



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 8**

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Ref: 8ARD-PM

VIA EMAIL

Robert J. Redweik  
Director EHS/Regulatory  
Citation Oil & Gas Corporation  
[BRedweik@cogc.com](mailto:BRedweik@cogc.com)

Re: Request for Conditional Approval of Remote Status Pending Formal EPA Determination 40 CFR Part 63, Subpart ZZZZ Engine Testing Pineview Gas Plant Summit County, Utah

Dear Mr. Redweik:

On October 23, 2020, Citation Oil & Gas Corporation (Citation) sent a letter addressed to the U.S. Environmental Protection Agency Region 8 and the Utah Division of Air Quality (Utah DAQ), including a letter from Holland & Hart, asking for clarification regarding specific requirements in 40 CFR Part 63, Subpart ZZZZ—National Emission Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines (commonly referred to as “MACT ZZZZ”) regulations (both letters are enclosed). Citation also requested that EPA provide approval of a “conditional” remote status regarding specific engines in order to avoid the testing required by the MACT ZZZZ regulations pending EPA’s formal determination.

This letter intends to address not only Citation’s question of conditional approval of remote status, but also the more in-depth applicability questions posed in the enclosed Holland & Hart letter in the context of Citation’s three existing White Superior 8G825 800 horsepower (HP) engines at the Pineview Gas Plant.

**Response to Citation’s Conditional Approval of Remote Status**

Citation requested EPA “conditionally” grant remote status to the engines in order to avoid the testing required by the MACT ZZZZ regulations. The authority to administer and enforce MACT ZZZZ has been delegated to Utah DAQ and thus Utah DAQ has the primary authority to address this issue. Therefore, EPA believes that Citation should take its inquiry to Utah DAQ.

**Response to Holland & Hart’s Request at Citation’s Pineview Gas Plant**

Holland & Hart requested a determination that Stationary Reciprocating Internal Combustion Engines (RICE) at an area source that meet the definition of “remote” per 40 CFR 63.6675 as of October 19, 2013, and continue to meet this definition, may comply with the work practice standards at § 63.6603(f), regardless of whether the source formally notified a regulatory agency of the engine’s remote status.

MACT ZZZZ does not require submittal of a notification that an existing non-emergency 4SLB or 4SRB SI engine >500 HP at an area source meets the definition of remote stationary RICE.

However, while a source may meet the geographical criteria contained in the definition of a remote stationary RICE as outlined in § 63.6675, remote stationary RICE are also required to meet the requirements of § 63.6603(f) which requires that “Owners and operators of existing non-emergency SI 4SLB and 4SRB stationary RICE with a site rating of more than 500 HP located at area sources of HAP that meet the definition of remote stationary RICE in §63.6675 of this subpart as of October 19, 2013 must evaluate the status of their stationary RICE every 12 months. Owners and operators must keep records of the initial and annual evaluation of the status of the engine.”

If you have any questions, please contact Alexis North at (303) 312-7005 (north.alexis@epa.gov) or Daniel Fagnant at (303) 312-6927 (fagnant.daniel@epa.gov).

Sincerely,

2/11/2021

X Carl Daly

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Signed by: CARL DALY

Carl Daly  
Acting Director  
Air and Radiation Division

Enclosures

cc: Rik Ombach, Utah DAQ via email rombach@utah.gov  
Chad Gilgen, Utah DAQ via email cgilgen@utah.gov  
Emily Schilling, Partner, Holland & Hart via email ECSchilling@hollandhart.com



October 23, 2020

**CERTIFIED MAIL # 9214 8901 9403 8323 5595 22**  
**RETURN RECEIPT REQUESTED**

Ms. Alexis North  
Office of Enforcement  
US EPA Region 8  
8ENF-AT  
1595 Wynkoop Street  
Denver, CO 80202-1129

