



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 6
1445 ROSS AVENUE, SUITE 1200
DALLAS, TX 75202-2733

May 04, 2017

STATEMENT OF BASIS

For draft Air Pollution Control Title V Permit to Operate for Permit No. R6FOP-NM-17.

The issuing office is: U.S. Environmental Protection Agency, Region 6
1445 Ross Avenue
Dallas, TX 75202-2733

The applicant is Williams Four Corners, LLC
1755 Arroyo Drive
Bloomfield, New Mexico 87413
E & H Receiver
Jicarilla Apache Reservation, Rio Arriba County, New Mexico

1. Environmental Protection Agency (EPA) Authority to Issue Part 71 Permits Pursuant to Title V of the Clean Air Act (CAA)

On July 1, 1996 (61 Federal Register (FR) 34202), EPA adopted regulations codified at 40 Code of Federal Regulations (CFR) Part 71 setting forth the procedures and terms under which the Agency would administer a Federal Operating Permits Program, as required by Title V of the federal Clean Air Act, 42 U.S.C. § 7661a. These regulations were updated on February 19, 1999 (64 FR 8247) to incorporate EPA's approach for issuing Federal operating permits (Title V or Part 71 permits) to covered 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 will administer and enforce a part 71 Federal Operating Permits Program for stationary sources until a Tribal Nation receives approval to administer their own Operating Permit Program.

2. The Jicarilla Apache Nation

- a. Geographical boundaries: The Jicarilla Apache reservation is located in north central New Mexico, in Rio Arriba and Sandoval Counties, near the state border with Colorado. The reservation's geography ranges from 6,400 feet above sea level in high

desert to over 10,600 feet above sea level in rugged mountains. The reservation contains numerous lakes and twenty major watersheds. The only town, Dulce, is located in the northern portion of the reservation.

b. Current Leadership and Contact Information:

Wainwright Velarde, President
Edward Velarde, Vice President
Jicarilla Apache Nation
P. O. Box 507
Dulce, NM 87528
Tel: (575) 759-3242
Fax: (575) 759-3005

c. Environmental Protection Office:

Cordell TeCube, Environmental Director
(cltecube@yahoo.com)
Tel: (575) 759-7421
Fax: (575) 759-7565

d. Local air quality and attainment status: The reservation is in an attainment area for all criteria pollutants. The Jicarilla Apache reservation is located within the Four Corners region, which is characterized as a rural area with oil and gas production but no heavy industry.

3. Facility Information

a. Location: The Williams Four Corners, LLC – E & H Receiver is located approximately thirty miles south-southwest of Dulce, New Mexico, at UTM Zone 13N: UTM 303767.8 E; UTM 4041529.5 N. The mailing address is:

Williams Four Corners, LLC
1755 Arroyo Drive
Bloomfield, New Mexico 87413

b. Facility Contact/ Responsible Official

The facility contact is:
Mitch Morris, Environmental Specialist

The responsible official is:
Glen Jasek

Vice President & General Manager, FCA
Williams Four Corners, LLC
1755 Arroyo Drive
Bloomfield, New Mexico 87413
Phone: (505) 632-4628

c. Source Description - Operations and Products

The E & H Receiver, with Standard Industrial Classification code 1389, is a natural gas liquids receiver on a natural gas pipeline that receives pipeline condensate and transfers to three storage tanks pending truck haul. The receiver collects liquids (consisting of water and hydrocarbons condensed from natural gas) removed from the pipeline by pigging operations. As liquids are transferred from the receiver to the atmospheric storage tanks, hydrocarbons including volatile organic compounds (VOCs) may be released to the atmosphere.

