



Montana Department of
ENVIRONMENTAL QUALITY

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October 19, 2012

Rusty Shaw – HSE Compliance Manager
Denbury Onshore, LLC – Bell Creek Central Facility
5320 Legacy Drive
Plano, Texas 75024

Dear Mr. Shaw:

Montana Air Quality Permit #4740-01 is deemed final as of October 19, 2012, by the Department of Environmental Quality (Department). This permit is for an enhanced oil extraction facility. All conditions of the Department's Decision remain the same. Enclosed is a copy of your permit with the final date indicated.

For the Department,

Julie Merkel
Air Permitting Supervisor
Air Resources Management Bureau
(406) 444-3626

Ed Warner
Environmental Engineer
Air Resources Management Bureau
(406) 444-2467

JM:EW
Enclosure

Montana Department of Environmental Quality
Permitting and Compliance Division

Montana Air Quality Permit #4740-01

Denbury Onshore, LLC
Bell Creek Central Facility
5320 Legacy Drive
Plano, Texas 75024

October 19, 2012



MONTANA AIR QUALITY PERMIT

Issued To: Denbury Onshore, LLC
Bell Creek Central Facility
5320 Legacy Drive
Plano, Texas 75024

MAQP: #4740-01
Administrative Amendment (AA) Request
Received: 8/3/12
Department's Decision on AA: 10/3/12
Permit Final: 10/19/12
AFS #: 075-0005

A Montana Air Quality Permit (MAQP), with conditions, is hereby granted to Denbury Onshore, LLC (Denbury), pursuant to Sections 75-2-204 and 211 of the Montana Code Annotated (MCA), as amended, and Administrative Rules of Montana (ARM) 17.8.740, *et seq.*, as amended, for the following:

Section I: Permitted Facilities

A. Plant Location

The Bell Creek Central Facility (Bell Creek) is located in the NW¹/₄ NE¹/₄ of Section 27, Township 8 South, Range 54 East, in Powder River County, Montana.

B. Current Permit Action

The Montana Department of Environmental Quality – Air Resources Management Bureau (Department) issued MAQP #4740-00 without a necessary permit condition requiring Denbury to annually certify that the emissions from Bell Creek are less than those that would require the facility to obtain an air quality operating permit as required by ARM 17.8.1204(3)(b). The current permitting action adds this condition to the permit. It is an administrative action in accordance with ARM 17.8.764 because there are no increases in emissions,

Section II: Conditions and Limitations

A. Emission Limitations

1. Denbury shall operate a vapor recovery unit (VRU) to capture the emissions from all the oil and water storage tanks. The VRU shall inject these emissions into the subsurface (ARM 17.8.752).
2. Denbury shall operate an emergency flare as a backup emission control system for the VRU. This flare shall only be utilized during periods when the VRU is not able to inject its gas stream into the subsurface (ARM 17.8.749).
3. Denbury shall only burn pipeline quality natural gas in the heater treater (ARM 17.8.752).
4. Denbury shall burn only ultra low-sulfur diesel (no more than 15 parts per million of sulfur) as fuel for the emergency diesel-fired generator engine (ARM 17.8.752).
5. Denbury shall operate the emergency diesel-fired generator engine for no more than 100 hours per rolling 12-month time period for non-emergency use (ARM 17.8.749).
6. Denbury shall perform the sand pit blowdown procedure for no more than 206 hours per rolling 12-month time period (ARM 17.8.749 and ARM 17.8.1204).

7. Denbury 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).
8. Denbury 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 (ARM 17.8.308).
9. Denbury shall treat all unpaved portions of the haul roads, access roads, parking lots, or general plant area with water and/or chemical dust suppressant as necessary to maintain compliance with the reasonable precautions limitation in Section II.A.8 (ARM 17.8.752).
10. Denbury shall comply with all applicable standards and limitations, and the reporting, recordkeeping and notification requirements contained in the following:
 - a. 40 CFR 60, Subpart III – Standards of Performance for Stationary Compression Ignition Internal Combustion Engines (ARM 17.8.340 and 40 CFR 60, Subpart III)
 - b. 40 CFR 63, Subpart ZZZZ – National Emission Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines (ARM 17.8.342 and 40 CFR 63, Subpart ZZZZ)

B. Testing Requirements

1. All compliance source tests shall conform to the requirements of the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).
2. The Department may require further testing (ARM 17.8.105).

C. Operational Reporting Requirements

1. Denbury 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 the emission inventory contained in 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 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. Denbury shall notify the Department of any construction or improvement project conducted, pursuant to ARM 17.8.745, that would include ***the addition of a new emissions unit***, 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. The notice must be submitted to the Department, in writing, 10 days prior to startup 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(l)(d) (ARM 17.8.745).

3. All records compiled in accordance with this permit must be maintained by Denbury 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).
4. Denbury shall document, by month, the emergency diesel-fired generator engine's hours of non-emergency operation. By the 25th day of each month, Denbury shall total the hours for the previous month. The monthly information will be used to verify compliance with the rolling 12-month limitation in Section II.A.5. The information for each of the previous months shall be submitted along with the annual emission inventory (ARM 17.8.749).
5. Denbury shall document, by month, the hours of sand pit blowdown. By the 25th day of each month, Denbury shall total the hours for the previous month. The monthly information will be used to verify compliance with the rolling 12-month limitation in Section II.A.6. The information for each of the previous months shall be submitted along with the annual emission inventory (ARM 17.8.749).
6. Denbury shall annually certify that its actual emissions are less than those that would require the source to obtain an air quality operating permit as required by ARM 17.8.1204(3)(b). The annual certification shall comply with the certification requirements of ARM 17.8.1207. The annual certification shall be submitted along with the annual emission inventory information (ARM 17.8.749 and ARM 17.8.1204).

D. Notification

Denbury shall provide the Department with written notification of the following dates within the specified time periods (ARM 17.8.749):

1. Commencement of construction of the facility within 30 days after commencement of construction.
2. Actual start-up date of the facility within 15 days after the actual start up.
3. All compliance tests, as required by the Montana Source Test Protocol and Procedures Manual.

SECTION III: General Conditions

- A. Inspection – Denbury 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 the terms, conditions, and matters stated herein shall be deemed accepted if Denbury fails to appeal as indicated below.
- C. Compliance with Statutes and Regulations – Nothing in this permit shall be construed as relieving Denbury 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 action 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 its 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 filing of a request for a hearing does not stay the Department’s decision, unless the Board issues a stay upon receipt of a petition and a finding that a stay is appropriate under Section 75-2-211(11)(b), MCA. The issuance of a stay on a permit by the Board postpones the effective date of the Department’s decision until conclusion of the hearing and issuance of a final decision by the Board. If a stay is not issued by the Board, the Department’s decision on the application is final 16 days after the Department’s decision is made.
- 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 Fee – Pursuant to Section 75-2-220, MCA, failure to pay the annual operation fee by Denbury may be grounds for revocation of this permit, as required by that section and rules adopted thereunder by the Board.
- H. Duration of Permit – Construction or installation must begin or contractual obligations entered into that would constitute substantial loss within 3 years of permit issuance and proceed with due diligence until the project is complete or the permit shall expire (ARM 17.8.762).

Montana Air Quality Permit Analysis
Denbury Onshore, LLC – Bell Creek Central Facility
MAQP #4740-01

I. Introduction/Process Description

Denbury Onshore, LLC (Denbury) owns and operates an enhanced oil recovery facility. The facility is located in NW¼ NE¼ of Section 27, Township 8 South, Range 54 East, in Powder River County, Montana, and known as the Bell Creek Central Facility (Bell Creek).

