Colorado Department of Public Health and Environment

OPERATING PERMIT

CANYON GAS RESOURCES, INC.
N. DOUGLAS CREEK GAS PLANT

ISSUED OCTOBER 1, 1998
LAST REVISED AUGUST 31, 2001

AIR POLLUTION CONTROL DIVISION
COLORADO OPERATING PERMIT

FACILITY NAME:	N. Douglas Creek Gas Conditioning Plant	OPERATING PERMIT NUMBER
FACILITY ID:	1030018	**95OPRB011**
ISSUE DATE:	October 1, 1998	
EXPIRATION DATE:	October 1, 2003	
MODIFICATIONS:	See Appendix F of Permit	

Issued in accordance with the provisions of Colorado Air Pollution Prevention and Control Act, 25-7-101 et seq. (1989 & 1995 Supp.) and applicable rules and regulations.

ISSUED TO:

Canyon Gas Resources, Inc.
8080 North Central Expressway, Suite 900
Dallas, TX 75206

PLANT SITE LOCATION:

NE¼ Section 19, T1S, R101W
Rangely, Rio Blanco County

INFORMATION RELIED UPON

Operating Permit Application Received:	December 30, 1994
And Additional Information Received:	August 1, 1995 and August 13, 1997

Nature of Business:	Gas gathering and natural gas liquids production
Primary SIC:	1321

RESPONSIBLE OFFICIAL

Name:	Danny L. Thompson
Title:	VP Engineering and Operations
Phone:	(214) 750-9223

FACILITY CONTACT PERSON

Name:	Andrea McMillen
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SUBMITTAL DEADLINES

Semi-Annual Monitoring Period:	April - September, October - March
Semi-Annual Monitoring Report:	November 1, 2001 & May 1, 2002 and subsequent years)
Annual Compliance Period:	Begins April 1 through March 31
Annual Compliance Certification:	May 1, 2002 and subsequent years

TABLE OF CONTENTS

SECTION I - General Activities and Summary 1
1. Permitted Activities 1
2. Alternative Operating Scenarios 1
3. Prevention Of Significant Deterioration (PSD) 4
4. Accidental Release Prevention Program (112(r)) 4
5. Summary of Emission Units 5

SECTION II - Specific Permit Terms 6
1. P001 - Cooper Superior 1,449 HP Internal Combustion Engine 6
2. P002 - Cooper Superior 1,449 HP Internal Combustion Engine 8
3. P003 - Superior 650 HP Internal Combustion Engine 10
4. P004 - Custom Ethylene Glycol Dehydration Unit 12
5. F005 - Facility Fugitive Emissions 13
6. P006 - Olman Heath Triethylene Glycol Dehydration Unit 14

SECTION III - Permit Shield 15
1. Specific Conditions 15
2. General Conditions 15

SECTION IV - General Permit Conditions 17
1. Administrative Changes 17
2. Certification Requirements 17
3. Compliance Requirements 17
4. Emergency Provisions 18
5. Emission Standards for Asbestos 19
6. Emissions Trading, Marketable Permits, Economic Incentives 19
7. Fee Payment 19
8. Fugitive Particulate Emissions 19
9. Inspection and Entry 20
10. Minor Permit Modifications 20
11. New Source Review 20
12. No Property Rights Conveyed 20
13. Odor 20
14. Off-Permit Changes to the Source 20
15. Opacity 21
16. Open Burning 21
17. Ozone Depleting Compounds 21
18. Permit Expiration and Renewal 21
19. Portable Sources 21
20. Prompt Deviation Reporting 21
21. Record Keeping and Reporting Requirements 22
22. Reopenings for Cause 23
23. Section 502(b)(10) Changes 23
24. Severability Clause 23
25. Significant Permit Modifications 23

TABLE OF CONTENTS

26. Special Provisions Concerning the Acid Rain Program 24
27. Transfer or Assignment of Ownership 24
28. Volatile Organic Compounds 24
29. Wood Stoves and Wood burning Appliances 24

APPENDIX A - Inspection Information 1
Directions to Plant: 1
Safety Equipment Required: 1
Facility Plot Plan: 1
List of Insignificant Activities: 1

APPENDIX B Reporting Requirements and Definitions 1

APPENDIX C Format for Annual Compliance Certification Reports 1

APPENDIX D Notification Addresses 1

APPENDIX E Permit Acronyms 1

APPENDIX F Permit Modifications 1

SECTION I - General Activities and Summary

1. Permitted Activities

1.1 The North Douglas Creek Gas Conditioning Plant is a natural gas processing plant designed to compress natural gas and separate moisture and natural gas liquids from the gas stream prior to transmission to sales pipelines. The plant equipment includes two natural gas-fired engine driven compressors and natural gas liquids recovery facilities. The natural gas liquids recovery facilities include a propane refrigeration system (including an engine), two glycol dehydration units and natural gas liquids storage and loading facilities.

The facility is located in a rural area south of Rangely in Rio Blanco County. The area in which the plant operates is designated as attainment for all criteria pollutants. The plant is located within 50 miles of the state of Utah.

1.2 Until such time as this permit expires or is modified or revoked, the permittee is allowed to discharge air pollutants from this facility in accordance with the requirements, limitations, and conditions of this permit.

1.3 This Operating Permit incorporates the applicable requirements contained in the underlying construction permits, and does not affect those applicable requirements, except as modified during review of the application or as modified subsequent to permit issuance using the modification procedures found in Regulation No. 3, Part C. These Part C procedures meet all applicable substantive New Source Review requirements for purposes of this Operating Permit and shall survive reissuance. This Operating Permit incorporates the applicable requirements (except as noted in Section II) from the following Colorado Construction Permits: C-12,353, 13RB011, 13RB144-1, 13RB144-2, 95RB616-1, 95RB616-2.

1.4 All conditions in this permit are enforceable by US Environmental Protection Agency, Colorado Air Pollution Control Division (hereinafter Division) and its agents, and citizens unless otherwise specified. All information gathered pursuant to the requirements of this permit is subject to the Recordkeeping and Reporting requirements listed under Condition 21 of the General Conditions in Section IV of this permit. **State-only enforceable conditions are:**

Permit Condition Number(s): Section IV - Conditions 13 and 17

1.5 All information gathered pursuant to the requirements of this permit is subject to the Recordkeeping and Reporting requirements listed under Condition 21 of the General Conditions in Section IV of this permit.

2. Alternative Operating Scenarios

The following Alternative Operating Scenario (AOS) for temporary engine replacement has been reviewed in accordance with the requirements of Regulation No. 3., Part A, Section IV.A, Operational Flexibility-Alternative Operating Scenarios, and Regulation No. 3, Part B, Construction Permits, and has been found to

meet all applicable substantive and procedural requirements. This permit incorporates and shall be considered a construction permit for any engine replacement performed in accordance with this AOS, and the permittee shall be allowed to perform such engine replacement without applying for a revision to this permit or obtaining a new Construction Permit.

For purposes of Regulation No. 3, Part B, Section IV.G.4.a., any engine replacement authorized under this AOS shall commence operation upon notation of same in the contemporaneous log as required below. Results of any testing required below shall be normalized for comparison to the applicable permitted emission limits.

2.1 **Temporary Engine Replacement**

The following AOS is incorporated into this permit in order to deal with a compressor engine breakdown or periodic routine maintenance and repair which requires the use of a temporary replacement engine. "Temporary" is defined as in the same service for 270 operating days or less in any 12 month period. The 270 days is the total number of days that the engine is in operation. If the engine operates only part of a day, that day counts towards the 270 day total. Note that the compliance demonstrations made as part of this AOS are in addition to any compliance demonstrations required by the permit.

2.1.1 The permittee may temporarily replace an existing compressor engine that is subject to the emission limits set forth in this permit with an engine that is of the same manufacturer, model, and horsepower or a different manufacturer, model, or horsepower as the existing engine without modifying this permit.

The permittee shall measure nitrogen oxide (NO_x) and carbon monoxide (CO) emissions in the exhaust from the temporary replacement engine using a portable flue gas analyzer within seven (7) calendar days of commencing operation of the temporary replacement engine. Calibration of the analyzer shall be conducted according to manufacturer=s instructions.

In the absence of evidence to the contrary, results of the portable flue gas analyzer test shall be evidence of enforceable compliance or noncompliance of the temporary replacement engine with the emission limitations of the original engine.

An exceedance of either the NO_x or CO emission limitation during the initial portable flue gas analyzer test shall require a subsequent portable flue gas analyzer test indicating compliance with both the NO_x and CO emission limitations within 14 calendar days of commencing operation of the replacement engine. Calibration gases shall be used to calibrate the portable analyzer for all tests conducted subsequent to the initial test.

If portable flue gas analyzer results indicate compliance with both the NO_x and CO emission limitations within the 14 day period, the temporary replacement engine will be considered to be in compliance for purposes of this AOS from the time that the replacement engine commenced operation until the replacement engine is taken off line.

If portable flue gas analyzer results fail to indicate the compliance with either the NO_x or CO emission limitations within the 14 day period, the source will notify the Division in writing within 10 calendar days of the end of the 14 day period. In the absence of evidence to the contrary, the temporary replacement engine will be considered to be out of compliance from the time that the temporary replacement engine commenced operation until the engine is taken off line. Results of all testing that indicates noncompliance shall be submitted to the Division within 10 calendar days of the end of the 14 day period.