**CERTIFIED MAIL # 9214 8901 9403 8323 5590 34**  
**RETURN RECEIPT REQUESTED**

Mr. Rik Ombach  
Minor Source Compliance Manager  
Permitting and Compliance Division  
P.O. Box 144820  
Salt Lake City, UT 84114-4820

Dear Ms. North and Mr. Ombach:

**SUBJECT: REQUEST FOR CONDITIONAL APPROVAL OF REMOTE STATUS  
PENDING FORMAL EPA DETERMINATION  
40 C.F.R. 63, SUBPART ZZZZ ENGINE TESTING  
PINEVIEW GAS PLANT  
SUMMIT COUNTY, UTAH**

At your recommendation, Citation Oil & Gas Corp. ("Citation") recently submitted to EPA a formal request for an applicability determination regarding the ability of an area source to demonstrate remote engine status under 40 C.F.R. Part 63, Subpart ZZZZ ("Quad Z") as of the October 19, 2013 compliance date, regardless of whether the source previously submitted notification of remote engine status. That letter is attached. As we have discussed, Citation maintains that the three (3) White Superior 8G825 800 HP engines located at the Pineview Gas Plant in Summit County, Utah are existing, remote engines subject to the management practices in Table 2d—and not the performance testing requirements as set forth at Table 3.

Citation has equipped these engines with NSCR and has previously conducted successful performance testing on these engines. Should EPA determine the engines are eligible for remote engines; however, the annual performance testing requirement for 2020 would not be applicable. Given the time and expense necessary for such testing, Citation respectfully requests that EPA and DAQ conditionally grant Citation's engines remote status consistent with the correspondence submitted on September 10, 2020 pending a formal determination by EPA. If EPA disagrees with Citation's position that these engines are eligible for remote status, Citation will conduct testing within 30 days of EPA's determination.

If you have any questions or need additional information, please contact me directly at (281) 891-1550 or via email at [BRedweik@cogc.com](mailto:BRedweik@cogc.com). I look forward to hearing from you.

Very truly yours,



Robert J. Redweik  
Director EHS/Regulatory

Attachment

**Bob Redweik**

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**From:** Emily Schilling <ECSchilling@hollandhart.com>  
**Sent:** Tuesday, October 20, 2020 6:13 PM  
**To:** Bob Redweik  
**Subject:** FW: Applicability Determination Request: Remote Engine Status under 40 CFR Part 63 Subpart Quad Z  
**Attachments:** Applicability Determination Request\_Part 63 Quad Z Remote Engines.pdf

**From:** King, Melanie <King.Melanie@epa.gov>  
**Sent:** Monday, October 19, 2020 7:38 AM  
**To:** Emily Schilling <ECSchilling@hollandhart.com>  
**Cc:** Barbara Wallin <BJWallin@hollandhart.com>; Aaron B. Tucker <ABTucker@hollandhart.com>  
**Subject:** RE: Applicability Determination Request: Remote Engine Status under 40 CFR Part 63 Subpart Quad Z

Ms. Schilling,  
Writing to confirm receipt. Next steps are that we determine which EPA office should take the lead on a response, and they will collaborate with other relevant offices and draft a response.

Melanie King  
Energy Strategies Group  
Sector Policies and Programs Division  
Office of Air Quality Planning and Standards  
(919) 541-2469  
[king.melanie@epa.gov](mailto:king.melanie@epa.gov)

**From:** Emily Schilling <ECSchilling@hollandhart.com>  
**Sent:** Friday, October 16, 2020 5:44 PM  
**To:** King, Melanie <King.Melanie@epa.gov>  
**Cc:** Emily Schilling <ECSchilling@hollandhart.com>; Barbara Wallin <BJWallin@hollandhart.com>; Aaron B. Tucker <ABTucker@hollandhart.com>  
**Subject:** Applicability Determination Request: Remote Engine Status under 40 CFR Part 63 Subpart Quad Z

Dear Ms. King:

Attached please find an applicability determination request for remote engine status under 40 CFR Part 63 Subpart ZZZZ. If you could please confirm receipt and let us know next steps, we'd very much appreciate it.

