to PanCanadian. In addition, on April 18, 2002, the Department received a letter from PanCanadian requesting a name change from PanCanadian to EnCana Energy Resources, Inc. (EnCana). The permit action transferred the permit from Montana Power Gas Company to EnCana. In addition, the permit format and permit language were updated. **Permit #2758-04** replaced Permit #2758-03. On August 23, 2002, Permit #2758-04 became final.

On June 5, 2003, the Department received a letter from EnCana requesting that the Department change the corporate name on Permit #2758-04 from EnCana to EnCana Gathering Services (USA), Inc. (EnCana Gathering). This permitting action changed the name from EnCana to EnCana Gathering and updated the permit to reflect current permit language and rule references used by the Department. **Permit #2758-05** replaced Permit #2758-04.

D. Current Permit Action

On March 5, 2004, the Department received a letter from Omimex requesting that the Department change the corporate name on Permit #2758-05 from EnCana Gathering to Omimex. The current permitting action changes the corporate name and updates the permit to reflect current permit language and rule references. Permit **#2758-06** replaces Permit #2758-05.

E. Additional Information

Additional information, such as applicable rules and regulations, Best Available Control Technology (BACT)/Reasonably Available Control Technology (RACT) determinations, air quality impacts, and environmental assessments, is included in the analysis associated with each change to the permit.

II. Applicable Rules and Regulations

The following are partial explanations of some applicable rules and regulations that apply to the facility. The complete rules are stated in the Administrative Rules of Montana (ARM) and are available, upon request, from the Department. Upon request, the Department will provide references for location of complete copies of all applicable rules and regulations or copies where appropriate.

A. ARM 17.8, Subchapter 1 - General Provisions, including, but not limited to:

1. ARM 17.8.101 Definitions. This rule includes a list of applicable definitions used in this chapter, unless indicated otherwise in a specific subchapter.

2. ARM 17.8.105 Testing Requirements. Any person or persons responsible for the emission of any air contaminant into the outdoor atmosphere shall, upon written request of the Department, provide the facilities and necessary equipment (including instruments and sensing devices) and shall conduct tests (emission or ambient) for such periods of time as may be necessary, using methods approved by the Department.

3. ARM 17.8.106 Source Testing Protocol. The requirements of this rule apply to any emission source testing conducted by the Department, any source, or other entity as required by any rule in this chapter, or any permit or order issued pursuant to this chapter, or the provisions of the Clean Air Act of Montana, 75-2-101, *et seq*., Montana Code Annotated (MCA).

   Omimex shall comply with all requirements contained in the Montana Source Test Protocol and Procedures Manual, including, but not limited to, using the proper test methods and supplying the required reports. A copy of the Montana Source Test Protocol and Procedures Manual is available from the Department upon request.

4. ARM 17.8.110 Malfunctions. (2) The Department must be notified promptly by telephone whenever a malfunction occurs that can be expected to create emissions in excess of any applicable emission limitation or to continue for a period greater than 4 hours.

5. ARM 17.8.111 Circumvention. (1) No person shall cause or permit the installation or use of any device or any means that, without resulting in reduction in the total amount of air contaminant emitted, conceals or dilutes an emission of air contaminant which would otherwise violate an air pollution control regulation. (2) No equipment that may produce emissions shall be operated or maintained in such a manner that a public nuisance is created.

B. ARM 17.8, Subchapter 2 - Ambient Air Quality, including, but not limited to:

1. ARM 17.8.204 Ambient Air Monitoring
2. ARM 17.8.210 Ambient Air Quality Standards for Sulfur Dioxide
3. ARM 17.8.211 Ambient Air Quality Standards for Nitrogen Dioxide
4. ARM 17.8.212 Ambient Air Quality Standards for Carbon Monoxide
5. ARM 17.8.213 Ambient Air Quality Standard for Ozone
6. ARM 17.8.214 Ambient Air Quality Standard for Hydrogen Sulfide
7. ARM 17.8.220 Ambient Air Quality Standard for Settled Particulate Matter
8. ARM 17.8.221 Ambient Air Quality Standard for Visibility

9. ARM 17.8.222 Ambient Air Quality Standard for Lead
10. ARM 17.8.223 Ambient Air Quality Standard for PM_{10}
11. ARM 17.8.230 Fluoride in Forage

Omimex must maintain compliance with the applicable ambient air quality standards.

