Bryan W. Shaw, Ph.D., *Chairman*
Buddy Garcia, *Commissioner*
Carlos Rubinstein, *Commissioner*
Mark R. Vickery, P.G., *Executive Director*

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

July 8, 2010

LaDonna Castañuela, Chief Clerk
Texas Commission on Environmental Quality
P.O. Box 13087, MC 105
Austin, Texas 78711-3087

Re: Regency Field Services, LLC., Permit No. 6051
TCEQ Docket No. 2010-0843-AIR

Dear Ms. Castañuela:

Enclosed please find a copy of the following documents for inclusion in the background material for this permit application:

- Final Draft Permit (the permit special conditions and the Maximum Allowable Emission Rate Table (MAERT))
- The summary of the technical review of the permit application
- The compliance summary of the applicant.
- A map indicating the proximate location of the hearing requestors
- The Executive Director's Response to Hearing Requests
- Copy of the applicable portion of the Texas Clean Air Act from 1998

If you have any questions, please do not hesitate to call me at extension 0649.

Sincerely,

Alexis Lorick
Staff Attorney
Environmental Law Division

Enclosures

TCEQ STATE AIR QUALITY PERMIT NUMBER 6051
TCEQ DOCKET NUMBER 2010-0843-AIR

APPLICATION BY	§	**BEFORE THE**
	§	
REGENCY FIELD SERVICES, L.L.C.	§	**TEXAS COMMISSION ON**
	§	
EUSTACE, HENDERSON COUNTY	§	**ENVIRONMENTAL QUALITY**

EXECUTIVE DIRECTOR'S RESPONSE TO HEARING REQUESTS

The Executive Director of the Texas Commission on Environmental Quality (commission or TCEQ) files this response (Response) to the requests for a contested case hearing submitted by the persons listed herein regarding the above-referenced matter. This permit renewal application was declared administratively complete prior to September 1, 1999; therefore, this application is governed by the law in effect prior to the enactment of House Bill (HB) 801.[1] This permit application is instead governed by the previous law in effect at the time. Specifically, the 1998 version of the Texas Clean Air Act (TCAA), TEX. HEALTH & SAFETY CODE (THSC) § 382.056(d)[2] requires the Commission to consider hearing requests in accordance with the procedures provided in the statute. This statute is implemented through the rules in 30 TEX. ADMIN. CODE (TAC) Chapter 55, Subchapters A and B.

A current compliance history report, technical review summary, and draft permit prepared by the Executive Director's staff have been filed with the TCEQ's Office of Chief Clerk for the commission's consideration. The Executive Director's Response to Public Comments (RTC), mailed by the chief clerk to all persons on the mailing list, and the hearing requests, are also on file with the chief clerk for the commission's consideration.

I. Application Request and Background Information

Regency Field Services, L.L.C. (Regency or Applicant) applied to the TCEQ for renewal of Air Quality Permit Number 6051, which would authorize continued operation of the Eustace Gas Processing Plant located at 16401 County Road 2854, Eustace, Henderson County, Texas.[3] The gas processing plant receives natural gas containing hydrogen sulfide (H_2S), which is removed from the natural gas. The hydrogen sulfide is routed to a sulfur recovery unit which converts the hydrogen sulfide gas to molten sulfur, and the "sweetened" natural gas is then sent to a natural gas liquids unit which is authorized by a separate new source review authorization.

---

1. HB 801, among other things, changed public participation procedures for environmental permitting. The new and amended statutory provisions affected commission actions for which public notice, opportunity for public comment, and opportunity for public hearing are applicable.
2. TEXAS HEALTH & SAFETY CODE ANN. § 382.056(d) (Vernon 1998) attached for the commission's convenience.
3. In 1998, Warren NGL (predecessor to Dynegy Midstream Services L.P.) applied for renewal of State Air Quality Permit Nos. 6051 and 6052. The facility experienced several changes in ownership from 2000-2006. Regency Field Services, L.L.C., formerly known as Texstar FS L.P., acquired the facility in 2006 and is the current permit holder.

The gas processing plant is authorized to emit the following air contaminants: sulfur dioxide, hydrogen sulfide, carbon monoxide, nitrogen dioxide, organic compounds, and particulate matter. This renewal will not authorize any change in currently authorized operations, or any changes in currently authorized pollutants. As of June 22, 2010, Applicant is not delinquent on any administrative penalty payments to the TCEQ. The TCEQ Enforcement Database was searched and no enforcement activities were found that are inconsistent with the compliance history.

This renewal will not authorize any change in currently authorized operations, or any changes in currently authorized pollutants. As of July 8, 2010, the Applicant is not delinquent on any administrative penalty payments to the TCEQ. The TCEQ Enforcement Database was searched and no enforcement activities were found that are inconsistent with the compliance history.

Originally, this permit renewal application requested renewal of Air Quality Permit Nos. 6051 and 6052. The permit renewal application was received on January 13, 1998 and declared administratively complete on June 30, 1998. The Notice of Receipt and Intent to Obtain an Air Quality Permit (public notice) for this permit renewal application was published on July 13, 1998 in the *Athens Daily Review*. The public comment period ended on October 8, 1998. A public meeting was held on October 8, 1998 in Payne Springs, Henderson County. The Executive Director's RTC was mailed on February 22, 1999 to interested persons, including those who asked to be placed on the mailing list for this application, and those who submitted a comment or request for a contested case hearing. The Agency received 36 requests for a contested case hearing.

The TCEQ received timely hearing requests during the public comment period ending October 8, 1998 that were not withdrawn from the following persons: Timothy J. Allison, John and Millie Ballard, James and Mary Black, Lewis and Debbie Burrows, Mae Busby, Richard Busby, Thomas and Dawna Carlson, Dolores Deller, Debra Flake, Harmon and Louise Guthrie, Tami Longacre, Helen N. Luger, Paula Martin, Terry Nesbitt, L.W. Nowlin, Dale and Carol Price, John and Sandra S. Roberts, Ashley Roberts, Dian Sanders, Richard and Lela Smithey, Karen and Bob Spence, James and Denise Stotts, Bruce and Kim Temple, Chris Temple, and Lisa Yates.

The main issue of concern noted by those who commented and, or requested a hearing related to H_2S odors coming from the flares. At low concentrations (for example 5-20 parts per billion (ppb), H_2S emissions cause a noticeable "rotten egg" smell, and at higher concentrations (for example, 500 ppb or higher), H_2S emissions could have serious health effects, including dizziness or death due to asphyxiation. Emissions of H_2S occurred when the company sent H_2S to the flares. These flares were intended to be used only during emergencies and maintenance; however, emissions of H_2S continued to occur during non-emergency periods. In order to address the H_2S odor issue, the plant submitted an application for, and received, a Standard Permit for authorization to convert the flares from unassisted to steam assisted flares.[4] Steam assisted flares inject steam into the combustion zone of the flare to promote mixing of the waste gas routed up to through the flare stack to the flare

4. Standard Permit No. 42832 was issued in the summer of 1999.

tip and oxygen in the air to achieve good combustion efficiency of the waste gas being controlled by the flare, which reduces the hydrogen sulfide emissions and odors from the flares.

Between 2000 and 2006, there were several ownership changes at the plant. Sulfur River Gathering, L.P., acquired the Eustace Gas Plant from Dynegy in January, 2000; then Enbridge Pipeline (NE Texas), L.P., acquired the facility in December, 2005; then Texstar FS, L.P., acquired the facility in July, 2006. Texstar FS, L.P. subsequently changed its name to Regency Field Services, LLC. Additionally, TCEQ personnel changes and turnover compounded the difficulty of completing the processing of the permit renewal.

In August of 2006, the Executive Director sent to the Applicant a request for additional information regarding emission sources that were represented in the original application, but for which no emission limits had been yet established or quantified in the original permits. To fully address the Executive Director's questions, the company submitted an application to amend Permit No. 6051 on November 20, 2006. This amendment sought, among other things, to combine Air Quality Permit 6052 into Air Quality Permit No. 6051. This amendment additionally sought to incorporate Standard Permit No. 41832 and Federal Prevention of Significant Deterioration Permit No. PSD-TX-55M3 into Air Quality Permit No. 6051. The Notice of Receipt of Application and Intent to Obtain Air Permit Amendment (public notice) for the amendment to the permit was published on March 1, 2007 in the *Athens Daily Review*. No comments or requests for a contested case hearing or for a public meeting were received during this public comment period. On March 30, 2009, the amendment to Air Quality Permit No. 6051 was approved by the TCEQ, and the requirements of Air Quality Permit No. 6052 and Standard Permit No. 41832 were incorporated into Permit No. 6051.

After approval of the permit amendment for Air Quality Permit No. 6051, which consolidated the various permits, the Executive Director requested the Applicant to re-publish notice for the renewal of Permit No. 6051 because it had been more than two years since notice was originally published (in 1998), and the original notice did not mention the subsequent changes noted above. The Notice of Receipt of Application and Intent to Obtain Permit Renewal (republished first public notice) for this permit renewal application was published on July 16, 2009 in the Payne Springs newspaper, *The Monitor*. The second public comment period ended July 31, 2009. No comments, requests for a public meeting, or requests for a contested case hearing were received during this public comment period.

Due to the substantial time lapse between the initial hearing request period, the evaluation of these requests, and the completion of the Executive Director's technical review, TCEQ staff also undertook considerable efforts to contact the hearing requestors, verify addresses, and update them regarding this pending matter. As part of this effort, TCEQ technical and legal staff telephoned each hearing requestor at his or her last known telephone number and re-mailed the Executive Director's Response to Comments, including a status update letter about the permit application which contained information regarding future administrative steps that would occur in the processing of this application. If the requestor was not available or the number was no longer in service, TCEQ staff utilized various telephone search engines to find alternative telephone contact information, and

subsequently contacted or attempted to contact the requestors. During these telephone calls, TCEQ staff confirmed the residential addresses of the requestors they were able to reach. For those requestors whom TCEQ staff was unable to contact and/or provided only a P.O. Box address, TCEQ staff searched current voter registration records for the requestors' most recent addresses.[5] All of these efforts aided TCEQ staff in its evaluation of the requestors' distance from the proposed facility, which will be discussed later in this Response.

II. Applicable Law

This permit renewal application was declared administratively complete prior to September 1, 1999; therefore, this application is governed by the law in effect prior to the enactment of House Bill (HB) 801.[6] The applicable law the commission must consider in reviewing the hearing requests for permit renewal application 6051 are found in 30 TAC §§ 55.21(d), 55.23(a), 55.29(c), 55.3, 55.31(a)-(b)(2), and TCAA § 382.056.[7]

The law applicable to the proposed facility may generally be summarized as follows: A person who owns or operates a facility, or facilities, that will emit air contaminants is required to obtain authorization from the commission prior to the construction and operation of the facility, or facilities.[8] This process has remained unchanged with the implementation of HB 801 procedures. In addition, a person is prohibited from emitting air contaminants or performing any activity that violates the TCAA or any commission rule or order, or that causes or contributes to air pollution.[9] The relevant rules regarding air emissions are found in 30 TAC Chapters 101, and 111 through118. In addition, the Commission has the authority to establish and enforce permit conditions consistent with the TCAA.[10] The materials accompanying this response include both permit conditions, and operational and emission limitations applicable to this proposed facility.

For permit renewal application 6051, the Executive Director's staff referred to the pertinent provisions of THSC § 382.056, Notice of Intent to Obtain Permit or Permit Review; Hearing, in effect at the time the permit application was declared administratively complete January 21, 1998. These provisions of THSC are pre-HB 801, the procedures for which determining whether to grant a hearing request remain substantially the same after the enactment of HB 801.

In order for the commission to grant a hearing request, the requestor must submit a timely hearing request, supported by competent evidence, following the form of 30 TAC § 55.21. The requestor,

---

5. Via Thomson West's Internet Resource *Westlaw*
6. Among the other things the enactment of HB 801 changed was an amendment to the TEX. WATER CODE, § 5.115(a) to specifically define who would be considered "affected" for purposes of contested case hearings provided for in the Texas Clean Air Act, TEX. HEALTH & SAFETY CODE, Chapter 382. Generally, no other requirements applicable to permits were changed by HB 801.
7. TEXAS HEALTH & SAFETY CODE ANN. § 382.056(d) (Vernon 1998), attached for the commission's convenience.
8. TEX. HEALTH & SAFETY CODE ANN. § 382.0518 (Vernon 1998).
9. TEX. HEALTH & SAFETY CODE ANN. § 382.085 (Vernon 1998).
10. TEX. HEALTH & SAFETY CODE ANN. § 382.0513.(Vernon 1998).

additionally, must be an affected person within the meaning of 30 TAC § 55.29, and the request must not be unreasonable within the meaning of TCAA 382.056.[11] An unreasonable request is one for which the commission is prohibited, by statute, from holding a hearing. For any permit renewal application, if issuance of the draft permit would not result in an increase in allowable emissions, or result in the emission of an air contaminant not previously emitted, all requests for a contested case hearing are *per se* unreasonable.[12]

Section 55.21(d) states that a written request for a hearing on an application before the Commission must include the name, address, and daytime phone number of the person making the request, identify the person's personal justiciable interest affected by the application, specifically request a contested case hearing, and include any other information requested in the public notice of the application.[13] These are form requirements with which a hearing request must substantially comply. Section 55.3 defines an affected person as "one who has a personal justiciable interest related to a legal right, duty, privilege, power, or economic interest affected by the application. . . [a]n interest common to members of the general public does not qualify as a personal justiciable interest. . . [l]ocal governments with authority under state law over issues raised by the application receive affected person status under 30 TAC § 55.29(b)."[14] This is a legal standing requirement with which any hearing requestor must comply before a request for a hearing may be granted. Section 55.29(c) provides the relevant factors commission must consider when determining whether a hearing requestor is also an affected person. These factors are discussed in detail below.