Thanks and best regards,

Emily

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**Emily C. Schilling**  
Partner, Holland & Hart LLP  
222 S Main Street, Salt Lake City, UT 84101  
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October 16, 2020

**VIA E-MAIL**

Melanie King  
Office of Air Quality Planning and Standards  
U.S. Environmental Protection Agency  
king.melanie@epa.gov

**RE: Request for Applicability Determination of Remote Engine Status under 40 C.F.R. Part 63, Subpart ZZZZ, NESHAP for Stationary Reciprocating Internal Combustion Engines ("RICE")**

Dear Ms. King:

We are requesting an applicability determination for existing 500 HP reciprocal internal combustion engines ("RICE") at an area source where the source can demonstrate the engines were "remote engines" under 40 CFR § 63.6675 as of the October 19, 2013 compliance date—and continue to meet the definition of remote engines—but the source has not previously notified EPA or a delegated authority of this status. As illustrated below, we believe a demonstration of remote status under these circumstances is permissible under the plain regulatory language of 40 C.F.R. Part 63, Subpart ZZZZ ("Quad Z") and is further supported by EPA's statements in the preamble to the 2013 final rule. 78 Fed. Reg. 6674, 6675 (Jan. 30, 2013).

**I. A DEMONSTRATION OF REMOTE ENGINE STATUS AS OF OCTOBER 19, 2013 CAN BE MADE AFTER THE COMPLIANCE DEADLINE WITHOUT AGENCY NOTIFICATION.**

In the 2013 amendments to Quad Z, EPA developed a separate subcategory of "remote engines" located at area sources of hazardous air pollutants ("HAP"). *Id.* Under Quad Z, existing RICE<sup>1</sup> with a site rating of more than 500 HP that "meet the definition of remote stationary RICE on the initial compliance date for the engine, October 19, 2013,"

<sup>1</sup> Existing RICE for purposes of this provision are those engines for which construction commenced before June 12, 2006. See 78 Fed. Reg. at 6675.

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qualify as remote engines. 40 CFR § 63.6603(f). The definition of a “remote engine” includes those RICE:

- located in an offshore area that is beyond the line of ordinary low water along that portion of the coast of the United States that is in direct contact with the open seas and beyond the line marking the seaward limit of inland waters; or
- located on a pipeline segment with 10 or fewer buildings intended for human occupancy and no buildings with four or more stories within 220 yards (200 meters) on either side of the centerline of any continuous 1-mile (1.6 kilometers) length of pipeline; and the pipeline segment does not lie within 100 yards (91 meters) of either a building or a small, well-defined outside area (such as a playground, recreation area, outdoor theater, or other place of public assembly) that is occupied by 20 or more persons on at least 5 days a week for 10 weeks in any 12-month period; or
- not located on gas pipelines and that have 5 or fewer buildings intended for human occupancy and no buildings with four or more stories within a 0.25 mile radius around the engine. A building is intended for human occupancy if its primary use is for a purpose involving the presence of humans.

40 CFR § 63.6675.

Notably, qualifying as a remote engine does not hinge on any specific *notification* date. Rather, the language only requires that at least one of the three definitional criteria be met as of the October 19, 2013 compliance date.

Quad Z requires an evaluation of an engine’s remote status every 12 months. *Id.* § 63.6603(f). Records of the evaluations, including the initial determination of remote status, must be maintained. *Id.* If, upon an evaluation, it is determined an engine no longer meets the definition of a remote engine, the source has one year to comply with the requirements for non-remote engines. *Id.* Section 63.6603(f) does not obligate sources to notify either EPA or the delegated permitting authority of an engine’s remote status.