C. ARM 17.8, Subchapter 3 - Emission Standards, including, but not limited to:

1. ARM 17.8.304 Visible Air Contaminants. (1) This rule requires that no person may cause or authorize emissions to be discharged to an outdoor atmosphere from any source installed on or before November 23, 1968, that exhibit an opacity of 40% or greater averaged over 6 consecutive minutes. (2) This rule requires that no person may cause or authorize emissions to be discharged to an outdoor atmosphere from any source installed after November 23, 1968, that exhibit an opacity of 20% or greater averaged over 6 consecutive minutes.

2. ARM 17.8.308 Particulate Matter, Airborne. (1) This rule requires an opacity limitation of less than 20% for all fugitive emission sources and that reasonable precautions be taken to control emissions of airborne particulate matter. (2) Under this rule, Omimex shall not cause or authorize the use of any street, road, or parking lot without taking reasonable precautions to control emissions of airborne particulate matter.

3. ARM 17.8.309 Particulate Matter, Fuel Burning Equipment. This rule requires that no person shall cause, allow, or permit to be discharged into the atmosphere particulate matter caused by the combustion of fuel in excess of the amount determined by this rule.

4. ARM 17.8.310 Particulate Matter, Industrial Process. This rule requires that no person shall cause, allow or permit to be discharged into the atmosphere particulate matter in excess of the amount set fourth in this rule.

5. ARM 17.8.322 Sulfur Oxide Emissions--Sulfur in Fuel. (5) Commencing July 1, 1971, no person shall burn any gaseous fuel containing sulfur compounds in excess of 50 grains per 100 cubic feet of gaseous fuel, calculated as hydrogen sulfide at standard conditions. Omimex uses pipeline-quality natural gas, which will meet this limitation.

6. ARM 17.8.340 Standards of Performance for New Stationary Sources. The owner or operator of any stationary source or modification, as defined and applied in 40 CFR Part 60, New Source Performance Standards (NSPS), shall comply with the standards and provisions of 40 CFR Part 60. The Omimex facility, is not an NSPS affected source because it does not meet any of the definitions of a natural gas processing plant, as defined in 40 CFR Part 60, Subpart KKK, or any other subpart under 40 CFR Part 60, as the facility was constructed prior to January 20, 1984.

7. ARM 17.8.342 Emission Standards for Hazardous Air Pollutants for Source Categories. The source, as defined and applied in 40 CFR 63, shall comply with the requirements of 40 CFR 63, as listed below:

40 CFR 63, Subpart HH - National Emission Standards for Hazardous Air

Pollutants From Oil and Natural Gas Production Facilities. Owners or operators of oil and natural gas production facilities, as defined and applied in 40 CFR Part 63, shall comply with the applicable provisions of 40 CFR Part 63, Subpart HH. In order for a natural gas production facility to be subject to 40 CFR Part 63, Subpart HH requirements, certain criteria must be met. First, the facility must be a major source of Hazardous Air Pollutants (HAP) as determined according to paragraphs (a)(1)(i) through (a)(1)(iii) of 40 CFR 63, Subpart HH. Second, a facility that is determined to be major for HAPs must also either process, upgrade, or store hydrocarbon liquids prior to the point of custody transfer, or 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. Third, the facility must also contain an affected source as specified in paragraphs (b)(1) through (b)(4) of 40 CFR Part 63, Subpart HH. Finally, if the first three criteria are met, and the exemptions contained in paragraphs (e)(1) and (e)(2) of 40 CFR Part 63, Subpart HH do not apply, the facility is subject to the applicable provisions of 40 CFR Part 63, Subpart HH. Because the facility is not a major source of HAPs, Omimex is not subject to the provisions of 40 CFR Part 63, Subpart HH.