In determining whether a person is affected, 30 TAC § 55.29(c) requires the commission to consider, but not limited to, the following factors:

(1) whether the interest claimed is one protected by the law under which the application will be considered;
(2) distance restrictions or other limitations imposed by law on the affected interest;
(3) whether a reasonable relationship exists between the interest claimed and the activity regulated;
(4) likely impact of the regulated activity on the health, safety, and use of property of the person;
(5) likely impact of the regulated activity on use of the impacted natural resource by the person; and
(6) for governmental entities, their statutory authority over or interest in the issues relevant to the application.

In addition to the requirements noted above regarding affected person status, in accordance with

11. *See*, TEX. HEALTH & SAFETY CODE ANN. § 382.056 (Vernon 1998).
12. *Id.* at § 382.056 (1998).
13. 30 TEX. ADMIN. CODE § 55.21(d) (1999) (Tex. Comm'n on Env. Quality, Requests for Contested Case Hearings, Public Comment).
14. 30 TEX. ADMIN. CODE § 55.3 (1996) (Tex. Comm'n on Env. Quality, Definitions).

30 TAC § 55.23(a), a group or association may request a contested case hearing only if the group or association meets all of the following requirements:

(1) one or more members of the group or association would otherwise have standing to request a hearing in their own right;
(2) the interests the group or association seeks to protect are germane to the organization's purpose; and
(3) neither the claim asserted nor the relief requested requires the participation of the individual members in the case.

Pursuant to 30 TAC § 55.31(a), the reasonableness of a request for a contested case hearing, previously mentioned, is based on all relevant factors including:

1) Whether the request is based solely on concerns outside the jurisdiction of the commission; and
2) Whether the request is based on concerns related to other media that cannot be addressed by the pending application, even though within the jurisdiction of the commission;
3) Whether the project is an emissions, pollutant, or source reduction project or a project to improve the quality of waste to be discharged, including:
    a. Whether there are no increases in emission of any contaminants or no increases in discharges of any pollutants;
    b. Whether the project is not driven by a noncompliance situation; and
    c. Whether the project will have both emission, source or pollutant discharge reductions and incidental increases, where the net effect is an emission, source, or pollutant discharge reduction;
4) Whether the project is mandated by commission rule;
5) The location of the proposed project;
6) Whether the applicant requests authority to substitute an equivalent or more efficient control device;
7) Whether the hearing request is based solely on something other than concerns about pollution;
8) The extent to which the person requesting a hearing is likely to be impacting by the emissions, discharge, or waste; and
9) The applicant's compliance history.

Whether a request is reasonable is also governed by the requirements of 30 TAC § 55.31(b), which for renewals, reiterates the statutory standard of review that "[a] request concerning an amendment, modification, or renewal that would not result in an increase in allowable emissions and would not result in the emission of an air contaminant not previously emitted is unreasonable."

Lastly, both previous and current statutory provisions of Tex. Health & Safety Code, § 382.056 provided that notwithstanding other provisions of the TCAA, the commission could grant a hearing for a renewal if the commission determined that the application involved a facility for which the

applicant's compliance history was of concern.[15] This requirement is also specified in 30 TAC § 55.31(b)(2).

III. Evaluation and Analysis of the Requests

A. *Permit Application 6501 is a No-Increase Permit Renewal and the Requests should be denied*

The 2006 amendment to Permit No. 6051, approved by the commission March 30, 2009, incorporated all increases in allowable emissions and emissions of air contaminants not previously emitted, as requested by the Executive Director. The 2006 amendment was also subject to all applicable public notice and comment procedures, and provided an opportunity for interested person to request a contested case hearing. There were no public comments or hearing requests during the applicable comment period for the 2006 amendment to Permit No. 6051. Further, at the request of the Executive Director, the applicant re-published public notice for this renewal application, providing a second opportunity for requests for public comment and requests for a contested case hearing. No additional public comments or requests for hearing were received for the renewal application during this period. The pending permit renewal application incorporates all changes previously codified in Permit No. 6051, with no requested changes, no increases in emission limitations, and no emissions of new pollutants.

As discussed previously, TEX. HEALTH & SAFETY CODE, § 382.056 prohibits "unreasonable" requests, which includes a "renewal that would not result in an increase in allowable emissions and would also not result in the emission of an air contaminant not previously emitted. The commission is subsequently prohibited from granting or holding a hearing for a permit renewal application that would not result in an increase in allowable emissions, or would not result in the emission of an air contaminant not previously emitted on the basis that granting or holding such a hearing would be unreasonable.[16] Permit renewal application 6051 will not result in an increase in allowable emissions, and will not result in the emission of an air contaminant not previously emitted; thusly, TEX. HEALTH & SAFETY CODE § 382.056(d) applies. The Executive Director respectfully concludes that the commission as a matter of law should approve the renewal of Applicant's Air Quality Permit No. 6051 and deny all hearing requests.

B. *Analysis of the Hearing Requests utilizing the Other Factors the Commission must Consider in Evaluating the Hearing Requests*

1. *Were the Hearing Requests received in a Timely Manner and the Proper Form?*

---

15. *See* TEX. HEALTH & SAFETY CODE ANN. § 382.056(e) (Vernon 1998) *compared with* TEX. HEALTH & SAFETY CODE ANN. § 382.056(o) (Vernon 2009).
16. TEX. HEALTH & SAFETY CODE ANN. at § 382.056(d) (stating "[t]he commission shall not hold a hearing if the basis of
a request by a person who may be affected is determined to be unreasonable." An "unreasonable" request includes a "renewal that would not result in an increase in allowable emissions and would not result in the emission of an air contaminant not previously emitted).

All hearing requests were received in a timely manner. As for the proper form, all of the hearing requests provided much information that could be considered substantial compliance with the applicable law; however, several requestors provided the Executive Director's staff with information insufficient to determine where they resided. For those requestors who provided the TCEQ with insufficient identifying information, the Executive Director is unable to determine whether it is likely that these requestors will be impacted differently than any other member of the general public or if there is a likely impact of the regulated activity on these persons' interests. This will be discussed in detail below.

2. Are any of the Hearing Requestors an Affected Person?

The threshold test of affected person status is whether the requestor has a personal justiciable interest affected by the application and whether this interest is different from that of the general public.[17] All of the hearing requestors who submitted requests on this application listed at least one personal justiciable interest affected by the application; however, many did not indicate how their interest is different from the general public. Emissions from this facility are expected to disperse in the air as the distance from the emission point increases, thus distance from the proposed facility is key to the issue whether or not there is a likely impact of the regulated activity on a person's interests (such as the health and safety of the person) and on the use of property of the person. The Executive Director has generally determined that hearing requestors who reside greater than one mile from the facility are not likely to be impacted differently than any other member of the general public.

For this permit application, the Executive Director's staff has determined that no requestors are located within one mile of the proposed facility. Specifically, the following persons submitted a timely hearing request, with information in the proper form, and reside more than one mile from the proposed facility:

17. *United Copper Indus. v. Joe Grissom*, 17 S.W.3d 797 (Tex. App.—Austin 2000, pet. abated).

Hearing Requestors with Proper Form but More than One Mile from Facility	
Timothy J. Allison	Terry Nesbitt
John and Millie Ballard	Dale and Carol Price
James and Mary Black	John and Ashley Roberts
Lewis and Debbie Burrows	Sandra S. Roberts
Thomas and Dawna Carlson	Dian Sanders
Dolores Deller	Richard and Lela Smithey
Debra Flake	Karen and Bob Spence
Harmon and Louise Guthrie	James and Denise Stotts
Tami Longacre	Bruce and Kim Temple
Helen N. Luger	Chris Temple
Paula Martin	

Two individuals, Richard Busby and L.W. Nowlin, who provided insufficient address information to the Executive Director have died since the Executive Director's staff completed its technical review. As such, those individuals are not affected persons with a "justiciable interest," within the meaning of the statute.

Mae Busby and Lisa Yates provided the same rural address at the time of hearing request, and the address could not be located by TCEQ staff.

For the foregoing reasons, the Executive Director has determined that these hearing requestors are not affected persons, because:

(1) all hearing requestors, whose addresses could be located, reside more than one mile from the proposed facility and are not likely to be impacted differently than any other member of the general public, or;
(2) the hearing requestors provided insufficient identifying information to aid the Executive Director in his determination, or;
(3) the hearing requestors are now deceased, and are unable to assert a justiciable interest.

See the attached map and legend listing the locations that could be located for individual hearing requestors.

C. *Which Issues in this Matter should be Referred to SOAH for a Hearing?*

None of the persons requesting a hearing on this permit are affected persons based on the previous analysis offered; therefore, there are no hearing requests that meet the necessary requirements for the commission to consider issues for referral to SOAH.

D. *Whether the Compliance History for the Company and the Site Indicate that A Hearing is Warranted?*

As discussed above, both previous and current statutory provisions of Tex. Health & Safety Code, § 382.056 provided that notwithstanding other provisions of the TCAA, the commission could grant a hearing for a renewal if the commission determined that the application involved a facility for which the applicant's compliance history was of concern.18 This requirement is also specified in 30 TAC § 55.31(b)(2). The compliance history report for this company and site, attached to this response, indicates that that are no concerns with regard to compliance history; therefore, a hearing should not be granted on the basis of the compliance history of the applicant.

IV. Conclusion and Recommendation

The renewal of this permit would not result in an increase in allowable emissions, and would not result in the emission of an air contaminant not previously emitted. The compliance history of the applicant and the site does not indicate any concerns. Under these circumstances, Texas Health & Safety Code, § 382.056 and 30 TAC §§ 55.27, 55.29, and 55.31 direct the Commission that no hearing request should be granted. Accordingly, the Executive Director respectfully recommends the Commission deny all hearing requests for this permit as a matter of law pursuant to 30 TAC § 55.31(b) and approve the renewal of Applicant's Permit No. 6051 If the Commissioners do not agree that the hearing requests should be denied as a matter of law, then the Commissioners should deny all hearing requests because no requestors are affected persons.

Respectfully submitted,

Texas Commission on Environmental Quality

Mark Vickery P.G.
Executive Director

Stephanie Bergeron Perdue, Deputy Director
Office of Legal Services

18. *See*, TEX. HEALTH & SAFETY CODE ANN. § 382.056(e) (Vernon 1998) *compared* with TEX. HEALTH & SAFETY CODE ANN. §382.056(o) (Vernon 2009).

Robert Martinez, Division Director
Environmental Law Division

Alexis Lorick, Staff Attorney
Environmental Law Division
Bar No. 24070174

Terry G. Salem, Staff Attorney
Environmental Law Division
Bar No. 00784896

Representing the Executive Director of the Texas Commission on Environmental Quality

CERTIFICATE OF SERVICE

On the 8th day of July 2010, a true and correct copy of the foregoing instrument was served on all persons on the attached mailing list by the undersigned via deposit into the U.S. Mail, inter-agency mail, facsimile, or hand delivery.