A. Permitted Equipment

Emitting Unit ID	Emitting Unit Description
EG	Emergency Generator – Diesel-fired engine up to 447 horsepower (hp)
MBK-1104	Heater Treater – Natural gas-fired, 5.0 million British thermal units per hour (MMBtu/hr)
ABJ-1118	Wet Oil Tank – 5,000 barrel (bbl)
ABJ-1119	Dry Oil Tank – 5,000 bbl
ABJ-2119	Dry Oil Tank – 5,000 bbl
ABJ-1108	Slop Oil Tank – 500 bbl
ABM-1120	Water Vortex Tank – 9,700 bbl
ABJ-1129	Produced Water Tank – 5,000 bbl
ABJ-2129	Produced Water Tank – 5,000 bbl
SANDPIT	Sand Pit Blowdown
FUG	Fugitive Emissions
DUST	Dust Emissions
LOAD	Loading/Unloading Emissions

B. Source Description

Denbury owns and operates the Bell Creek enhanced oil recovery facility. This facility receives carbon dioxide (CO₂) via pipeline and injected it into the subsurface to enhance the volume of oil that is extracted. The extract is returned to Bell Creek in a production stream that contains produced water, CO₂, and oil. The facility equipment separates the oil, produced water, and CO₂. The separated oil is sent offsite to sales, while recovered produced water and CO₂ is reinjected into the subsurface.

There are two planned production streams coming into the facility. Initially there would be a low pressure stream only and then over time, as the reservoir pressure increases, the facility would also utilize a high pressure stream. The low pressure stream first enters the Low Pressure Free Water Knockout. The water is separated and routed to the Water Flash Drum for the collection of flash emissions and then sent to the produced water tanks for disposal in a disposal well. The CO₂ and oil is routed to the Low Pressure Separator. The CO₂ is routed to a Low Pressure Compressor to be compressed and sent to a High Pressure Compressor for recycle back to the reservoir. The oil is routed to the Heater Treater which separates any additional moisture and CO₂ from the oil before being sent to the oil sales tank. The high pressure stream would follow a similar process utilizing equipment specific to that stream.

To control emissions, Denbury utilizes a Flash Gas Compressor to pick up the emissions from the Heater Treater and Water Flash Drum. This compressor compresses the CO₂ gas and routes it to the low pressure and high pressure compressors for recycling back into the reservoir. If the Flash Gas Compressor were to shut down, the emissions would be routed to an emergency flare. A Vapor Recovery Unit (VRU) compressor is utilized to capture and control the emissions from the oil and water storage tanks. These emissions are also recycled to the reservoir and in the event of VRU shutdown would be routed to the emergency flare.

The production stream contains sand that has been entrained in the stream as it makes its way from the subsurface to the facility. This sand accumulates in the equipment and must be routinely cleaned out in order to maintain efficient operation. This is accomplished with a sand pit blowdown. The two produced water streams (streams 102B and 301B) are directed into a concrete pit and the system is allowed to depressurize. Both material streams are expected to flash completely and the emissions are released into the atmosphere while the accumulated sand is deposited into the pit. This procedure is expected to occur no more than 34 minutes per day and is limited to no more than 206 hours per year.

C. Permit History

On August 4, 2012, the Department of Environmental Quality – Air Resources Management Bureau (Department) issued MAQP #4740-00 to Denbury for the Bell Creek enhanced oil extraction facility.

D. Current Permit Action

The Department issued MAQP #4740-00 without a necessary permit condition requiring Denbury to annually certify that the emissions from Bell Creek are less than those that would require the facility to obtain an air quality operating permit as required by (ARM 17.8.1204(3)(b)). The Department informed Denbury in an August 3, 2012 correspondence of the need to amend the MAQP to include this condition because it was inadvertently left out of MAQP #4740-00. The MAQP has a federally enforceable permit condition that limits the hours per year that the sand pit blowdown can occur, which, when complied with, ensures that the maximum potential emissions of volatile organic compounds (VOC) does not exceed the major source threshold of 100 tons per year. Therefore, Bell Creek is considered to be a synthetic minor source of emissions and must annually certify that their actual emissions do not exceed major source thresholds. The current permitting action adds a condition requiring this annual certification to the permit. It is an administrative action in accordance with ARM 17.8.764 because there are no increases in emissions,

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).

Denbury shall comply with the 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 of the total amount of air contaminant emitted, conceals or dilutes an emission of air contaminant that would otherwise violate an air pollution control regulation. (2) No equipment that may produce emissions shall be operated or maintained in such a manner as to create a public nuisance.

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

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 PM₁₀
11. ARM 17.8.230 Fluoride in Forage

Denbury 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. This rule requires that no person may cause or authorize emissions to be discharged into the 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, Denbury 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 forth in this rule.
5. ARM 17.8.322 Sulfur Oxide Emissions--Sulfur in Fuel. This rule requires that no person shall burn liquid, solid, or gaseous fuel in excess of the amount set forth in this rule.
6. ARM 17.8.324 Hydrocarbon Emissions--Petroleum Products. (3) No person shall load or permit the loading of gasoline into any stationary tank with a capacity of 250 gallons or more from any tank truck or trailer, except through a permanent submerged fill pipe, unless such tank is equipped with a vapor loss control device as described in (1) of this rule.
7. ARM 17.8.340 Standard of Performance for New Stationary Sources and Emission Guidelines for Existing Sources. This rule incorporates, by reference, 40 CFR Part 60, Standards of Performance for New Stationary Sources (NSPS). Denbury is considered an NSPS affected facility under the following 40 CFR Part 60 subparts.
 - a. 40 CFR 60, Subpart A – General Provisions apply to all equipment or facilities subject to an NSPS Subpart as listed below:
 - b. 40 CFR 60, Subpart III - Standards of Performance for Stationary Compression Ignition Internal Combustion Engines (CI ICE). Owners and operators of stationary CI ICE that commence construction after July 11, 2005, where the stationary CI ICE are manufactured after April 1, 2006, and are not fire pump engines, and owners and operators of stationary CI ICE that modify or reconstruct their stationary CI ICE after July 11, 2005, are subject to this subpart. Based on the information submitted by Denbury, the emergency diesel-fired generator engine is subject to this subpart.
 - c. 40 CFR 60, Subpart OOOO – Standards of Performance for Crude Oil and Natural Gas Production, Transmission, and Distribution. This subpart has requirements that apply to storage vessels that have commenced construction, modification, or reconstruction after August 23, 2011, with potential Volatile Organic Compounds (VOC) emissions in excess of six tons per year. These affected sources must control those emissions by at least 95%. While this facility does have storage vessels that have uncontrolled VOC emissions in excess of the applicability thresholds, MAQP #4740-00 has enforceable conditions that when complied with would reduce VOC emissions from the affected tanks to levels less than the applicability thresholds. Therefore, this facility does not have storage vessels that meet the applicability requirements of this subpart.
8. ARM 17.8.342 Emission Standards for Hazardous Air Pollutants for Source Categories. The source, as defined and applied in 40 CFR Part 63, shall comply with the requirements of 40 CFR Part 63, as listed below:
 - a. 40 CFR 63, Subpart A – General Provisions apply to all equipment or facilities subject to an NESHAP Subpart as listed below:
 - b. 40 CFR 63, Subpart HH – National Emissions Standards for Hazardous Air Pollutants (HAPs) from Oil and Natural Gas Production Facilities. Affected units under this subpart are each storage vessel with the potential for flash emissions at major sources of HAPs. Bell Creek would have uncontrolled HAP emissions in excess of major source levels; however, MAQP #4740-00 has enforceable conditions that when complied with would reduce HAP emissions from the affected tanks to levels that

bring the facility below the major source threshold. Therefore, this facility is an area source of HAPs and does not have affected sources that meet the applicability requirements of this subpart.

