

**Air Pollution Control
Title V Permit to Operate
Statement of Basis for Permit No. V-SU-0028-06.02
Administrative Amendment**

**El Paso Natural Gas Company
Bondad Compressor Station
Southern Ute Indian Reservation
La Plata County, Colorado**

1. Facility Information

a. Location

The Bondad Compressor Station is owned and operated by El Paso Natural Gas Company (“El Paso”) and is located within the exterior boundary of the Southern Ute Indian Reservation, in the southwestern part of the State of Colorado. The exact location is SE ¼ of Section 13, T33N, R9W, La Plata County, Colorado. The plant mailing address is:

Bondad Compressor Station
3801 Atrisco Blvd., NW
Albuquerque, New Mexico 87120

b. Contacts

Facility Contact:

Richard Duarte, Albuquerque Division Environmental Representative
El Paso Natural Gas Company
3801 Atrisco Blvd., NW
Albuquerque, New Mexico 87120
505-831-7763

Responsible Official:

Sam A. Armenta, Albuquerque Division Director
El Paso Natural Gas Company
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Tribal Contact:

James Temte
Air Program Manager - Southern Ute Indian Tribe
970-563-4705

c. Description of Operations

The Bondad facility is a compressor station that transports pipeline quality natural gas for distribution. The natural gas enters the Bondad facility and passes through scrubbers to knock out any liquids. The gas is then compressed to pipeline pressure and cooled to meet pipeline specifications. The compressors are driven by three (3) natural gas-fired turbines. The three turbines may operate in combination depending on the pipeline conditions and market demands. The Bondad facility transports only pipeline quality natural gas. No dehydration or other treatment of the natural gas is done at this facility.

2. Description of Permit Amendment

EPA discovered that the citation identifying the origin of EPA's authority for the condition in Section II.C.2. of the currently effective permit (#V-SU-0028-06.01) was incorrect. The citation for the condition in the effective permit is currently identified as 40 CFR 60.334(c), from the Standards of Performance for Stationary Gas Turbines, found in part 60, subpart GG, which is only partially correct. 40 CFR 60.334(c) provides EPA the authority to allow El Paso to demonstrate compliance with the applicable NO_x emission limit under §60.332 by using a previously approved procedure for monitoring - in this case, the Portable Analyzer Monitoring Protocol, the current protocol of which was approved by EPA on January 24, 2008.

Prior to promulgation of amendments to subpart GG in July 2004 (69 FR 41360), 40 CFR part 60, subpart GG required only a one-time compliance test and no periodic monitoring to assure compliance with the applicable NO_x limit for turbines in §60.332. In the initial operating permit, issued in November 2003, EPA required quarterly portable analyzer monitoring under the authority governed by 40 CFR 71.6(a)(3)(i)(B). This authority authorizes a sufficiency review of monitoring and testing in an existing emissions standard, and enhancement of that monitoring or testing through the permit, when the standard requires no periodic testing or instrumental or non-instrumental monitoring, specifies no frequency, or requires only a one-time test. The July 2004 amendments to subpart GG added requirements to periodically monitor NO_x emissions in order to assure compliance with the limits, but provided options for demonstrating that compliance in order to make it easier for sources that may have already had an approved periodic monitoring program in place. The origin of authority for the condition in Section II.C.2. should have been identified as both 40 CFR 60.334(c) *and* the enhanced periodic monitoring provisions in 40 CFR 71.6(a)(3)(i)(B). The operating permit for the Bondad Compressor Station was re-opened for cause pursuant to 40 CFR 71.7(f) to correct the citation.

While the permit was open, EPA also took the opportunity to add clarification to some existing permit conditions. EPA provided clarification of the turbine replacement language in Section III.D. Alternative Operating Scenarios to ensure that El Paso understands when and how those provisions may be used.

The following modifications have been made to this permit:

- Permit Issuance Cover Page
 1. Permit Revision History was updated.
- Section II.C.2. Monitoring Requirements
 1. Citation for the origin of authority was revised from “40 CFR 60.334(c)” to “40 CFR 334(c) and 40 CFR 71.6(a)(3)(i)(B)”.
- Section III.D. Alternative Operating Scenarios
 1. Revised explanatory note for clarification of when and how the provision may be used.

The permit modifications described above are administrative in nature and do not alter any existing enforceable requirements of the permit; therefore, the modifications qualify as administrative amendments, according to 40 CFR 71.7(d), and EPA has amended the permit in accordance with the requirements of permit Section IV.H. The permit will be reissued as permit number V-SU-0028-06.02.

For specific applicability information regarding the part 71 permit for this facility, please see the Statement of Basis for permit number V-SU-0028-06.00.