Alexis Lorick

MAILING LIST
REGENCY FIELD SERVICES L.L.C.
DOCKET NO. 2010-0843-AIR; PERMIT NO. 6051

FOR THE APPLICANT:
Will Yenke
Regency Field Services, LLC.
16401 County Road 2854
Eustace, Texas 75124-5171

Ananthakrishna Shakar, P.E.
Warren NGL, P.E.
1000 Louisiana St., Ste. 5800
Houston, TX 77002-5005

Eric Groten
2801 Vía Fortuna
Austin, TX 78746-7567
Tel: (512) 542-8709

FOR THE EXECUTIVE DIRECTOR:
Alexis Lorick, Staff Attorney
Texas Commission on Environmental Quality
Environmental Law Division, MC-173
P.O. Box 13087
Austin, Texas 78711-3087
Tel: (512) 239-0649
Fax: (512) 239-0606

Terry G. Salem, Staff Attorney
Texas Commission on Environmental Quality
Environmental Law Division, MC-173
P.O. Box 13087
Austin, Texas 78711-3087
Tel: (512) 239-0469
Fax: (512) 239-0606

Robert Mann, Technical Staff
Texas Commission on Environmental Quality
Air Permits Division, MC-163
P.O. Box 13087
Austin, Texas 78711-3087
Tel: (512) 239-1097
Fax: (512) 239-1300

Patricio Griego, Technical Staff
Texas Commission on Environmental Quality
Air Permits Division, MC-163
P.O. Box 13087
Austin, Texas 78711-3087
Tel: (512) 239-1495
Fax: (512) 239-1300

FOR PUBLIC INTEREST COUNSEL
Blas J. Coy, Jr., Attorney
Texas Commission on Environmental Quality
Public Interest Counsel, MC-103
P.O. Box 13087
Austin, Texas 78711-3087
Tel: (512) 239-6363
Fax: (512) 239-6377

FOR THE OFFICE OF PUBLIC ASSISTANCE
Ms. Bridget Bohac, Director
Texas Commission on Environmental Quality
Office of Public Assistance, MC-108
P.O. Box 13087
Austin, Texas 78711-3087
Tel: (512) 239-4000
Fax: (512) 239-4007

REQUESTORS
Timothy J. Allison
10819 CR 2931
Payne Springs, Texas 75147

John & Millie Ballard
8141 County Road 2813
Eustace, Texas 75124

James and Mary Black
110 Pin Oak Drive
Mabank, Texas 75147

Lewis & Debbie Burrows
318 Hillcrest Dr.
Tool, Texas 75143-8447

Mae Busby
501 VZ County Road 2890
Mabank, Texas 75147-4910

Thomas & Dawna Carlson
1615 Barclay Dr.
Richardson, Texas 75085-1113

Dolores Deller
4706 Village Oak Dr.
Arlington, Texas 76017-2533

Debra Flake
1410 Rosewood Lane
Arlington, Texas 76010-5915

Harmon & Louise Guthrie
206 W Oak St.
Eustace, Texas 75124

Tami Longacre
823 Quiram Ln.
Kemp, Texas 75143-8037

Helen N. Luger
The Law Office of Helen N. Luger
P.O. Box 470
Athens, Texas 77356-0489

Paula Martin
18273 Rocky Point Run
Mabank, Texas 75147

Terry Nesbitt
8098 CR 2813
Eustace, Texas 75124
(903) 425-2929

Dale & Carol Price
819 Heatherwood Dr.
Tool, Texas 75143-2390

John & Ashley Roberts
112 W. Bar H Drive
Gun Barrel City, Texas 75156-3753

Sandra S. Roberts
112 W. Bar H Drive
Gun Barrel City, Texas 75156-3753

Dian Sanders
109 Still Harbor Circle
Tool, Texas 75143-2293

Richard & Lela Smithey
209 Coronado Dr.
Kerrville, Texas 78028

Karen & Bob Spence
4020 Azure Lane
Addison, Texas 75001-3107

James & Denise Stotts
220 Newnata Cutoff
Mountain View, AR 72560-8847

Bruce & Kim Temple
6980 Terry Trace
Eustace, Texas 75124-5518

Chris Temple
6980 Terry Trace
Eustace, Texas 75124-5518

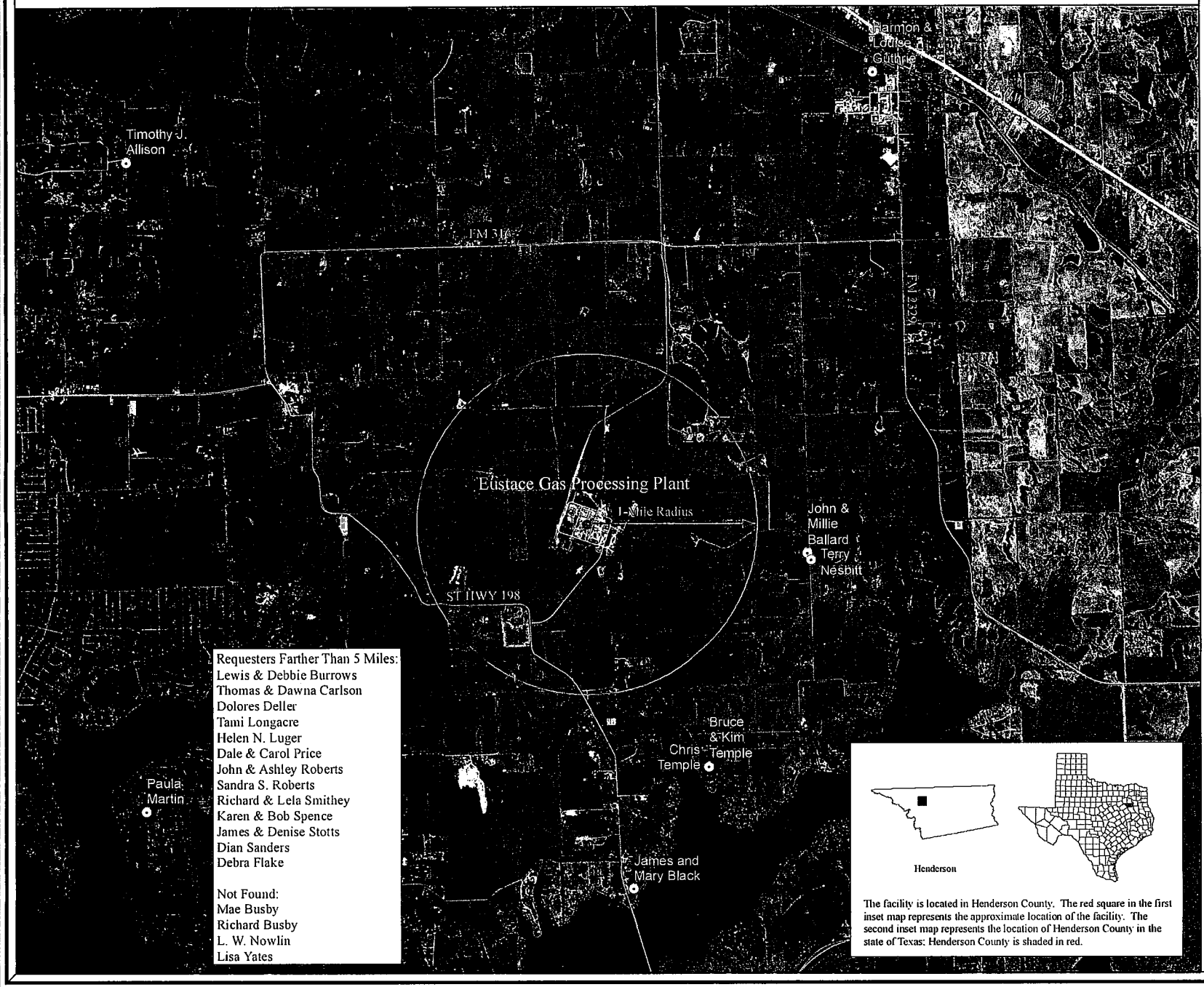
Lisa Yates
441 VZ County Road 2890
Mabank, Texas 75147-4910

INTERESTED PERSONS

The Honorable Clyde Alexander
Texas House of Representatives
PO Box 2901
Austin TX 78768-2910

Johnny Ray Clements
Electric and Instrument Service
185 Cedar Oaks Dr.
Mabank TX 75156-7014

Regency Field Services, LLC - Eustace Gas Processing Plant
Permit No. 6051
Map Requested by TCEQ Office of Legal Services for Commissioners' Agenda



Requesters Farther Than 5 Miles:
Lewis & Debbie Burrows
Thomas & Dawna Carlson
Dolores Deller
Tami Longacre
Helen N. Luger
Dale & Carol Price
John & Ashley Roberts
Sandra S. Roberts
Richard & Lela Smithey
Karen & Bob Spence
James & Denise Stotts
Dian Sanders
Debra Flake

Not Found:
Mae Busby
Richard Busby
L. W. Nowlin
Lisa Yates

The facility is located in Henderson County. The red square in the first inset map represents the approximate location of the facility. The second inset map represents the location of Henderson County in the state of Texas: Henderson County is shaded in red.

Protecting Texas by Reducing and Preventing Pollution

TCEQ

Texas Commission on Environmental Quality
GIS Team (Mail Code 197)
P.O. Box 13087
Austin, Texas 78711-3087

March 30, 2010

0 0.1 0.2 0.4 0.6 0.8 1 1.2 Miles

Projection: Texas Statewide Mapping System (TSMS)
Scale 1:52,135

Legend
- Plant
- Requestor's Property

Source: The location of the facility was provided by the TCEQ Office of Legal Services (OLS). OLS obtained the site location information from the applicant and the requestor information from the requestor. The vector data are U.S. Census Bureau 1992 TIGER/Line Data (1:100,000). The background of this map is a one-half meter photograph from the 2008 Texas Orthoimagery Project.

This map depicts the following:
(1) The approximate location of the plant. This is labeled "Eustace Gas Processing Plant".
(2) Circle and arrow depicting 1-mile radius. This is labeled "1-Mile Radius".
(3) The approximate location of requestors. These points are labeled with their names.

N

This map was generated by the Information Resources Division of the Texas Commission on Environmental Quality. This map was not generated by a licensed surveyor, and is intended for illustrative purposes only. No claims are made to the accuracy or completeness of the data or to its suitability for a particular use. For more information concerning this map, contact the Information Resource Division at (512) 239-0800.

M McDonough CRF-321498

Vernon's

TEXAS CODES ANNOTATED

Volume 3

HEALTH AND SAFETY CODE

Sections 365.001 to 480

1999
Cumulative Annual Pocket Part

Replacing 1998 pocket part supplementing 1992 main volume

For Use In 1998–1999

Includes
Laws through the 1997 Regular Session
of the 75th Legislature
Court Constructions through 969 S.W.2d 145

WEST GROUP

(f) On or before the 180th day after the date on which an application for renewal is filed, the commission shall renew the permit or, if the commission determines that the facility will not meet the requirements for renewing the permit, shall:

(1) set out in a report to the applicant the basis for the commission's determination; and

(2) establish a schedule, to which the applicant must adhere in meeting the commission's requirements, that:

(A) includes a final date for meeting the commission's requirements; and

(B) requires completion of that action as expeditiously as possible.

(g) If the applicant meets the commission's requirements in accordance with the schedule, the commission shall renew the permit. If the applicant does not meet those requirements in accordance with the schedule, the applicant must show in a contested case proceeding why the permit should not expire immediately. The applicant's permit is effective until:

(1) the final date specified by the commission's report to the applicant;

(2) the existing permit is renewed; or

(3) the date specified by a commission order issued following a contested case proceeding held under this section.

(h) If the holder of a preconstruction permit to whom the commission has mailed notice under this section does not apply for renewal of that permit by the date specified by the commission under this section, the permit shall expire at the end of the period described in Subsection (a).

(i) This section does not affect the commission's authority to begin an enforcement action under Sections 382.082–382.084.

Amended by Acts 1993, 73rd Leg., ch. 485, § 14, eff. June 9, 1993; Acts 1995, 74th Leg., ch. 76, § 11.167, eff. Sept. 1, 1995; Acts 1995, 74th Leg., ch. 149, § 1, eff. May 19, 1995.

§ 382.056. Notice of Intent to Obtain Permit or Permit Review; Hearing

(a) An applicant for a permit under Section 382.0518 or 382.054 or a permit renewal review under Section 382.055 shall publish notice of intent to obtain the permit or permit review. The commission by rule may require an applicant for a federal operating permit to publish notice of intent to obtain a permit or permit review consistent with federal requirements and with the requirements of this section. The applicant shall publish the notice at least once in a newspaper of general circulation in the municipality in which the facility or federal source is located or is proposed to be located or in the municipality nearest to the location or proposed location of the facility or federal source. If the elementary or middle school nearest to the facility or proposed facility provides a bilingual education program as required by Subchapter B, Chapter 29, Education Code, the applicant shall also publish the notice at least once in an additional publication of general circulation in the municipality or county in which the facility is located or proposed to be located that is published in the language taught in the bilingual education program. This requirement is waived if such a publication does not exist or if the publisher refuses to publish the notice. The commission by rule shall prescribe when notice must be published and may require publication of additional notice. Notice required to be published under this section shall only be required to be published in the United States.

(b) The notice must include:

(1) a description of the location or proposed location of the facility or federal source;

(2) a statement that a person who may be affected by emissions of air contaminants from the facility, proposed facility, or federal source is entitled to request a hearing from the commission;

(3) a description of the manner in which the commission may be contacted for further information; and

(4) any other information the commission by rule requires.

(c) At the site of a facility, proposed facility, or federal source for which an applicant is required to publish notice under this section, the applicant shall place a sign declaring the filing of an application for a permit or permit review for a facility at the site and stating the manner in which the commission may be contacted for further information. The commission shall adopt any rule necessary to carry out this subsection.