2.1.2 The permittee may temporarily replace a grandfathered or permit exempt engine or an engine that is not subject to emission limits without modifying this permit. Potential emissions from the temporary replacement engine must be less than or equal to the potential emissions from the original grandfathered or permit exempt engine or for the engine that is not subject to emission limits, as determined by applying appropriate emission factors.

2.1.3 Temporary replacement engines, whether of the same manufacturer, model, and horsepower, or of a different manufacturer, model, or horsepower, are subject to all federally applicable and state-only requirements set forth in this permit (including monitoring and record keeping), and shall be subject to any shield afforded by this permit.

2.1.4 The permittee shall maintain a log on-site to contemporaneously record the start and stop date of any temporary engine replacement, the manufacturer, model number, horsepower, and serial number of the engine(s) that are temporarily replaced during the term of this permit, and the manufacturer, model number, horsepower, and serial number of the replacement engine.

2.1.5 Results of all tests conducted pursuant to this AOS shall be kept on site for five (5) years and made available to the Division upon request.

2.1.6 For comparison with an annual or short term emissions limit, the results of any testing required by this AOS shall be converted to a lb/hr basis and multiplied by the allowable operating hours in the month or year (whichever applies) in order to monitor compliance. If a source is not limited in its hours of operation, the test results shall be multiplied by the maximum number of hours in the month or year (8760), whichever applies.

2.2 Additional Sources

Current State Air Quality Regulations do not allow for advanced New Source Review in the absence of discrete and verifiable information concerning future installations. Therefore, any additional operational changes requiring new equipment at this facility not addressed by these Alternative Operating Scenarios will need to undergo appropriate Regulation No. 3 review procedures.

3. Prevention Of Significant Deterioration (PSD)

3.1 This facility is a major stationary source (potential to emit of any criteria pollutant> 250 tpy) for the purposes of Prevention of Significant Deterioration (PSD) requirements (Colorado Regulation 3, Part B, Section IV.D.3). Modifications up to this point in time have not triggered significance levels which would bring about PSD review. Future modifications to this facility which are in excess of significance levels as defined in Colorado Regulation 3, Part A, Section I.B.58 will result in the application of the PSD review requirements.

3.2 There are no other Operating Permits associated with this facility for purposes of determining applicability of Prevention of Significant Deterioration regulations.

4. Accidental Release Prevention Program (112(r))

4.1 This facility is subject to the provisions of the Accidental Release Prevention Program (section 112(r) of the Federal Clean Air Act).

4.2 The source shall certify to the Division in writing that the source is in compliance with all requirements of 112(r) and that the Risk Management Plan has been submitted to the appropriate authority and/or a designated central location. Such certification shall be signed by the Responsible Official.

5. Summary of Emission Units

5.1 The emissions units regulated by this permit are the following:

Emission Unit Number	AIRS Stack Number	Facility Identifier	Description	Pollution Control Device
P001	001	S001	Cooper Superior Model 12GTLA Natural Gas Fired Internal Combustion Engine, 4-Cycle, Lean Burn, Site Rated at 1,449 HP, Serial Number 275449	Clean burn design
P002	002	S002	Cooper Superior Model 12GTLA Natural Gas Fired Internal Combustion Engine, 4-Cycle, Lean Burn, Site Rated at 1,449 HP, Serial Number 285099	Clean burn design
P003	003	S003	Superior Model 8G825 Natural Gas Fired Internal Combustion Engine, 4-Cycle, Rich Burn, Site Rated at 650 HP, Serial Number 277179	None
P004	004	S004	Custom Ethylene Glycol Dehydration Unit, 22 MMscf/day, with 0.8 MMBtu/hr burner	Flash tank vent controlled by facility flare
F005	N/A	S005	Facility Fugitive Volatile Organic Compound Emissions	None
P006	005	S006	Olman Heath Glycol Dehydration Unit, Model 757, 18 MMscf/day, with 1.0 MMBtu/hour burner	None

SECTION II - Specific Permit Terms

1. P001 - Cooper Superior 1,449 HP Internal Combustion Engine

Parameter	Permit Condition Number	Limitations Short Term	Limitations Long Term	Compliance Emission Factor	Monitoring Method	Monitoring Interval
NOx	1.1,1.3	N/A	N/A	2.0 g/hp-hr	Recordkeeping and Calculation, Monitoring with a Portable Flue Gas Analyzer (See Cond. 1.3)	Annually, Quarterly
CO		N/A	N/A	1.6 g/hp-hr		
VOC	1.1	N/A	N/A	0.6 g/hp-hr	Calculation	Annually
Hours of Operation	1.2	N/A	N/A	N/A	Recordkeeping	Monthly
Opacity	1.4	Less than or equal to 20%		N/A	Fuel Use Restriction	Annually

1.1 The emission factors listed above have been approved by the Division and shall be used to calculate emissions from this unit (manufacturer's emission data). This unit is subject to the General Conditions in Section IV of this permit, including recordkeeping and reporting requirements listed under Condition 21 and fee payment under Condition 7.

1.2 Hours of operation shall be monitored monthly and recorded in a log to be made available to the Division upon request. Recorded data shall be multiplied by the Compliance Emission Factors and maximum site rated horsepower to calculate emissions for determination of annual fees.

1.3 Emission measurements of Nitrogen Oxides and Carbon Monoxide shall be conducted quarterly using a portable flue gas analyzer. Results of the portable analyzer testing shall be used to assess the validity of the Compliance Emission Factor but shall not be used to determine noncompliance. The emission rate of each pollutant shall be determined in grams per horsepower-hour based on portable analyzer results and the average horsepower of the engine during the test. Calibration of the analyzer shall be conducted according to manufacturer's instructions. An exceedance of the emission factor listed above for either pollutant (Permit Condition 1.1) based on the initial test results will require a portable analyzer analysis indicating validation of the emission factors within 10 days of the initial analysis. Calibration of the analyzer shall be conducted using calibration gases. If portable analyzer results fail to validate the emission factors within the 10 day period, the source shall, within 15 days of the end of the 10 day period, notify the Division of the results. The source shall also, within that 15 day period, arrange for a stack test for NOx and CO to be conducted on the engine within 60 days from the date of the last portable analyzer test. The stack test protocol must be submitted to the Division for review and approval at least thirty (30) days prior to testing. The testing may be witnessed by Division personnel at the Division's discretion. The Division shall be notified in writing of the stack test results within 3

working days after the permittee receives the stack test results. Results of the stack test will determine the validity of the Compliance Emission Factors.

For a period of one (1) year following the issuance of this permit, the frequency of portable testing shall be quarterly. A report shall be submitted to the Division at the end of this period detailing the test results. Following the one year period, portable testing shall be on a frequency as described below.

If, after one year of quarterly portable monitoring, analyzer results have not indicated an exceedance of the NOx and CO emission factors during any quarter, the required frequency of portable monitoring shall become semi-annual. The frequency shall revert back to quarterly if portable analyzer results indicate an exceedance of the emission factors for either pollutant. The required frequency of this monitoring will again go to semi-annual if portable analyzer results validate the emission factors for four (4) consecutive quarters.

Results of all portable analyzer analyses conducted shall be kept on site and made available to the Division upon request.

1.4 Opacity of emissions from this engine shall not exceed 20% (Colorado Regulation No. 1, Section II.A.1). In the absence of credible evidence to the contrary, compliance with the 20% opacity limit shall be presumed whenever natural gas is used as fuel for the engine.

1.5 This engine shall be operated and maintained in accordance with internal operating and maintenance standards, which shall consider manufacturer's recommendations and industry standard practices, at all times, including periods of start-up, shutdown, and malfunction.

2. P002 - Cooper Superior 1,449 HP Internal Combustion Engine

Parameter	Permit Condition	Limitations Short Term	Limitations Long Term	Compliance Emission Factor	Monitoring Method	Monitoring Interval
NOx	2.1,2.2	N/A	32.1 TPY	0.65 lb/MMBtu	Recordkeeping and Calculation, Monitoring with a Portable Flue Gas Monitor (see Cond. 2.2)	Monthly, Quarterly
CO		N/A	35.5 TPY	0.71 lb/MMBtu		
VOC	2.1	N/A	8.4 TPY	0.17 lb/MMBtu(based on 0.6 g/hp-hr)	Recordkeeping and Calculation	Monthly
Fuel Use	2.3	N/A	97.7 MMscf/yr	N/A	Fuel Meter	Monthly
Opacity	2.4	Less than or equal to 20%		N/A	Fuel Use Restriction	Annually
Btu Content	2.5	N/A			EPA Methods	Semi-Annually

2.1 Nitrogen Oxide, Carbon Monoxide and Volatile Organic Compound emissions shall not exceed the limitations stated above (Construction Permit 13RB011). Monthly emissions of each pollutant shall be calculated using the fuel-based emission factors (based on Manufacturer's data) in the following equation:

lb/month = (EF) H (Btu content, Btu/scf) H (Fuel Use, MMscf/month)

Emissions shall be calculated by the end of each subsequent month. A twelve-month rolling total of emissions shall be maintained for demonstration of compliance with annual limitations. Each month a new twelve month total shall be calculated using the previous twelve months data.

