Air Pollution Control
Title V Permit to Operate
Statement of Basis for Permit No. V-SU-0046-07.01
Administrative Amendment

Samson Resources
Worford Ridge Compressor Station
Southern Ute Reservation
La Plata County, Colorado

1. Facility Information

a. Location

The Worford Ridge Compressor Station, owned and operated Samson Resources ("Samson"), is located within the exterior boundaries of the Southern Ute Indian Reservation, in the southwestern part of the State of Colorado. The exact location is NW/4 SE/4 Section 16, T33N, R8W, in La Plata County, Colorado. The mailing address is:

Samson Resources
Two West Second Street
Tulsa, OK 74103

b. Contacts

Facility Contact:
Scott Rose, Environmental Specialist
Samson Resources
Two West Second Street
Tulsa, OK 74103
918-591-1370

Responsible Official:
Mark Dalton, Attorney-In-Fact
Samson Resources
Two West Second Street
Tulsa, OK 74103
918-591-1369

Tribal Contact:
Christopher Lee
Air Program Manager - Southern Ute Indian Tribe
970-563-4705

2. Description of Permit Amendments

On November 8, 2007, EPA sent a letter to inform you of a new mailing address, effective December 17, 2007, for the submittal of annual fee payments required pursuant to 40 CFR Part 71 and the title V permits issued by EPA's Office of Air and Radiation. The operating permit for the Worford Ridge Compressor Station is being re-opened and administratively amended pursuant to 40 CFR 71.7(f) to correct the fee payment address in the permit. The new addresses are as follows:

For <u>regular U.S. Postal Service mail</u>

U.S. Environmental Protection Agency
FOIA and Miscellaneous Payments
Cincinnati Finance Center
P.O. Box 979078
St. Louis, MO 63197-9000

For <u>non-U.S. Postal Service express mail</u>

(FedEx, Airborne, DHL, and UPS)
U.S. Bank
Government Lockbox 979078
U.S. EPA FOIA & Misc. Payments
1005 Convention Plaza
SL-MO-C2-GL
St. Louis, MO 63101

In an effort to streamline the title V permits and reduce the number of administrative permit amendments requested, EPA is removing specific non-enforceable facility information, such as the names and phone numbers of the Responsible Official, Facility Contact, and Tribal Contact. Part 71 does not require this information to be in the permit and changes to such information are the most often requested administrative permit amendments. This information will be maintained in the Statements of Basis for each permit action. EPA requests from this point forward that Samson continue to notify EPA in writing of changes to such facility information; however, the changes will no longer require administrative permit amendments. The notifications will be kept on file, similar to Off Permit Change notifications, and the most current information will be updated in the Statement of Basis as part of the next permit modification or renewal. In addition, EPA has revised the text for Alternative Operating Scenarios and Off Permit Changes.

The following modifications have been made to this permit:

- Permit number and issue/effective/expiration dates removed from signature cover page.
- Permit issuance cover page created to follow signature cover page (includes information removed from signature cover page).
- Section I.A. Source Information
  1. Names and phone numbers for the Responsible Official, Company Contact and Tribal Contact were removed. Parent Company Mailing Address was removed.
- Section II.D. Alternative Operating Scenario
  1. Text was revised for clarification purposes.
- Section III.A. Annual Fee Payment
  1. Bank name and address for submittal of annual fee payments was changed.
- Section III.Q. Off Permit Changes
  1. Text was revised for clarification purposes.
- Section V. Appendix
  1. Permit revision history was changed and has been removed from the Appendix and moved to the permit issuance cover page at the front of the permit.

In accordance with the requirements of permit condition III.H. and 40 CFR 71.7(d), EPA is making these revisions as an administrative amendment to the permit. The permit will be reissued as permit number V-SU-0046-07.01

For specific applicability information regarding the part 71 permit for this facility, please see the Statement of Basis for permit number V-SU-0046-07.00.

Air Pollution Control
Title V Permit to Operate
Statement of Basis for Permit No. V-SU-0046-07.00
Initial Permit

Samson Resources
Worford Ridge Compressor Station
Southern Ute Reservation
La Plata County, Colorado

1. Facility Information

a. Location

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b. Contacts

(1) The facility contact is:

Scott Rose
Environmental Specialist
Two West Second Street
Tulsa, OK 74103
918-591-1370

(2) The responsible official is:

Mark Dalton
Attorney-In-Fact
Two West Second Street
Tulsa, OK 74103

c. Description of operations

The Worford Ridge Compressor Station is a facility that compresses inlet coalbed methane gas gathered from several wells to transmission pipeline pressures. The natural gas originates from the Fruitland coal formation.