(d) Except as provided by Section 382.0561 or Subsection (e), the commission or its delegate shall hold a public hearing on the permit application or permit renewal application before granting the permit or renewal if a person who may be affected by the emissions, or a member of the legislature from the general area in which the facility or proposed facility is located, requests a hearing within the period set by commission rule. The commission shall not hold a hearing if the basis of a request by a person who may be affected is determined to be unreasonable. Reasons for which a request for a hearing on a permit amendment, modification, or renewal shall be considered to be unreasonable include, but are not limited to, an amendment, modification, or renewal that would not result in an increase in allowable emissions and would not result in the emission of an air contaminant not previously emitted.

(e) Notwithstanding other provisions of this chapter, the commission may hold a hearing on a permit amendment, modification, or renewal if the board determines that the application involves a facility for which the applicant's compliance history contains violations which are unresolved and which constitute a recurring pattern of egregious conduct which demonstrates a consistent disregard for the regulatory process, including the failure to make a timely and substantial attempt to correct the violations.

Amended by Acts 1993, 73rd Leg., ch. 485, § 15, eff. June 9, 1993; Acts 1995, 74th Leg., ch. 76, § 11.167, eff. Sept. 1, 1995; Acts 1995, 74th Leg., ch. 149, § 2, eff. May 19, 1995; Acts 1997, 75th Leg., ch. 165, § 6.42, eff. Sept. 1, 1997.

Law Review and Journal Commentaries

Environmental permits: Land use regulation and policy implementation in Texas. Wm. Terry Bray, R. Alan Haywood, David S. Caudill and Pamela S. Bacon, 23 St.Mary's L.J. 841 (1992).

§ 382.0561. Federal Operating Permit: Hearing

(a) Public hearings on applications for issuance, revision, reopening, or renewal of a federal operating permit shall be conducted under this section only and not under Chapter 2001, Government Code.

(b) On determination that an application for a federal operating permit under Sections 382.054–382.0542 or a renewal of a federal operating permit under Section 382.0543 is administratively complete and before the beginning of the public comment period, the commission or its designee shall prepare a draft permit.

(c) The commission or its designee shall hold a public hearing on a federal operating permit, a reopening of a federal operating permit, or renewal application before granting the permit or renewal if within the public comment period a person who may be affected by the emissions or a member of the legislature from the general area in which the facility is located requests a hearing. The commission or its designee is not required to hold a hearing if the basis of the request by a person who may be affected is determined to be unreasonable.

(d) The following shall be available for public inspection in at least one location in the general area where the facility is located:

(1) information submitted by the application, subject to applicable confidentiality laws;

(2) the executive director's analysis of the proposed action; and

(3) a copy of the draft permit.

(e) The commission or its designee shall hold a public comment period on a federal operating permit application, a federal operating permit reopening application, or a federal operating permit renewal application under Sections 382.054–382.0542 or 382.0543. Any person may submit a written statement to the commission during the public comment period. The commission or its designee shall receive public comment for 30 days after the date on which notice of the public comment period is published. The commission or its designee may extend or reopen the comment period if the executive director finds an extension or reopening to be appropriate.

(f) Notice of the public comment period and opportunity for a hearing under this section shall be published in accordance with Section 382.056.

(g) Any person may submit an oral or written statement concerning the application at the hearing. The individual holding the hearing may set reasonable limits on the time allowed for oral statements at the hearing. The public comment period extends to the close of the

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
AIR QUALITY PERMIT

A PERMIT IS HEREBY ISSUED TO
Regency Field Services, LLC
AUTHORIZING THE CONTINUED OPERATION OF
Eustace Gas Processing Plant
LOCATED AT **Eustace, Henderson County, Texas**
LATITUDE 32° 16′ 02″ LONGITUDE 096° 02′ 22″

1. **Facilities** covered by this permit shall be constructed and operated as specified in the application for the permit. All representations regarding construction plans and operation procedures contained in the permit application shall be conditions upon which the permit is issued. Variations from these representations shall be unlawful unless the permit holder first makes application to the Texas Commission on Environmental Quality (commission) Executive Director to amend this permit in that regard and such amendment is approved. [Title 30 Texas Administrative Code § 116.116 (30 TAC § 116.116)]

2. **Voiding of Permit**. A permit or permit amendment is automatically void if the holder fails to begin construction within 18 months of the date of issuance, discontinues construction for more than 18 months prior to completion, or fails to complete construction within a reasonable time. Upon request, the executive director may grant an 18-month extension. Before the extension is granted the permit may be subject to revision based on best available control technology, lowest achievable emission rate, and netting or offsets as applicable. One additional extension of up to 18 months may be granted if the permit holder demonstrates that emissions from the facility will comply with all rules and regulations of the commission, the intent of the Texas Clean Air Act (TCAA), including protection of the public's health and physical property; and (b)(1)the permit holder is a party to litigation not of the permit holder's initiation regarding the issuance of the permit; or (b)(2) the permit holder has spent, or committed to spend, at least10 percent of the estimated total cost of the project up to a maximum of $5 million. A permit holder granted an extension under subsection (b)(1) of this section may receive one subsequent extension if the permit holder meets the conditions of subsection (b)(2) of this section. [30 TAC § 116.120(a), (b) and (c)]

3. **Construction Progress**. Start of construction, construction interruptions exceeding 45 days, and completion of construction shall be reported to the appropriate regional office of the commission not later than 15 working days after occurrence of the event. [30 TAC § 116.115(b)(2)(A)]

4. **Start-up Notification**. The appropriate air program regional office shall be notified prior to the commencement of operations of the facilities authorized by the permit in such a manner that a representative of the commission may be present. The permit holder shall provide a separate notification for the commencement of operations for each unit of phased construction, which may involve a series of units commencing operations at different times. Prior to operation of the facilities authorized by the permit, the permit holder shall identify to the Office of Permitting and Registration the source or sources of allowances to be utilized for compliance with Chapter 101, Subchapter H, Division 3 of this title (relating to Mass Emissions Cap and Trade Program). [30 TAC § 116.115(b)(2)(B)]

5. **Sampling Requirements**. If sampling is required, the permit holder shall contact the commission's Office of Compliance and Enforcement prior to sampling to obtain the proper data forms and procedures. All sampling and testing procedures must be approved by the executive director and coordinated with the regional representatives of the commission. The permit holder is also responsible for providing sampling facilities and conducting the sampling operations or contracting with an independent sampling consultant. [30 TAC § 116.115(b)(2)(C)]

6. **Equivalency of Methods.** The permit holder must demonstrate or otherwise justify the equivalency of emission control methods, sampling or other emission testing methods, and monitoring methods proposed as alternatives to methods indicated in the conditions of the permit. Alternative methods shall be applied for in writing and must be reviewed and approved by the executive director prior to their use in fulfilling any requirements of the permit. [30 TAC § 116.115(b)(2)(D)]

7. **Recordkeeping.** The permit holder shall maintain a copy of the permit along with records containing the information and data sufficient to demonstrate compliance with the permit, including production records and operating hours; keep all required records in a file at the plant site. If, however, the facility normally operates unattended, records shall be maintained at the nearest staffed location within Texas specified in the application; make the records available at the request of personnel from the commission or any air pollution control program having jurisdiction; comply with any additional recordkeeping requirements specified in special conditions attached to the permit; and retain information in the file for at least two years following the date that the information or data is obtained. [30 TAC § 116.115(b)(2)(E)]

8. **Maximum Allowable Emission Rates**. The total emissions of air contaminants from any of the sources of emissions must not exceed the values stated on the table attached to the permit entitled "Emission Sources--Maximum Allowable Emission Rates." [30 TAC § 116.115(b)(2)(F)]

9. **Maintenance of Emission Control**. The permitted facilities shall not be operated unless all air pollution emission capture and abatement equipment is maintained in good working order and operating properly during normal facility operations. The permit holder shall provide notification for upsets and maintenance in accordance with §§ 101.201, 101.211, and 101.221 of this title (relating to Emissions Event Reporting and Recordkeeping Requirements; Scheduled Maintenance, Startup, and Shutdown Reporting and Recordkeeping Requirements; and Operational Requirements). [30 TAC § 116.115(b)(2)(G)]

10. **Compliance with Rules**. Acceptance of a permit by an applicant constitutes an acknowledgment and agreement that the permit holder will comply with all rules, regulations, and orders of the commission issued in conformity with the TCAA and the conditions precedent to the granting of the permit. If more than one state or federal rule or regulation or permit condition is applicable, the most stringent limit or condition shall govern and be the standard by which compliance shall be demonstrated. Acceptance includes consent to the entrance of commission employees and agents into the permitted premises at reasonable times to investigate conditions relating to the emission or concentration of air contaminants, including compliance with the permit. [30 TAC § 116.115(b)(2)(H)]

11. This permit may be appealed pursuant to 30 TAC § 50.139.

12. This permit may not be transferred, assigned, or conveyed by the holder except as provided by rule. [30 TAC § 116.110(e)]

13. There may be additional special conditions attached to a permit upon issuance or modification of the permit. Such conditions in a permit may be more restrictive than the requirements of Title 30 of the Texas Administrative Code. [30 TAC § 116.115(c)]

14. **Emissions** from this facility must not cause or contribute to a condition of "air pollution" as defined in TCAA § 382.003(3) or violate TCAA § 382.085, as codified in the Texas Health and Safety Code. If the executive director determines that such a condition or violation occurs, the holder shall implement additional abatement measures as necessary to control or prevent the condition or violation.

PERMITS 6051 and PSDTX55M3

Date: _____

_____
For the Commission

EMISSION SOURCES - MAXIMUM ALLOWABLE EMISSION RATES

Permit Numbers 6051 and PSDTX55M3

This table lists the maximum allowable emission rates and all sources of air contaminants on the applicant's property covered by this permit. The emission rates shown are those derived from information submitted as part of the application for permit and are the maximum rates allowed for these facilities. Any proposed increase in emission rates may require an application for a modification of the facilities covered by this permit.

AIR CONTAMINANTS DATA

Emission Point No. (1)	Source Name (2)	Air Contaminant Name (3)	Emission Rates * lb/hr	TPY**
BOZURN	Power Steam Boiler/	VOC	0.27	0.66
	Zurn Auxiliary Boiler	NO_x	4.90	12.02
	(Max 50 MMBtu/hr)	CO	4.12	10.10
	(Avg 28 MMBtu/hr)	SO_2	0.70	1.72
		PM_{10}	0.37	0.91
CLOAD	Condensate Loading	VOC	4.71	20.61
CMK201C	Compressor Engine 3	VOC	0.26	1.14
	Waukesha L-7042GSI	NO_x	2.65	11.61
	(1,200-Horsepower)	CO	5.29	23.17
		SO_2	0.14	0.61
		PM_{10}	0.20	0.88
CMK201D	Compressor Engine 4	VOC	0.26	1.14
	Waukesha L-7042GSI	NO_x	2.65	11.61
	(1,20-Horsepower)	CO	5.29	23.17
		SO_2	0.14	0.61
		PM_{10}	0.20	0.88
CMK201E	Compressor Engine 5	VOC	0.26	1.14
	Waukesha L-7042GSI	NO_x	2.65	11.61
	(1,200-Horsepower)	CO	5.29	23.17
		SO_2	0.14	0.61
		PM_{10}	0.20	0.88
CT-1	Cooling Tower (4)	VOC	0.70	3.07

EMISSION SOURCES - MAXIMUM ALLOWABLE EMISSION RATES

AIR CONTAMINANTS DATA

Emission Point No. (1)	Source Name (2)	Air Contaminant Name (3)	Emission Rates * lb/hr	TPY**
EMPFWPUMP	Firewater Pump Engine	VOC	0.09	0.04
		NO_x	1.10	0.48
		CO	0.24	0.11
		SO_2	0.07	0.03
		PM_{10}	0.08	0.04
FL-CPLT	Cold Plant Flare (Emissions from Pilots Only)	VOC	0.01	0.01
		NO_x	0.03	0.14
		CO	0.16	0.70
		SO_2	0.01	0.01
FL-FLD	Well Flowline/Field Flare	VOC	5.84	22.09
		NO_x	0.55	2.12
		CO	2.82	10.91
		SO_2	0.01	0.01
FL-PROC	Plant Process Flare (Emissions from Pilots Only)	VOC	0.01	0.01
		NO_x	0.03	0.13
		CO	0.16	0.70
		SO_2	0.01	0.01
H-102	Inhibitor Oil Tank Bottoms Heater (15 MMBtu/hr)	VOC	0.08	0.35
		NO_x	1.47	6.44
		CO	1.24	5.43
		SO_2	0.21	0.92
		PM_{10}	0.11	0.48
INCINSTK	Tail Gas Incinerator Stack	VOC	1.97	8.63
		NO_x	35.78	156.72
		CO	566.77	2482.45
		SO_2 **(PSD)**	(5)	1095.00
		PM_{10} **(PSD)**	2.72	11.91
		H_2S	20.00	87.60