- c. 40 CFR 63, Subpart ZZZZ – National Emissions Standards for HAPs for Stationary Reciprocating Internal Combustion Engines (RICE). An owner or operator of a stationary reciprocating internal combustion engine (RICE) at a major or area source of HAP emissions is subject to this rule except if the stationary RICE is being tested at a stationary RICE test cell/stand. An area source of HAP emissions is a source that is not a major source. Based on the information submitted by Denbury, the emergency diesel-fired generator engine is subject to this subpart.

D. ARM 17.8, Subchapter 4 – Stack Height and Dispersion Techniques, including, but not limited to:

1. ARM 17.8.401 Definitions. This rule includes a list of definitions used in this chapter, unless indicated otherwise in a specific subchapter.
2. ARM 17.8.402 Requirements. Denbury must demonstrate compliance with the ambient air quality standards with a stack height that does not exceed Good Engineering Practices (GEP). The proposed height of the new or modified stack for Denbury is below the allowable 65-meter GEP stack height.

E. 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. A permit fee is not required for the current permit action because the permit action is considered an administrative permit change.
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 actual 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, 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 that prorate the required fee amount.

F. 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 chapter, 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 modification to construct, modify, or use any air contaminant sources that have the potential to emit (PTE) greater than 25 tons per year of any pollutant. Denbury has a PTE greater than 25 tons per year of VOC; 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. (1) This rule requires that a permit application be submitted prior to installation, modification, or use of a source. A permit application was not required for the current permit action because the permit change is considered an administrative permit change. (7) This rule requires that the applicant notify the public by means of legal publication in a newspaper of general circulation in the area affected by the application for a permit. An affidavit of publication of public notice was not required for the current permit action because the permit change is considered an administrative permit change.
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. The required BACT analysis is included in Section III of this permit analysis.
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 Requirements. This rule states that nothing in the permit shall be construed as relieving Denbury 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 modified 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.
- G. ARM 17.8, Subchapter 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 subchapter.
 2. ARM 17.8.818 Review of Major Stationary Sources and Major Modifications--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.
- H. 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 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 (PM₁₀) in a serious PM₁₀ nonattainment area.
 2. ARM 17.8.1204 Air Quality Operating Permit Program. (1) 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 MAQP #4740-00 for Denbury, the following conclusions were made:
 - a. The facility's PTE is less than 100 tons/year for any pollutant.

- b. The facility's PTE is less than 10 tons/year for any one HAP and less than 25 tons/year for all HAPs.
- c. This source is not located in a serious PM₁₀ nonattainment area.
- d. This facility is subject to current NSPS. 40 CFR 60, Subpart A – General Provisions, 40 CFR 60, Subpart IIII - Standards of Performance for Stationary Compression Ignition Internal Combustion Engines, and 40 CFR 60, Subpart OOOO – Standards of Performance for Crude Oil and Natural Gas Production, Transmission, and Distribution apply to this facility.
- e. This facility is subject to current NESHAP standards. 40 CFR 63, Subpart A – General Provisions and 40 CFR 63, Subpart ZZZZ - National Emissions Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines apply to this facility.
- f. This source is not a Title IV affected source, or a solid waste combustion unit.
- g. This source is not an EPA designated Title V source.
- h. As allowed by ARM 17.8.1204(3), the Department may exempt a source from the requirement to obtain an air quality operating permit by establishing federally enforceable limitations which limit that source's potential to emit.
 - i. In applying for an exemption under this section, the owner or operator of the source shall certify to the Department that the source's potential to emit, does not require the source to obtain an air quality operating permit.
 - ii. Any source that obtains a federally enforceable limit on potential to emit shall annually certify that its actual emissions are less than those that would require the source to obtain an air quality operating permit.

Denbury has taken federally enforceable permit limits to keep potential emissions below major source permitting thresholds. Therefore, the facility is not a major source and, thus a Title V operating permit is not required.

The Department determined that the annual reporting requirements contained in the permit are sufficient to satisfy this requirement.

3. ARM 17.8.1207 Certification of Truth, Accuracy, and Completeness.

Denbury shall annually certify that its actual emissions are less than those that would require the source to obtain an air quality operating permit as required by ARM 17.8.1204 (3)(b). The annual certification shall comply with requirements of ARM 17.8.1207. The annual certification shall be submitted along with the annual emission inventory information.

Based on these facts, the Department determined that Denbury will be a minor source of emissions as defined under Title V. However, if minor sources subject to NSPS are required to obtain a Title V Operating Permit, Denbury will be required to obtain a Title V Operating Permit.

III. BACT Determination

A BACT determination is required for each new or modified source. Denbury shall install on the new or modified source the maximum air pollution control capability which is technically practicable and economically feasible, except that BACT shall be utilized.

A BACT analysis was not required for the current permit action because the current permit action is considered an administrative permit action.

IV. Emission Inventory

Facility ID	Source/Equipment	Total Controlled Emissions						
		NOx tpy	CO tpy	SO2 tpy	VOC tpy	HAPs tpy	H2S tpy	PM tpy
Generator	Emergency Generator Engine	0.69	0.15	0.05	0.06	0.00		0.05
ABJ-1129 ABJ-2129	(2) 5,000 bbl Dry Oil Tank				3.12	1.18	0.00	
ABJ-1118	(1) 5,000 bbl wet oil tank				0.00	0.00	0.00	
ABJ-1108	(1) 500 bbl slop oil tank				0.02	0.00	0.00	
ABM-1120	(1) 9,700 bbl tank				2.28	0.11	0.00	
ABJ-1129 ABJ-2129	Produced Water Tanks (2) 5,000 bbl tanks				0.00	0.00	0.00	
MBK-1104	5.0 mmBTU/hr	2.03	1.70		0.11	0.08	0.00	
Sandpit Blowdown	Sandpit Blowdown				41.53	0.15	0.01	
Fugitive Equipment Leaks	Fugitive Equipment Leaks				49.46	1.01	0.00	
Fugitive Dust	Fugitive Dust							0.06
Flare	Emergency Flare	0.47	0.09		0.03			0.10
Load	Loading				3.34	0.04	0.00	
	TOTAL	3.19	1.93	0.05	99.95	2.58	0.01	0.21

Calculations

Natural gas-fired heater treater

Maximum Process Rate = 5 MMBtu/hr (Supplied information)

Fuel Heating Value = 965 Btu/scf (Supplied information)

EF Scaling Factor for Actual Heating Value = (965 Btu/scf) / (1020 Btu/scf) = 0.946 (AP 42, Table 1.4-1, footnote a, 7/98)

Maximum Hours of Operation = 8,760 hrs/yr

Filterable PM Emissions:

Emission Factor = 1.9 lb/10⁶ cf (AP 42, Table 1.4-2, all PM<1µm, 7/98)

EF Conversion = (1.9 lb/10⁶ cf) / (1,020 MMBtu/10⁶ cf) * (0.946) = 0.00176 lb/MMBtu (AP 42, Table 1.4-1, footnote a, 7/98)

Calculation: (5 MMBtu/hr) * (8760 hrs/yr) * (0.00176 lb/MMBtu) * (ton/2000 lb) = 0.04 ton/yr

Filterable PM₁₀ Emissions:

Emission Factor = 1.9 lb/10⁶ cf (AP 42, Table 1.4-2, all PM<1µm, 7/98)

EF Conversion = (1.9 lb/10⁶ cf) / (1,020 MMBtu/10⁶ cf) * (0.946) = 0.00176 lb/MMBtu (AP 42, Table 1.4-1, footnote a, 7/98)

Calculation: (5 MMBtu/hr) * (8760 hrs/yr) * (0.00176 lb/MMBtu) * (ton/2000 lb) = 0.04 ton/yr

Filterable PM_{2.5} Emissions:

Emission Factor = 1.9 lb/10⁶ cf (AP 42, Table 1.4-2, all PM<1µm, 7/98)