The gas entering the facility is first fed through an inlet scrubber to gravimetrically remove any water that may be in the gas. The removed water is transferred to a storage tank where it is stored until it can be removed from the facility. The pipelines are periodically cleaned using pigging operations in the southwest corner of the facility. The separator overhead is fed to one of up to four compressor engines from the common suction header pipe. The compressors discharge the gas into a common discharge header that feeds into the TEG dehydration unit. Triethylene glycol is circulated counter-currently and absorbs water from the gas in the contactor. Rich triethylene glycol is circulated to a reboiler, where moisture absorbed from the gas is driven to the atmosphere by heating the glycol. Dry gas exits the contactor and enters the sales line, where it is metered and exits the facility.

The gas throughput of the facility is currently 30 MMscfd. Upon the installation of a planned fourth engine, the gas throughput will be 40 MMscfd.

The potential to emit for the facility (including the planned fourth engine) is follows:

Nitrogen oxides (NOx) – 135.2 tpy
Carbon monoxide (CO) – 97.2 tpy
Volatile organic compounds (VOC) – 42.8 tpy
Small particulates (PM10) – 0 tpy
Lead - 0 tpy
Sulfur dioxide (SO2) - 0 tpy
Total hazardous air pollutants (HAP's) – 9.2 tpy
Largest single HAP (formaldehyde, HCHO) – 8.8 tpy
Benzene - < 1 tpy

d. List of all units and emission-generating activities

In the part 71 application for the Worford Ridge Compressor Station, Samson provided the information shown in Table 1 below. Table 1 lists emission units and emission generating activities, including any air pollution control devices. Emission units identified as Ainsignificant@ emitting units (IEUs) are listed separately in Table 2.

Table 1 - Emission Units
Samson Worford Ridge Compressor Station

Emission Unit Id.	Description		Control Equipment
	Waukesha L5794LT Compressor Engines, 1400 bhp, natural gas fired:		Johnson-Mathey Oxidation Catalyst*
C-101	Serial no. C-15962/1	Installed 8/16/2006	
C-102	Serial no. C-15963/1	Installed 8/16/2006	
C-103	Serial no. C-15964/1	Installed 8/16/2006	
C-104	Serial no. C-TBD	Installed TBD	
D1	Serial no. 102172	Installed 8/16/2006	

* While the engines are controlled with oxidation catalysts to control CO (75% reduction) and Formaldehyde (60% reduction), there are no conditions in this permit to make the use of the catalysts enforceable. Therefore, the PTE of the facility is based on uncontrolled emissions.

Part 71 allows sources to separately list in the permit application units or activities that qualify as Ainsignificant@ 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 minimis 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. Units that qualify as Ainsignificant@ for the purposes of the part 71 application are in no way exempt from applicable requirements or any requirements of the part 71 permit.

Samson stated in the initial part 71 permit application, submitted in February 2007, that the emission units in Table 2, below, are IEUs. The application provided emission calculations for the tanks using TANKS 4.0, for the heater emissions using AP-42 emission factors, and for the dehydrators using GRI GlyCalc 4.0. This supporting data justifies the source=s claim that these units qualify as IEUs.

Table 2 - Insignificant Emission Units
Samson Worford Ridge Compressor Station

Emission Unit ID	Description
IEU-1 through IEU- 4	4 – 500 gallon lubricating oil storage tanks
IEU-5	1 – 500 gallon ethylene glycol (antifreeze) storage tank
IEU-6	1 – 500 gallon triethylene glycol (TEG) storage tank
IEU-7 & IEU-8	2 – 500 bbl produced water storage tanks
IEU-9	1 – 400 bbl slop tank
IEU-10	1 - 0.75 MMBtu/hr natural gas fired regenerator burner
IEU-11 through IEU-13	3 – 0.12 MMBtu/hr natural gas fired tank heaters
IEU-14	pig launcher

e. Permitting and/or construction history

The Worford Ridge Compressor Station was initially constructed in August 2006, including installation of three (3) Caterpillar G3516LE engines equipped with oxidation catalysts and glycol dehydrator. Uncontrolled engine emissions from these units were evaluated, and it was determined that the facility was a minor source hazardous air pollutants but a major source (> 100 tpy) for criteria pollutants. Therefore, that facility is not subject to any MACT standards but is subject to part 71 permitting. The new construction of the facility did not trigger PSD permitting.

The application submitted by Samson indicates that the company intends to install a fourth engine at the facility. This fourth engine has been included in this permit. Even with the fourth engine, the facility remains a minor HAP source.