**Air Pollution Control
Title V Permit to Operate
Statement of Basis for Draft Permit No. V-SU-0028-06.00
Renewal #1**

**El Paso Natural Gas Company
Bondad Compressor Station
Southern Ute Reservation
La Plata County, Colorado**

1. Facility Information

a. Location

El Paso Natural Gas Company's Bondad Compressor Station is located within the exterior boundaries of the Southern Ute Indian Reservation, in the southwestern part of the State of Colorado, in La Plata County. The Bondad Compressor Station is located in the SE 1/4 of Section 13, T33N, R9W.

b. Company Contacts

Facility contact:

Richard Duarte
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Responsible official:

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El Paso Natural Gas Company
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c. Process Description

The Bondad facility is a compressor station that transports pipeline quality natural gas for distribution. The natural gas enters the Bondad facility and passes through scrubbers to knock out any liquids. The gas is then compressed to pipeline pressure and cooled to meet pipeline specifications. The compressors are driven by three (3) natural gas-fired turbines. The three turbines may operate in combination depending on the pipeline conditions and market demands. The Bondad facility transports only pipeline quality natural gas. No dehydration or other treatment of the natural gas is done at this facility.

d. List of all units and emission-generating activities

El Paso Natural Gas Company provided in its application the information contained in Tables 1 and 2 for the Bondad Compressor Station. Table 1 lists emission units and emission generating activities, including any air pollution control devices. Emission units identified as “insignificant” are listed separately in Table 2 for the Bondad Compressor Station. The Waukesha F1197GU natural gas-fired engine is now listed as an emission unit as it is reported as having emissions higher than the insignificant emission level.

**Table 1 - Emission Units
El Paso Natural Gas Company
Bondad Compressor Station**

Emission Unit Id.	Description	1. Installation Date 2. Maximum design heat input 3. Fuel type 4. Use 5. Serial Number	Control Equipment
A-01	Solar Centaur 50-T6202L	1. Installed 03/19/2004 2. 39.95 MMBtu/hr 3. natural gas 4. Simple cycle turbine 5. CC80013	None
A-02	Solar Centaur 50-T6202L	1. Installed 02/29/2004 2. 39.95 MMBtu/hr 3. natural gas 4. Simple cycle turbine 5. CC80014	None
B-01	Solar Centaur 50-6202LS	1. Installed 04/28/2004 2. 39.95 MMBtu/hr 3. natural gas 4. Simple cycle turbine 5. CC91308	None
AUX A-01	Waukesha F1197GU	1. Installed 12/1981 2. 2.5MMBtu/hr (275 hp) 3. natural gas 3. gas fired engine 5. 360792	None

Part 71 allows sources to separately list in the permit application units or activities that qualify as “insignificant” based on potential emissions below 2 tons/year for all regulated pollutants that are not listed as hazardous air pollutants (“HAP”) under Section 112(b) and below 1000 lbs/year or the de minimus level established under Section 112(g), whichever is lower, for HAPs. However, the application may not omit information needed to determine the applicability of, or to impose, any applicable requirement, or to calculate the fee. Units that qualify as “insignificant” for the purposes of the part 71 application are in no way exempt from applicable requirements or any requirements of the part 71 permit.

**Table 2 - Insignificant Emission Units
El Paso Natural Gas Company
Bondad Compressor Station**

Emission Unit Id. No.	Description
NA	0.25 MMBtu/hr natural gas-fired heater
NA	Used Oil Tank - 210 bbls
NA	Lube Oil Storage Tank - 210 bbls
NA	Lube Oil Day Tank - 34 bbls
NA	Miscellaneous chemicals for maintenance/operation (< 500 gallons)

e. Construction and Permitting history

El Paso Natural Gas Company's Bondad Compressor Station was constructed in December 1981 with the installation of two natural gas-fired turbine compressors (units A-01 and A-02) and one natural gas-fired reciprocating engine for auxiliary power generation (unit AUX-01). In 1992, a third turbine compressor (unit B-01) was installed as a regenerative cycle turbine. In 1994, the two original turbines (units A-01 and A-02) were converted from simple cycle to regenerative cycle turbines. In 1999, unit A-01 was replaced with a simple cycle Solar Centaur 40-T4002 turbine. In May 2000, unit B-01 was replaced with a simple cycle Solar Centaur 40-T4002 turbine. In December 2000, unit A-02 was replaced with a simple cycle Solar Centaur 40-T4002 turbine.

The Bondad Compressor Station was initially permitted by the Colorado Department of Public Health and Environment (CDPHE). Modifications to the station were also permitted by CDPHE. Since the Bondad Compressor Station is located within the exterior boundaries of the Southern Ute Indian Reservation, the State of Colorado's minor source pre-construction permit program does not apply to this source. In addition, the Bondad Compressor Station is a minor source with respect to the Prevention of Significant Deterioration (PSD) rules and not subject to 40 CFR 52.21. Consequently, there are no pre-construction permits for this facility.