EF Conversion = (1.9 lb/10⁶ cf) / (1,020 MMBtu/10⁶ cf) * (0.946) = 0.00176 lb/MMBtu (AP 42, Table 1.4-1, footnote a, 7/98)

Calculation: (5 MMBtu/hr) * (8760 hrs/yr) * (0.00176 lb/MMBtu) * (ton/2000 lb) = 0.04 ton/yr

Condensable PM_{2.5} Emissions:

Emission Factor = 5.7 lb/10⁶ cf (AP 42, Table 1.4-2, 7/98)

EF Conversion = (5.7 lb/10⁶ cf) / (1,020 MMBtu/10⁶ cf) * (0.946) = 0.00529 lb/MMBtu (AP 42, Table 1.4-1, footnote a, 7/98)

Calculation: (5 MMBtu/hr) * (8760 hrs/yr) * (0.00529 lb/MMBtu) * (ton/2000 lb) = 0.12 ton/yr

CO Emissions:

Emission Factor = 84 lb/10⁶ cf (AP 42, Table 1.4-2, 7/98)

EF Conversion = (84 lb/10⁶ cf) / (1,020 MMBtu/10⁶ cf) * (0.946) = 0.07791 lb/MMBtu (AP 42, Table 1.4-1, footnote a, 7/98)

Calculation: (5 MMBtu/hr) * (8760 hrs/yr) * (0.07791 lb/MMBtu) * (ton/2000 lb) = 1.71 ton/yr

NO_x Emissions:

Emission Factor = 100 lb/10⁶ cf (AP 42, Table 1.4-1, Small Boilers < 100 MMBtu/hr, 7/98)

EF Conversion = (100 lb/10⁶ cf) / (1,020 MMBtu/10⁶ cf) * (0.946) = 0.09275 lb/MMBtu (AP 42, Table 1.4-1, footnote a, 7/98)

Calculation: (5 MMBtu/hr) * (8760 hrs/yr) * (0.09275 lb/MMBtu) * (ton/2000 lb) = 2.03 ton/yr

SO₂ Emissions:

Emission Factor = 0.6 lb/10⁶ cf (AP 42, Table 1.4-2, 7/98)

EF Conversion = (0.6 lb/10⁶ cf) / (1,020 MMBtu/10⁶ cf) * (0.946) = 0.00056 lb/MMBtu (AP 42, Table 1.4-1, footnote a, 7/98)

Calculation: (5 MMBtu/hr) * (8760 hrs/yr) * (0.00056 lb/MMBtu) * (ton/2000 lb) = 0.01 ton/yr

VOC Emissions:

Emission Factor = 5.5 lb/10⁶ cf (AP 42, Table 1.4-2, 7/98)

EF Conversion = (5.5 lb/10⁶ cf) / (1,020 MMBtu/10⁶ cf) * (0.946) = 0.00510 lb/MMBtu (AP 42, Table 1.4-1, footnote a, 7/98)

Calculation: (5 MMBtu/hr) * (8760 hrs/yr) * (0.00510 lb/MMBtu) * (ton/2000 lb) = 0.11 ton/yr

Haul Roads

Vehicle Miles Traveled (VMT) per Day = 0.12 VMT/day (Estimate)

VMT per hour = (0.115068493150685 VMT/day) * (day/24 hrs) = 0.00 VMT/hr

Hours of Operation = 8,760 hrs/yr

PM Emissions:

Predictive equation for emission factor for unpaved roads at industrial sites provided per AP 42, Ch. 13.2.2, 11/06.

Emission Factor = $k * (s / 12)^a * (W / 3)^b = 3.39 \text{ lb/VMT}$

Where: k = constant = 4.9 lbs/VMT (Value for PM₃₀/TSP, AP 42, Table 13.2.2-2, 11/06)

s = surface silt content = 7.1 % (Mean value, sand/gravel processing, material storage area, AP 42, Table 13.2.2-1, 11/06)

W = mean vehicle weight = 3 tons (supplied information)

a = constant = 0.7 (Value for PM₃₀/TSP, AP 42, Table 13.2.2-2, 11/06)

b = constant = 0.45 (Value for PM₃₀/TSP, AP 42, Table 13.2.2-2, 11/06)

Control Efficiency = 50% (Water spray or chemical dust suppressant)

Calculation: (8760 hrs/yr) * (0.00 VMT/hr) * (3.39 lb/VMT) * (ton/2000 lb) = 0.07 tons/yr (Uncontrolled Emissions)

Calculation: (8760 hrs/yr) * (0.00 VMT/hr) * (3.39 lb/VMT) * (ton/2000 lb) * (1-50/100) = 0.04 tons/yr (Apply 50% control efficiency)

PM₁₀ Emissions:

Predictive equation for emission factor for unpaved roads at industrial sites provided per AP 42, Ch. 13.2.2, 11/06.

Emission Factor = $k * (s / 12)^a * (W / 3)^b = 0.94 \text{ lb/VMT}$

Where: k = constant = 1.5 lbs/VMT (Value for PM₁₀, AP 42, Table 13.2.2-2, 11/06)

s = surface silt content = 7.1 % (Mean value, sand/gravel processing, material storage area, AP 42, Table 13.2.2-1, 11/06)

W = mean vehicle weight = 3 tons (supplied information)

a = constant = 0.9 (Value for PM₁₀, AP 42, Table 13.2.2-2, 11/06)

b = constant = 0.45 (Value for PM₁₀, AP 42, Table 13.2.2-2, 11/06)

Control Efficiency = 50% (Water spray or chemical dust suppressant)

Calculation: (8760 hrs/yr) * (0.00 VMT/hr) * (0.94 lb/VMT) * (ton/2000 lb) = 0.02 tons/yr (Uncontrolled Emissions)

Calculation: (8760 hrs/yr) * (0.00 VMT/hr) * (0.94 lb/VMT) * (ton/2000 lb) * (1-50/100) = 0.01 tons/yr (Apply 50% control efficiency)

PM_{2.5} Emissions:

Predictive equation for emission factor for unpaved roads at industrial sites provided per AP 42, Ch. 13.2.2, 11/06.

Emission Factor = $k * (s / 12)^a * (W / 3)^b = 0.09 \text{ lb/VMT}$

Where: k = constant = 0.15 lbs/VMT (Value for PM_{2.5}, AP 42, Table 13.2.2-2, 11/06)
 s = surface silt content = 7.1 % (Mean value, sand/gravel processing, material storage area, AP 42, Table 13.2.2-1, 11/06)

W = mean vehicle weight = 3 tons (supplied information)

a = constant = 0.9 (Value for PM_{2.5}, AP 42, Table 13.2.2-2, 11/06)

b = constant = 0.45 (Value for PM_{2.5}, AP 42, Table 13.2.2-2, 11/06)

Control Efficiency = 50% (Water spray or chemical dust suppressant)

Calculation: (8760 hrs/yr) * (0.00 VMT/hr) * (0.09 lb/VMT) * (ton/2000 lb) = 0.00 tons/yr (Uncontrolled Emissions)

Calculation: (8760 hrs/yr) * (0.00 VMT/hr) * (0.09 lb/VMT) * (ton/2000 lb) * (1-50/100) = 0.00 tons/yr (Apply 50% control efficiency)

Emergency diesel-fired generator engine

Operational Capacity of Engine = 447 hp

Hours of Operation = 100 hours

Total PM/PM₁₀/PM_{2.5} Emissions:

Emission Factor = 0.0022 lbs/hp-hr (All PM < 1 μm, AP-42, Sec. 3.3, Table 3.3-1, 10/96)

Calculation: (100 hours) * (447 hp) * (0.0022 lbs/hp-hr) * (ton/2000 lb) = 0.05 ton/yr

NO_x Emissions:

Emission Factor = 0.031 lbs/hp-hr (AP-42, Sec. 3.3, Table 3.3-1, 10/96)

Calculation: (100 hours) * (447 hp) * (0.031 lbs/hp-hr) * (ton/2000 lb) = 0.69 ton/yr

CO Emissions:

Emission Factor = 0.00668 lbs/hp-hr (AP-42, Sec. 3.3, Table 3.3-1, 10/96)

Calculation: (100 hours) * (447 hp) * (0.00668 lbs/hp-hr) * (ton/2000 lb) = 0.15 ton/yr

VOC Emissions:

Emission Factor = 0.0025141 lbs/hp-hr (AP-42, Sec. 3.3, Table 3.3-1, TOC, Exhaust & Crankcase, 10/96)

Calculation: (100 hours) * (447 hp) * (0.0025141 lbs/hp-hr) * (ton/2000 lb) = 0.06 ton/yr

SO₂ Emissions:

Emission Factor = 0.00205 lbs/hp-hr (AP-42, Sec. 3.3, Table 3.3-1, 10/96)

Calculation: (100 hours) * (447 hp) * (0.00205 lbs/hp-hr) * (ton/2000 lb) = 0.046 ton/yr

The following emissions represent maximum potential emissions of the sand pit blowdown if it occurred continuously (8,760 hours/year).

Sources Contributing to Blowdown Emissions		E&P Emissions based on continuous operation		
		VOCs (tpy)	HAPs (tpy)	H2S*** (tpy)
High Pressure Separator	MBD-3145	1640.496	4.350	0.000
Natural Gas Separator	MBD-1101	122.933	2.090	0.000
Heater Treater	MBK 1104	0.000	0.000	0.000

*Reported VOCs value represents calculated emissions for C3+.

**Benzene, Formaldehyde, n-Hexane, Toluene are HAPs.

***Assume all H2S in the fluid is released.

Sand pit blowdown is limited to no more than 206 hours per year; therefore, the maximum potential emissions from this activity are:

$$(1640.496+122.933) \frac{\text{tons}}{\text{year}} \times \frac{206 \text{ hours}}{8,760 \text{ hours}} = 41.5 \frac{\text{tons}}{\text{year}}$$

FUGITIVE EMISSIONS POTENTIAL-TO-EMIT CALCULATIONS

Equipment Leaks

Component	Count			THC Emission Factors ^(b) (kg/comp-hr)			Calculated THC Emissions (lb/hr)			Total THC Emissions	
	Lt. Crude	Gas	Produced Water	Lt. Crude	Gas	Produced Water	Lt. Crude	Gas	Produced Water	(lb/hr)	(tpy)
Connections	1430	2672	1144	2.1E-04	2.0E-04	1.1E-04	0.862	1.178	0.277	2.118	9.28
Flanges	586	433	469	1.1E-04	3.9E-04	2.9E-06	0.142	0.372	0.003	0.517	2.27
Open-Ends	51	96	41	1.4E-03	2.0E-03	2.5E-04	0.157	0.423	0.022	0.603	2.64
Pumps	2	0	1.6	1.3E-02	2.4E-03	2.4E-05	0.057	0.000	0.000	0.057	0.25
Valves	475	575	380	2.5E-03	4.5E-03	9.8E-05	2.618	5.705	0.082	8.406	36.82
Others	26	57	21	7.5E-03	8.8E-03	1.4E-02	0.430	1.106	0.642	2.178	9.54
TOTALS:	2570	3833	2056				4.07	8.79	1.03	13.88	60.80

^a Others category includes Instruments, loading arms, pressure relief valves, stuffing boxes, compressor seals, dump lever arms, and vents.

^b Refer to EPA Publication No.: 453/R-95-017, "Protocol for Equipment Leak Emission Estimates", Table 2-4.

Data Input Cells

Component Speciation

Based on HYSIS output 46,180 lb mole/hr Overall Stream
Stream 100- Overall Composition

Component	Stream Profile (mole %)	Mass Flow Rate (lb/hr)	Stream Flow Rate (lb/hr)	Stream Profile (wt %)	Fugitive Emissions	
					(lb/hr)	(tpy)
Methane	0.0094	6,983.1421	6,983.1421	0.1851	2.57	11.25
Ethane	0.0000	54.0837	54.0837	0.0014	0.02	0.09
Propane	0.0003	540.3192	540.3192	0.0143	0.20	0.87
i-Butane	0.0002	471.6112	471.6112	0.0125	0.17	0.76
n-Butane	0.0003	839.6522	839.6522	0.0223	0.31	1.35
i-Pentane	0.0002	773.8419	773.8419	0.0205	0.28	1.25
n-Pentane	0.0002	642.0746	642.0746	0.0170	0.24	1.03
n-Hexane*	0.0001	348.3518	348.3518	0.0092	0.13	0.56
Hexanes +	0.0058	26,797.6442	26,797.6442	0.7102	9.88	43.18
Benzene*	0.0000	0.8550	0.8550	0.0000	0.00	0.00
Ethyl Benzene*	0.0000	3.9169	3.9169	0.0001	0.00	0.01
Toluene*	0.0000	7.3301	7.3301	0.0002	0.00	0.01
Xylene*	0.0001	268.4320	268.4320	0.0071	0.10	0.43
THC TOTAL	0.0166	37731.2549	37731.2549	1.0000	13.88	60.80
TOTAL VOC				0.81	11.29	49.46
TOTAL HAPS				0.02	0.23	1.01
H2O	0.9114	757,895.8478	757,895.8478	0.8047	11.17	48.92
CO2	0.0719	146,013.5530	146,013.5530	0.1550	2.15	9.43
H2S	0.0000	5.6967	5.6967	0.0000	0.00	0.00
Nitrogen	0.0001	151.2011	151.2011	0.0002	0.00	0.01
STREAM TOTAL	1.0072	972.492	941.798	1.9599	27.20	119.16

Conversion Factors

2,000	lb/ton
8,760	hr/yr

THC=Total Hydrocarbons

CALCULATION METHODOLOGY

Calculated THC Emissions (lb/hr) = Component Count * THC Emission Factor (kg/comp-hr) * 2.205 lb/kg
 Total THC Emissions (lb/hr) = (Lt. Crude + Gas) Calculated THC Emissions (lb/hr)
 Total THC Emissions (tpy) = Total Emissions (lb/hr) * 8760 hr/yr * (1 ton / 2000 lb)
 Stream Flow Rate (lb/hr) = Stream Flow Rate (lb mole/hr) * MW
 THC Profile (wt %) = THC Flow Rate (lb/hr) / Total THC Flow Rate (lb/hr)
 HC Fugitive Emissions (lb/hr) = THC Profile (wt %) * Total THC Emissions (lb/hr)
 HC Fugitive Emissions (tpy) = Total THC Emissions (lbs/hr) * 8760 (hrs/yr) * 1/2000 (lbs/ton)
 Non-HC Fugitive Emissions (lb/hr) = (Stream Profile (wt %) / VOC Stream Profile (wt %)) * Total VOC Emissions (lb/hr)
 Non-HC Fugitive Emissions (tpy) = (Stream Profile (wt %) / VOC Stream Profile (wt %)) * Total VOC Emissions (tpy)

ASSUMPTIONS:

Fugitive emissions and component speciation data is based on the HYSYS Inlet Stream 100

TRUCK LOADING EMISSIONS POTENTIAL-TO-EMIT CALCULATIONS

Emission Source Emission Unit ID	Truck Loading Load		
Oil Production Rate	6,834	bbl/day	HYSYS Stream 119
Throughput*	68.34	bbl/day	estimate based on predicted production
Average Sales Oil Temperature	578	°R	HYSYS Stream 119
Vapor Molecular Weight	45.0	lb/lb mole	HYSYS Stream 119
Saturation Factor	0.6		per AP-42

*Oil is sold by pipeline. Therefore truck loading is for maintenance purposes only.