40 CFR 63, Subpart HHH National Emission Standards for Hazardous Air Pollutants From Natural Gas Transmission and Storage Facilities. Owners or operators of natural gas transmission or storage facilities, as defined and applied in 40 CFR Part 63, shall comply with the standards and provisions of 40 CFR Part 63, Subpart HHH. In order for a natural gas transmission and storage facility to be subject to 40 CFR Part 63, Subpart HHH requirements, certain criteria must be met. First, the facility must transport or store natural gas prior to the gas entering the pipeline to a local distribution company or to a final end user if there is no local distribution company. In addition, the facility must be a major source of HAPs as determined using the maximum natural gas throughput as calculated in either paragraphs (a)(1) and (a)(2) or paragraphs (a)(2) and (a)(3) of 40 CFR Part 63, Subpart HHH. Third, a facility must contain an affected source (glycol dehydration unit) as defined in paragraph (b) of 40 CFR Part 63, Subpart HHH. Finally, if the first two criteria are met, and the exemptions contained in paragraph (f) of 40 CFR Part 63, Subpart HHH, do not apply, the facility is subject to the applicable provisions of 40 CFR Part 63, Subpart HHH. Because the facility is not a major source of HAPs, Omimex is not subject to the provisions of 40 CFR 63, Subpart HHH.

D. ARM 17.8, Subchapter 5 - Air Quality Permit Application, Operation, and Open Burning Fees, including, but not limited to:

1. ARM 17.8.504 Air Quality Permit Application Fees. This rule requires that an applicant submit an air quality permit application fee concurrent with the submittal of an air quality permit application. A permit application is incomplete until the proper application fee is paid to the Department. Omimex was not required to submit a permit application fee for the current permit action because it is an administrative action.

2. ARM 17.8.505 Air Quality Operation Fees. An annual air quality operation fee must, as a condition of continued operation, be submitted to the Department by each source of air contaminants holding an air quality permit (excluding an open burning permit), issued by the Department. The air quality operation fee is based

on the actual or estimated amount of air pollutants emitted during the previous calendar year.

An air quality operation fee is separate and distinct from an air quality permit application fee. The annual assessment and collection of the air quality operation fee, as described above, shall take place on a calendar-year basis. The Department may insert into any final permit issued after the effective date of these rules such conditions as may be necessary to require the payment of an air quality operation fee on a calendar-year basis, including provisions which pro-rate the required fee amount.

E. ARM 17.8, Subchapter 7 - Permit, Construction, and Operation of Air Contaminant Sources, including, but not limited to:

1. ARM 17.8.740 Definitions. This rule is a list of applicable definitions used in this subchapter, unless indicated otherwise in a specific subchapter.

2. ARM 17.8.743 Montana Air Quality Permits--When Required. This rule requires a person to obtain an air quality permit or permit alteration to construct, alter or use any air contaminant sources that have the Potential To Emit (PTE) greater than 25 tons per year of any pollutant. Omimex has a PTE greater than 25 tons per year of NO_X and carbon monoxide (CO); therefore, an air quality permit is required.

3. ARM 17.8.744 Montana Air Quality Permits--General Exclusions. This rule identifies the activities that are not subject to the Montana Air Quality Permit program.

4. ARM 17.8.745 Montana Air Quality Permits—Exclusion for De Minimis Changes. This rule identifies the de minimis changes at permitted facilities that do not require a permit under the Montana Air Quality Permit Program.

5. ARM 17.8.748 New or Modified Emitting Units--Permit Application Requirements. This rule requires that a permit application be submitted prior to installation, alteration or use of a source. Omimex was not required to submit an application for the current permit action because the change is considered administrative.

6. ARM 17.8.749 Conditions for Issuance or Denial of Permit. This rule requires that the permits issued by the Department must authorize the construction and operation of the facility or emitting unit subject to the conditions in the permit and the requirements of this subchapter. This rule also requires that the permit must contain any conditions necessary to assure compliance with the Federal Clean Air Act (FCAA), the Clean Air Act of Montana, and rules adopted under those acts.

7. ARM 17.8.752 Emission Control Requirements. This rule requires a source to install the maximum air pollution control capability that is technically practicable and economically feasible, except that BACT shall be utilized. A BACT analysis was not required for the current permit action because there are no new or altered sources permitted as a part of this action.

8. ARM 17.8.755 Inspection of Permit. This rule requires that air quality permits shall be made available for inspection by the Department at the location of the source.

9. ARM 17.8.756 Compliance with Other Statutes and Rules. This rule states that nothing in the permit shall be construed as relieving Omimex of the responsibility for complying with any applicable federal or Montana statute, rule, or standard, except as specifically provided in ARM 17.8.740, *et seq*.