El Paso Natural Gas Company was issued an initial 40 CFR part 71 operating permit on June 25, 2001. The initial operating permit was amended on September 23. El Paso Natural Gas Company requested a significant permit modification in a December 5, 2003 application. The significant modification request was to install two (2) Solar Centaur 50-6200L gas-fired turbines, and one (1) Solar Centaur 50-6200LS turbine sometime after November 2003. The three (3) existing turbines were removed as the new Solar turbines were installed on top of the same footing as the existing turbines. The new turbines replaced the compression capacity of the three (3) existing Solar Centaur 40-T4002 turbines. The modification request also includes the installation of a 0.25 MMBtu/hr natural gas-fired heater.

f. Potential to emit

Table 3 includes potential to emit data provided by El Paso Natural Gas Company in its applications for the Bondad Compressor Station. Table 3 has been revised to include the potential to emit data for the two new (2) Solar Centaur 50-6100 gas-fired turbines and the new (1) Solar Centaur 50-6100S turbine. Potential to emit means the maximum capacity of El Paso Natural Gas Company to emit any air pollutant under its physical and operational design. Any physical or operational limitation on the capacity of the Bondad Compressor Station to emit an air pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored, or processed, may be treated as part of its design if the limitation is enforceable by EPA. Potential to emit is meant to be a worse case emissions calculation. Actual emissions may be much lower.

El Paso Natural Gas Company must also submit annual estimates of *actual* emissions from the Bondad Compressor Station for all regulated pollutants as part of the requirement to pay an annual fee. EPA will review these submittals for accuracy.

**Table 3 - Potential to Emit in Tons Per Year
El Paso Natural Gas Company, Bondad Compressor Station**

Emission Unit Id.	Regulated Air Pollutants						
	NO _x (tons/yr)	VOC (tons/yr)	SO ₂ (tons/yr)	PM ₁₀ (tons/yr)	CO (tons/yr)	Lead (tons/yr)	HAP (tons/yr)
A-01	92.24	0.66	0.71	1.2	22.8	0	1.9
A-02	92.24	0.66	0.71	1.2	22.8	0	1.9
B-01	32.28	0.91	0.71	1.2	31.60	0	1.9
AUX A-01	2	1	<0.1	0.01	1		<1
TOTAL	218.77	3.33	2.14	3.6	78.24	0	5.7

NO_x - oxides of nitrogen
SO₂ - sulfur dioxide
CO - carbon monoxide

VOC - volatile organic compounds
PM₁₀ - particulate matter with a diameter 10 microns or less
HAP - hazardous air pollutants (see Clean Air Act Section 112(b))

2. Tribe Information -- The Southern Ute Tribe

a. Indian country:

El Paso's Bondad Compressor Station is located within the exterior boundaries of the Southern Ute Indian Reservation and is thus within Indian country as defined at 18 U.S.C. §1151. The Southern Ute Tribe does not have a federally-approved Clean Air Act (CAA) title V operating permits program nor does EPA's approval of the State of Colorado's title V program extend to Indian country. Thus, EPA is the appropriate governmental entity to issue the title V permit to the Bondad Compressor Station.

b. The reservation:

The Southern Ute Indian Reservation is located in Southwestern Colorado adjacent to the New Mexico boundary. Ignacio is the headquarters of the Southern Ute Tribe, and Durango is the closest major city, just 5 miles outside of the north boundary of the Reservation. Current information indicates that the population of the Tribe is about 1,305 people with approximately 410 tribal members living off the Reservation. In addition to Tribal members, there are over 30,000 non-Indians living within the exterior boundaries of the Southern Ute Reservation.

c. Tribal government:

The Southern Ute Indian Tribe is governed by the Constitution of the Southern Ute Indian Tribe of the Southern Ute Indian Reservation, Colorado adopted on November 4, 1936 and subsequently amended and approved on October 1, 1975. The Southern Ute Indian Tribe is a federally recognized Tribe pursuant to Section 16 of the Indian Reorganization Act of June 18, 1934 (48 Stat.984), as amended by the Act of June 15, 1935 (49 Stat. 378). The governing body of the Southern Ute Indian Tribe is a seven member Tribal Council, with its members elected from the general membership of the Tribe through a yearly election process. Terms of the Tribal Council are three years and are staggered so in any given year 2 members are up for reelection. The Tribal Council officers consist of a Chairman, Vice-Chairman and Treasurer.

d. Local air quality and attainment status:

The Tribe maintains an air monitoring network consisting of two sites equipped to collect Oxides of Nitrogen (NO₂), Ozone (O₃), Carbon Monoxide (CO) and meteorological data. The Tribe has collected NO₂ and O₃ data at the Ignacio site and Bondad site since June 1, 1982, and April 1, 1997, respectively. Since January 1, 2000, both sites initiated meteorological monitors measuring Wind Speed, Wind Direction, Vertical Wind Speed, Outdoor Temperature, Relative Humidity, Solar Radiation, and Rain/Snow Melt Precipitation. Particulate data (PM₁₀) was collected from December 1, 1981 to September 30, 2006, at the Ignacio site and since April 1, 1997 to September 30, 2006, at the Bondad site. The monitors indicate the following averages for the pollutant monitored: An annual average for NO₂, an hourly average for O₃ and CO, an 8-hour average for CO.

4. Applicable Requirement Review

The following federally applicable requirements have been reviewed for applicability:

Stratospheric Ozone and Climate Protection - Subpart F

The Bondad Compressor Station has three (3) wall air conditioning units on site that utilize freon as the refrigerant. As stated in its part 71 application and its 10/11/00 application addendum, El Paso Natural Gas Company does not service, maintain, repair or dispose of appliances pursuant to 40 CFR part 82, subpart F. Certified contractors are used to provide these services.