2.2 Emission measurements of Nitrogen Oxides and Carbon Monoxide shall be conducted quarterly using a portable flue gas analyzer. Results of the portable analyzer testing shall be used to indicate the compliance status of the engine but shall not be used to determine noncompliance. The hourly emission rate of each pollutant shall be determined based on portable analyzer results. Calibration of the analyzer shall be conducted according to manufacturer's instructions. An exceedance of the hourly emission limits listed above for either pollutant (Permit Condition 2.1) based on the initial test results will require a portable analyzer analysis indicating compliance with the hourly limits within 10 days of the initial analysis. Calibration of the analyzer shall be conducted using calibration gases. If portable analyzer results fail to indicate compliance with the hourly limits within the 10 day period, the source shall, within 15 days of the end of the 10 day period, notify the Division of the results. The source shall also, within that 15 day period, arrange for a stack test for NOx and CO to be conducted on the engine within 60 days from the date of the last portable analyzer test. The stack test protocol must be submitted to the Division for review and approval at least thirty (30) days prior to testing. The testing may be witnessed by Division personnel at the Division's discretion. The Division shall be notified in writing of the stack test results within 3 working days after the permittee receives the stack test results

demonstrating compliance or noncompliance. Results of the stack test shall determine enforceable compliance or noncompliance with the hourly emission limits.

For a period of one (1) year following the issuance of this permit, the frequency of portable testing shall be quarterly. A report shall be submitted to the Division at the end of this period detailing the test results. Following the one year period, portable testing shall be on a frequency as described below.

If, after one year of quarterly portable monitoring, analyzer results have not indicated an exceedance of the hourly NOx and CO limits during any quarter, the required frequency of portable monitoring shall become semi-annual. The frequency shall revert back to quarterly if portable analyzer results indicate an exceedance of the emission limits for either pollutant. The required frequency of this monitoring will again go to semi-annual if portable analyzer results indicate compliance for four (4) consecutive quarters.

Results of all portable analyzer analyses conducted shall be kept on site and made available to the Division upon request.

2.3 Fuel consumption shall not exceed the limitations stated above (Construction Permit 13RB011). Fuel use shall be measured and recorded within the first seven (7) days of each month. Fuel use shall be measured no more than one (1) hour from the time that run time hours have been recorded. A twelve-month rolling total shall be maintained for demonstration of compliance with the annual limitations. Each month a new twelve month total shall be calculated using the previous twelve months data.

2.4 Opacity of emissions from this engine shall not exceed 20% (Colorado Regulation No. 1, Section II.A.1). In the absence of credible evidence to the contrary, compliance with the 20% opacity limit shall be presumed whenever natural gas is used as fuel for the engine.

2.5 The Btu content of the natural gas used to fuel this engine shall be verified semi-annually in accordance with ASTM Analysis Method D1826-77 or equivalent. The Btu content of the natural gas shall be based on the lower heating value of the fuel. Calculations of monthly emissions required under Condition 2.1 shall be made using the Btu content derived from the most recent required analysis.

2.6 This engine shall be operated and maintained in accordance with internal operating and maintenance standards, which shall consider manufacturer's recommendations and industry standard practices, at all times, including periods of start-up, shutdown, and malfunction.

3. P003 - Superior 650 HP Internal Combustion Engine

Parameter	Permit Condition	Limitations Short Term	Limitations Long Term	Compliance Emission Factor	Monitoring Method	Monitoring Interval
NOx	3.1	N/A	62.8 TPY	2.20 lb/MMBtu(based on 10.0 g/hp-hr)	Recordkeeping and Calculation	Monthly
CO		N/A	54.0 TPY	1.90 lb/MMBtu(based on 8.6 g/hp-hr)		
Fuel Use	3.2	N/A	60.1 MMscf/yr	N/A	Fuel Meter	Monthly
Opacity	3.3	Less than or equal to 20%		N/A	Fuel Use Restriction	Annually
Btu Content	3.4	N/A			EPA Methods	Semi-Annually

3.1 Nitrogen Oxide, Carbon Monoxide and Volatile Organic Compound emissions shall not exceed the limitations stated above (Colorado Construction Permit 13RB144-1). Monthly emissions of each pollutant shall be calculated using the fuel-based emission factors in the following equation:

lb/month = (EF) H (Btu content, Btu/scf) H (Fuel Use, MMScf/month)

Emissions shall be calculated by the end of each subsequent month. A twelve-month rolling total of emissions shall be maintained for demonstration of compliance with annual limitations. Each month a new twelve month total shall be calculated using the previous twelve months data.

3.2 Fuel consumption shall not exceed the limitations stated above (Construction Permit 13RB144-1). Fuel use shall be measured and recorded within the first seven (7) days of each month. Fuel use shall be measured no more than one (1) hour from the time that run time hours have been recorded. A twelve-month rolling total shall be maintained for demonstration of compliance with the annual limitations. Each month a new twelve month total shall be calculated using the previous twelve months data.

3.3 Opacity of emissions from this engine shall not exceed 20% (Colorado Regulation No. 1, Section II.A.1). In the absence of credible evidence to the contrary, compliance with the 20% opacity limit shall be presumed whenever natural gas is used as fuel for the engine.

3.4 The Btu content of the natural gas used to fuel this engine shall be verified semi-annually in accordance with ASTM Analysis Method D1826-77 or equivalent. The Btu content of the natural gas shall be based on the lower heating value of the fuel. Calculations of monthly emissions required under Condition 3.1 shall be made using the Btu content derived from the most recent required analysis.

3.5 This engine shall be operated and maintained in accordance with internal operating and maintenance standards, which shall consider manufacturer's recommendations and industry standard practices, at all times, including periods of start-up, shutdown, and malfunction.

4. P004 - Custom Ethylene Glycol Dehydration Unit

Parameter	Permit Condition	Limitations Short Term	Limitations Long Term	Compliance Emission Factor	Monitoring Method	Monitoring Interval
VOC	4.1	N/A	97.0 tons/year	Based on Input to GRI GLYCalc Model	Parametric	Monthly
Natural Gas Processed	4.2	N/A	8,030 MMscf/year	N/A	Flow Meter	Monthly

4.1 Volatile Organic Compound emissions for each unit shall not exceed the limitations stated above (Colorado Construction Permit 13RB144-2). Emissions of Volatile Organic Compounds and Hazardous Air Pollutants will be calculated monthly using the Gas Research Institute's GLYCalc Version 3.0 Model or higher. Parametric monitoring of the natural gas throughput, ethylene glycol recirculation rate, inlet gas pressure and temperature and ethylene glycol consumption rate will be performed to verify input to this model. Recording interval for these parameters will be on a monthly basis, except for glycol consumption which will be required annually. Values shall be representative of how the unit operated during the period. An extended natural gas analysis of the processed wet gas will be conducted on a quarterly basis, utilizing ASTM standards or equivalent. Monthly calculation of emissions using GLYCalc Version 3.0 or higher will be conducted by the end of each subsequent month utilizing the gas data from the last analysis conducted and representative parameters. Monthly emissions of VOC will be used in a twelve month rolling total to verify compliance with the annual limitation.

4.2 The cubic feet of gas processed by the glycol dehydration unit shall not exceed the limitations listed above (Colorado Construction Permit 13RB144-2). The gas throughput to the dehydration unit shall be recorded monthly using a flow meter. A twelve month rolling total will be maintained to verify compliance with the annual limitation.

5. F005 - Facility Fugitive Emissions

Parameter	Permit Condition	Limitations Short Term	Limitations Long Term	Compliance Emission Factor	Monitoring Method	Monitoring Interval
VOC	5.1	N/A	20.8 tons/yr	By Component Type-EPA Protocol for Equipment Leak Estimates	Record-keeping	Semi-Annually

5.1 VOC emissions from equipment leaks shall not exceed the limitation stated above (Colorado Construction Permit 95RB616-2). Emissions shall be calculated using the emission factors and equations listed below. A component count shall be maintained and adjusted annually to determine the existing hardware inventory. This can be accomplished by conducting an actual component count before the permit is issued and then maintaining records of component additions and deletions.

Emission Factors for individual types of components in lbs/component-hr (Baseline Emission Factors from EPA, August 1995):

	Gas	Condensate
Valves	9.92E-03	5.51E-03
Relief Valves	1.94E-02	1.65E-02
Compressor Seals	1.94E-02	1.65E-02
Flanges	8.60E-04	2.43E-04
Open-ended Lines	4.41E-03	3.09E-03
Pump Seals	5.29E-03	2.86E-02
Connectors	4.41E-04	4.63E-04

Annual Emissions of VOC per Component:

(Component Count) H (8760 hrs/year) H (%VOC in Organic Portion of Gas Stream) H (Component Emission Factor)

Total fugitive VOC emissions will be the sum of emissions for each component.

The results of the most recent quarterly extended gas analysis required in Condition 4.1 of this section shall be used to determine the appropriate %VOC to use in the above equation.