In May 2016, EPA updated the New Source Performance Standards (NSPS) and made amendments to the New Source Review (NSR) rules on Indian Country for the Oil and Gas sector. Facilities are required to conduct an analysis of sources within a quarter-mile for possible aggregation as necessary. There are three natural gas production wells within a quarter-mile of the E & H Receiver. However, based on information provided by WFC, the wells do not meet the “common sense notion of a plant” in that they are owned by other entities. Nor do the wells share “functional interrelatedness” with the E & H Receiver through shared equipment necessary to store natural gas because the wells are operated by other companies. Per the final rule in 81 FR 35622, “separate surface sites that do not include shared emitting equipment, even if within ¼ mile, will not be aggregated.” Further aggregation analysis was not needed.

d. Permitting and Operations History

The E & H Receiver is owned by Williams Companies, Inc., and operated by Williams Four Corners (WFC), LLC. The E & H Receiver is an existing facility that was constructed in 1974 and has operated continually since 1975 with no change in configuration. This is the first Part 71 (Title V) Permit for the facility. On February 27, 2013, WFC submitted the registration for existing sources required by 40 CFR 49.160(c)(1)(i). On August 31, 2016, WFC submitted an amended application for the initial Title V permit to increase throughput to the facility based on increased upstream production in the San Juan basin. WFC provided supplemental information for aggregation analysis on the owner/operator status of sources within a quarter-mile of E & H on December 12,

2016. Most recently, WFC updated their application by letter dated March 03, 2017, and provided the initial fee calculation worksheets and initial fees for the Title V permit. In accordance with Part 71 of Title 40 of the Code of Federal Regulations, the source will be required to renew its Clean Air Act Title V Permit every five years in order to continue to operate.

e. Potential to Emit

Applicable PTE Guidance: Potential to emit (PTE) is defined as the maximum capacity of a stationary source to emit a pollutant under its physical and operational design. Any physical or operational limitation on the capacity of the source to emit a pollutant, including air pollution control equipment and restriction on hours of operation or on the type or amount of material combusted, stored, or processed, shall be treated as part of its design if the limitation, or the effect it would have on emissions, is federally enforceable. Potential to Emit is meant to be a worst case emissions calculation. Actual emissions may be much lower.

There is national EPA guidance on PTE dated June 13, 1989: a memo titled, “Guidance on Limiting Potential to Emit in New Source Permitting,” to the EPA Regional Offices, from the Office of Enforcement and Compliance Assurance (OECA), and the Office of Air Quality Planning and Standards (OAQPS). A later memo to the EPA Regional Offices, dated January 25, 1995, titled “Guidance on Enforceability Requirements for Limiting Potential to Emit through SIP and Section 112 Rules and General Permits,” also provides guidance on this topic.

PTE of the E & H Receiver: Table 1 below includes the potential to emit data provided by Williams Four Corners, LLC, for the significant emissions sources which comprise the stationary source. There are no known units with applicable New Source Performance Standards (NSPS, 40 CFR Part 60 Subpart K) or National Emissions Standards for Hazardous Air Pollutants (NESHAPS, 40 CFR Part 63 Subpart HH) requirements at the E & H Receiver. Although the atmospheric storage tanks were constructed after June 11, 1973, and prior to May 19, 1978; the tanks at the facility have capacities less than the minimum 40,000-gallon threshold to be subject to NSPS. Nor are their flash emissions subject to NESHAPS. Insignificant emissions sources are identified in Table 2 below.

f. Permit Shield

In accordance with 40 CFR § 71.6 (f), Section 2 of the permit contains a permit shield related to applicable requirements specifically included in the permit.

**Table 1: Significant Emissions Sources and Potential to Emit in Tons per Year
 Williams Four Corners, LLC – E & H Receiver**

Emission Unit ID	VOC	n- Hexane	Benzene	Toluene	Ethyl- benzene	Xylenes
Three 300-bbl Condensate Storage Tanks (EPN TK-CAP)	296.2	5.38	0.80	1.00E-05	1.03E-02	1.03E-02
Truck Loading (EPN L-1)	10.52	0.13	0.02	1.04E-05	3.45E-04	3.06E-04
TOTALS	306.72	5.51	0.82	2.04E-05	1.06E-02	1.06E-02

NOTE: Maintenance, startup, and shutdown (MSS) are included in the emission estimates above and included, but are not limited to, vessel and piping blowdowns, pipeline pigging activities, including the pipeline pigging location.