If El Paso Natural Gas Company ever services, repairs, maintains, or disposes of any of the air conditioning units, then El Paso Natural Gas Company must comply with the standards of 40 CFR subpart F, specifically, §82.156, §82.158, §82.161, and §82.166(i), and request a modification to this part 71 permit.

Stratospheric Ozone and Climate Protection - Subpart H

Currently there are no fire extinguishers at the Bondad Compressor Station that use halon, so 40 CFR part 82, subpart H for halon emissions reduction does not apply.

Chemical Accident Prevention Program

El Paso Natural Gas Company's Bondad Compressor Station is part of a pipeline facility, as that term is defined in 49 CFR 192.3, that is regulated by the Department of Transportation (DOT) under 49 CFR 192. The definition of "stationary source" in 40 CFR 68.3 does not apply to transportation of any regulated substance that is subject to oversight or regulation under 49 CFR parts 192, 193, or 195. Therefore, the Bondad Compressor Station is not subject to the requirements of 40 CFR part 68 to develop and submit a risk management plan.

New Source Performance Standards (NSPS) - NSPS Subpart A, Subpart GG

40 CFR Part 60, Subpart A: General Provisions. This subpart applies to the owner or operator of any stationary source which contains an affected facility, the construction or modification of which is commenced after the date of publication of any standard in part 60. The general provisions under subpart A apply to sources that are subject to the specific subparts of part 60.

As explained below, the Bondad Compressor Station is subject to NSPS Subpart GG, therefore the General Provisions of part 60 do apply to the Bondad Compressor Station.

40 CFR Part 60, Subpart K: Standards of Performance for Storage Vessels for Petroleum Liquids for which construction, Reconstruction, or Modification Commenced After June 11, 1973, and Prior to May 19, 1978. This rule applies to storage vessels for petroleum liquids with a storage capacity greater than 40,000 gallons. Subpart K does not apply to storage vessels for petroleum or condensate stored, processed, and/or treated at a drilling and production facility prior to custody transfer.

The Bondad Compressor Station only has two (2) used oil tanks and a lube oil tank on site. The lube oil tank has a capacity of 80 gallons and the used oil tanks each have a capacity of 10 gallons. Initial construction of the Bondad Station occurred in December 1981. Due to the sizes of the tanks and the date of construction of the site, this rule does not apply.

40 CFR Part 60, Subpart Ka: Standards of Performance for Storage Vessels for Petroleum Liquids for which Construction, Reconstruction, or Modification Commenced After May 18, 1978, and Prior to June 23, 1984. This rule applies to storage vessels for petroleum liquids with a storage capacity greater than 40,000 gallons. Subpart Ka does not apply to petroleum storage vessels with a capacity of less than 420,000 gallons used for petroleum or condensate stored, processed, or treated prior to custody transfer.

The Bondad Compressor Station only has two (2) used oil tanks and a lube oil tank on site. The lube oil tank has a capacity of 80 gallons and the used oil tanks each have a capacity of 10 gallons. Initial construction of the Bondad Station occurred in December 1981. Due to the sizes of the tanks this rule does not apply.

40 CFR Part 60, Subpart Kb: Standards of Performance for Volatile Organic Liquid Storage Vessels (Including Petroleum Liquid Storage Vessels) for which Construction, Reconstruction, or Modification Commenced After July 23, 1984. This rule applies to storage vessels with a capacity greater than or equal to 40 cubic meters.

All used oil, lube oil and chemical storage (used for maintenance and operation) tanks on site at the Bondad Compressor Station are less than 40 cubic meters. Therefore, this rule does not apply.

40 CFR Part 60, Subpart GG: Standards of Performance for Stationary Gas Turbines. This rule applies to stationary gas turbines, with a heat input at peak load equal to or greater than 10.7 gigajoules per hour (10 mmBtu/hr), that commenced construction, modification, or reconstruction after October 3, 1977.

Existing turbine units A-01, A-02, and B-01 were all constructed after October 3, 1977. All three turbines also have heat inputs at peak loads greater than 10 mmBtu/hr and are all subject to NSPS-subpart GG. Units A-01, A-02, and B-01 are subject to the NO_x standard at 40 CFR 60.332(a)(2), the SO₂ standard in 40 CFR 60.333(a) and the sulfur in fuel standard at 40 CFR 60.333(b).

The installation of existing unit A-01 occurred in March 2004. This unit was subject to the initial performance test for NO_x required by 40 CFR 60.8 in order to determine if the unit meets the NO_x emission standard at 40 CFR 60.332(a)(2). Unit A-01 was also subject to the test methods and procedures for NO_x specified in 40 CFR 60.335(a), (b), (c), and (f). Unit A-01 was tested on July 8, 2004.

The installation of existing unit A-02 occurred in February 2004. This unit was subject to the initial performance test for NO_x required by 40 CFR 60.8 in order to determine if the unit meets the NO_x emission standard at 40 CFR 60.332(a)(2). Unit A-02 was also subject to the test methods and procedures for NO_x specified in 40 CFR 60.335(a), (b), (c), and (f). Unit A-01 was tested on July 12, 2004.