6. P006 - Olman Heath Triethylene Glycol Dehydration Unit

Parameter	Permit Condition	Limitations Short Term	Limitations Long Term	Compliance Emission Factor	Monitoring Method	Monitoring Interval
VOC	6.1	N/A	185.0 tons/year	Based on Input to GRI GLYCalc Model	Parametric	Monthly
Natural Gas Processed	6.2	N/A	6,570 MMscf/year	N/A	Flow Meter	Monthly

6.1 Volatile Organic Compound emissions for each unit shall not exceed the limitations stated above (Colorado Construction Permit 95RB616-1). Emissions of Volatile Organic Compounds and Hazardous Air Pollutants will be calculated monthly using the Gas Research Institute's GLYCalc Version 3.0 Model or higher. Parametric monitoring of the natural gas throughput, triethylene glycol recirculation rate, inlet gas pressure and temperature and triethylene glycol consumption rate will be performed to verify input to this model. Recording interval for these parameters will be on a monthly basis, except for glycol consumption which will be required annually. Values shall be representative of how the unit operated during the period. An extended natural gas analysis of the processed wet gas will be conducted on a quarterly basis, utilizing ASTM standards or equivalent. Monthly calculation of emissions using GLYCalc Version 3.0 or higher will be conducted by the end of each subsequent month utilizing the gas data from the last analysis conducted and representative parameters. Monthly emissions of VOC will be used in a twelve month rolling total to verify compliance with the annual limitation.

6.2 The cubic feet of gas processed by the glycol dehydration unit shall not exceed the limitations listed above (Colorado Construction Permit 95RB616-1). The gas throughput to the dehydration unit shall be recorded monthly using a flow meter. A twelve month rolling total will be maintained to verify compliance with annual limitations.

SECTION III - Permit Shield

Regulation No. 3, 5 CCR 1001-5, Part A, § I.B.43; Part C, §§ V.C.1.b. & D., XIII; §§ 25-7-111(2)(I), 25-7-114.4(3)(a), C.R.S.

1. Specific Conditions

The following parameters and requirements have been specifically identified as non-applicable to the facility to which this permit has been issued:

Emission Unit Description &Number	Applicable Requirement	Justification
Facility	40CFR60 Subparts K and Ka adopted by reference in Colorado Regulation No. 6, Part A	These subparts apply to vessels used for storage of petroleum liquids. The materials stored at the North Douglas Creek Plant do not meet the definition of petroleum liquids.
Natural Gas Liquids Storage Vessels (4 @ 1,000 barrels each)	40CFR60 Subpart Kb adopted by reference in Colorado Regulation No. 6, Part A	This subpart regulates the storage of volatile organic liquids in vessels greater than 40 m^3 in size. These vessels at the North Douglas Creek Plant are designed to operate at pressures greater than 15 psig with no emissions to the atmosphere. Subpart Kb does not apply to vessels that meet this description. In addition, installation of these vessels predates the promulgation of Subpart Kb.

2. General Conditions

Compliance with this Operating Permit shall be deemed compliance with all applicable requirements specifically identified in the permit and other requirements specifically identified in the permit as not applicable to the source. This permit shield shall not alter or affect the following:

2.1 The provisions of §§ 25-7-112 and 25-7-113, C.R.S., or § 303 of the federal act, concerning enforcement in cases of emergency;

2.2 The liability of an owner or operator of a source for any violation of applicable requirements prior to or at the time of permit issuance;

2.3 The applicable requirements of the federal Acid Rain Program, consistent with § 408(a) of the federal act;

2.4 The ability of the Air Pollution Control Division to obtain information from a source pursuant to § 25-7-111(2)(I), C.R.S., or the ability of the Administrator to obtain information pursuant to § 114 of the federal act;

2.5 The ability of the Air Pollution Control Division to reopen the Operating Permit for cause pursuant to Regulation No. 3, Part C, § XIII.

2.6 Sources are not shielded from terms and conditions that become applicable to the source subsequent to permit issuance.

SECTION IV - General Permit Conditions

1. Administrative Changes

Regulation No. 3, 5 CCR 1001-5, Part A, III.

The permittee shall submit an application for an administrative permit amendment to the Division for those permit changes that are described in Regulation No. 3, Part A, I.B.36.a. The permittee may immediately make the change upon submission of the application to the Division.

2. Certification Requirements

Regulation No. 3, 5 CCR 1001-5, Part C, §§ III.B.9., V.C.16.a.&e. and V.C.17.

a. Any application, report, document and compliance certification submitted to the Air Pollution Control Division pursuant to Regulation No. 3 or the Operating Permit shall contain a certification by a responsible official of the truth, accuracy and completeness of such form, report or certification stating that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate and complete.

b. All compliance certifications for terms and conditions in the Operating Permit shall be submitted to the Air Pollution Control Division at least annually unless a more frequent period is specified in the applicable requirement or by the Division in the Operating Permit.

c. Compliance certifications shall contain:

(i) the identification of each permit term and condition that is the basis of the certification;

(ii) the compliance status of the source;

(iii) whether compliance was continuous or intermittent;

(iv) the method(s) used for determining the compliance status of the source, currently and over the reporting period; and

(v) such other facts as the Air Pollution Control Division may require to determine the compliance status of the source.

d. All compliance certifications shall be submitted to the Air Pollution Control Division and to the Environmental Protection Agency at the addresses listed in Appendix D of this Permit.

e. If the permittee is required to develop and register a risk management plan pursuant to § 112(r) of the federal act, the permittee shall certify its compliance with that requirement; the Operating Permit shall not incorporate the contents of the risk management plan as a permit term or condition.

3. Compliance Requirements

Regulation No. 3, 5 CCR 1001-5, Part C, §§ III.C.9., V.C.11. & 16.d., § 25-7-122.1(2), C.R.S.

a. The permittee must comply with all conditions of the Operating Permit. Any permit noncompliance relating to federally-enforceable terms or conditions constitutes a violation of the federal act, as well as the state act and Regulation No. 3. Any permit noncompliance relating to state-only terms or conditions constitutes a violation of the state act and Regulation No. 3, shall be enforceable pursuant to state law, and

shall not be enforceable by citizens under § 304 of the federal act. Any such violation of the federal act, the state act or regulations implementing either statute is grounds for enforcement action, for permit termination, revocation and reissuance or modification or for denial of a permit renewal application.

b. It shall not be a defense for a permittee in an enforcement action or a consideration in favor of a permittee in a permit termination, revocation or modification action or action denying a permit renewal application that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of the permit.

c. The permit may be modified, revoked, reopened, and reissued, or terminated for cause. The filing of any request by the permittee for a permit modification, revocation and reissuance, or termination, or any notification of planned changes or anticipated noncompliance does not stay any permit condition, except as provided in §§ X. and XI. of Regulation No. 3, Part C.

d. The permittee shall furnish to the Air Pollution Control Division, within a reasonable time as specified by the Division, any information that the Division may request in writing to determine whether cause exists for modifying, revoking and reissuing, or terminating the permit or to determine compliance with the permit. Upon request, the permittee shall also furnish to the Division copies of records required to be kept by the permittee, including information claimed to be confidential. Any information subject to a claim of confidentiality shall be specifically identified and submitted separately from information not subject to the claim.

e. Any schedule for compliance for applicable requirements with which the source is not in compliance at the time of permit issuance shall be supplemental, and shall not sanction noncompliance with, the applicable requirements on which it is based.

f. For any compliance schedule for applicable requirements with which the source is not in compliance at the time of permit issuance, the permittee shall submit, at least every 6 months unless a more frequent period is specified in the applicable requirement or by the Air Pollution Control Division, progress reports which contain the following:

(i) dates for achieving the activities, milestones, or compliance required in the schedule for compliance, and dates when such activities, milestones, or compliance were achieved; and

(ii) an explanation of why any dates in the schedule of compliance were not or will not be met, and any preventive or corrective measures adopted.

g. The permittee shall not knowingly falsify, tamper with, or render inaccurate any monitoring device or method required to be maintained or followed under the terms and conditions of the Operating Permit.

4. Emergency Provisions

Regulation No. 3, 5 CCR 1001-5, Part C, § VII.

An emergency means any situation arising from sudden and reasonably unforeseeable events beyond the control of the source, including acts of God, which situation requires immediate corrective action to restore normal operation, and that causes the source to exceed the technology-based emission limitation under the permit due to unavoidable increases in emissions attributable to the emergency. "Emergency" does not include noncompliance to the extent caused by improperly designed equipment, lack of preventative maintenance, careless or improper operation, or operator error. An emergency constitutes an affirmative defense to an enforcement action brought for noncompliance with a technology-based emission limitation if the permittee demonstrates, through properly signed, contemporaneous operating logs, or other relevant evidence that:

a. an emergency occurred and that the permittee can identify the cause(s) of the emergency;

b. the permitted facility was at the time being properly operated;

c. during the period of the emergency the permittee took all reasonable steps to minimize levels of emissions that exceeded the emission standards, or other requirements in the permit; and

d. the permittee submitted oral notice of the emergency to the Air Pollution Control Division no later than noon of the next working day following the emergency, and followed by written notice within one month of the time when emissions limitations were exceeded due to the emergency. This notice must contain a description of the emergency, any steps taken to mitigate emissions, and corrective actions taken.

This emergency provision is in addition to any emergency or upset provision contained in any applicable requirement.

5. Emission Standards for Asbestos

Regulation No. 8, 5 CCR 1001-10, Part B

The permittee shall not conduct any asbestos abatement activities except in accordance with the provisions of Regulation No. 8, Part B, "emission standards for asbestos."

6. Emissions Trading, Marketable Permits, Economic Incentives

Regulation No. 3, 5 CCR 1001-5, Part C, § V.C.13.

No permit revision shall be required under any approved economic incentives, marketable permits, emissions trading and other similar programs or processes for changes that are specifically provided for in the permit.