VOC - volatile organic compounds (non-HAP)

HAP - hazardous air pollutants (see CAA Section 112(b))

Part 71 allows sources to separately list (in the permit application) units or activities that qualify as “insignificant” based on potential emissions below two tons per year (tpy) for all regulated pollutants that are not listed as HAPs under Section 112(b) and below 1000 pounds/year or the de minimis level established under Section 112(g), whichever is lower, for HAPs. See 40 CFR 71.5(c)(11). 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. In its permit application, WFC listed the emission units shown in Table 2 as meeting the criteria in 40 CFR 71.5(c)(11)(ii) for insignificant emission levels. The permit includes a permit condition requiring the permittee to maintain reliable data and records for the duration of the permit which demonstrate that each such emission unit meets the exemption criteria. WFC should also maintain documentation for any equipment changes that do not trigger minor NSR permitting requirements and should submit the appropriate title V permit amendment request to EPA to memorialize equipment replacements.

Table 2. Insignificant Emission Units

Number	Unit Description	Exemptions to Federal Requirements
TK-4	80-bbl Produced Water Tank	< 2 tpy 40 CFR § 71.5(c)(11)(ii)
TK-5	90-bbl Produced Water Tank	< 2 tpy 40 CFR § 71.5(c)(11)(ii)
TK-6	40-bbl Receiver Drip Tank	< 2 tpy 40 CFR § 71.5(c)(11)(ii)
F-1	Piping Component Fugitives	< 2 tpy 40 CFR § 71.5(c)(11)(ii)
F-2	Pig Receiver Emissions	< 2 tpy 40 CFR § 71.5(c)(11)(ii)
HTR-1	Catalytic Heater (12,000 btu/hr)	< 2 tpy 40 CFR § 71.5(c)(11)(ii)
HTR-2	Catalytic Heater (12,000 btu/hr)	< 2 tpy 40 CFR § 71.5(c)(11)(ii)
HTR-3	Catalytic Heater (12,000 btu/hr)	< 2 tpy 40 CFR § 71.5(c)(11)(ii)
HTR-4	Catalytic Heater (12,000 btu/hr)	< 2 tpy 40 CFR § 71.5(c)(11)(ii)

NOTE: Maintenance, startup, and shutdown (MSS) emissions are included in the emission calculations above and include, but are not limited to, vessel and piping blowdowns, pipeline pigging activities, including the pipeline pigging location.

4. Applicable Requirements and Other Conditions:

In its Part 71 permit application, Williams Four Corners, LLC (WFC) addresses the applicable requirements related to the operations of the E & H Receiver. Based on information submitted by WFC, there are no performance standards promulgated under 40 CFR Part 60 that are currently applicable to emission units at the E & H Receiver. Nor are there any emission standards for hazardous air pollutants promulgated under 40 CFR Part 63 that are currently applicable to emission units at the E & H Receiver, and the requirements of the New Mexico State Implementation Plan do not apply at this source, as it is located within the boundaries of the Jicarilla Apache Reservation. Should WFC choose to make modifications to the facility, or the way in which the facility operates, WFC must first evaluate whether the potential modification requires compliance with the Federal Minor New Source Review Program in Indian Country found at 40 CFR §§49.151 to 49.165.

The emissions limitations in this initial Title V permit reflect conditions represented in WFC’s August 2016 amended permit application. Emissions from the facility will be calculated from recorded parameters in the permit and tracked through annually submitted Fee Schedules (which include annual reports on criteria pollutant and hazardous air pollutant (HAP) actual emissions) and compliance certifications, to ensure that future changes to the source do not trigger additional federal CAA requirements.