10. ARM 17.8.759 Review of Permit Applications. This rule describes the Department's responsibilities for processing permit applications and making permit decisions on those permit applications that do not require the preparation of an environmental impact statement.

11. ARM 17.8.762 Duration of Permit. An air quality permit shall be valid until revoked or modified as provided in this subchapter, except that a permit issued prior to construction of a new or altered source may contain a condition providing that the permit will expire unless construction is commenced within the time specified in the permit, which in no event may be less than 1 year after the permit is issued.

12. ARM 17.8.763 Revocation of Permit. An air quality permit may be revoked upon written request of the permittee, or for violations of any requirement of the Clean Air Act of Montana, rules adopted under the Clean Air Act of Montana, the FCAA, rules adopted under the FCAA, or any applicable requirement contained in the Montana State Implementation Plan (SIP).

13. ARM 17.8.764 Administrative Amendment to Permit. An air quality permit may be amended for changes in any applicable rules and standards adopted by the Board of Environmental Review (Board) or changed conditions of operation at a source or stack that do not result in an increase of emissions as a result of those changed conditions. The owner or operator of a facility may not increase the facility's emissions beyond permit limits unless the increase meets the criteria in ARM 17.8.745 for a de minimis change not requiring a permit, or unless the owner or operator applies for and receives another permit in accordance with ARM 17.8.748, ARM 17.8.749, ARM 17.8.752, ARM 17.8.755, and ARM 17.8.756, and with all applicable requirements in ARM Title 17, Chapter 8, Subchapters 8, 9, and 10.

14. ARM 17.8.765 Transfer of Permit. This rule states that an air quality permit may be transferred from one person to another if written notice of Intent to Transfer, including the names of the transferor and the transferee, is sent to the Department.

F. ARM 17.8, Sub-Chapter 8 - Prevention of Significant Deterioration of Air Quality, including, but not limited to:

1. ARM 17.8.801 Definitions. This rule is a list of applicable definitions used in this sub-chapter.

2. ARM 17.8.818 Review of Major Stationary Sources and Major Modification--Source Applicability and Exemptions. The requirements contained in ARM 17.8.819 through ARM 17.8.827 shall apply to any major stationary source and

any major modification with respect to each pollutant subject to regulation under the FCAA that it would emit, except as this subchapter would otherwise allow. This facility is not a major stationary source because it is not listed and does not have a PTE greater than 250 tons per year (excluding fugitive emissions) of any air pollutant.

G. ARM 17.8, Subchapter 12 - Operating Permit Program Applicability, including, but not limited to:

1. ARM 17.8.1201 Definitions. (23) Major Source under Section 7412 of the FCAA is defined as any stationary source having:

   a. PTE > 100 tons/year of any pollutant;

   b. PTE > 10 tons/year of any one HAP, PTE > 25 tons/year of a combination of all HAPs, or lesser quantity as the Department may establish by rule; or

   c. PTE > 70 tons/year of particulate matter with an aerodynamic diameter of 10 microns or less (PM_{10}) in a serious PM_{10} nonattainment area.

2. ARM 17.8.1204 Air Quality Operating Permit Program Applicability. Title V of the FCAA Amendments of 1990 requires that all sources, as defined in ARM 17.8.1204 (1), obtain a Title V Operating Permit. In reviewing and issuing Air Quality Permit #2758-06 for Omimex, the following conclusions were made:

   a. The facility's PTE is less than 100 tons/year for all criteria pollutants;

   b. The facility's PTE is less than 10 tons/year of any one HAP and less than 25 tons/year of all HAPs;

   c. This source is not located in a serious PM_{10} nonattainment area;

   d. This source is not subject to any current NSPS standards;

   e. This facility is not subject to any current NESHAP standards;

   f. This source is not a Title IV affected source nor a solid waste combustion unit; and

   g. This source is not an EPA designated Title V source.

   Based on these facts, the Department determined that Omimex will be a minor source of emissions as define under Title V.

III. BACT Determination

A BACT determination is required for each new or altered source. Omimex shall install on the new or altered source the maximum air pollution control capability, which is technically practicable and economically feasible, except that BACT shall be utilized. However, the current permit action is an administrative action that will not increase emissions or add or alter any emitting units; therefore, a BACT analysis is not required.