7. Fee Payment

Regulation No. 3, 5 CCR 1001-5, Part A, § VI.; Part C, § V.C.12.

a. The permittee shall pay an annual emissions fee in accordance with Regulation No. 3, Part A, Section VI. A 1% per month late payment fee shall be assessed against any invoice amounts not paid in full on the 91st day after the date of invoice, unless a permittee has filed a timely protest to the invoice amount.

b. The permittee shall pay a permit processing fee of $50 per hour. If the Division estimates that processing of the permit will take more than 30 hours, it will notify the permittee of its estimate of what the actual charges may be prior to commencing any work exceeding the 30 hour limit.

c. The permittee shall pay an APEN fee of $100 for each APEN or revised APEN filed.

8. Fugitive Particulate Emissions

Regulation No. 1, 5 CCR 1001-3, § III.D.1.

The permittee shall employ such control measures and operating procedures as are necessary to minimize fugitive particulate emissions into the atmosphere, in accordance with the provisions of Regulation No. 1, III.D.1.

9. Inspection and Entry

Regulation No. 3, 5 CCR 1001-5, Part C, § V.C.16.b.

Upon presentation of credentials and other documents as may be required by law, the permittee shall allow the Air Pollution Control Division, or any authorized representative, to perform the following:

a. enter upon the permittee's premises where an Operating Permit source is located, or emissions-related activity is conducted, or where records must be kept under the terms of the permit;

b. have access to, and copy, at reasonable times, any records that must be kept under the conditions of the permit;

c. inspect at reasonable times any facilities, equipment (including monitoring and air pollution control equipment), practices, or operations regulated or required under the Operating Permit;

d. sample or monitor at reasonable times, for the purposes of assuring compliance with the Operating Permit or applicable requirements, any substances or parameters.

10. Minor Permit Modifications

Regulation No. 3, 5 CCR 1001-5, Part C, §§ X. & XI.

The permittee shall submit an application for a minor permit modification before making the change requested in the application. The permit shield shall not extend to minor permit modifications.

11. New Source Review

Regulation No. 3, 5 CCR 1001-5, Part B

The permittee shall not commence construction or modification of a source required to be reviewed under the New Source Review provisions of Regulation No. 3, Part B, without first receiving a construction permit.

12. No Property Rights Conveyed

Regulation No. 3, 5 CCR 1001-5, Part C, § V.C.11.d.

This permit does not convey any property rights of any sort, or any exclusive privilege.

13. Odor

Regulation No. 2, 5 CCR 1001-4

As a matter of state law only, the permittee shall comply with the provisions of Regulation No. 2 concerning odorous emissions.

14. Off-Permit Changes to the Source

Regulation No. 3, 5 CCR 1001-5, Part C, § XII.B.

The permittee shall record any off-permit change to the source that causes the emissions of a regulated pollutant subject to an applicable requirement, but not otherwise regulated under the permit, and the emissions resulting from the change, including

any other data necessary to show compliance with applicable ambient air quality standards. The permittee shall provide contemporaneous notification to the Air Pollution Control Division and to the Environmental Protection Agency at the addresses listed in Appendix D of this Permit . The permit shield shall not apply to any off-permit change.

15. Opacity

Regulation No. 1, 5 CCR 1001-3, §§ I., II.

The permittee shall comply with the opacity emissions limitation set forth in Regulation No. 1, □□ I.-II.

16. Open Burning

Regulation No. 1, 5 CCR 1001-3, §§ II.C.1.

The permittee shall obtain a permit from the Division for any regulated open burning activities in accordance with provisions of Regulation No. 1, □□ II.C.1.

17. Ozone Depleting Compounds

Regulation No. 15, 5 CCR 1001-17

The permittee shall comply with the provisions of Regulation No. 15 concerning emissions of ozone depleting compounds. Sections I., II.C., II.D., III. IV., and V. of Regulation No. 15 shall be enforced as a matter of state law only.

18. Permit Expiration and Renewal

Regulation No. 3, 5 CCR 1001-5, Part C, §§ III.B.6., IV.C., V.C.2.

a. The permit term shall be five (5) years. The permit shall expire at the end of its term. Permit expiration terminates the permittee's right to operate unless a timely and complete renewal application is submitted.

b. Applications for renewal shall be submitted at least twelve months, but not more than 18 months, prior to the expiration of the Operating Permit. An application for permit renewal may address only those portions of the permit that require revision, supplementing, or deletion, incorporating the remaining permit terms by reference from the previous permit. A copy of any materials incorporated by reference must be included with the application.

19. Portable Sources

Regulation No. 3, 5 CCR 1001-5, Part C, § II.D.

Portable Source permittees shall notify the Air Pollution Control Division at least 10 days in advance of each change in location.

20. Prompt Deviation Reporting

Regulation No. 3, 5 CCR 1001-5, Part C, § V.C.7.b.

The permittee shall promptly report any deviation from permit requirements, including those attributable to upset conditions as defined in the permit, the probable cause of such deviations, and any corrective actions or preventive measures taken. Unless required by a permit term or condition to report deviations on a more frequent basis, "prompt" reporting shall entail submission of reports of deviations from permit requirements every six (6) months in accordance with paragraph 21.d. below.

"Prompt reporting" does not constitute an exception to the requirements of "Emergency Provisions" for the purpose of avoiding enforcement actions.

21. Record Keeping and Reporting Requirements

Regulation No. 3, 5 CCR 1001-5, Part A, § II.; Part C, §§ V.C.6., V.C.7.

a. Unless otherwise provided in the source specific conditions of this Operating Permit, the permittee shall maintain compliance monitoring records that include the following information:

(i) date, place as defined in the Operating Permit, and time of sampling or measurements;

(ii) date(s) on which analyses were performed;

(iii) the company or entity that performed the analysis;

(iv) the analytical techniques or methods used;

(v) the results of such analysis; and

(vi) the operating conditions at the time of sampling or measurement.

b. The permittee shall retain records of all required monitoring data and support information for a period of at least five (5) years from the date of the monitoring sample, measurement, report or application. Support information, for this purpose, includes all calibration and maintenance records and all original strip-chart recordings for continuous monitoring instrumentation, and copies of all reports required by the Operating Permit. With prior approval of the Air Pollution Control Division, the permittee may maintain any of the above records in a computerized form.

c. Permittees must retain records of all required monitoring data and support information for the most recent twelve (12) month period, as well as compliance certifications for the past five (5) years on-site at all times. A permittee shall make available for the Air Pollution Control Division's review all other records of required monitoring data and support information required to be retained by the permittee upon 48 hours advance notice by the Division.

d. The permittee shall submit to the Air Pollution Control Division all reports of any required monitoring at least every six (6) months, unless an applicable requirement, the enhanced monitoring rule, or the Division requires submission on a more frequent basis. All instances of deviations from any permit requirements must be clearly identified in such reports.

e. The permittee shall file an Air Pollutant Emissions Notice ("APEN") prior to constructing, modifying, or altering any facility, process, activity which constitutes a stationary source from which air pollutants are or are to be emitted, unless such source is exempt from the APEN filing requirements of Regulation No. 3, Part A, § II.D. A revised APEN shall be filed annually whenever a significant change in emissions, as defined in Regulation No. 3, Part A, § II.C.2., occurs; whenever there is a change in owner or operator of any facility, process, or activity; whenever new control equipment is installed; whenever a different type of control equipment replaces an existing type of control equipment; whenever a permit limitation must be modified; or before the APEN expires. An APEN is valid for a period of five years. The five-year period recommences when a revised APEN is received by the Air Pollution Control Division. Revised APENs shall be submitted no later than 30 days before the five-year term expires. Permittees submitting revised APENs to inform the Division of a change in actual emission rates must do so by April 30 of the following year. Where a permit revision is required, the revised APEN must be filed along with a request for permit

revision. APENs for changes in control equipment must be submitted before the change occurs. Annual fees are based on the most recent APEN on file with the Division.

22. Reopenings for Cause

Regulation No. 3, 5 CCR 1001-5, Part C, § XIII.

a. The Air Pollution Control Division shall reopen, revise, and reissue Operating Permits; permit reopenings and reissuance shall be processed using the procedures set forth in Regulation No. 3, Part C, § III., except that proceedings to reopen and reissue permits affect only those parts of the permit for which cause to reopen exists.

b. The Division shall reopen a permit whenever additional applicable requirements become applicable to a major source with a remaining permit term of three or more years, unless the effective date of the requirements is later than the date on which the permit expires, or unless a general permit is obtained to address the new requirements; whenever additional requirements (including excess emissions requirements) become applicable to an affected source under the acid rain program; whenever the Division determines the permit contains a material mistake or that inaccurate statements were made in establishing the emissions standards or other terms or conditions of the permit; or whenever the Division determines that the permit must be revised or revoked to assure compliance with an applicable requirement.

c. The Division shall provide 30 days' advance notice to the permittee of its intent to reopen the permit, except that a shorter notice may be provided in the case of an emergency.

d. The permit shield shall extend to those parts of the permit that have been changed pursuant to the reopening and reissuance procedure.

23. Section 502(b)(10) Changes

Regulation No. 3, 5 CCR 1001-5, Part C, § XII.A.

The permittee shall provide a minimum 7-day advance notification to the Air Pollution Control Division and to the Environmental Protection Agency at the addresses listed in Appendix D of this Permit. The permittee shall attach a copy of each such notice given to its Operating Permit.