Similarly, neither the notification provisions in 40 CFR § 63.6645 nor the cross-referenced general notification provisions at 40 CFR § 63.9 require submittal of an initial notification to qualify for remote status. And there no indication that the failure to formally notify either EPA or a delegated permitting authority by the 2013 compliance deadline prohibits an engine from qualifying for remote status under § 63.6675. For example, an area source with an existing 500 HP engine could have submitted an initial notification for its engines under 40 CFR § 6645(a) in 2008 or sometime thereafter, and then determined

after promulgation of the 2013 rule that its engines qualified for remote status. But that source was not required to submit *another* notification when it determined its engines qualified for remote status.

EPA did, however, impose notification deadlines for *other* engines when it finalized the 2013 rule. Specifically, the regulations require certain owners or operators of engines subject to an “enforceable state or local standard requiring engine replacement” to submit notification by “March 3, 2013, stating that you intend to use the [management practices] and identifying the state or local regulation that the engine is subject to.” 40 CFR § 63.6645(h)(2)(i). EPA’s inclusion of notification requirements for engine status in other sections of the RICE rule suggests that if EPA intended to require notification of remote status by a date certain in order to qualify for such status, it would have done so. But EPA did not.

**II. THE PURPOSE OF THE REMOTE ENGINE SUBCATEGORY SUPPORTS ALLOWING SOURCES TO DEMONSTRATE AFTER THE COMPLIANCE DATE THAT ENGINES QUALIFIED FOR REMOTE STATUS AS OF OCTOBER 19, 2013.**

EPA subcategorized 500 HP engines located at area sources into remote and non-remote engines in 2013 to address (1) the lower health risks associated with area source remote engines; and (2) the technical hurdles and costs associated with compliance at remote sites. 78 Fed. Reg. at 6675, 6682. The remote engine subcategory is subject to work practice standards as opposed to numeric emission limitations.

EPA recognized that engines located in remote geographic areas pose less of a health risk than non-remote engines, and therefore should have less stringent regulatory requirements. *Id.* at 6682 (“the location of these engines is such that there would be limited public exposure to the emissions. The EPA believes that establishing a subcategory for [spark ignition] engines at area sources of HAP located in sparsely populated areas accomplishes the agency’s goals and is adequate in protecting public health.”).

EPA also recognized that practical considerations justified regulating remote and non-remote engines differently. Specifically, EPA noted that the “division of remote and non-remote engines into two separate subcategories addresses reasonable concerns with accessibility, infrastructure and staffing that stem from the remoteness of the engines and higher costs that would be associated with compliance with the existing requirements.” *Id.* at 6675. Some of these higher costs stem from the fact that remote engines are, by their nature, remote from significant human activity, and therefore they “may be difficult to access, may not have electricity or communications, and may be unmanned most of the time.” *Id.* at 6682. Thus, “the costs of the emission controls, testing, and continuous monitoring requirements may be unreasonable when compared to the HAP emission

reductions that would be achieved, considering that the engines are in sparsely populated areas." *Id.*

If a source demonstrates remote status for its existing RICE after 2013—where the engines properly met the definition of remote as of the October 19, 2013 compliance date and still meet that definition—the purposes of establishing distinct subcategories remains relevant. First, a source that demonstrates it was remote in 2013 and remained remote poses no greater health risk and therefore should not be subject to more stringent emission limitations. Second, a source should not be penalized where EPA recognized at the time of adoption of the remote engine subcategory that compliance difficulties and costs associated with remote geographic areas justify less stringent regulation. Requiring a source with remote engines to continue to incur these higher compliance costs simply because it did not formally notify a regulatory agency is inefficient and does not achieve better health or environmental outcomes.

**Conclusion:**

We are requesting a determination that an area source with stationary RICE that can make a demonstration that its engines met the definition of "remote" under 40 C.F.R. § 63.6675 as of October 19, 2013—and continue to meet this definition—may comply with work practice standards at § 6603(f), regardless of whether the source formally notified a regulatory agency.

We appreciate your consideration of our request. If you need additional information regarding this request, please do not hesitate to contact me.

Respectfully,



Emily C. Schilling  
Partner  
Holland & Hart LLP

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EPA

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