EMISSION SOURCES - MAXIMUM ALLOWABLE EMISSION RATES

AIR CONTAMINANTS DATA

Emission Point No. (1)	Source Name (2)	Air Contaminant Name (3)	Emission Rates * lb/hr	TPY**
REGNHR	Molecular Sieve Regenerator Gas Heater (7.5 MMBtu/hr)	VOC	0.04	0.18
		NO_x	0.74	3.24
		CO	0.62	2.72
		SO_2	0.10	0.44
		PM_{10}	0.06	0.26
S2PIT	Sulfur Storage Pit	SO_2	0.01	0.03
		H_2S	0.01	0.01
S2TNK	Sulfur Storage Tank	H_2S	0.01	0.01
SLOAD	Sulfur Railcar Loading Area (7)	SO_2	0.01	0.01
		H_2S	0.04	0.01
SITEFUG	Site Piping Fugitives (4)	VOC	1.81	7.94
		H_2S	2.35	10.27
STABHR	Condensate Stabilizer Heater (15 MMBtu/hr)	VOC	0.08	0.35
		NO_x	1.47	6.44
		CO	1.24	5.43
		SO_2 **(PSD)**	0.21	0.92
		PM_{10} **(PSD)**	0.11	0.48
V-109	Tank V-109	VOC	0.01	0.01
V-216	Tank V-216	VOC	0.58	0.01
V-217	Tank V-217	VOC	0.61	0.01
V-218	Tank V-218	VOC	0.02	0.01
V-516	Tank V-516	VOC	0.01	0.01
V-521	Tank V-521	VOC	17.95	0.19
WH2OPIT	Wastewater Pit	VOC	0.19	0.83

EMISSION SOURCES - MAXIMUM ALLOWABLE EMISSION RATES

AIR CONTAMINANTS DATA

Emission Point No. (1)	Source Name (2)	Air Contaminant Name (3)	Emission Rates * lb/hr	TPY**
TURBOX501 or WHRU501	Turbine 501 Exhaust (41.75 MMBtu/hr)	VOC	0.09	(6)
		NO_x	16.67	(6)
		CO	41.68	(6)
		SO_2 **(PSD)**	0.58	(6)
		PM_{10} **(PSD)**	0.28	(6)
WHRU501	Waste Heat Recovery Unit 501 Duct Burner (25 MMBtu/hr)	VOC	0.13	0.57
		NO_x	2.45	10.73
		CO	2.06	9.02
		SO_2 **(PSD)**	0.35	1.53
		PM_{10} **(PSD)**	0.19	0.83
TURBOX502 or WHRU502	Turbine 502 Exhaust (41.75 MMBtu/hr)	VOC	0.09	(6)
		NO_x	16.67	(6)
		CO	41.68	(6)
		SO_2 **(PSD)**	0.58	(6)
		PM_{10} **(PSD)**	0.28	(6)
WHRU502	Waste Heat Recovery Unit 502 Duct Burner (25 MMBtu/hr)	VOC	0.13	0.57
		NO_x	2.45	10.73
		CO	2.06	9.02
		SO_2 **(PSD)**	0.35	1.53
		PM_{10} **(PSD)**	0.19	0.83
TURBOX503 or WHRU503	Turbine 503 Exhaust (41.75 MMBtu/hr)	VOC	0.09	(6)
		NO_x	16.67	(6)
		CO	41.68	(6)
		SO_2 **(PSD)**	0.58	(6)
		PM_{10} **(PSD)**	0.28	(6)
WHRU503	Waste Heat Recovery Unit 503 Duct Burner (25 MMBtu/hr)	VOC	0.13	0.57
		NO_x	2.45	10.73
		CO	2.06	9.02
		SO_2 **(PSD)**	0.35	1.53
		PM_{10} **(PSD)**	0.19	0.83

EMISSION SOURCES - MAXIMUM ALLOWABLE EMISSION RATES

AIR CONTAMINANTS DATA

Emission Point No. (1)	Source Name (2)	Air Contaminant Name (3)	Emission Rates * lb/hr	TPY**
TURBOX501, TURBOX502, TURBOX503, WHRU501, WHRU502, and WHRU503	Emission Cap for all Turbines and Duct Burners Combined	VOC	0.62	2.72
		NO_x	40.69	151.71
		CO	89.54	325.87
		SO_2 **(PSD)**	2.59	11.34
		PM_{10} **(PSD)**	1.30	5.69

(1) Emission point identification - either specific equipment designation or emission point number from a plot plan.
(2) Specific point source names. For fugitive sources, use an area name or fugitive source name.
(3) VOC - volatile organic compounds as defined in Title 30 Texas Administrative Code § 101.1
NO_x - total oxides of nitrogen
CO - carbon monoxide
SO_2 - sulfur dioxide
PM_{10} - particulate matter equal to or less than 10 microns in diameter
H_2S - hydrogen sulfide
(4) Emission rate is an estimate and is enforceable through compliance with the applicable special conditions and permit application representations.
(5) Max hourly SO_2 emissions shall not exceed 350 pounds per hour. The SO_2 emissions shall not exceed an average rate of 250 pounds per hour calculated on a 24-hour rolling average basis (daily maximum allowable SO_2 emission rate of 3 tons).
(6) The annual emissions from the turbines shall not exceed the caps shown of the turbines plus the duct burners combined.
(7) Allowable emissions until sulfur loading vapors are routed to the TGI per Paragraph B of Special Condition No. 12.

* Emission rates are based on and the facilities are limited by the following maximum operating schedule:

_____Hrs/day _____Days/week _____Weeks/year or 8,760 Hrs/year

** Compliance with annual emission limits is based on a rolling 12-month period.

Dated _____

SPECIAL CONDITIONS

Permit Numbers 6051 and PSDTX55M3

EMISSION LIMITATIONS

1. This permit authorizes emissions only from those points listed in the attached table entitled "Emission Sources - Maximum Allowable Emission Rates" and the facilities covered by this permit are authorized to emit subject to the emission rate limits on that table and other operating requirements specified in the special conditions. **(3/09)**

FEDERAL PROGRAM APPLICABILITY

2. The turbines covered under this permit shall comply with all applicable requirements of the U.S. Environmental Protection Agency (EPA) regulations on Standards of Performance for New Stationary Sources (NSPS) promulgated for Stationary Gas Turbines in Title 40 Code of Federal Regulations Part 60 (40 CFR Part 60), Subparts A and GG. **(3/09)**

OPERATIONAL LIMITATIONS, WORK PRACTICES, AND PLANT DESIGN

3. There shall be no visible emissions from the Power Steam/Zurn Boiler (Emission Point Number [EPN] BOZURN), Turbine Exhaust (EPNs TURBOX501 or WHRU501, TURBOX502 or WHRU502, TURBOX503 or WHRU503), Waste Heat Recovery Unit 501 Duct Burner Exhaust (EPN WHRU501), Waste Heat Recovery Unit 502 Duct Burner Exhaust (EPN WHRU502), Waste Heat Recovery Unit 503 Duct Burner Exhaust (EPN WHRU503), Tail Gas Incinerator Stack (EPN INCINSTK), Condensate Stabilizer Heater (EPN STABHR), Tank Bottom Heater (EPN H-102), and Molecular Sieve Regenerator Heater (FIN REGENHR) exceeding 30 seconds in any six-minute period.

   A. An observation of these stationary vents from these emission units in operation shall be conducted at least once during each calendar week unless the emission unit is not operating for the entire week.

   B. Records of all observations shall be maintained in the operators' logbook.

   C. Visible emission observations of emission units operated during daylight hours shall be conducted no earlier than one hour after sunrise and no later than one hour before sunset. Visible emission observations of emission units operated only at night must be made with additional lighting and the temporary installation of contrasting backgrounds.

Visible emission observations shall be made during times when the activities described in 30 TAC § 111.111(a)(1)(E) [30 TAC § 111.111(a)(1)(E)]are not taking place. Visible emissions shall be determined with each stationary vent in clear view of the observer. The observer shall be at least 15 feet, but not more than 0.25 mile, away from each stationary vent during the observation. For outdoor locations, the observer shall select a position where the sun is not directly in the observer's eyes. When condensed water vapor is present within the plume, as it emerges from the emissions outlet, observations must be made beyond the point in the plume at which condensed water vapor is no longer visible. When water vapor within the plume condenses and becomes visible at a distance from the emissions outlet, the observation shall be evaluated at the outlet prior to condensation of water vapor. A certified opacity reader is not required for visible emission observations. **(3/09)**

4. Acid Gas from the Sulfinol Unit shall be routed to the front end of the sulfur recovery unit. **(3/09)**

5. Vapors which are captured from the sulfur pit and sulfur storage tank shall be routed to the Tail Gas Incinerators (TGI). **(3/09)**

6. The Sulfur Recovery Unit (SRU) shall comply with the following requirements:

   A. The total sulfur recovered from the SRU shall not exceed 850 long tons per day (LTPD).

   B. The minimum sulfur recovery efficiency for the SRU shall be:

      (1) 99.7 percent on a 12-month rolling average, and
      (2) 97.5 percent on a daily basis.

   C. The actual sulfur recovery efficiency shall be determined by calculation as follows:

$$\text{Efficiency} = \frac{(\text{S recovered})*(100)}{(\text{S recovered}) + (\text{S incinerator})}$$

Where: Efficiency = sulfur recovery efficiency, percent
S recovered = liquid sulfur in sulfur pit and sulfur tank, lbs/day
S incinerator = sulfur in incinerator stack, lbs/day

D. Weekly, the actual sulfur recovery efficiency shall be demonstrated for each calendar day (24-hour period) and 12-month rolling average by a mass balance calculation using data obtained from the incinerator stack sulfur dioxide (SO_2) monitor and sulfur production records. Records and copies of the compliance calculations shall be maintained. **(3/09)**

7. The TGIs shall comply with the following requirements:

A. Each TGI shall operate with no less than 98 percent efficiency in disposing of the acid gas waste streams. Compliance with this requirement shall be ensured by monitoring in accordance with Special Condition No. 19.

B. The emissions of sulfur dioxide (SO_2) from the TGI stack (EPN INCINSTK) shall not exceed 350 pounds in any 1-hour period provided the average emission in any 24-hour period does not exceed 250 pounds per hour. **(PSD 3/09)**

8. The total operated horsepower of the three turbines combined shall not exceed 7,281 Hp. **(3/09)**

9. All boilers, duct burners, heaters, internal combustion engines, tail gas incinerators, turbines, and flare pilots shall be fired with natural gas which contains no more than 5 grains of total sulfur per 100 dry standard cubic feet (dscf). **(3/09)**

10. Storage tanks shall comply with the following requirements:

A. Storage tank service, maximum fill rate, and rolling 12-month throughput shall be limited to the following:

Tank FIN	Service	Max Fill Rate (gallons/hour)	Rolling 12-Month Throughput (gallons)
COND-1	Condensate	3,760	2,575,440
COND-2	Condensate	3,760	2,575,440
V-109	Corrosion Inhibitor	950	3,500
V-216	Sulfinol	9,000	109,200
V-217	Sulfinol	9,000	58,800
V-218	Diisopropanolamine	9,000	168,000
V-516	Slop	50	436,800
V-517A	Condensate	3,760	5,472,810
V-517B	Condensate	3,760	5,472,810
V-518	Condensate	3,760	5,365,500
V-521	Methanol	8,400	168,000

B. Monthly records of the previous month's throughput and rolling 12-month throughput for each storage tank shall be kept.

C. The vents of Condensate Storage Tanks COND-1, COND-2, V-517A, V-517B, and V-518 shall be routed to the Well Flowline/Field Flare (FL-FLD).

D. All storage tanks shall be painted white or aluminum within 10 years of the date of approval of the permit amendment application received by the TCEQ on November 20, 2006. **(3/09)**

11. Loading of condensate into tank trucks shall meet the following requirements:

A. Loading of condensate into tank trucks shall not exceed the following loading rates:

Max Fill Rate (gallons/hour)	Rolling 12-Month Throughput (gallons/12-months)
36,000	315,360,000

B. Monthly records of the volume of condensate loaded in the previous 12-months and rolling 12-month throughput shall be kept.

C. All lines and connectors shall be visually inspected for any defects prior to hookup. Lines and connectors that are visibly damaged shall be removed from service. Loading operations shall cease immediately upon detection of any liquid leaking from the lines or connections.

D. The permit holder shall not allow a tank truck to be filled unless it has passed a leak-tight test in accordance with 49 CFR § 180.407 within the past year as evidenced by a certificate which shows the date the tank truck last passed the leak-tight test required by this condition and the identification number of the tank truck. **(3/09)**

12. Loading of liquid sulfur into railcars shall comply with the following:

A. Loading of sulfur into railcars shall not exceed the following loading rates:

Max Fill Rate (Long Tons/hour)	Rolling 12 Month Throughput (Long Tons/12-month)
450	307,330

Monthly records of the amount of sulfur loaded in the previous 12-months and rolling 12-month throughput shall be kept.