24. Severability Clause

Regulation No. 3, 5 CCR 1001-5, Part C, § V.C.10.

In the event of a challenge to any portion of the permit, all emissions limits, specific and general conditions, monitoring, record keeping and reporting requirements of the permit, except those being challenged, remain valid and enforceable.

25. Significant Permit Modifications

Regulation No. 3, 5 CCR 1001-5, Part C, §III.B.2.

The permittee shall not make a significant modification required to be reviewed under Regulation No. 3, Part B ("Construction Permit" requirements) without first receiving a construction permit. The permittee shall submit a complete Operating Permit application or application for an Operating Permit revision for any new or modified source within twelve months of commencing operation, to the address listed in Item 1 in Appendix D of this permit. If the permittee chooses to use the "Combined Construction/Operating Permit" application procedures of Regulation No. 3, Part C, then the Operating Permit must be received prior to commencing construction of the new or modified source.

26. Special Provisions Concerning the Acid Rain Program

Regulation No. 3, 5 CCR 1001-5, Part C, §§ V.C.1.b. & 8

a. Where an applicable requirement of the federal act is more stringent than an applicable requirement of regulations promulgated under Title IV of the federal act, 40 Code of Federal Regulations (CFR) Part 72, both provisions shall be incorporated into the permit and shall be federally enforceable.

b. Emissions exceeding any allowances that the source lawfully holds under Title IV of the federal act or the regulations promulgated thereunder, 40 CFR Part 72, are expressly prohibited.

27. Transfer or Assignment of Ownership

Regulation No. 3, 5 CCR 1001-5, Part C, § II.C.

No transfer or assignment of ownership of the Operating Permit source will be effective unless the prospective owner or operator applies to the Air Pollution Control Division on Division-supplied Administrative Permit Amendment forms, for reissuance of the existing Operating Permit. No administrative permit shall be complete until a written agreement containing a specific date for transfer of permit, responsibility, coverage, and liability between the permittee and the prospective owner or operator has been submitted to the Division.

28. Volatile Organic Compounds

Regulation No. 7, 5 CCR 1001-9, §§ III & V.

a. For sources located in an ozone non-attainment area or the Denver Metro Attainment Maintenance Area, all storage tank gauging devices, anti-rotation devices, accesses, seals, hatches, roof drainage systems, support structures, and pressure relief valves shall be maintained and operated to prevent detectable vapor loss except when opened, actuated, or used for necessary and proper activities (e.g. maintenance). Such opening, actuation, or use shall be limited so as to minimize vapor loss.

Detectable vapor loss shall be determined visually, by touch, by presence of odor, or using a portable hydrocarbon analyzer. When an analyzer is used, detectable vapor loss means a VOC concentration exceeding 10,000 ppm. Testing shall be conducted as in Regulation No. 7, Section VIII.C.3.

Except when otherwise provided by Regulation No. 7, all volatile organic compounds, excluding petroleum liquids, transferred to any tank, container, or vehicle compartment with a capacity exceeding 212 liters (56 gallons), shall be transferred using submerged or bottom filling equipment. For top loading, the fill tube shall reach within six inches of the bottom of the tank compartment. For bottom-fill operations, the inlet shall be flush with the tank bottom.

b. The permittee shall not dispose of volatile organic compounds by evaporation or spillage unless Reasonably Available Control Technology (RACT) is utilized.

29. Wood Stoves and Wood burning Appliances

Regulation No. 4, 5 CCR 1001-6

The permittee shall comply with the provisions of Regulation No. 4 concerning the advertisement, sale, installation, and use of wood stoves and wood burning appliances.

OPERATING PERMIT APPENDICES

A - INSPECTION INFORMATION
B - COMPLIANCE MONITORING REPORT FORMAT
C - COMPLIANCE CERTIFICATION REPORT FORMAT
D - NOTIFICATION ADDRESSES
E - PERMIT ACRONYMS
F - PERMIT MODIFICATIONS

*DISCLAIMER:

None of the information found in these Appendices shall be considered to be State or Federally enforceable, except as otherwise provided in the permit, and is presented to assist the source, permitting authority, inspectors, and citizens.

APPENDIX A - Inspection Information

Directions to Plant:

The facility is located approximately 12 miles south of the town of Rangely on S.H. 139 in Rio Blanco County.

Safety Equipment Required:

The applicant did not provide a list of required safety equipment for this facility. Based on information supplied in other applications, the following equipment is recommended:

Eye Protection
Hard Hat
Safety Shoes
Hearing Protection
Flame Resistant Clothing

Facility Plot Plan:

The plot plan submitted on December 30, 1994 with the source's Title V Operating Permit Application was designated as confidential information and thus is not included in this Appendix.

List of Insignificant Activities:

The following list of insignificant activities was provided by the source to assist in the understanding of the facility layout. Since there is no requirement to update such a list, activities may have changed since the last filing.

Insignificant activities and/or sources of emissions as submitted in the application are as follows:

Lube Oil Storage Tank (71 barrel)
Glycol Storage Tanks (2, 5, 5, 7 and 12 barrel)
Condensate Storage Tanks (100 and 300 barrel)
Propane Storage Tank (24 barrel)
Natural Gas Liquids Storage Tanks (4 @ 1,000 barrels each)

APPENDIX B
Reporting Requirements and Definitions
with codes ver 9/1/00

Please note that, pursuant to 113(c)(2) of the federal Clean Air Act, any person who knowingly:

(A) makes any false material statement, representation, or certification in, or omits material information from, or knowingly alters, conceals, or fails to file or maintain any notice, application, record, report, plan, or other document required pursuant to the Act to be either filed or maintained (whether with respect to the requirements imposed by the Administrator or by a State);

(B) fails to notify or report as required under the Act; or

(C) falsifies, tampers with, renders inaccurate, or fails to install any monitoring device or method required to be maintained or followed under the Act shall, upon conviction, be punished by a fine pursuant to title 18 of the United States Code, or by imprisonment for not more than 2 years, or both. If a conviction of any person under this paragraph is for a violation committed after a first conviction of such person under this paragraph, the maximum punishment shall be doubled with respect to both the fine and imprisonment.

The permittee must comply with all conditions of this operating permit. Any permit noncompliance constitutes a violation of the Act and is grounds for enforcement action; for permit termination, revocation and reissuance, or modification; or for denial of a permit renewal application.

The Part 70 Operating Permit program requires three types of reports to be filed for all permits.
All required reports must be certified by a responsible official.

Report #1: Monitoring Deviation Report (due at least every six months)

For purposes of this operating permit, the Division is requiring that the monitoring reports are due every six months unless otherwise noted in the permit. All instances of deviations from permit monitoring requirements must be clearly identified in such reports.

For purposes of this operating permit, monitoring means any condition determined by observation, by data from any monitoring protocol, or by any other monitoring which is required by the permit as well as the recordkeeping associated with that monitoring. This would include, for example, fuel use or process rate monitoring, fuel analyses, and operational or control device parameter monitoring.

Report #2: Permit Deviation Report (must be reported "promptly")

In addition to the monitoring requirements set forth in the permits as discussed above, each and every requirement of the permit is subject to deviation reporting. The reports must address deviations from permit requirements, including those attributable to upset conditions and malfunctions as defined in this Appendix, the probable cause of such deviations, and any corrective actions or preventive measures taken. All deviations from any term or condition of the permit are required to be summarized or referenced in the annual compliance certification.

For purposes of this operating permit, "upset" shall refer to both emergency conditions and upsets. Additional discussion on these conditions is provided later in this Appendix.

For purposes of this operating permit, the Division is requiring that the permit deviation reports are due every six months unless otherwise noted in the permit. Where the underlying applicable requirement contains a definition of prompt or otherwise specifies a time frame for reporting deviations, that definition or time frame shall govern. For example, quarterly Excess Emission Reports required by an NSPS or Regulation No. 1, Section IV.

In addition to the monitoring deviations discussed above, included in the meaning of deviation for the purposes of this operating permit are any of the following:

(1) A situation where emissions exceed an emission limitation or standard contained in the permit;

(2) A situation where process or control device parameter values demonstrate that an emission limitation or standard contained in the permit has not been met;

(3) A situation in which observations or data collected demonstrates noncompliance with an emission limitation or standard or any work practice or operating condition required by the permit; or,

(4) A situation in which an excursion or exceedance as defined in 40CFR Part 64 (the Compliance Assurance Monitoring (CAM) Rule) has occurred.

For reporting purposes, the Division has combined the Monitoring Deviation Report with the Permit Deviation Report. All deviations shall be reported using the following codes:

1 = Standard: When the requirement is an emission limit or standard
2 = Process: When the requirement is a production/process limit
3 = Monitor: When the requirement is monitoring
4 = Test: When the requirement is testing
5 = Maintenance: When required maintenance is not performed
6 = Record: When the requirement is recordkeeping

7 = Report: When the requirement is reporting
8 = CAM: A situation in which an excursion or exceedance as defined in 40CFR Part 64 (the Compliance Assurance Monitoring (CAM) Rule) has occurred.
9 = Other: When the deviation is not covered by any of the above categories

Report #3: Compliance Certification (annually, as defined in the permit)

Submission of compliance certifications with terms and conditions in the permit, including emission limitations, standards, or work practices, is required not less than annually.