The installation of existing unit B-01 occurred in April 2004. This unit was subject to the initial performance test for NO_x required by 40 CFR 60.8 in order to determine if the unit meets the NO_x emission standard at 40 CFR 60.332(a)(2). Unit A-02 was also subject to the test methods and procedures for NO_x specified in 40 CFR 60.335(a), (b), (c), and (f). Unit A-01 was tested on July 9, 2004.

Periodic Monitoring:

El Paso Bondad compressor station shall comply with the requirements of 40 CFR 60.334(h) (from NSPS Subpart GG) for monitoring of sulfur content and nitrogen content of the fuel being burned in units A-01, A-02 and B-01:

Under §60.334(h)(2), monitoring of nitrogen content of the fuel is only required if the permittee claims an allowance for fuel-bound nitrogen. The permittee has not claimed such an allowance.

Under §60.334(h)(3), the permittee may elect not to monitor the sulfur content of the gaseous fuel, if the fuel is demonstrated by the permittee to meet the definition of natural gas in §60.331(u), based on information specified in §§60.334(h)(3)(i) or (ii). The permittee has elected to supply the information specified in (i), which is:

“gas quality characteristics in a current, valid purchase contract, tariff sheet or transportation contract for the gaseous fuel, specifying that the maximum total sulfur content of the fuel is 20.0 grains/100 scf or less...”

40 CFR Part 60, Subpart KKK: Standards of Performance for Equipment Leaks of VOC from Onshore Natural Gas Processing Plants. This rule applies to compressors and other equipment at onshore natural gas processing facilities. As defined in this subpart, a natural gas processing plant is any processing site engaged in the extraction of natural gas liquids from field gas, fractionation of mixed natural gas liquids to natural gas products, or both. Natural gas liquids are defined as the hydrocarbons, such as ethane, propane, butane, and pentane that are extracted from field gas.

The Bondad Compressor Station does not extract natural gas liquids from field gas and therefore does not meet the definition of a natural gas processing plant under this subpart. Therefore, this rule does not apply.

40 CFR Part 60, Subpart LLL: Standards of Performance for Onshore Natural Gas Processing; SO₂ Emissions. This rule applies to sweetening units and sulfur recovery units at onshore natural gas processing facilities. As defined in this subpart, sweetening units are process devices that separate hydrogen sulfide (H₂S) and carbon dioxide (CO₂) from a sour natural gas stream. Sulfur recovery units are defined as process devices that recover sulfur from the acid gas (consisting of H₂S and CO₂) removed by a sweetening unit.

The Bondad Compressor Station does not perform sweetening or sulfur recovery at the site. Therefore, this rule does not apply.

40 CFR Part 60, Subpart KKKK: Standards of Performance for Stationary Combustion Turbines. This subpart establishes emission standards and compliance schedules for the control of emissions from stationary combustion turbines that commenced construction, modification or reconstruction after February 18, 2005. The rule applies to stationary combustion turbines with a heat input at peak load equal to or greater than 10.7 gigajoules (10 MMBtu) per hour.

The turbines currently operating at the Bondad Compressor Station were all installed prior to February 18, 2005. Therefore, this rule does not apply.

National Emissions Standards for Hazardous Air Pollutants (NESHAP)

40 CFR Part 63, Subpart A: General Provisions. This subpart contains national emissions standards for hazardous air pollutants (HAP) that regulate specific categories of sources that emit one or more HAP regulated pollutants under the Clean Air Act. The general provisions under subpart A apply to sources that are subject to the specific subparts of part 63.

The Bondad Compressor Station is not subject to any specific subparts of 40 CFR part 63. Therefore, the general provisions of 40 CFR part 63 do not apply.

40 CFR Part 63, Subpart HH: National Emission Standards for Hazardous Air Pollutants from Oil and Natural Gas Production Facilities. This subpart applies to the owners and operators of affected units located at natural gas production facilities that are major sources of HAP's, and that process, upgrade, or store natural gas prior to the point of custody transfer, or that process, upgrade, or store natural gas prior to the point at which natural gas enters the natural gas transmission and storage source category or is delivered to a final end user. The affected units are glycol dehydration units, storage vessels with the potential for flash emissions, and the group of ancillary equipment, and compressors intended to operate in volatile hazardous air pollutant service, which are located at natural gas processing plants.

Throughput Exemption:

Those sources whose maximum natural gas throughput, as appropriately calculated in §63.760(a)(1)(i) through (a)(1)(iii), is less than 18,400 standard cubic meters per day are exempt from the requirements of this subpart.

Source Aggregation:

Major source, as used in this subpart, has the same meaning as in §63.2, except that:

- 1.) Emissions from any oil and gas production well with its associated equipment and emissions from any pipeline compressor station or pump station shall not be aggregated with emissions from other similar units.
- 2.) Emissions from processes, operations, or equipment that are not part of the same facility shall not be aggregated.
- 3.) For facilities that are production field facilities, only HAP emissions from glycol dehydration units and storage tanks with flash emission potential shall be aggregated for a major source determination.