B. Within 180 days after approval of the permit amendment application received by the TCEQ on November 20, 2006, the permit holder shall install self-sealing shrouds on the railcar loading racks and shall route the vapors which are captured from the sulfur railcar loading operations to the TGIs.

Until the railcar loading shrouds are installed, the maximum concentration of hydrogen sulfide (H_2S) in the vapors exiting a railcar being loaded with liquid sulfur shall not exceed 45 ppmv. Once per year, the permit holder shall sample the vapors exiting a railcar being loaded with liquid sulfur for H_2S using stain tubes. Records of each sample shall be kept. **(3/09)**

13. All produced natural gas liquids (NGL) shall be transferred from the site via pipeline. **(3/09)**

14. The Well Flowline Flare shall operate with no less than 98 percent efficiency in disposing of the carbon compounds routed to it. **(3/09)**

15. Flares shall be designed and operated in accordance with the following requirements:

A. Each flare system shall be designed such that the combined assist natural gas and waste stream to each flare meets the 40 CFR § 60.18 specifications of minimum heating value and maximum tip velocity under normal, upset, and maintenance flow conditions.

The heating value and velocity requirements shall be satisfied during operations authorized by this permit. Flare testing per 40 CFR § 60.18(f) may be requested by the TCEQ Tyler Regional Office to demonstrate compliance with these requirements.

B. Each flare shall be operated with a flame present at all times and/or have a constant pilot flame. The pilot flame shall be continuously monitored by a thermocouple or an infrared monitor. The time, date, and duration of any loss of pilot flame shall be recorded. Each monitoring device shall be accurate to, and shall be calibrated at a frequency in accordance with, the manufacturer's specifications. Loss of pilot flame monitoring data due to periods of monitor break down, out-of-control operation (producing inaccurate data), repair, maintenance, or calibration in excess of 5 percent of the time (in minutes) that the flare operated over the previous rolling 12-month period is not allowed.

C. Each flare shall be operated with no visible emissions except periods not to exceed a total of five minutes during any two consecutive hours. This shall be ensured by the use of steam assist to each flare. **(3/09)**

INITIAL AND PERIODIC STACK SAMPLING

16. The permit holder shall perform stack sampling and other testing as required to establish the actual pattern and quantities of air contaminants being emitted into the atmosphere from EPN INCINSTK to demonstrate compliance with the maximum allowable emissions rates table. The permit holder is responsible for providing sampling and testing facilities and conducting the sampling and testing operations at his expense. Sampling shall be conducted in accordance with the appropriate procedures of the Texas Commission on Environmental Quality (TCEQ) Sampling Procedures Manual and the U.S. Environmental Protection Agency (EPA) Reference Methods.

Requests to waive testing for any pollutant specified in this condition shall be submitted to the TCEQ Office of Permitting and Registration, Air Permits Division. Test waivers and alternate/equivalent procedure proposals for 40 CFR Part 60 testing which must have EPA approval shall be submitted to the TCEQ Tyler Regional Director.

A. The TCEQ Tyler Regional Office shall be notified not less than 45 days prior to sampling. The notice shall include:

(1) Proposed date for pretest meeting.

(2) Date sampling will occur.

(3) Name of firm conducting sampling.

(4) Type of sampling equipment to be used.

(5) Method or procedure to be used in sampling.

(6) Description of any proposed deviation from the sampling procedures specified in this permit or TCEQ/EPA sampling procedures.

(7) Procedure/parameters to be used to determine worst case emissions such as production rate, temperature for incinerators, etc. These set operating parameters to be monitored and operating limits in other permit conditions during the sampling period.

The purpose of the pretest meeting is to review the necessary sampling and testing procedures, to provide the proper data forms for recording pertinent data, and to review the format procedures for the test reports. The TCEQ Tyler Regional Director must approve any deviation from specified sampling procedures.

B. Air contaminants emitted from EPN INCINSTK to be tested for shall include volatile organic compounds (VOC), carbon monoxide (CO) and oxides of nitrogen (NO_x), H_2S, and particulate matter less than 10 microns in diameter. This condition is not intended to supersede or contravene any other rule or regulation which allows the TCEQ to require stack sampling for air contaminants.

C. Sampling shall occur within 150 days after approval of the permit amendment application received by the TCEQ on November 20, 2006, and as may be required by the TCEQ Executive Director. Requests for additional time to perform sampling shall be submitted to the TCEQ Tyler Regional Office.

D. The sulfur production rate, TGI temperatures, and any other primary operating parameters that affect the emission rate shall be monitored and recorded during the stack test. Parameters to be monitored during testing shall be determined at the pretest meeting and shall be stated in the sampling report. Permit conditions and parameter limits may be waived during stack testing performed under this condition if the proposed condition/parameter range is identified in the test notice specified in Paragraph A of this condition and accepted by the TCEQ Tyler Regional Office. Permit allowable emissions and emission control requirements are not waived and still apply during stack testing periods.

If the plant is unable to operate at the maximum sulfur production rate specified in Paragraph A of Special Condition No. 6 during testing, the permit holder shall perform additional stack sampling when the plant increases the average monthly sulfur production rate by 10 percent or more above the average monthly sulfur production rate at which previous testing was performed. The additional stack sampling shall be performed at the new sulfur production rate within 120 days. This additional stack sampling may be waived by the TCEQ Tyler Regional Director.

E. A copy of the final sampling report shall be forwarded to the offices below within 60 days after sampling is completed. Sampling reports shall comply with the attached provisions entitled "Chapter 14, Contents of Sampling Reports" of the TCEQ Sampling Procedures Manual. The reports shall be distributed as follows:

One copy to the TCEQ Tyler Regional Office. **(3/09)**

ON-GOING MONITORING SYSTEM REQUIREMENTS

17. Emissions of CO and NO_x from each of the three Waukesha L-7042 GSI compressor engines authorized by this permit shall not exceed the following limits:

Air Contaminant	Emission Limit
NO_x	1.0 gram per horsepower-hour (g/hp-hr)
CO	2.0 g/hp-hr

In order to demonstrate compliance with the CO and NO_x emission limits for the three Waukesha L-7042 GSI compressor engines authorized by this permit, the holder of this permit shall perform the following on each of the three compressor engines:

A. Monitor the oxygen content of the engine exhaust at the inlet to the catalytic converter with a continuous sensor and operate an automatic air-fuel ratio controller to maintain the operating conditions for optimum catalyst performance. Inlet oxygen concentrations shall be maintained in the range of 1,000 to 5,000 parts per million by volume (ppmv). The exhaust oxygen monitoring system shall be maintained properly, including periodic calibration and replacement of the oxygen sensor as needed.

B. Conduct an evaluation of catalyst degradation by measuring NO_x and CO concentrations upstream and downstream of the catalytic converter once per calendar year. Instead of evaluations based on a calendar year, the holder of this permit may install an engine elapsed run time meter and conduct evaluations after every 8,760 hours of actual operation, but in no case shall more than 24 months be allowed to elapse between evaluations.

If the average difference between the readings indicates less than an 70 percent reduction in CO or NO_x, the catalyst shall either be cleaned or replaced as deemed necessary to comply with the CO and NO_x (g/hp-hr) emission rates. Three sets of upstream and downstream reduction calculations shall be averaged to determine the reduction. Also, the outlet stack exhaust concentrations of NO_x and CO shall be averaged and converted to demonstrate compliance with the pound per hour emission rate allowables.

C. Conduct an evaluation of the CO and NO_x emissions from the engine stack whenever engine maintenance that is expected to result in a change in emissions occurs. Stain tubes or portable analyzers specifically designed to measure CO and NO_x concentrations shall be acceptable for this evaluation, provided a hot air probe or equivalent device is used to prevent error due to high stack temperature and three sets

of concentration measurements are made and averaged. Prior to and following the measurements, the portable analyzer shall be checked for accuracy using an audit gas that conforms to the specifications in 40 CFR Part 60, Appendix F, Procedure 1, § 5.1.2(3). The average outlet stack exhaust concentrations of CO and NO_x shall be converted to demonstrate compliance with the pound per hour emission rate allowables.

D. The following records shall be kept:

(1) A record of O_2 monitoring system maintenance including dates when the system was not functioning correctly and corrective action taken.

(2) A record of engine maintenance that was expected to produce a change in emissions.

(3) A record of sampling performed in accordance with this condition to evaluate emissions.

(4) A record listing the dates of any sampling performed in accordance with this condition that showed emission rates to be in violation of the allowable emissions rates and the corrective action taken. **(3/09)**

18. The permit holder shall install and operate totalizing fuel flow meter to measure the gas fuel usage for the following:

A. Each set of Waste Heat Recovery Duct Burners [Facility Identification Number (FIN) AUXWHRU501, AUXWHRU502, and AUXWHRU503];

B. Each Turbine (FINs TURB501, TURB502, and TURB503);

C. Power Steam/Zurn Boiler (FIN BO1201ZURN); and

D. Each Waukesha L-7042 GS-1 engine (FINs CMK201-C, CMK201-D, and CMK201-E).

The fuel usage for each duct burner, turbine, boiler, and engine listed above shall be recorded monthly. Where the fuel usage for a group of equipment is monitored with a common fuel flow meter, the permit holder shall allocate the fuel flow to each unit based upon runtime. Each monitoring device shall be calibrated at a frequency in accordance with the manufacturer's specifications or at least annually, whichever is more frequent, and shall be accurate to within 5 percent.

Quality assured (or valid) fuel usage data must be generated when the combustion source is operating. Loss of valid fuel usage data due to periods of monitor break down, out-of-control operation (producing inaccurate data), repair, maintenance, or calibration in excess of 5 percent of the time (in minutes) that the combustion source operated over the previous rolling 12-month period is not allowed. The measurements missed shall be estimated using engineering judgment and the methods used recorded. **(3/09)**

19. The firebox exit temperature of each TGI and the TGI exhaust stack flow rate shall be monitored and recorded.

    A. The temperature measurement device shall reduce the temperature readings to an averaging period of six minutes or less and record it at that frequency. The temperature monitor shall be installed, calibrated at least annually, and maintained according to the manufacturer's specifications. The device shall have an accuracy of the greater of ±2 percent of the temperature being measured expressed in degrees Celsius or ±2.5°C.

    B. The TGI exhaust stack flow rate shall be recorded at least every 15 minutes and the hourly average flow rate shall be recorded. Each flow monitoring device shall be calibrated at a frequency in accordance with the manufacturer's specifications, or at least annually, whichever is more frequent, and shall be accurate to within 2 percent of span or 5 percent of the lesser of the design value or the flow measured during the most recent stack test.

    C. Quality assured (or valid) temperature and stack flow data must be generated when the TGI is operating except during the performance of a daily zero and span check. Loss of valid temperature and stack flow data due to periods of monitor break down, out-of-control operation (producing inaccurate data), repair, maintenance, or calibration or calibration in excess of 5 percent of the time (in minutes) that the combustion source operated over the previous rolling 12-month period is not allowed. The measurements missed shall be estimated using engineering judgment and the methods used recorded.

    D. The firebox exit temperature of each TGI shall be maintained at not less than 575° F while waste gas is being fed to the TGI prior to initial stack testing. After the initial stack test has been completed, the TGI firebox chamber six minute average temperature shall be maintained above the hourly average temperature maintained during the last satisfactory stack test performed in accordance with Special Condition No. 16. **(3/09)**

20. Within 180 days of approval of the permit amendment application received by the TCEQ on November 20, 2006, the permit holder shall install, calibrate, and maintain a continuous emission monitoring system (CEMS) to measure and record the in-stack concentration of SO_2 and CO from EPN INCINSTK.

    A. Each CEMS shall meet the design and performance specifications, pass the field tests, and meet the installation requirements and the data analysis and reporting requirements specified in the applicable Performance Specification Nos. 1 through 9, 40 CFR Part 60, Appendix B. If there are no applicable performance specifications in 40 CFR Part 60, Appendix B, contact the TCEQ Office of Permitting and Registration, Air Permits Division for requirements to be met.

    B. The system shall be zeroed and spanned daily, and corrective action taken when the 24-hour span drift exceeds two times the amounts specified in the applicable Performance Specification Nos. 1 through 9, 40 CFR Part 60, Appendix B, or as specified by the TCEQ if not specified in Appendix B. Zero and span is not required on weekends and plant holidays if instrument technicians are not normally scheduled on those days.

       Each monitor shall be quality-assured at least quarterly using Cylinder Gas Audits (CGA) in accordance with 40 CFR Part 60, Appendix F, Procedure 1, § 5.1.2, with the following exception: a relative accuracy test audit (RATA) is **not** required once every four quarters (i.e., four successive quarterly CGA may be conducted). An equivalent quality-assurance method approved by the TCEQ may also be used. Successive quarterly audits shall occur no closer than two months.