Compliance Certifications are intended to state the compliance status of each requirement of the permit over the certification period. They must be based, at a minimum, on the testing and monitoring methods specified in the permit that were conducted during the relevant time period. In addition, if the owner or operator knows of other material information (i.e. information beyond required monitoring that has been specifically assessed in relation to how the information potentially affects compliance status), that information must be identified and addressed in the compliance certification. The compliance certification must include the following:

- The identification of each term or condition of the permit that is the basis of the certification;
- The identification of the method(s) or other means used by the owner or operator for determining the compliance status with each permit term and condition during the certification period and whether such methods or other means provide continuous or intermittent data. Such methods and other means shall include, at a minimum, the methods and means required in the permit. If necessary, the owner or operator also shall identify any other material information that must be included in the certification to comply with section 113(c)(2) of the Federal Clean Air Act, which prohibits knowingly making a false certification or omitting material information;
- The status of compliance with the terms and conditions of the permit, and whether compliance was continuous or intermittent. The certification shall identify each deviation and take it into account in the compliance certification. Note that not all deviations are considered violations.[1]

[1] For example, given the various emissions limitations and monitoring requirements to which a source may be subject, a deviation from one requirement may not be a deviation under another requirement which recognizes an exception and/or special circumstances relating to that same event. Further, periods of excess emissions during startup, shutdown and malfunction may not be found to be a violation of an emission limitation or standard where the source adequately shows that any potential deviations as a result of these infrequent periods were minimized to the extent practicable and could not have been prevented through careful planning, design, or were unavoidable to prevent loss of life, personal injury, or severe property damage.

- Such other facts as the Division may require, consistent with the applicable requirements to which the source is subject, to determine the compliance status of the source.

The Certification shall also identify as possible exceptions to compliance any periods during which compliance is required and in which an excursion or exceedance as defined under 40CFR Part 64 (the Compliance Assurance Monitoring (CAM) Rule) has occurred.

Note the requirement that the certification shall identify each deviation and take it into account in the compliance certification. Previously submitted deviation reports, including the deviation report submitted at the time of the annual certification, may be referenced in the compliance certification.

Startup, Shutdown, Malfunctions, Emergencies, and Upsets

Understanding the application of Startup, Shutdown, Malfunctions, Emergency provisions, and the Upset provisions is very important in both the deviation reports and the annual compliance certifications.

Startup, Shutdown, and Malfunctions

Please note that exceedances of some New Source Performance Standards (NSPS) and Maximum Achievable Control Technology (MACT) standards that occur during Startup, Shutdown or Malfunctions may not be considered to be non-compliance since emission limits or standards often do not apply unless specifically stated in the NSPS. Such exceedances must, however, be reported as excess emissions per the NSPS/MACT rules and would still be noted in the deviation report. In regard to compliance certifications, the permittee should be confident of the information related to those deviations when making compliance determinations since they are subject to Division review. The concepts of Startup, Shutdown and Malfunctions also exist for Best Available Control Technology (BACT) sources, but are not applied in the same fashion as for NSPS and MACT sources.

Emergencies and Upsets

Under the Emergency provisions of Part 70 and the Upset provisions of the State regulations, certain operational conditions may act as an affirmative defense against enforcement action if they are properly reported.

DEFINITIONS

Malfunction (NSPS) means any sudden, infrequent, and not reasonably preventable failure of air pollution control equipment, process equipment, or a process to operate in a normal or usual manner. Failures that are caused in part by poor maintenance or careless operation are not malfunctions.

Malfunction (SIP) means any sudden and unavoidable failure of air pollution control equipment or process equipment or unintended failure of a process to operate in a normal or usual manner. Failures that are primarily caused by poor maintenance, careless operation, or any other preventable upset condition or preventable equipment breakdown shall not be considered malfunctions.

Emergency means any situation arising from sudden and reasonably unforeseeable events beyond the control of the source, including acts of God, which situation requires immediate corrective action to restore normal operation, and that causes the source to exceed a technology-based emission limitation under the permit, due to unavoidable increases in emissions attributable to the emergency. An emergency shall not include noncompliance to the extent caused by improperly designed equipment, lack of preventative maintenance, careless or improper operation, or operator error.

Upset means an unpredictable failure of air pollution control or process equipment which results in the violation of emission control regulations and which is not due to poor maintenance, improper or careless operations, or is otherwise preventable through exercise of reasonable care.

APPENDIX B: Monitoring and Permit Deviation Report - Part I

1. Following is the **required** format for the Monitoring and Permit Deviation report to be submitted to the Division on a semi-annual basis unless otherwise noted in the permit. The Table below must be completed for all equipment or processes for which specific Operating Permit terms exist.

2. Part II of this Appendix B shows the format and information the Division will require for describing periods of monitoring and permit deviations, or upset or emergency conditions as indicated in the Table below. One Part II Form must be completed for each Deviation. Previously submitted reports (e.g. EER's or Upsets) may be referenced and the form need not be filled out in its entirety.

FACILITY NAME: Canyon Gas Resources, Inc. – N. Douglas Creek
OPERATING PERMIT NO: 95OPRB011
REPORTING PERIOD:_____ (see first page of the permit for specific reporting period and dates)

Operating Permit Unit ID	Unit Description	Deviations noted During Period?[1]		Deviation Code [2]	Upset/Emergency Condition Reported During Period?	
		YES	NO		YES	NO
P001	Cooper Superior Model 12GTLA Natural Gas Fired Internal Combustion Engine, 4-Cycle, Lean Burn, Site Rate at 1,449 HP, Serial Number 275449					
P002	Cooper Superior Model 12GTLA Natural Gas Fired Internal Combustion Engine, 4-Cycle, Lean Burn, Site Rate at 1,449 HP, Serial Number 285099					
P003	Superior Model 8G825 Natural Gas Fired Internal Combustion Engine, 4-Cycle, Lean Burn, Site Rated at 650 HP, Serial Number 277179					
P004	Custom Ethylene Glycol Dehydration Unit, 22 MMscf/day, with 0.8 MMBtu/hr burner					
P005	Facility Fugitive Volatile Organic Compound Emissions					
P006	Olman Heath Glycol Dehydration Unit, Model 757, 18 MMscf/day, with 1.0 MMBtu/hour burner					
General Conditions						
Insignificant Activities						

[1] See previous discussion regarding what is considered to be a deviation. Determination of whether or not a deviation has occurred shall be based on a reasonable inquiry using readily available information.

1 = Standard:	When the requirement is an emission limit or standard
2 = Process:	When the requirement is a production/process limit
3 = Monitor:	When the requirement is monitoring
4 = Test:	When the requirement is testing
5 = Maintenance:	When required maintenance is not performed
6 = Record:	When the requirement is recordkeeping
7 = Report:	When the requirement is reporting
8 = CAM:	A situation in which an excursion or exceedance as defined in 40CFR Part 64 (the Compliance Assurance Monitoring (CAM) Rule) has occurred.
9 = Other:	When the deviation is not covered by any of the above categories

APPENDIX B: Monitoring and Permit Deviation Report - Part II

FACILITY NAME: Canyon Gas Resources, Inc. – N. Douglas Creek
OPERATING PERMIT NO: 95OPRB011
REPORTING PERIOD:

Is the deviation being claimed as an: Emergency _____ Upset _____ N/A

(For NSPS/MACT) Did the deviation occur during: Startup _____ Shutdown _____ Malfunction _____

Normal Operation _____

OPERATING PERMIT UNIT IDENTIFICATION:

Operating Permit Condition Number Citation

Explanation of Period of Deviation

Duration (start/stop date & time)

Action Taken to Correct the Problem

Measures Taken to Prevent a Reoccurrence of the Problem

Dates of Upsets/Emergencies Reported (if applicable)

Deviation Code _____ Division Code QA: _____

SEE EXAMPLE ON THE NEXT PAGE

EXAMPLE

FACILITY NAME: Acme Corp.
OPERATING PERMIT NO: 96OPZZXXX
REPORTING PERIOD: 1/1/96 - 6/30/96

Is the deviation being claimed as an: Emergency _____ Upset __XX____ N/A

(For NSPS/MACT) Did the deviation occur during: Startup _____ Shutdown _____ Malfunction
Normal Operation _____

OPERATING PERMIT UNIT IDENTIFICATION:

Asphalt Plant with a Scrubber for Particulate Control - Unit XXX

Operating Permit Condition Number Citation

Section II, Condition 3.1 - Opacity Limitation

Explanation of Period of Deviation

Slurry Line Feed Plugged

Duration

START- 1730 4/10/96
END- 1800 4/10/96

Action Taken to Correct the Problem

Line Blown Out

Measures Taken to Prevent Reoccurrence of the Problem

Replaced Line Filter

Dates of Upsets/Emergencies Reported (if applicable)

4/10/96 to S. Busch, APCD

Deviation Code _____ Division Code QA: _____

APPENDIX B: Monitoring and Permit Deviation Report - Part III

REPORT CERTIFICATION

SOURCE NAME: Canyon Gas Resources, Inc. – N. Douglas Creek

FACILITY IDENTIFICATION NUMBER: 1030018

PERMIT NUMBER: 95OPRB011

REPORTING PERIOD:_____ (see first page of the permit for specific reporting period and dates)

All information for the Title V Semi-Annual Deviation Reports must be certified by a responsible official. The responsible official signing this certification must be pre-approved by the Division in accordance with Colorado Regulation No. 3, Part A, Section I.B.54. This signed certification document must be packaged with the documents being submitted.