IV. Emission Inventory

Source	Tons/year PM	PM_{10}	NO_x	VOC	CO	SO_x
440-hp Worthington	0.16	0.16	63.74	0.85	7.65	0.01
637-hp Caterpillar	0.24	0.24	12.30	12.92	18.45	3.69
Olman Heath Reboiler	0.01	0.01	0.13	0.01	0.03	0.00
Heaters (7)-->Sources	0.01	0.01	0.31	0.02	0.06	0.00
Total	0.42	0.42	76.48	13.80	26.19	3.70

440-hp Worthington

Hours of operation: 8760 hr/yr

PM Emissions

Emission Factor: 10.00 lb/10^6 ft^3 {2-02-002-02, AFSSCC page 32}
Control Efficiency: 0.00%
Fuel Consumption: 8500.00 Btu/Hp-hr {Maximum Design}
Calculations: 8500.00 Btu/Hp-hr * 0.001 ft^3/Btu * 440-hp * 8760 hrs/yr = 32762400 ft^3/yr
32762400 ft^3/yr * 10 lb/10^6 ft^3 gas * 0.0005 ton/lb = 0.16 ton/yr

PM_{10} Emissions

Emission Factor: 10.00 lb/10^6 ft^3 {2-02-002-02, AFSSCC page 32}
Control Efficiency: 0.00%
Fuel Consumption: 8500.00 Btu/Hp-hr {Maximum Design}
Calculations: 8500.00 Btu/Hp-hr * 0.001 ft^3/Btu * 440-hp * 8760 hr/yr = 32762400 ft^3/yr
32762400 ft^3/yr * 10 lb/10^6 ft^3 gas * 0.0005 ton/lb = 0.16 ton/yr

NO_X Emissions

Emission factor: 15.00 gram/Hp-hr {Based on manufacturer's data}
Calculations: 15.00 gram/Hp-hr * 440-hp * 0.002205 lb/gram = 14.55 lb/hr
14.55 lb/hr * 8760 hr/yr * 1 ton/2000lb = 63.74 ton/yr

VOC Emissions

Emission factor: 0.2000 gram/Hp-hr {Based on manufacturer's data}
Calculations: 0.2000 gram/Hp-hr * 440-hp * 0.002205 lb/gram = 0.1940 lb/hr
0.1940 lb/hr * 8760 hr/yr * 1 ton/2000 lb = 0.85 ton/yr

CO Emissions

Emission factor: 1.80 gram/Hp-hr {Based on manufacturer's data}
Calculations: 1.80 gram/Hp-hr * 440-hp* 0.002205 lb/gram = 1.75 lb/hr
1.75 lb/hr * 8760 hr/yr * 1 ton/2000 lb = 7.65 ton/yr

SO_X Emissions

Emission factor: 0.0020 gram/Hp-hr {AP-42, Table 3.2-1,9/85}
Calculations: 0.0020 gram/Hp-hr * 440-hp * 0.002205 lb/gram = 0.0019 lb/hr
0.0019 lb/hr * 8760 hr/yr * 1 ton/2000 lb = 0.01 ton/yr

637-hp Caterpillar

Hours of operation: 8760 hr/yr

PM Emissions

Emission Factor: 10.00 lb/10^6 ft^3 {2-02-002-02, AFSSCC page 32}
Control Efficiency: 0.00%
Fuel Consumption: 8500.00 Btu/Hp-hr {Maximum Design}
Calculations: 8500.00 Btu/Hp-hr * 0.001 ft^3/Btu * 637-hp * 8760 hr/yr = 47431020 ft^3/yr
47431020 ft^3/yr * 10 lb/10^6 ft^3 gas * 0.0005 ton/lb = 0.24 ton/yr

PM_{10} Emissions

Emission Factor: 10.00 lb/10^6 ft^3 {2-02-002-02, AFSSCC page 32}
Control Efficiency: 0.00%

Fuel Consumption: 8500.00 Btu/Hp-hr {Maximum Design}
Calculations: 8500.00 Btu/Hp-hr * 0.001 ft^3/Btu * 637-hp * 8760 hr/yr = 47431020 ft^3/yr
47431020 ft^3/yr * 10 lb/10^6 ft^3 gas * 0.0005 ton/lb = 0.24 ton/yr