Facility:

For the purpose of a major source determination, facility means oil and natural gas production and processing equipment that is located within the boundaries of an individual surface site as defined in subpart HH. Examples of facilities in the oil and natural gas production category include, but are not limited to: well sites, satellite tank batteries, central tank batteries, a compressor station that transports natural gas to a natural gas processing plant, and natural gas processing plants.

Production Field Facility:

Production field facilities are those located prior to the point of custody transfer. The definition of custody transfer (40 CFR 63.761) means the point of transfer after the processing/treating in the producing operation, except for the case of a natural gas processing plant, in which case the point of custody transfer is the inlet to the plant.

Natural Gas Processing Plant:

A natural gas processing plant is defined in 40 CFR 63.761 as any processing site engaged in the extraction of NGL's from field gas, or the fractionation of mixed NGL's to natural gas products, or a combination of both. A treating plant or gas plant that does not engage in these activities is considered to be production field facilities.

Major Source Determination for Production Field Facilities:

The definition of major source in this subpart (at 40 CFR §63.761) states, in part, that only emissions from the dehydration units and storage vessels with a potential for flash emissions at production field facilities are to be aggregated when comparing to the major source thresholds. For facilities that are not production field facilities, HAP emissions from all HAP emission units shall be aggregated.

Area Source Applicability

40 CFR part 63, subpart HH applies to area sources of HAPs. An area source is a HAP source whose total HAP emissions are less than 10 tpy of any single HAP or 25 tpy for all HAPs in aggregate. This subpart requires different emission reduction requirements for triethylene glycol dehydration units found at oil and gas production facilities based on their geographical location. Units located in densely populated areas (determined by the Bureau of Census) and known as urbanized areas with an added 2-mile offset and urban clusters of 10,000 people or more, are required to have emission controls. Units located outside these areas will be required to have the glycol circulation pump rate optimized or operators can document that PTE of benzene is less than 1 tpy.

Applicability of subpart HH to the Bondad Compressor Station:

Subpart HH applies to all production facilities prior to the point of custody transfer to a transmission line. The Bondad Compressor Station is a natural gas transmission facility, not a

natural gas production facility, and is potentially subject to 40 CFR part 63 Subpart HHH. Therefore, Bondad Compressor Station is not a subject to Subpart HH.

40 CFR Part 63, Subpart HHH: National Emission Standards for Hazardous Air Pollutants from Natural Gas Transmission and Storage Facilities. This rule applies to natural gas transmission and storage facilities that transport or store natural gas prior to entering the pipeline to a local distribution company or to a final end user, and that are major sources of hazardous air pollutant (HAP) emissions. Natural gas transmission means the pipelines used for long distance transport and storage vessel is a tank or other vessel designed to contain an accumulation of crude oil, condensate, intermediate hydrocarbon, liquids, produced water or other liquid and is constructed of wood, concrete, steel or plastic structural support. A compressor station that transports natural gas prior to the point of custody transfer or to a natural gas processing plant (if present) is not considered a part of the natural gas transmission and storage source category.

The Bondad Compressor Station is a natural gas transmission facility. However, 40 CFR part 63, subpart HHH does not apply to the Bondad site because it is a minor HAP source.

40 CFR Part 63, Subpart YYYY: National Emission Standards for Hazardous Air Pollutants from Stationary Combustion Turbines. This rule establishes national emission limitations and work practice standards for HAPs emitted from Stationary Combustion Turbines. The affected source includes the stationary combustion turbine located at a major source of HAP emissions.

Stationary Combustion Turbine:

Stationary combustion turbines are defined in §63.6175 as all equipment, including but not limited to the turbine, the fuel, air, lubrication and exhaust gas systems, control systems (except emissions control equipment), and any ancillary components and sub-components comprising any simple cycle stationary combustion turbine, any regenerative/recuperative cycle stationary combustion turbine, the combustion turbine portion of any stationary cogeneration cycle combustion system, or the combustion turbine portion of any stationary combined cycle steam/electric generating system. Stationary means that the combustion turbine is not self propelled or intended to be propelled while performing its function. Stationary combustion turbines do not include turbines located at a research or laboratory facility, if research is conducted on the turbine itself and the turbine is not being used to power other applications at the research or laboratory facility.

Major Source:

Major source for purposes of this subpart has the same meaning as provided in 40 CFR 63.2 with the exception that emissions from any oil or gas exploration or production well (with its associated equipment) and emissions from any pipeline compressor station or pump station shall not be aggregated with emissions from other similar units, to determine whether such emission points or station are major sources, even when emission points are in a contiguous are or under common control.

Applicability to the Bondad Compressor Station:

The Bondad Compressor Station is not subject to this subpart because it is not a major source of HAPs.

Compliance Assurance Monitoring (CAM) Rule:

The CAM rule (40 CFR part 64) applies to each Pollutant Specific Emission Unit (PSEU) at a part 71 major stationary source that meets a three-part test. The PSEU must be 1) subject to an emission limitation or standard, 2) use a control device to achieve compliance, and 3) have pre-control emissions that exceed the major source threshold.