2. Tribe Information

a. Indian country:

Samson's= Worford Ridge 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 this facility.

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 (NO_2), Ozone (O_3), Carbon Monoxide (CO) and meteorological data. The Tribe has collected NO_2 and O_3 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 (PM_{10}) 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 NO_2, an hourly average for O_3 and CO, an 8-hour average for CO.

3. Analysis of Federal Regulations

a. Applicable Requirement Review: The following discussions address applicable requirements, and requirements that may appear to be applicable but are not. All applicable and non-applicable

requirements addressed here are included in the Code of Federal Regulations at Title 40.

Chemical Accident Prevention Program

Based on Samson's application, the Worford Ridge Compressor Station currently has no regulated substances above the threshold quantities in this rule and therefore is not subject to the requirement to develop and submit a risk management plan. However, Samson has an ongoing responsibility to submit this plan IF a substance is listed that the total source has in quantities over the threshold amount or IF the total source ever increases the amount of any regulated substance above the threshold quantity.

Stratospheric Ozone and Climate Protection

Based on information supplied by the applicant, Worford Ridge does not have air conditioning units. However, should Samson perform any maintenance, service, repair, or disposal of any equipment containing chlorofluorocarbons (CFCs), or contracts with someone to do this work, Samson would be required to comply with title VI of the Clean Air Act.

Based on information supplied by the applicant, there are no halon fire extinguishers at the Worford Ridge Compressor Station. However, should Samson obtain any halon fire extinguishers, then it must comply with the standards of 40 CFR part 82, subpart H for halon emissions reduction, if it services, maintains, tests, repairs, or disposes of equipment that contains halons or uses such equipment during technician training. Specifically, Samson would be required to comply with 40 CFR part 82 and submit an application for a modification to this title V permit.

New Source Performance Standards (NSPS)

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, Worford Ridge Compressor Station is not subject to any specific subparts of part 60, therefore the General Provisions of part 60 do not apply.

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. 40 CFR part 60, 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.

This subpart does not apply to the storage vessels at the Worford Ridge Compressor Station because there are no tanks at this site that were constructed, reconstructed, or modified after June 11, 1973, and prior to May 19, 1978.

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.

This subpart does not apply to the storage vessels at the Worford Ridge Compressor Station because there are no tanks at this site that were constructed, reconstructed, or modified after May 18, 1978, and prior to June 23, 1984.

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.

The subpart does not apply to the storage vessels at the Worford Ridge Compressor Station because the facility has no tanks greater than or equal to 40 cubic meters that store volatile organic liquids.

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 million Btu/hr), that commenced construction, modification, or reconstruction after October 3, 1977.

There are no stationary gas turbines located at the Worford Ridge Compressor Station, therefore this rule does not apply.

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 (NGLs) 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 Worford Ridge Compressor Station does not extract natural gas liquids from field gas, nor does it fractionate mixed NGLs to natural gas products, and thus 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; SO_2 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 (H_2S) and carbon dioxide (CO_2) from a sour natural gas stream. Sulfur recovery units are defined as process devices that recover sulfur from the acid gas (consisting of H_2S and CO_2) removed by a sweetening unit.

The Worford Ridge Compressor Station does not perform sweetening or sulfur recovery at the facility. 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.

Samson does not operate stationary combustion turbines at the Worford Ridge Compressor Station. 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.

Worford Ridge Compressor Station is not subject to any specific subparts of part 63, therefore the General Provisions of 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 rule applies to the owners and operators of affected units located at natural gas production facilities that are major sources of hazardous air pollutants (HAPs), 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 Worford Ridge Compressor Station is not subject to 40 CFR part 63, subpart HH.

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.

The definition of major source in 40 CFR 63.761 states, in part, that for facilities that are production facilities, only HAP emissions from the dehydration units and storage tanks with flash emission potential shall be aggregated for a major source determination. The facility has no storage vessels with the potential for flash emissions. The emission inventory presented in Attachment B represents the potential to emit (PTE) for the dehydration units based on the maximum rating for the equipment (i.e., the maximum gas processing rate of 20 mmscfd, the maximum glycol rates for the pumps, and 8760 hours per year of operation). As the attachment shows, total HAP emissions from the units are less than 10 tpy, therefore, the facility is an area HAP source.

As affected units located at an area source, the TEG unit at the facility is potentially subject to the general standards of subpart HH at §64.764. However, §63.764(e) indicates that the general standards under §63764(d) (i.e., those applicable to area sources) do not apply to affected units with actual average benzene emissions less than 0.90 megagrams per year (1 tpy) as determined using GRI-GLYCalc Version 3.0 or higher (§63.772(b)(2)), provided that records of this determination are maintained (§67.774(d)(1)).