NO_X Emissions
Emission factor: 2.00 gram/Hp-hr {BACT}
Calculations: 2.00 gram/Hp-hr * 637-hp * 0.002205 lb/gram = 2.81 lb/hr
2.81 lb/hr * 8760 hr/yr * 1 ton/2000 lb = 12.30 ton/yr

VOC Emissions
Emission factor: 2.10 gram/Hp-hr {BACT}
Calculations: 2.10 gram/Hp-hr * 637-hp * 0.002205 lb/gram = 2.95 lb/hr
2.95 lb/hr * 8760 hr/yr * 1 ton/2000 lb = 12.92 ton/yr

CO Emissions
Emission factor: 3.00 gram/Hp-hr {BACT}
Calculations: 3.00 gram/Hp-hr * 637-hp * 0.002205 lb/gram = 4.21 lb/hr
4.21 lb/hr * 8760 hr/yr * 1 ton/2000 lb = 18.45 ton/yr

SO_X Emissions
Emission factor: 0.6000 gram/Hp-hr {2-02-002-02, AFSSCC page 32}
Calculations: 0.6000 gram/Hp-hr * 637-hp * 0.002205 lb/gram = 0.8428 lb/hr
0.8428 lb/hr * 8760 hr/yr * 1 ton/2000 lbs = 3.69 ton/yr

Olman Heath Reboiler

PM Emissions
Emission Factor: 5.00 lb/10^6 ft^3 {AP-42, 1.4-1}
Control Efficiency: 0.00%
Fuel Consumption: 300.00 MBtu/hr {Information from company}
Calculations: 300.00 MBtu/hr * 1000 Btu/MBtu *0.001 ft^3 gas/Btu * 8760 hr/yr = 2.6MMft^3/yr
2628000 ft^3/yr * 5 lb/10^6 ft^3 * 0.0005 ton/lb = 0.01 ton/yr

PM_{10} Emissions
Emission Factor: 5.00 lb/10^6 ft^3 {AP-42, 1.4-1}
Control Efficiency: 0.00%
Fuel Consumption: 300.00 MBtu/hr {Information from company}
Calculations: 300.00 MBtu/hr * 1000 Btu/MBtu *0.001 ft^3 gas/Btu * 8760 hr/yr = 2.6 MMft^3/yr
2,628,000 ft^3/yr * 5 lb/10^6 ft^3 * 0.0005 ton/lb = 0.01 ton/yr

NO_X Emissions
Emission Factor: 100.00 lb/10^6 ft^3 {AP-42, 1.4-1}
Control Efficiency: 0.00%
Fuel Consumption: 300.00 MBtu/hr {Information from company}
Calculations: 300.00 MBtu/hr * 1000 Btu/MBtu *0.001 ft^3 gas/Btu * 8760 hr/yr = 2.6 MMft^3/yr
2,628,000 ft^3/yr * 100 lb/10^6 ft^3 * 0.0005 ton/lb=0.13 ton/yr

VOC Emissions
Emission Factor: 8.00 lb/10^6 ft^3 {AP-42, 1.4-1}
Control Efficiency: 0.00%
Fuel Consumption: 300.00 MBtu/hr {Information from company}
Calculations: 300.00 MBtu/hr * 1000 Btu/MBtu * 0.001 ft^3 gas/Btu * 8760 hr/yr = 2.6 MMft^3/yr
2,628,000 ft^3/yr * 8 lb/10^6 ft^3 * 0.0005 ton/lb = 0.01 ton/yr

CO Emissions
Emission Factor: 20.00 lb/10^6 ft^3 {AP-42, 1.4-1}
Control Efficiency: 0.00%
Fuel Consumption: 300.00 MBtu/hr {Information from company}
Calculations: 300.00 MBtu/hr * 1000 Btu/MBtu *0.001 ft^3 gas/Btu * 8760 hr/yr = 2.6 MMft^3/yr
2,628,000 ft^3/yr * 20 lb/10^6 ft^3 * 0.0005 ton/lb= 0.03 ton/yr

SO_X Emissions
Emission Factor: 0.60 lb/10^6 ft^3 {AP-42, 1.4-1}
Control Efficiency: 0.00%
Fuel Consumption: 300.00 MBtu/hr {Information from company}