The source will continue to comply with all applicable requirements. For applicable requirements that will become effective during the term of the permit, the source will meet such requirements on a timely basis. In particular, the permittee will comply with the following:

Table 3: Applicable Regulations for Williams Four Corners, LLC – E & H Receiver

Citation	Requirement	Comment
40 CFR 71	Federal Operating Permits Program	All Emission Units (See Table 1)

a. Other Potentially Applicable Requirements

Based on the information provided in Enterprise’s application and subsequent updates, EPA does not believe that the E & H Receiver is subject to the acid rain program under Title IV of the CAA or the requirements of Title VI related to CFCs.

b. General Permit Conditions

In order to ensure that the E & H Receiver is operating properly and maintaining its current status as major source, the following general permit conditions will be placed into the Part 71 permit:

1. Condensate Throughput Rates: The facility receives natural gas liquids removed from the pipeline by pigging operations. The maximum annual usage rate stated in the application for the atmospheric storage tanks (EPN TK-CAP) and for truck loading (EPN L-1) is 50,000 bbl/year. Based on this information, the total amount of condensate throughputs to this facility shall not exceed 50,000 bbl per year on a 12-month rolling average. Monitoring, recordkeeping, and reporting requirements have been placed in the permit for this requirement.

2. General Monitoring and Recordkeeping: The facility will be required to

keep all records for five (5) years, including the following: serial number for each emission unit, records of repair and maintenance activities which will include identification of emission units and the work involved.

3. **General Reporting:**

An annual report will be submitted to the EPA Region 6 office by the permittee. The report will contain the following:

- (1) Hours of operation of the facility;
- (2) The calculated annual emissions for the pollutants listed in Table 1 above;
- (3) The monthly and annual 12-month rolling average of the condensate throughput volumes for TK-CAP and L-1;
- (4) A summary of the periods of noncompliance.

The report will be submitted to the EPA Region 6 office by April 1 for the previous calendar year's emissions.

5. Fee Schedule and annual Compliance Reports

The Company has provided the Region with annual estimates of actual emissions for all regulated pollutants for fee payment purposes and annual compliance reports for the proposed Part 71 permit. The Company must continue to submit annual estimates of actual emissions for all regulated pollutants as part of the requirement to pay an annual fee (see Section 5.1 of the permit), and annual compliance certifications and reports (see Section 5.3 of the permit). On March 03, 2017, WFC paid its initial title V fees prior to the issuance of this initial permit.

6. Credible Evidence:

Language is placed in the permit which states that credible evidence may be used to demonstrate whether a source would have been in compliance with applicable requirements of the permit, if the appropriate performance or compliance test, using specific methods or procedure to assess compliance, had been performed for purposes of Title V compliance certifications. Also, nothing in the permit will preclude the use, including exclusive use, of credible evidence or information by any person for purposes of establishing whether or not a source is in violation of permit conditions.

7. Notice and Comment

- a. Public Notice.

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

There will be a 30-day public comment period for actions pertaining to a draft permit. Public notice has been 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, and the State and Federal land managers. A copy of the notice has also been 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 CAA permits issued in Indian Country, please send your name and address to the Air Permits Section at the address listed below:

Air Permits Section
EPA, Region 6
1445 Ross Avenue (6MM-AP)
Dallas, TX 75202
E-mail: r6airpermits@epa.gov

EPA also announces the public comment period through an electronic public notice which is available on EPA's National Public Notice website at <https://www.epa.gov/publicnotices>. The National Public Notice website is linked to the supporting record for the draft permit which is published at: <https://www.epa.gov/caa-permitting/part-71-operating-permits-tribal-lands-epas-south-central-region>.

b. Opportunity for Comment

Members of the public may 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 are available at:

Jicarilla Apache Reservation
Library
P.O. Box 507
Dulce, NM 87528
Phone #: (505) 759-3242

U.S. EPA, Region 6
Library
1445 Ross Ave.
Dallas, TX 75202-2733
Phone #:(214) 665-7122
or (214) 665-6435

Copies of the draft permit and this statement of basis are also available electronically on the EPA Region 6 Website,

<https://www.epa.gov/caa-permitting/part-71-operating-permits-tribal-lands-epas-south-central-region>

Any interested person may submit written comments on the draft Part 71 operating permit during the public comment period to the Air Permits Section at the address listed in section 7.a above. All comments will be considered and answered by EPA in making the final decision on the permit. The EPA will keep 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 must raise all reasonable ascertainable issues and submit 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 Air Permits Section, at the address listed in Section 7.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. The 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.