Throughput was estimated at 1% of the oil production rate.

Reid Vapor Pressure = 6.19
(HYSYS Output-Stream 119)
True Vapor Pressure @ Average Tank ABB-1129 Temperature = 10.98
(HYSYS Output-Stream 119)

L_L - lb/1000 gallons loaded = $12.46 \times S \times P \times M/T$

Where: L_L = loading loss, lb/1,000 gal loaded
S = saturation factor
P = true vapor pressure of liquid loaded, psia
M = molecular weight of tank vapors, lb/lb mole
T = temperature of bulk liquid loaded, °R

L_L = 6.40 lb/1000 gal loaded
Total HC Emissions = 18.36 lb/day
0.77 lb/hr

Stream 119 Compositions From HYSYS Simulation

Component	Mass Fraction (HYSYS Data)	Loading Emissions	
		lb/hr	tpy
Propane	0.0005	0.00	0.00
i-Butane	0.0019	0.00	0.01
n-Butane	0.0047	0.00	0.02
i-Pentane	0.0088	0.01	0.03
n-Pentane	0.0084	0.01	0.03
n-Hexane*	0.0065	0.00	0.02
Hexanes +	0.9590	0.73	3.21
Benzene*	0.0000	0.00	0.00
Ethyl Benzene*	0.0001	0.00	0.00
Toluene*	0.0002	0.00	0.00
Xylene*	0.0061	0.00	0.02
TOTAL VOCs	0.9962	0.76	3.34
TOTAL HAPs	0.0129	0.01	0.04
Methane	0.0000	0.00	0.00
Ethane	0.0000	0.00	0.00
H2O	0.0000	0.00	0.00
CO2	0.0036	0.00	0.00
H2S	0.0000	0.00	0.00
Nitrogen	0.0000	0.00	0.00
TOTALS	0.9998	0.76	3.34

Data Input Cells

Conversion Factors
2,000 lb/ton
379 scf/lb mole
24 hr/day
60 min/hr
1,000,000 BTU/mmBTU
1,000 scf/mscf
8,760 hr/yr
42 gal/bbl
1,000 scf/mscf
459.69 deg R=deg F + 459.69

CALCULATION METHODOLOGY

Total HC Emissions (lb/hr) = Loading Loss (lb/1000 gal loaded) * Loading Rate (bbl/hr) * 42 gal/bbl

Total HC Emissions (tpy) = Loading Loss (lb/1000 gal loaded) * Total Annual Throughput (bbl/yr)
* 42 gal/bbl / 2,000 lbs/ton

Loading Emissions (lb/hr) = Total HC Emissions (lb/hr) * Component Mass Fraction

Loading Emissions (tpy) = Mass Fraction (lbs/hr) * 8760 hrs/yr/2000 lbs/ton

FUGITIVE DUST EMISSIONS POTENTIAL-TO-EMIT CALCULATIONS

Source:	Fugitive Dust				
	Vehicle 1	Vehicle 2	Vehicle 3	Vehicle 4	
Mean Vehicle Weight (tons)	3	3	0	0	facility supplied
Vehicle distance traveled on site (ft)	300	300	0	0	facility supplied
Total trips per year	365	365	0	0	facility supplied
Emission Factors ^(a)	PM10 (lb/VMT)				Data Input Cells
Small (<50 tons)	2.7				
Medium (50-100 tons)	3.6				
Large (>100 tons)	4.5				

^(a)Montana DEQ "Instructions for Registering, Updating, or Deregistering an Oil or Gas Well Facility"; Appendix A; April 2009; page 22-23
VMT = vehicle miles traveled

Data	Emission Factor (lb/VMT)	Annual Vehicle Miles Traveled (miles/yr)	Emission Rate (tpy)
Vehicle 1	2.7	21	0.03
Vehicle 2	2.7	20.7	0.03
Total PM₁₀ Emissions			0.06

Conversion Factors
2,000 lb/ton
0.000189 miles/ft

CALCULATION METHODOLOGY

Annual Vehicle Miles Traveled (AMVT) (miles/yr) = Total Distance Travel Onsite (ft) x 0.000189 (miles/ft) x trips per year
Emission Rate (tpy) = AMVT x emission factor (lb/VMT) / 2000 (lb/ton)

FLARE EMISSION CALCULATIONS POTENTIAL-TO-EMIT CALCULATIONS

Emission Unit ID Pilot Burner Emission Data	FLARE		Data Input Cells	
	Emission Combustion Device			
Emission Source	2,100,000	BTU/hr	Facility Supplied	
Burner Rating	6.0	mscfd		
Flare Design Capacity	5.0	scfm		
Pilot Rating				
Pilot Fuel	Field Gas	Bell Creek Booster Station Field Gas Analysis		
Fuel Heating Value	965	BTU/scf	Facility Supplied	
Annual Hours of Operation	8,760	hrs	Assumption	
Fuel Usage	2,176	scf/hr	Calculated	
MW of Gas	16.93	lb/lb-mole	Calculated from Bell Creek Booster Station Field Gas Analysis	
%VOC in Gas	2.95%	0.50	lb/lb-mole	Calculated from Bell Creek Booster Station Field Gas Analysis
% HAPS in Gas	0.23%	0.04	lb/lb-mole	Calculated from Field Gas Analysis-Assume all C6+ are HAPS
THC Emissions Factor	0.14	lb/mmBTU	AP-42 Table 13.5-1	

SUMMARY

Component	Emission Factor	Emission Rates	Emission Rates		Comments
			lb/hr	tpy	
Nitrogen Oxides	Pilot	0.37 lb/mmBTU	0.11	0.47	AP-42 Table 13.5-1
Carbon Monoxide	Pilot	0.068 lb/mmBTU	0.02	0.09	AP-42 Table 13.5-1
VOC	Pilot	0.00 lb/mmBTU	0.01	0.03	Based on Gas Analysis
HAPs	Pilot	0.00 lb/mmBTU	0.00	0.00	Based on Gas Analysis
H2S	Pilot	NA lb/mmBTU	NA	0.00	Based on Gas Analysis-No H2S Present
SO2	Pilot	NA lb/mmBTU	NA	0.00	Based on Gas Analysis-No H2S Present
PM2.5(soot)	Pilot	0.01 lb/mscf	0.02	0.10	AP-42 Table 13.5-1

Conversion Factors

2,000	lb/ton	MW of SO2	64.06	lb/lb mole
379	scf/lb mole	MW of H2S	34.08	lb/lb mole
24	hr/day	1 mole of SO2 produced from the combustion of 1 mole of H2S		
60	min/hr			
1,000,000	BTU/mmBTU			
1,000	scf/mscf			
8,760	hr/yr			
42	gal/bbl			
1,000	scf/mscf			

CALCULATION METHODOLOGY

Fuel Usage (SCF/hr) = Burner Rating (btu/hr)/Fuel Heat Value (BTU/scf)

Pilot Emission Rate (lb/hr) = Emission Factor (lb/mmBTU) * Pilot Rating (scf/min) * Fuel Heat Value (BTU/scf) * 60 min/hr / 10⁶ BTU/mmBTU * (1-Flare Efficiency)

Emissions Flare Efficiency (lb/hr) = mass flow (lb/hr) * (1-Flare Efficiency)

Vapor Heating Value = Heat of Vapor (BTU/lb-mole) * lb-mole/379 scf

SO2 Emission Rate (lb/hr) = H2S (lb/hr) * (MW of SO2/MW of H2S)

SO2 Emission Rate (tpy) = SO2 (lb/hr) * hrs operated/year/2000(lb/ton)

PM2.5(soot) (lb/hr) = Component Emission Factor (lb/mscf) * Fuel Usage (scf/hr)/1000 scf/mscf

Annual Emissions (lb/hr) = Mass Flow (lbs/hr)* Flare Efficiency * hrs combusted

Emission Rate (tpy) = Emission Rate (lb/hr) *8,760 hr/yr / 2,000 lb/ton

Pilot Emission Rate (lb/hr) = Pilot Rating (scf/min) / 379 scf/lb mole * MW of Propane (lb/lb mole) * 60 min/hr * (1 - Flare Efficiency)

OIL TANK EMISSIONS SUMMARY

Source/Equipment	Uncontrolled Emissions					
	NOx (tpy)	CO (tpy)	SO2 (tpy)	VOC (tpy)	HAPs (tpy)	H2S (tpy)
ABJ-1119 - 5,000 bbl dry oil tank ABJ-2119 - 5,000 bbl dry oil tank	NA	NA	NA	62.41	23.57	0.02
Total	0.00	0.00	0.00	62.41	23.57	0.02

*Reported VOCs value represents calculated emissions for C3+.