Calculations: 300.00 MBtu/hr * 1000 Btu/MBtu * 0.001 ft^3 gas/Btu * 8760 hr/yr = 2.6 $MMft^3$/yr
2,628,000 ft^3/yr * 0.6 lb/10^6 ft^3 * 0.0005 ton/lb=0.00 ton/yr

Heater (7) --> Sources 04-10

PM Emissions
Emission Factor: 5.00 lb/10^6 ft^3 {AP-42, 1.4-1}
Control Efficiency: 0.00%
Fuel Consumption: 705.00 MBtu/hr {Information from company}
Calculations: 705.00 MBtu/hr * 1000 Btu/MBtu * 0.001 ft^3 gas/Btu * 8760 hr/yr = 6.2 $MMft^3$/yr
6,175,000 ft^3/yr * 5 lb/10^6 ft^3 * 0.0005 ton/lb = 0.01 ton/yr

PM_{10} Emissions
Emission Factor: 5.00 lb/10^6 ft^3 {AP-42, 1.4-1}
Control Efficiency: 0.00%
Fuel Consumption: 705.00 MBtu/hr {Information from company}
Calculations: 705.00 MBtu/hr * 1000 Btu/MBtu * 0.001 ft^3 gas/Btu * 8760 hr/yr = 6.2 $MMft^3$/yr
6,175,000 ft^3/yr * 5 lb/10^6 ft^3 * 0.0005 ton/lb = 0.01 ton/yr

NO_X Emissions
Emission Factor: 100.00 lb/10^6 ft^3 {AP-42, 1.4-1}
Control Efficiency: 0.00%
Fuel Consumption: 705.00 MBtu/hr {Information from company}
Calculations: 705.00 MBtu/hr * 1000 Btu/MBtu * 0.001 ft^3 gas/Btu * 8760hr/yr = 6.2 $MMft^3$/yr
6,175,000 ft^3/yr * 100 lb/10^6 ft^3 * 0.0005 ton/lb=0.31 ton/yr

VOC Emissions
Emission Factor: 8.00 lb/10^6 ft^3 {AP-42, 1.4-1}
Control Efficiency: 0.00%
Fuel Consumption: 705.00 MBtu/hr {Information from company}
Calculations: 705.00 MBtu/hr * 1000 Btu/MBtu * 0.001 ft^3 gas/Btu * 8760 hr/yr = 6.2 $MMft^3$/yr
6,175,000 ft^3/yr * 8 lb/10^6 ft^3 * 0.0005 ton/lb = 0.02 ton/yr

CO Emissions
Emission Factor: 20.00 lb/10^6 ft^3 {AP-42, 1.4-1}
Control Efficiency: 0.00%
Fuel Consumption: 705.00 MBtu/hr {Information from company}
Calculations: 705.00 MBtu/hr * 1000 Btu/MBtu * 0.001 ft^3 gas/Btu * 8760 hr/yr = 6.2 $MMft^3$/yr
6,175,000 ft^3/yr * 20 lb/10^6 ft^3 * 0.0005 ton/lb=0.06 ton/yr

SO_X Emissions
Emission Factor: 0.60 lb/10^6 ft^3 {AP-42, 1.4-1}
Control Efficiency: 0.00%
Fuel Consumption: 705.00 MBtu/hr {Information from company}
Calculations: 705.00 MBtu/hr * 1000 Btu/MBtu * 0.001 ft^3 gas/Btu * 8760 hr/yr = 6.2 $MMft^3$/yr
6,175,000 ft^3/yr * 0.6 lb/10^6 ft^3 * 0.0005 ton/lb=0.00 ton/yr

V. Existing Air Quality

The current permit action is an Administrative Amendment to Permit #2758-05 and will not increase emissions from this source. In the view of the Department, Omimex will continue to operate in compliance with all applicable rules and regulations that apply to the facility.

VI. Taking or Damaging Implication Analysis

As required by 2-10-101 through 105, MCA, the Department conducted a private property taking and damaging assessment and determined there are no taking or damaging implications.

VII. Environmental Assessment

An Environmental Assessment was not required for this permitting action because it is considered an administrative action.

Permit Analysis Prepared By: Eric Thunstrom

Date: June 22, 2004