None of the emission units located at Bondad use a control device to achieve compliance. Therefore, the Bondad Compressor Station is not subject to CAM requirements.

Prevention of Significant Deterioration (PSD):

New major stationary sources of air pollution and major modifications to major stationary sources are required by the Clean Air Act (CAA) to obtain an air pollution permit before commencing construction. Furthermore, when a minor source (one that does not meet the definition of “major,”) makes a physical change or change in the method of operation that is by itself a major source, that physical or operational change constitutes a major stationary source that is subject to PSD review.

A major stationary source is any source type belonging to a list of 28 source categories which emits or has the potential to emit 100 tons per year or more of any pollutant subject to regulation under the CAA or any other source type which emits or has the potential to emit such pollutants in amounts equal to or greater than 250 tons per year. The Bondad Compressor Station is not one of the 28 listed source categories and therefore the applicable major source PSD threshold is 250 tons per year.

A review of the Bondad applications and other submittals indicates that it is not a major stationary source under the definition of 40 CFR 52.21(b)(1) for any pollutant.

5. Conclusion

Since the Bondad Compressor Station is located in Indian country, the State of Colorado’s implementation plan does not apply to this source. In addition, no tribal implementation plan (TIP) has been submitted and approved for the Southern Ute Tribe, and EPA has not promulgated a federal implementation plan (FIP) for the area of jurisdiction governing the Southern Ute Indian Reservation. Therefore, the Bondad Compressor Station is not subject to any implementation plan.

Based on the information provided in El Paso’s applications for the Bondad Compressor Station, EPA has evidence that this source is subject to minimal applicable federal CAA programs including those established in this Federal Operating Permit and the requirements of the Federal operating permit program at 40 CFR part 71.

EPA recognizes that, in some cases, sources of air pollution located in Indian country are subject to fewer requirements than similar sources located on land under the jurisdiction of a state or local air pollution control agency. To address this regulatory gap, EPA is in the process of developing national regulatory programs for preconstruction review of major sources in nonattainment areas and of minor sources in both attainment and nonattainment areas. These programs will establish, where appropriate, control requirements for sources that would be incorporated into part 71 permits. To establish additional applicable, federally enforceable emission limits, EPA Regional Offices will, as necessary and appropriate, promulgate Federal Implementation Plans (FIPs) that will establish federal requirements for sources in specific areas. EPA will establish priorities for its direct federal implementation activities by addressing as its highest priority the most serious threats to public health and the environment in Indian country that are not otherwise being adequately addressed. Further, EPA encourages and will work closely with all tribes wishing to develop Tribal Implementation Plans (TIPs) for approval under the Tribal Authority Rule. EPA intends that its federal regulations created through a FIP will apply only in those situations in which a tribe does not have an approved TIP.

6. General EPA Authority To Issue Part 71 Permits

Title V of the Clean Air Act requires that EPA promulgate, administer, and enforce a federal operating permits program when a state does not submit an approvable program within the time frame set by title V or does not adequately administer and enforce its EPA-approved program. On July 1, 1996 (61 FR 34202), EPA adopted regulations codified at 40 CFR 71 setting forth the procedures and terms under which the Agency would administer a Federal operating permits program. These regulations were updated on February 19, 1999 (64 FR 8247) to incorporate EPA's approach for issuing federal operating permits to stationary sources in Indian country.

As described in 40 CFR 71.4(a), EPA will implement a part 71 program in areas where a state, local, or tribal agency has not developed an approved part 70 program. Unlike states, Indian tribes are not required to develop operating permits programs, though EPA encourages tribes to do so. See, e.g., Indian Tribes: Air Quality Planning and Management (63 FR 7253, February 12, 1998) (also known as the "Tribal Authority Rule"). Therefore, within Indian country, EPA believes it is generally appropriate that EPA administer and enforce a part 71 federal operating permits program for stationary sources until tribes receive approval to administer their own operating permits programs.

7. Use Of All Credible Evidence

Determinations of deviations, continuous or intermittent compliance status, or violations of the permit are not limited to the testing or monitoring methods required by the underlying regulations or this permit; other credible evidence (including any evidence admissible under the Federal Rules of Evidence) must be considered by the source and EPA in such determinations.

8. Public Participation

a. Public Notice.

As described in 40 CFR 71.11(a)(5), all part 71 draft operating permits shall be publicly noticed and made available for public comment. The Public Notice of permit actions and public comment period is described in 40 CFR 71(d).