       All CGA exceedances of ±15 percent accuracy indicate that the CEMS is out of control.

    C. The monitoring data shall be reduced to hourly average concentrations at least once everyday, using a minimum of four equally-spaced data points from each one-hour period. The individual average concentrations shall be reduced to units of hourly CO and SO_2 average and 24-hour average SO_2 emission rates every month as follows:

       The measured hourly average concentration from the CEMS shall be multiplied by the flow rate measured by the TGI exhaust stack flow monitor to determine the hourly emission rate.

    D. All monitoring data and quality-assurance data shall be maintained by the source. The data from the CEMS may, at the discretion of the TCEQ, be used to determine compliance with the conditions of this permit.

E. Quality-assured (or valid) in-stack concentration of SO_2 and CO monitoring data must be generated when acid gas is being routed to either TGI except during the performance of a daily zero and span check. Loss of valid in-stack concentration of SO_2 and CO monitoring data due to periods of monitor break down, out-of-control operation (producing inaccurate data), repair, maintenance, or calibration in excess of 5 percent of the time (in minutes) that the TGIs operated over the previous rolling 12-month period is not allowed. The measurements missed shall be estimated using engineering judgment and the methods used recorded. **(PSD) (3/09)**

21. The cooling tower water shall be monitored monthly for VOC leakage from heat exchangers in accordance with the requirements of the TCEQ Sampling Procedures Manual, Appendix P (dated January 2003 or a later edition) or another air stripping method approved by the TCEQ Executive Director.

Cooling water VOC concentrations above 0.08 parts per million by weight (ppmw) indicate faulty equipment. Equipment shall be maintained so as to minimize VOC emissions into the cooling water. Faulty equipment shall be repaired at the earliest opportunity but no later than the next scheduled shutdown of the process unit in which the leak occurs.

Emissions from the cooling tower are not authorized if the VOC concentration of the water returning to the cooling tower exceeds 0.8 ppmw. The VOC concentrations above 0.8 ppmw are not subject to extensions for delay of repair under this permit condition. The results of the monitoring and maintenance efforts shall be recorded.

Special Condition No. 21 becomes effective 180 days after approval of the permit amendment application received by the TCEQ on November 20, 2006. **(3/09)**

22. <u>Piping, Valves, Connectors, Pumps, Agitators, and Compressors - 28M</u>

Within 180 days of approval of the permit amendment application received by the TCEQ on November 20, 2006, the permit holder shall implement the 28M Leak Detection and Repair Program (May 2008 version) at the site, in accordance with the following:

A. These conditions shall not apply (1) where the VOC has an aggregate partial pressure or vapor pressure of less than 0.5 pound per square inch, absolute (psia) at 100°F or at maximum process operating temperature if less than 100°F, or (2) to piping and valves two inches nominal size and smaller, or (3) where the operating pressure is at least 5 kilopascals (0.725 psi) below ambient pressure. Equipment excluded from this condition shall be identified in a list or by one of the methods described below to be made readily available upon request.

The exempted components may be identified by one or more of the following methods:

(1) piping and instrumentation diagram (PID);
(2) a written or electronic database or electronic file;
(3) color coding;
(4) a form of weatherproof identification; or
(5) designation of exempted process unit boundaries.

B. Construction of new and reworked piping, valves, pump systems, and compressor systems shall conform to applicable American National Standards Institute (ANSI), American Petroleum Institute (API), American Society of Mechanical Engineers (ASME), or equivalent codes.

C. New and reworked underground process pipelines shall contain no buried valves such that fugitive emission monitoring is rendered impractical. New and reworked buried connectors shall be welded.

D. To the extent that good engineering practice will permit, new and reworked valves and piping connections shall be so located to be reasonably accessible for leak-checking during plant operation. Difficult-to-monitor and unsafe-to-monitor valves, as defined by Title 30 TAC Chapter 115, shall be identified in a list to be made readily available upon request. The difficult-to-monitor and unsafe-to-monitor valves may be identified by one or more of the methods described in Paragraph A above. If an unsafe-to-monitor component is not considered safe to monitor within a calendar year, then it shall be monitored as soon as possible during safe-to-monitor times. A difficult-to-monitor component for which quarterly monitoring is specified may instead be monitored annually.

E. New and reworked piping connections shall be welded or flanged. Screwed connections are permissible only on piping smaller than two-inch diameter. Gas or hydraulic testing of the new and reworked piping connections at no less than operating pressure shall be performed prior to returning the components to service or they shall be monitored for leaks using an approved gas analyzer within 15 days of the components being returned to service. Adjustments shall be made as necessary to obtain leak-free performance. Connectors shall be inspected by visual, audible, and/or olfactory means at least weekly by operating personnel walk-through.

Each open-ended valve or line shall be equipped with an appropriately sized cap, blind flange, plug, or a second valve to seal the line. Except during sampling, both valves shall be closed. If the removal of a component for repair or replacement results in an open-ended line or valve, it is exempt from the requirement to install a cap, blind flange, plug, or second valve for 72 hours. If the repair or replacement is not completed within 72 hours, the line or valve must have a cap, blind flange, plug, or second valve installed or the open-ended valve or line shall be monitored for leaks above 500 ppmv daily with an approved gas analyzer or explosion meter.

F. Accessible valves shall be monitored by leak-checking for fugitive emissions at least quarterly using an approved gas analyzer. Sealless/leakless valves (including, but not limited to, welded bonnet bellows and diaphragm valves) and relief valves equipped with a rupture disc upstream or venting to a control device are not required to be monitored. For valves equipped with rupture discs, a pressure-sensing device shall be installed between the relief valve and rupture disc to monitor disc integrity. All leaking discs shall be replaced at the earliest opportunity but no later than the next process shutdown.

A check of the reading of the pressure-sensing device to verify disc integrity shall be performed weekly and recorded in the unit log or equivalent. Pressure-sensing devices that are continuously monitored with alarms are exempt from recordkeeping requirements specified in this paragraph.

The gas analyzer shall conform to requirements listed in Method 21 of 40 CFR Part 60, Appendix A. The gas analyzer shall be calibrated with methane. In addition, the response factor of the instrument for a specific VOC of interest shall be determined and meet the requirements of Section 8 of Method 21. If a mixture of VOCs are being monitored, the response factor shall be calculated for the average composition of the process fluid. A calculated average is not required when all of the compounds in the mixture have a response factor less than 10 using methane. If a response factor less than 10 cannot be achieved using methane, then the instrument may be calibrated with one of the VOC to be measured or any other VOC so long as the instrument has a response factor of less than 10 for each of the VOC to be measured.

G. Except as may be provided for in the special conditions of this permit, all pump, compressor and agitator seals shall be monitored with an approved gas analyzer at least quarterly or be equipped with a shaft sealing system that prevents or detects emissions of VOC from the seal. Seal systems designed and operated to prevent emissions or seals equipped with an automatic seal failure detection and alarm system need not be monitored. Seal systems that prevent emissions may include (but are not

limited to) dual pump seals with barrier fluid at higher pressure than process pressure or seals degassing to vent control systems kept in good working order.

Submerged pumps or sealless pumps (including, but not limited to, diaphragm, canned, or magnetic-driven pumps) may be used to satisfy the requirements of this condition and need not be monitored.

H. Damaged or leaking valves, connectors, compressor seals, agitator seals, and pump seals found to be emitting VOC in excess of 10,000 ppmv or found by visual inspection to be leaking (e.g., dripping process fluids) shall be tagged and replaced or repaired. A first attempt to repair the leak must be made within 5 days. Records of the first attempt to repair shall be maintained. Every reasonable effort shall be made to repair a leaking component as specified in this paragraph within 15 days after the leak is found. If the repair of a component would require a unit shutdown, the repair may be delayed until the next scheduled shutdown. All leaking components which cannot be repaired until a scheduled shutdown shall be identified for such repair by tagging. At the discretion of the TCEQ Executive Director or designated representative, early unit shutdown or other appropriate action may be required based on the number and severity of tagged leaks awaiting shutdown.

I. Records of repairs shall include date of repairs, repair results, justification for delay of repairs, and corrective actions taken for all components. Records of instrument monitoring shall indicate dates and times, test methods, and instrument readings. The instrument monitoring record shall include the time that monitoring took place for no less than 95% of the instrument readings recorded. Records of physical inspections shall be noted in the operator's log or equivalent.

J. Fugitive emission monitoring required by an applicable New Source Performance Standard (NSPS), 40 CFR Part 60, or an applicable National Emission Standard for Hazardous Air Pollutants (NESHAPS), 40 CFR Part 61, may be used in lieu of Items F through I of this condition.

K. Compliance with the requirements of this condition does not assure compliance with requirements of NSPS or NESHAPS and does not constitute approval of alternate standards for these regulations. **(3/09)**

23. <u>Piping, Valves, Pumps, and Compressors in Hydrogen Sulfide Service</u>

A. Audio, olfactory, and visual checks for H_2S leaks within the operating area shall be made every least once every work day.

B. Immediately, but no later than one hour upon detection of a leak, plant personnel shall take the following actions:

(1) Isolate the leak.
(2) Commence repair or replacement of the leaking component.
(3) Use a leak collection/containment system to prevent the leak until repair or replacement can be made if immediate repair is not possible.

Date and time of each inspection shall be noted in the operator's log or equivalent. Records shall be maintained at the plant site of all repairs and replacements made due to leaks. **(3/09)**

24. The following requirements apply to capture systems for equipment vented to EPNs INCINSTK and FL-FLD.

A. Conduct a once a month visual, audible, and/or olfactory inspection of the capture system to verify there are no leaking components in the capture system.

B. The control device shall not have a bypass.

or

If there is a bypass for the control device, comply with either of the following requirements:

(1) Install a flow indicator that records and verifies zero flow at least once every fifteen minutes immediately downstream of each valve that if opened would allow a vent stream to bypass the control device and be emitted, either directly or indirectly, to the atmosphere; or

(2) Once a month, inspect the valves, verifying the position of the valves and the condition of the car seals prevent flow out the bypass.

C. If any of the above inspections is not satisfactory, the permit holder shall promptly take necessary corrective action. **(3/09)**

Dated _____

Permit Renewal
Source Analysis & Technical Review

Company	**Regency Field Services LLC**	Permit Number	**6051**
City	**Eustace**	Project Number	**56250**
County	**Henderson**	Account Number	**HM-0014-N**
Project Type	**Renewal**	Regulated Entity Number	**RN102176377**
Project Reviewer	**Mr. Patricio Griego**	Customer Reference Number	**CN603263823**
Site Name	**Eustace Gas Processing Plant**		

Project Overview

The pending project is to renew Permit No. 6051 and PSD-TX-55M3. The renewal application, as well as a renewal application for Permit No. 6052, was initially submitted on January 20, 1998, by the permit holder at the time, i.e., Warren NGL. The renewal of Permit Nos. 6051 and 6052 received several requests for a contested case hearing and several requests for a public meeting.

A public meeting was held on October 8, 1998. In addition to the public meeting, there was a meeting at the State Capitol between the company, the leader of the protestants, the TCEQ, and State Representative Clyde Alexander on December 19, 1998. Even though the contested case hearing requests and public meeting requests were received prior to House Bill 801, the TCEQ sent out a response to comments letter to the attendees of the public meeting on February 22, 1999, to respond to the comments raised during the public meeting and in a few subsequent letters which were submitted after the public meeting. The primary issue which brought about the contested case hearing requests, the public meetings, and the meeting with State Representative Clyde Alexander was odors from the flares at the site. The permit holders at the time addressed the flare odor issue by replacing the flare tips of the three flares at the site and converting the flares to steam-assisted flares instead of unassisted flares. The replacement of the flare tips was authorized by Standard Permit Registration No. 41832. Since the replacement of the flare tips and conversion of the flares to steam-assisted flares, there have been no odor complaints.

Between 1999 and 2006, the Eustace Gas Plant changed ownership a couple of times and changed TCEQ project reviewers a couple of times because the reviewers left the TCEQ.

In mid-2006, Texstar FS LP (which eventually changed its name to Regency Field Services LLP) acquired the Eustace Gas Plant from Enbridge Pipelines NE Texas LP. At the same time that the company changed ownership in mid-2006, the renewals were assigned to the current permit reviewer because of workload issues. The current permit holder was asked to submit an amendment in 2006 to address all the sources which were represented in the original construction applications but no permit allowables had been established for in either Permit No. 6051 or 6052. The permit holder submitted the requested amendment application in October of 2006. In addition to quantifying emissions from existing sources at the site which were not previously quantified, the plan was to move the sources authorized by Permit No. 6052 into Permit No. 6051, to incorporate the changes to the flare tips which was authorized by Standard Permit No. 41832 into Permit No. 6051, and to consolidate the separate Federal Prevention of Significant Deterioration Permit No. PSD-TX-55M3 with surviving state permit, i.e., Permit No. 6051. Public notice for the amendment was published on March 1, 2007. No requests for a contested case hearing or for a public meeting were received during the 30-day public notice comment period for the amendment. On March 30, 2009, the amendment and consolidation of Permit No. 6051, Permit No. 6052, Standard Permit No. 41832, and PSD-TX-55M3 as Permit No. 6051 and PSD-TX-55M3 was approved by the TCEQ.