Source/Equipment	Controlled Emissions*					
	NOx (tpy)	CO (tpy)	SO2 (tpy)	VOC (tpy)	HAPs (tpy)	H2S (tpy)
ABJ-1119 - 5,000 bbl dry oil tank ABJ-2119 - 5,000 bbl dry oil tank	NA	NA	NA	3.12	1.18	0.00
Total	0.00	0.00	0.00	3.12	1.18	0.00

* Controlled emissions assumes VRU efficiency of

95%

Conversion Factors

2,000	lb/ton
24	hr/day
60	min/hr
1,000,000	BTU/mmBTU
1,000	scf/mscf
8,760	hr/yr
42	gal/bbl
454	g/lb
1,000,000	scf/mmmscf
7,000	grains/lb

Stream Compositions From HYSYS Simulation

Vapor from ABJ-1119

Streams 122G Mass Flow **44.7400** (lb/hr) From HYSYS Streams 122G
Streams 122G Molar Flow **0.9938** (lb mole/hr) From HYSYS Streams 122G

Vapor from ABJ-2119

Streams 122H Mass Flow **0.0000** (lb/hr) From HYSYS Streams 122H
Streams 122H Molar Flow **0.0000** (lb mole/hr) From HYSYS Streams 122H

Component	Stream 122G			Stream 122H		
	Mole % (HYSYS Composition)	Mass Flow (HYSYS Data) (lb/hr)	Mass Flow (tpy)	Mole % (HYSYS Composition)	Mass Flow (HYSYS Data) (lb/hr)	Mass Flow (tpy)
Propane	0.0212	0.9286	4.07	0.0212	0.00	0.00
i-Butane	0.0234	1.3510	5.92	0.0234	0.00	0.00
n-Butane	0.0445	2.5680	11.25	0.0445	0.00	0.00
i-Pentane	0.0287	2.0603	9.02	0.0287	0.00	0.00
n-Pentane	0.0216	1.5495	6.79	0.0216	0.00	0.00
n-Hexane*	0.0048	0.4087	1.79	0.0048	0.00	0.00
Hexanes +	0.1487	5.3326	23.36	0.1487	0.00	0.00
Benzene*	0.0000	0.0011	0.00	0.0000	0.00	0.00
Ethyl Benzene*	0.0000	0.0007	0.00	0.0000	0.00	0.00
Toluene*	0.0000	0.0037	0.02	0.0000	0.00	0.00
Xylene*	0.0004	0.0439	0.19	0.0004	0.00	0.00
TOTAL VOCs	0.2933	14.2481	62.41	0.2933	0.00	0.00
TOTAL HAPs	0.0052	5.3820	23.57	0.0052	0.00	0.00
Methane	0.0129	0.2060	0.90	0.0129	0.00	0.00
Ethane	0.0008	0.0232	0.10	0.0008	0.00	0.00
H2O	0.0016	0.0293	0.13	0.0016	0.00	0.00
CO2	0.6912	30.2316	132.41	0.6912	0.00	0.00
H2S	0.0001	0.0039	0.02	0.0001	0.00	0.00
Nitrogen	0.0000	0.0007	0.00	0.0000	0.00	0.00
TOTALS	0.9999	44.7428	195.97	0.9999	0.00	0.00

HAPS include n-hexane, benzene, toluene, ethyl benzene, and p-xylene

CALCULATION METHODOLOGY

Mass Flow (tpy) = Mass Flow (lb/hr) x 8760 (hr/yr) / 2000 (lb/ton)

Controlled Emissions (tpy) = Uncontrolled Emissions (tpy) * (1 - VRU Efficiency)

SLOP TANK EMISSIONS POTENTIAL-TO-EMIT CALCULATIONS

Source/Equipment	Uncontrolled Emissions					
	NOx	CO	SO2	VOC	HAPs	H2S
	(tpy)	(tpy)	(tpy)	(tpy)	(tpy)	(tpy)
(1) 500 bbl Slop Oil Tank	NA	NA	NA	0.34	0.01	0.00
Total	0.00	0.00	0.00	0.34	0.01	0.00

*Reported VOCs value represents calculated emissions for C3+.

Source/Equipment	Controlled Emissions*					
	NOx	CO	SO2	VOC	HAPs	H2S
	(tpy)	(tpy)	(tpy)	(tpy)	(tpy)	(tpy)
(1) 500 bbl Slop Oil Tank	NA	NA	NA	0.02	0.00	0.00
Total	0.00	0.00	0.00	0.02	0.00	0.00

* No emissions are expected from the slop tank; however, controlled emissions assumes VRU efficiency of **95%**

TANKS 4.0.9d Output - Slop Oil Tank		lb/yr	tpy
VOC	Working Losses	59.93	0.03
	Breathing Losses	612.42	0.31
	Total Emissions	672.35	0.34
H2S	Crude Inlet	0.0000	0.00
HAPS		13.78	0.01

Assumptions:	
Flow rate to slop oil tank is 1% of inlet flow rate.	
Oil has is mixture of all oils from site; therefore, the estimate emission using Crude Oil (RVP5) speciation profile in Tanks 4.09d. Was used to estimate emissions from the slop tank.	

HYSYS Stream 122G

Component	Stream Profile (mole %)	Mass Flow Rate (lb/hr)
Propane	0.0212	540.32
i-Butane	0.0234	471.61
n-Butane	0.0445	839.65
i-Pentane	0.0287	773.84
n-Pentane	0.0216	642.07
n-Hexane*	0.0048	348.35
Hexanes +	0.1487	26,797.64
Benzene*	0.0000	0.86
Ethyl Benzene*	0.0000	3.92
Toluene*	0.0000	7.33
Xylene*	0.0004	268.43
TOTAL VOCs		30694.03
TOTAL HAPS		628.89
RATIO HAPS/VOCs		0.02

Conversion Factors

2,000	lb/ton
8,760	hr/yr

CALCULATION METHODOLOGY

Ratio of HAPS Emissions to VOC Emissions = HAPS (lbs/hr)/Total VOCs (lbs/hr)

HAPS Emissions (lbs/yr) = VOC Emissions (lbs/yr)*Ratio of HAPS to VOCs

HAPS Emissions (tons/yr) = VOC Emissions (lbs/yr)/2000 lbs/ton

TANKS 4.0.9d
Emissions Report - Detail Format
Tank Identification and Physical Characteristics

Identification

User Identification: Slop Oil Tank
 City:
 State: Montana
 Company:
 Type of Tank: Vertical Fixed Roof Tank
 Description: 500-bbl Slop Oil Tank Belle Creek Facility

Tank Dimensions

Shell Height (ft): 16.00
 Diameter (ft): 15.50
 Liquid Height (ft): 15.00
 Avg. Liquid Height (ft): 5.00
 Volume (gallons): 21,172.77
 Turnovers: 1.38
 Net Throughput(gal/yr): 29,200.00
 Is Tank Heated (y/n): N