There was a 30 day public comment period for actions pertaining to a draft permit. Public notice was given for this draft permit by mailing a copy of the notice to the permit applicant, the affected state, tribal and local air pollution control agencies, the city and county executives, the state and federal land managers and the local emergency planning authorities which have jurisdiction over the area where the source is located. A copy of the notice was provided to all persons who have submitted a written request to be included on the mailing list. If you would like to be added to our mailing list to be informed of future actions on these or other Clean Air Act permits issued in Indian country, please send your name and address to the contact listed below:

Kathleen Paser, Part 71 Permit Contact
U.S. Environmental Protection Agency, Region 8
1595 Wynkoop Street (8P-AR)
Denver, Colorado 80202-2466

Public notice was published in the Durango Herald on July 20, 2007, giving opportunity for public comment on the draft permit and the opportunity to request a public hearing.

b. Opportunity for Comment

Members of the public were given an opportunity to review a copy of the draft permit prepared by EPA, the application, this statement of basis for the draft permit, and all supporting materials for the draft permit. Copies of these documents were available at:

La Plata County Clerk's Office
1060 East 2nd Avenue
Durango, Colorado 81302

Southern Ute Indian Tribe
Environmental Programs Office
116 Mouache Drive
Ignacio, Colorado 81137

US EPA Region 8
Air and Radiation Program Office
1595 Wynkoop Street (8P-AR)
Denver, Colorado 80202

All documents were available for review at the U.S. EPA Region 8 office Monday through Friday from 8:00 a.m. to 4:00 p.m. (excluding Federal holidays).

Any interested person could submit written comments on the draft part 71 operating permit during the public comment period to the Part 71 Permit Contact at the address listed above. All comments have been considered and answered by EPA in making the final decision on this permit. EPA keeps a record of the commenters and of the issues raised during the public participation process.

Anyone, including the applicant, who believes any condition of the draft permit is inappropriate should raise all reasonable ascertainable issues and submitted all arguments supporting their position by the close of the public comment period. Any supporting materials submitted must be included in full and may not be incorporated by reference, unless the material has been already submitted as part of the administrative record in the same proceeding or consists of state or federal statutes and regulations, EPA documents of general applicability, or other generally available reference material.

c. Opportunity to Request a Hearing

A person may submit a written request for a public hearing to the Part 71 Permit Contact, at the address listed in section 6.a above, by stating the nature of the issues to be raised at the public hearing. Based on the number of hearing requests received, EPA will hold a public hearing whenever it finds there is a significant degree of public interest in a draft operating permit. EPA will provide public notice of the public hearing. If a public hearing is held, any person may submit oral or written statements and data concerning the draft permit.

d. Appeal of permits

Within 30 days after the issuance of a final permit decision, any person who filed comments on the draft permit or participated in the public hearing may petition to the Environmental Appeals Board to review any condition of the permit decision. Any person who failed to file comments or participate in the public hearing may petition for administrative review, only if the changes from the draft to the final permit decision or other new grounds were not reasonably foreseeable during the public comment period. The 30 day period to appeal a permit begins with EPA's service of the notice of the final permit decision.

The petition to appeal a permit must include a statement of the reasons supporting the review, a demonstration that any issues were raised during the public comment period, a demonstration that it was impracticable to raise the objections within the public comment period, or that the grounds for such objections arose after such a period. When appropriate, the petition may include a showing that the condition in question is based on a finding of fact or conclusion of law which is clearly erroneous; or, an exercise of discretion, or an important policy consideration which the Environmental Appeals Board should review.

The Environmental Appeals Board will issue an order either granting or denying the petition for review, within a reasonable time following the filing of the petition. Public notice of the grant of review will establish a briefing schedule for the appeal and state

that any interested person may file an amicus brief. Notice of denial of review will be sent only to the permit applicant and to the person requesting the review. To the extent review is denied, the conditions of the final permit decision become final agency action.

A motion to reconsider a final order shall be filed within 10 days after the service of the final order. Every motion must set forth the matters claimed to have been erroneously decided and the nature of the alleged errors. Motions for reconsideration shall be directed to the Administrator rather than the Environmental Appeals Board. A motion for reconsideration shall not stay the effective date of the final order unless it is specifically ordered by the Board.

e. Petition to reopen a permit for cause

Any interested person may petition EPA to reopen a permit for cause, and EPA may commence a permit reopening on its own initiative. EPA will only revise, revoke and reissue, or terminate a permit for the reasons specified in 40 CFR 71.7(f) or 71.6(a)(6)(i). All requests must be in writing and must contain facts or reasons supporting the request. If EPA decides the request is not justified, it will send the requester a brief written response giving a reason for the decision. Denial of these requests is not subject to public notice, comment, or hearings. Denials can be informally appealed to the Environmental Appeals Board by a letter briefly setting forth the relevant facts.

f. Notice to affected states/tribes

As described in 40 CFR 71.11(d)(3)(i), public notice will be given by mailing a copy of the notice to the air pollution control agencies of affected states, tribal and local air pollution control agencies which have jurisdiction over the area in which the source is located, the chief executives of the city and county where the source is located, any comprehensive regional land use planning agency and any state or federal land manager whose lands may be affected by emissions from the source. The following entities were notified:

Southern Ute Indian Tribe, Environmental Programs Office
Ute Mountain Ute Tribe, Environmental Programs
Navajo Tribe, Navajo Nation EPA
Jicarilla Tribe, Environmental Protection Office
La Plata County, County Clerk
Town of Ignacio, Mayor
National Park Service, Air, Denver, CO
U.S. Department of Agriculture, Forest Service, Rocky Mountain Region
State of Colorado, Department of Public Health and Environment
State of New Mexico, Environment Department
Carl Weston
San Juan Citizen Alliance
Rocky Mountain Clean Air Action