STATEMENT OF COMPLETENESS

I have reviewed the information being submitted in its entirety and, based on information and belief formed after reasonable inquiry, I certify that the statements and information contained in this submittal are true, accurate and complete.

Please note that the Colorado Statutes state that any person who knowingly, as defined in Sub-Section 18-1-501(6), C.R.S., makes any false material statement, representation, or certification in this document is guilty of a misdemeanor and may be punished in accordance with the provisions of Sub-Section 25-7 122.1, C.R.S.

_____

Printed or Typed Name | Title

_____

Signature of Responsible Official | Date Signed

Note: Deviation reports shall be submitted to the Division at the address given in Appendix D of this permit. No copies need be sent to the U.S. EPA.

APPENDIX C
Required Format for Annual Compliance Certification Report

Following is the format for the Compliance Certification report to be submitted to the Division and the U.S. EPA annually based on the effective date of the permit. The Table below must be completed for all equipment or processes for which specific Operating Permit terms exist.

FACILITY NAME: Canyon Gas Resources, Inc. – N. Douglas Creek
OPERATING PERMIT NO: 95OPRB011
REPORTING PERIOD:

I. Facility Status

___ During the entire reporting period, this source was in compliance with **ALL** terms and conditions contained in the Permit, each term and condition of which is identified and included by this reference. The method(s) used to determine compliance is/are the method(s) specified in the Permit.

___ With the possible exception of the deviations identified in the table below, this source was in compliance with all terms and conditions contained in the Permit, each term and condition of which is identified and included by this reference, during the entire reporting period. The method used to determine compliance for each term and condition is the method specified in the Permit, unless otherwise indicated and described in the deviation report(s) . Note that not all deviations are considered violations.

Operating Permit Unit ID	Unit Description	Deviations Reported [1]		Monitoring Method per Permit?[2]		Was compliance continuous or intermittent?[3]		Was Data Continuous?[4]	
		Previous	Current	YES	NO	Continuous	Intermittent	YES	NO
P001	Cooper Superior Model 12GTLA Natural Gas Fired Internal Combustion Engine, 4-Cycle, Lean Burn, Site Rate at 1,449 HP, Serial Number 275449								
P002	Cooper Superior Model 12GTLA Natural Gas Fired Internal Combustion Engine, 4-Cycle, Lean Burn, Site Rate at 1,449 HP, Serial Number 285099								
P003	Superior Model 8G825 Natural Gas Fired Internal Combustion								

Operating Permit Unit ID	Unit Description	Deviations Reported [1]		Monitoring Method per Permit?[2]		Was compliance continuous or intermittent?[3]		Was Data Continuous?[4]	
		Previous	Current	YES	NO	Continuous	Intermittent	YES	NO
	Engine, 4-Cycle, Lean Burn, Site Rated at 650 HP, Serial Number 277179								
P004	Custom Ethylene Glycol Dehydration Unit, 22 MMscf/day, with 0.8 MMBtu/hr burner								
P005	Facility Fugitive Volatile Organic Compound Emissions								
P006	Olman Heath Glycol Dehydration Unit, Model 757, 18 MMscf/day, with 1.0 MMBtu/hour burner								
General Conditions									
Insignificant Activities [5]									

[1] If deviations were noted in the previous deviation report (i.e. for the first six months of the annual reporting period), put an "X" under "previous". If deviations were noted in the current deviation report (i.e. for the last six months of the annual reporting period), put an "X" under "current". Mark both columns if both apply.

[2] Note whether the method(s) used to determine the compliance status with each term and condition was the method(s) specified in the permit. If it was not, mark "no"and attach additional information/explanation.

[3] Note whether the compliance status with of each term and condition provided was continuous or intermittent. "Intermittent Compliance" can mean either that noncompliance has occurred or that the owner or operator has data sufficient to certify compliance only on an intermittent basis. Certification of intermittent compliance therefore does not necessarily mean that any noncompliance has occurred.

March 2000

The Periodic Monitoring requirements of the Operating Permit program rule are intended to provide assurance that even in the absence of a continuous system of monitoring the Title V source can demonstrate whether it has operated in continuous compliance for the duration of the reporting period. Therefore, if a source 1) conducts all of the monitoring and recordkeeping required in its permit, even if such activities are done periodically and not continuously, and if 2) such monitoring and recordkeeping does not indicate non-compliance, and if 3) the Responsible Official is not aware of any credible evidence that indicates non-compliance, then the Responsible Official can certify that the emission point(s) in question were in continuous compliance during the applicable time period.

[4] Note whether the method(s) used to determine the compliance status with each term and condition provided continuous or intermittent data.

[5] Compliance status for these sources shall be based on a reasonable inquiry using readily available information.

II. Status for Accidental Release Prevention Program:

A. This facility _____ is subject _____ is not subject to the provisions of the Accidental Release Prevention Program (Section 112(r) of the Federal Clean Air Act)

B. If subject: The facility _____ is _____ is not in compliance with all the requirements of section 112(r).

1. A Risk Management Plan _____ will be _____ has been submitted to the appropriate authority and/or the designated central location by the required date.

III.. Certification

I have reviewed this certification in its entirety and, based on information and belief formed after reasonable inquiry, I certify that the statements and information contained in this certification are true, accurate and complete.

Please note that the Colorado Statutes state that any person who knowingly, as defined in § 18-1-501(6), C.R.S., makes any false material statement, representation, or certification in this document is guilty of a misdemeanor and may be punished in accordance with the provisions of § 25-7 122.1, C.R.S.

_____

Printed or Typed Name Title

_____

Signature Date Signed

NOTE: All compliance certifications shall be submitted to the Air Pollution Control Division and to the Environmental Protection Agency at the addresses listed in Appendix D of this Permit.

APPENDIX D
Notification Addresses

1. **Air Pollution Control Division**

Colorado Department of Public Health and Environment
Air Pollution Control Division
Operating Permits Unit
APCD-SS-B1
4300 Cherry Creek Drive S.
Denver, CO 80246

ATTN: Jim King

2. **United States Environmental Protection Agency**

Compliance Notifications:

Office of Enforcement, Compliance and Environmental Justice
Mail Code 8ENF
U.S. Environmental Protection Agency, Region VIII
999 18th Street, Suite 500
Denver, CO 80202

Permit Modifications, Off Permit Changes:

Office of Pollution Prevention, State and Tribal Programs
Air Program, 8P-AR
U.S. Environmental Protection Agency, Region VIII
999 18th Street, Suite 300
Denver, CO 80202

APPENDIX E
Permit Acronyms

Listed Alphabetically:

AIRS -	Aerometric Information Retrieval System
AP-42 -	EPA Document Compiling Air Pollutant Emission Factors
APEN -	Air Pollution Emission Notice (State of Colorado)
APCD -	Air Pollution Control Division (State of Colorado)
ASTM -	American Society for Testing and Materials
BACT -	Best Available Control Technology
BTU -	British Thermal Unit
CAA -	Clean Air Act (CAAA = Clean Air Act Amendments)
CCR -	Colorado Code of Regulations
CEM -	Continuous Emissions Monitor
CF -	Cubic Feet (SCF = Standard Cubic Feet)
CFR -	Code of Federal Regulations
CO -	Carbon Monoxide
COM -	Continuous Opacity Monitor
CRS -	Colorado Revised Statute
EPA -	Environmental Protection Agency
FR -	Federal Register
G -	Grams
Gal -	Gallon
HAPs -	Hazardous Air Pollutants
HP -	Horsepower
HP-HR -	Horsepower Hour (G/HP-HR = Grams per Horsepower Hour)
LAER -	Lowest Achievable Emission Rate
LBS -	Pounds
M -	Thousand
MM -	Million
MMscf -	Million Standard Cubic Feet
MMscfd -	Million Standard Cubic Feet per Day
N/A or NA -	Not Applicable
NOx -	Nitrogen Oxides
NESHAP -	National Emission Standards for Hazardous Air Pollutants
NSPS -	New Source Performance Standards
PM -	Particulate Matter
PM_{10} -	Particulate Matter Under 10 Microns
PSD -	Prevention of Significant Deterioration
PTE -	Potential To Emit
RACT -	Reasonably Available Control Technology

SCC -	Source Classification Code
SCF -	Standard Cubic Feet
SIC -	Standard Industrial Classification
SO_2 -	Sulfur Dioxide
TPY -	Tons Per Year
TSP -	Total Suspended Particulate
VOC -	Volatile Organic Compounds

APPENDIX F
Permit Modifications

DATE OF REVISION	SECTION NUMBER, CONDITION NUMBER	DESCRIPTION OF REVISION
August 31, 2001	Cover pages	Revised company name and address, contact person, responsible official, phone numbers, SIC, nature of business. Revised Monitoring Report and Compliance Certification due dates.
	Section I, Item 2	Revised Alternative Operating Scenario language to reflect the current version
	Section I, Item 4	Revised Accidental Release language
	Section II, Conditions 1.4, 2.4 and 3.3 and Tables 1, 2 and 3	Revised opacity language to reflect current version
	Section II, Table 2	Raised NOx and CO emission limit
	Section II, Table 6	Raised VOC emission limit
	Appendix B and C	Changed to current version