Paint Characteristics

Shell Color/Shade: White/White
 Shell Condition: Good
 Roof Color/Shade: White/White
 Roof Condition: Good

Roof Characteristics

Type: Cone
 Height (ft): 1.00
 Slope (ft/ft) (Cone Roof): 0.13

Breather Vent Settings

Vacuum Settings (psig): -0.03
 Pressure Settings (psig): 0.03

Meteorological Data used in Emissions Calculations: Billings, Montana (Avg Atmospheric Pressure = 12.92 psia)

Emissions Report for: Annual

Slop Oil Tank - Vertical Fixed Roof Tank

Components	Losses(lbs)		
	Working Loss	Breathing Loss	Total Emissions
Crude oil (RVP 5)	59.93	612.42	672.35

WATER TANK EMISSIONS SUMMARY

Source/Equipment	Uncontrolled Emissions					
	NOx	CO	SO2	VOC	HAPs	H2S
	(tpy)	(tpy)	(tpy)	(tpy)	(tpy)	(tpy)
(1) 9,700-bbl Vortex Water	NA	NA	NA	45.67	2.14	0.08
(2) 5,000-bbl Produced Water	NA	NA	NA	0.00	0.00	0.00
(1) 5,000 bbl Wet Oil Tank	NA	NA	NA	0.00	0.00	0.00
Total	0.00	0.00	0.00	45.67	2.14	0.08

*Reported VOCs value represents calculated emissions for C3+.

Source/Equipment	Controlled Emissions*					
	NOx	CO	SO2	VOC	HAPs	H2S
	(tpy)	(tpy)	(tpy)	(tpy)	(tpy)	(tpy)
(1) 9,700-bbl Vortex Water	NA	NA	NA	2.28	0.11	0.00
(2) 5,000-bbl Produced Water	NA	NA	NA	0.00	0.00	0.00
(1) 5,000 bbl Wet Oil Tank	NA	NA	NA	0.00	0.00	0.00
Total	0.00	0.00	0.00	2.28	0.11	0.00

* Controlled emissions assumes VRU efficiency of 95%

Stream Compositions From HYSYS Simulation

Component	HYSYS Stream	Stream Mass Flow (lb/hr)	Stream Molar Flow (lb mole/hr)
ABM-1120 - Water Vortex Tank	122B	150.4	3.447
ABJ-1118 - Wet Oil tank	122F	0.00	0.00
ABJ-1129 - Produced Water Tank	122C	0.00	0.00
ABJ-2129 - Produced Water Tank	122D	0.00	0.00

Conversion Factors

2,000 lb/ton	42 gal/bbl
24 hr/day	1,000 scf/mscf
60 min/hr	454 g/lb
1,000,000 BTU/mmBTU	1,000,000 scf/mmscf
1,000 scf/mscf	7,000 grains/lb
8,760 hr/yr	

	Stream 122B			Streams 122C, 122D, and 122F		
	Mole % (HYSYS Composition)	Mass Flow (lb/hr)	Mass Flow (tpy)	Mole % (HYSYS Composition)	Mass Flow (lb/hr)	Mass Flow (tpy)
Propane	0.0014	0.18	0.79	0.0014	0.00	0.00
i-Butane	0.0028	0.53	2.31	0.0028	0.00	0.00
n-Butane	0.0062	1.18	5.16	0.0062	0.00	0.00
i-Pentane	0.0062	1.56	6.82	0.0062	0.00	0.00
n-Pentane	0.0050	1.28	5.59	0.0050	0.00	0.00
n-Hexane*	0.0014	0.44	1.91	0.0014	0.00	0.00
Hexanes +	0.0378	5.22	22.85	0.0378	0.00	0.00
Benzene*	0.0000	0.00	0.01	0.0000	0.00	0.00
Ethyl Benzene*	0.0000	0.00	0.00	0.0000	0.00	0.00
Toluene*	0.0000	0.00	0.02	0.0000	0.00	0.00
Xylene*	0.0001	0.05	0.20	0.0001	0.00	0.00
TOTAL VOCs	0.0609	10.43	45.67	0.0609	0.00	0.00
TOTAL HAPs	0.0015	0.49	2.14	0.0015	0.00	0.00
Methane	0.0002	0.01	0.02	0.0002	0.00	0.00
Ethane	0.0000	0.00	0.01	0.0000	0.00	0.00
H2O	0.0227	1.55	6.79	0.0227	0.00	0.00
CO2	0.9159	138.36	606.01	0.9159	0.00	0.00
H2S	0.0001	0.02	0.08	0.0001	0.00	0.00
Nitrogen	0.0000	0.00	0.00	0.0000	0.00	0.00
TOTALS	0.9998	150.36	658.58	0.9998	0.00	0.00

CALCULATION METHODOLOGY

Mass Flow (tpy) = Mass Flow (lb/hr) x 8760 (hr/yr) / 2000 (lb/ton)

Controlled Emissions (tpy) = Uncontrolled Emissions (tpy) * (1 - VRU Efficiency)

V. Existing Air Quality

The location for the Bell Creek facility is in NW¹/₄ NE¹/₄ of Section 27, Township 8 South, Range 54 East, in Powder River County, Montana. This area is classified as unclassifiable/attainment for all pollutants for EPA-established national ambient air quality standards. MAQP #4740-01 contains operating and monitoring requirements to ensure that proper operation of the facility would not result in air emissions that violate any ambient air quality standard.

VI. Air Quality Impacts

The current permitting action is an administrative action with no associated increases in facility emissions; therefore, no air quality impacts are expected.

VII. Ambient Air Impact Analysis

The Department did not perform an ambient air impact analysis because the current permitting action is an administrative action with no associated increases in facility emissions; therefore, no air quality impacts are expected. The Department believes that the source will not cause or contribute to a violation of any ambient air quality standard.

VIII. Taking or Damaging Implication Analysis

As required by 2-10-105, MCA, the Department conducted the following private property taking and damaging assessment.

YES	NO	
X		1. Does the action pertain to land or water management or environmental regulation affecting private real property or water rights?
	X	2. Does the action result in either a permanent or indefinite physical occupation of private property?
	X	3. Does the action deny a fundamental attribute of ownership? (ex.: right to exclude others, disposal of property)
	X	4. Does the action deprive the owner of all economically viable uses of the property?
	X	5. Does the action require a property owner to dedicate a portion of property or to grant an easement? [If no, go to (6)].
		5a. Is there a reasonable, specific connection between the government requirement and legitimate state interests?
		5b. Is the government requirement roughly proportional to the impact of the proposed use of the property?
	X	6. Does the action have a severe impact on the value of the property? (consider economic impact, investment-backed expectations, character of government action)
	X	7. Does the action damage the property by causing some physical disturbance with respect to the property in excess of that sustained by the public generally?
	X	7a. Is the impact of government action direct, peculiar, and significant?
	X	7b. Has government action resulted in the property becoming practically inaccessible, waterlogged or flooded?
	X	7c. Has government action lowered property values by more than 30% and necessitated the physical taking of adjacent property or property across a public way from the property in question?
	X	Takings or damaging implications? (Taking or damaging implications exist if YES is checked in response to question 1 and also to any one or more of the following questions: 2, 3, 4, 6, 7a, 7b, 7c; or if NO is checked in response to questions 5a or 5b; the shaded areas)

Based on this analysis, the Department determined there are no taking or damaging implications associated with this permit action.

IX. Environmental Assessment

This permitting action will not result in an increase of emissions from the facility and is considered an administrative action; therefore, an environmental assessment is not required.

Analysis Prepared By: Ed Warner
Date: September 27, 2012