Actual uncontrolled benzene emissions from each of the TEG units at the facility were determined to be less than 1 tpy using GRI-GLYCalc Version 4.0, as presented in the supporting documentation in the application. **As a result, the dehydration unit at the facility is exempt from the §67.764(d) general requirements for area sources.**

The following general recordkeeping requirement does apply to this facility:

- §63.774(d)(1) – retain the GRI-GLYCalc determinations used to demonstrate that actual average benzene emissions are below 1 tpy.

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 a major source 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.

This subpart does not apply to the Worford Ridge Compressor Station as the facility is a natural gas production facility and not a natural gas transmission or storage facility.

40 CFR Part 63, Subpart ZZZZ: National Emission Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines. This rule establishes national emission limitations and operating limitations for HAPs emitted from stationary reciprocating internal combustion engines (RICE). A stationary RICE is any internal combustion engine which uses reciprocating motion to convert heat energy into mechanical work and which is not mobile. This rule applies to owners or operators of stationary RICE which are located at a major source of HAP, except if the RICE have a site-rating of 500 brake horse power (bhp) or less. While all stationary RICE with a site-rating of more than 500 bhp located at major sources are subject to the final rule, there are distinct requirements for regulated stationary RICE depending on their design, use, and fuel. The standards in the final rule have specific requirements for all new or reconstructed RICE and for existing spark ignition 4 stroke rich burn (4SRB) stationary RICE. With the exception of the existing spark ignition 4SRB stationary RICE, other types of existing stationary RICE (i.e., spark ignition 2 stroke lean burn (2SLB), spark ignition 4 stroke lean burn (4SLB), compression ignition (CI), stationary RICE that combust landfill or digester gas equivalent to 10 percent or more of the gross heat input on an annual basis, emergency, and limited use units) located at a major source of HAP emissions are not subject to any specific requirement under the final rule.

A stationary RICE is existing if construction or reconstruction of the unit commenced before December 19, 2002. A stationary RICE is new if construction of the unit commenced on or after December 19, 2002. A stationary RICE is reconstructed if the definition of reconstruction in '63.2 is met and reconstruction commenced on or after December 19, 2002.

This subpart could potentially apply to the facility, as there are four Waukesha engines that are site rated above 500 bhp each. However, the uncontrolled formaldehyde emissions from the facility, in aggregate, are less than the 10 tpy major source threshold. Therefore, this subpart does not apply.

Prevention of Significant Deterioration (PSD):

New major stationary sources of air pollution are required by the Clean Air Act (CAA) to obtain an air pollution permit before commencing construction. 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 Worford Ridge Compressor Station does not belong to any of the 28 source categories. Therefore, the potential to emit threshold for determining PSD applicability for this source is 250 tons per year. The potential to emit of regulated pollutants at this facility are currently below the major source threshold of 250 tpy. Hence, the Worford Ridge Compressor Station is a true minor source.

Compliance Assurance Monitoring (CAM) Rule

The CAM rule applies to each Pollutant Specific Emission Unit (PSEU) that meets a three-part test. The PSEU must be 1) subject to an emission limitation or standard, and 2) use an add-on control device to achieve compliance, and 3) have pre-control emissions that exceed or are equivalent to the title V, 100 tpy major source threshold.

The CAM rule does not apply to any of the units at the Worford Ridge Compressor Station as none of the emission limits are subject to an emission limitation or standard.

b. Conclusion

Based on the information provided in Samson's application for the Worford Ridge Compressor Station, this source is subject to those existing applicable federal CAA programs discussed above. The Worford Ridge Compressor Station is not subject to any implementation plan such as exists within state jurisdictions. Therefore, the Worford Ridge Compressor Station is not subject to any other substantive requirements that control their emissions under the CAA.

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 non-attainment areas and of minor sources in both attainment and non-attainment 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.

4. EPA Authority

a. General 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 part 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 ATribal Authority Rule@). Therefore, within Indian country, EPA will administer and enforce a part 71 Federal operating permits program for stationary sources until a tribe receives approval to administer their own operating permits program.

5. 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.

6. Public Participation

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 this action 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 submitted a written request to be included on the mailing list

Public notice was published in the Durango Herald on May 11, 2007, giving opportunity for public comment on the draft permit and the opportunity to request a public hearing. No comments were received and there was no request for 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

and

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

and

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

c. 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 was 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:

State of Colorado, Department of Public Health and Environment
State of New Mexico, Environment Department
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
Carl Weston
San Juan Citizen Alliance
Rocky Mountain Clean Air Action