After approval of the permit amendment and consolidation of the various permits and registrations, the company was asked to re-publish public notice for the renewal of Permit No. 6051 because it has been more than two years since the public notice for the renewal was originally published and the original public notice did not mention all the changes to the permit since it was originally issued. The public notice which included information about the consolidation of the permits as well as Standard Permit Registration No. 41832 was published on July 16, 2009. No requests for a contested case hearing or comments regarding Permit No. 6051 were received during the 15-day public comment period.

No changes to the March 30, 2009 version of the special conditions or Maximum Allowable Emission Rates Table (MAERT) is being proposed for the pending permit renewal special conditions and MAERT.

Compliance History Evaluation - 30 TAC Chapter 60 Rules

A compliance history report was reviewed on:	**08/05/2009**
Compliance period:	**01/13/1993 to 08/05/2009**
Site rating & classification:	**0.17 Average**
Company rating & classification:	**7.51 Average**

If the rating is 40<RATING<45, what was the outcome, if any, based on the findings in the formal report:	**N/A**
Has the permit changed on the basis of the compliance history or rating?	**No**

Public Notice Information - 30 TAC Chapter 39 Rules

Rule Citation	Requirement	
39.403	Date Application Received:	**01/13/1998**
	Date Administratively Complete:	**01/21/1998**
	Small Business Source?	**No**
	Date Leg Letters mailed:	**01/21/1998** **Re-publish 04/27/2009**
	Date Public Notice Mailed to Company:	**06/30/1998** **Re-publish 04/27/2009**
39.603	Date Published:	**07/13/1998 and 07/14/1998** **Re-published 07/16/2009**
	Publication Name:	***Athens Daily Review*** **Re-published in *The Monitor***
	1998 Public Notice Pollutants:	**nitrogen oxides, carbon monoxide, sulfur dioxide, particulate matter, hydrogen sulfide, sulfuric acid, corrosion inhibitors, and carbon compounds including (but not limited to) methanol, slop oil, and natural gas hydrocarbons**
	2009 Public Notice Pollutants:	**sulfur dioxide, hydrogen sulfide, carbon monoxide, nitrogen dioxide , organic compounds, and particulate matter less than 10 microns in diameter**
	Date Affidavits Received:	**09/04/1998** **Re-publish 07/31/2009**
	Is bilingual notice required?	**No**
	Language:	**N/A**
	Date Published:	**N/A**
	Publication Name:	***N/A***
	Date Affidavits Received:	**N/A**
	Date Certification of Sign Posting / Application Availability Received:	**For the original notice there was no PN-1 at the time.** **Re-publish 08/05/2009**
39.604	Public Comments Received?	**Yes**
	Hearing Requested?	**Yes**
	Meeting Request?	**Yes**
	Date Meeting Held:	**10/08/1998**
	Date Response to Comments sent to OCC:	**02/22/1999**
	Request(s) withdrawn?	**No**
	Date Withdrawn:	**N/A**
	Consideration of Comments:	**N/A**
	Is 2nd Public Notice required?	**No**
39.419	Date 2nd Public Notice Mailed:	**N/A**
	Preliminary Determination:	**Renew**

Renewal Requirements - 30 TAC Chapter 116 Rules

Rule Citation	Requirement	
116.315(a)	Date of permit expiration:	**04/13/1998**
116.315(a)	Date application for Renewal (PI-1R) received:	**01/13/1998**
116.311(a)(1)	Do dockside vessel emissions associated with the facility comply with all regulations?	**N/A**
116.311(a)(2)	Is the facility being operated in accordance with all requirements and conditions of the existing permit, including representations in the application for permit to construct and subsequent amendments, and any previously granted renewal, unless otherwise authorized for a qualified facility?	**Yes**
	If no, explain:	N/A
116.311(a)(3)	Subject to NSPS?	**Yes**
	Subparts **A** & **GG**	
116.311(a)(4)	Subject to NESHAPS?	**No**
	Subparts &	
116.311(a)(5)	Subject to NESHAPS (MACT) for source categories?	**No**
	Subparts &	
116.311(a)(6)	Does this project require case-by-case MACT?	**No**
116.311(b)	Was there a condition of air pollution that had to be addressed during this project review?	**No**
	If yes, explain:	**N/A**
116.314(a)	Does the facility meet all permit renewal requirements?	**Yes**
116.313	Permit Renewal Fee: $ **10,000** Fee certification:	**Yes**
	Applicable Outstanding Fees:	**None**

Request for Comments - Draft Permit

Received From	Program/Area Name	Reviewed By	Comments
Region:	**5**	**Mr. Jason Sutherland**	**None**
City:	**N/A**		
County:	**N/A**		
Toxicology:	**N/A**		
Compliance:	**N/A**		
Legal:	**N/A**		
Comment resolution and/or unresolved issues:	**None**		

Process/Project Description

The plant was designed to handle 70,000,000 standard cubic feet per day (MMscf/d) of natural gas containing almost 32 mole % sulfur resulting in approximately 850 long tons per day (LTPD) of elemental sulfur, 28 MMscf/d of sales (residual) gas, 1,400 barrels per day of condensate, and 8,000 barrels per day of natural gas liquids mostly ethane. Sour natural gas which is brought into the plant via pipeline goes through a three phase inlet separator where the sour natural gas is separated from entrained water and condensate liquids. The entrained water separated from the sour natural gas is sent to storage until it is disposed of. The condensate from the inlet separator is heated to stabilize it and then stored in above ground storage tanks until shipped out by tank truck. The sour natural gas from the inlet separator is passed to a high pressure Sulfinol Unit to remove hydrogen sulfide (H_2S) and carbon monoxide (CO). The vapor from the condensate stabilization process is sent through a low pressure Sulfinol Unit and then commingled with the sweet gas from the high pressure Sulfinol Unit. The H_2S and CO from the Sulfinol Units is routed to a 3-bed Claus Unit where the H_2S is converted to molten sulfur. The off-gas from the Claus Unit is routed to an Tail Gas Treatment Unit (TGTU) where much of the sulfur dioxide (SO_2) in the off-gas is converted to H_2S which is then recycled to the front of the Claus Unit. A slip stream from the TGTU is routed to two tail gas incinerators which exhaust through a single 300' tall stack. The molten sulfur from the Claus unit is stored in an underground pit and a jacketed above ground storage tank. The molten sulfur is loaded into railcars.

The sweet natural gas from the Sulfinol Unit is routed to a Natural Gas Liquid (NGL) Separation Unit and then to a Nitrogen Rejection Unit

(NRU) before being transferred from the site via pipeline. The NGL Unit and the NRU are authorized by PBR Registration No. 43723 and are not being incorporated into the permit by reference or amendment because the NGL and NRU receive natural gas from the units covered under this permit but do not affect the sources covered under the permit.

In December of 2008, the permit holder claimed PBR 106.352 for an existing slug catcher which was initially registered under PBR Registration No. 36892. The new registration was assigned PBR Registration No. 86700. The PBR Reviewer added a note to the permit, that PBR Registration No. 86700 needs to be incorporated into the permit at the next amendment or renewal. PBR Registration No. 86700 is not being incorporated into the permit at this time because the slug catcher is operated independently of the equipment authorized by this permit.

Pollution Prevention, Sources, Controls and RACT- [30 TAC 116.311(b)(2)]

Source Category: Auxiliary Boiler, Heaters, and Duct Burners

Sources Description: There are three waste heat recovery unit duct burners, a package boiler, and three heaters at this plant. The max and average firing rates are shown below. The three waste heat duct burners are used to heat the exhaust from the Turbines in order to provide steam for the plant. The fuel gas for each of the combustion sources is limited to natural gas containing no more than 5 grains of total sulfur per 100 dscf.

Source	EPN	Max MMBTU/hr	Avg MMBTU/hr
Power Steam/Zurn Boiler	BOZURN	50	28
Turbine 501Waste Heat Recovery Unit Duct Burner	WHRU501	25	25
Turbine 502Waste Heat Recovery Unit Duct Burner	WHRU502	25	25
Turbine 503Waste Heat Recovery Unit Duct Burner	WHRU503	25	25
Condensate Stabilizer Heater	STABHR	15	15
Tank Bottom Heater	H-102	15	15
Molecular Sieve Regenerator Heater	REGNHR	7.5	7.5

Emission Factors: The VOC, NO_x, CO, and PM_{10} emission rates are based on AP-42 5th edition factors of 5.5 lb VOC/MMscf, 100 lb NO_x/MMscf, 84 lb CO/MMscf, and 7.6 lb PM_{10}/MMscf. SO_2 emissions are based on 5 gr S/100 dscf. The fuel gas for each of the combustion sources listed above is limited to natural gas containing no more than 5 grains of total sulfur per 100 dscf.

Controls and Monitoring: No visible emissions from any of the combustion sources listed above are allowed. Daily checks for visible emissions from the vents of each of the combustion sources listed above are required.

Source Category: Turbines (EPNs TURBOX501, TURBOX502, and TURBOX503)

Sources Description: Three Allison Gas Turbines are used to provide electricity for the site. The exhaust from the turbines is routed either directly to the atmosphere (EPNs TURBOX501, TURBOX502, and TURBOX503) or through waste heat recovery duct burners (EPNs WHRU501, WHRU502, and WHRU503). Each turbine is rated at 4,448 Hp but the total turbine Hp is limited to 7,281 Hp. The fuel gas for each of the turbines is limited to natural gas containing no more than 5 grains of total sulfur per 100 dscf.

Emission Factors: VOC and PM_{10} emissions from the turbines are based on AP-42 5th Edition, Supplement F, April 2000, Table 3.2-2a factors of 0.0021 lb/MMBtu for VOC and 0.0066 lb/MMBtu for Total PM are used. NO_x and CO emissions are based on stack sampling in October of 1977. NO_x emissions are based on 1.70 g NO_x/hp-hr. CO emissions are based on 4.25 g/hp-hr. SO_2 emissions from the turbines are based on 5 grains S/100 dscf of fuel gas.

Controls and Monitoring: No visible emissions from any of the turbines listed above are allowed. Daily checks for visible emissions from the vents of each of the turbines exhausts are required.

Source Category: Engines (EPNs CMK201C, CMK201D, and CMK201E)

Sources Description: Permit 6051 covers three Waukesha 7042GSI engines (CMK201C, CMK201D, and CMK201E) each with a design rate of 1,200 Hp. The fuel gas for each of the engines listed above is limited to natural gas containing no more than 5 grains of total sulfur per 100 dscf.

Source Category: Engines (EPNs CMK201C, CMK201D, and CMK201E)
Emission Factors: VOC, NO_x, and CO emissions from the 3 engines in the permit are based on manufacturer's guarantees of 0.11 g VOC/hp-hr, 1.0 g NO_x/Hp-hr, and 2.0 g CO/Hp-hr. PM_{10} emissions from the engines are based on 0.01941 lb/MMBtu which is the sum of AP-42 5th Edition, Supplement F, April 2000, Table 3.2-3 factors for PM_{10} (filterable) of 0.00950 lb/MMBtu and PM_{10} (condensable) of 0.00991 lb/MMBtu.
NO_x and CO Controls and Monitoring: Each engine is equipped with a non-selective catalytic reduction and an air-fuel ratio controller to limit NO_x. The permit requires that an evaluation of the catalyst be performed to ensure a NO_x limit of 1.0 g/Hp-hr and CO limit of 2.0 g/Hp-hr at least once every calendar year. In addition, NO_x and CO emissions are to be checked using stain tubes or a portable analyzer after any maintenance.

Source Category: Flares
Sources Description: The site has three flare systems: the Well Flowline/Field Flare (EPN FL-FLD), the Cold Plant Flare (EPNs FL-CLD), and the Plant Process Flare (EPN FL-PROC). Each flare is 175' tall. The Well Flowline Flare is used to combust vapors from the condensate storage tanks and loading of condensate into tank trucks. The Well Flowline Flare is also used if the plant is unable to process field gas entering the plant; emissions from this unplanned activity are not authorized under this permit. The Plant Process Flare is used to control upset emissions from the warm section of the plant. The Cold Plant Flare was installed in 1980 to handle waste gas from the cold sections of the plant, i.e., the NGL separation section of plant. This was done to minimize the potential formation of hydrates in the header system to the process flare. The emissions shown on the MAERT from the Cold Plant Flare and the Plant Process Flare are from the pilots only. The three flares were converted from unassisted flares to steam assisted flares in 1999 under Standard Permit No. 41832 to resolve smoking issues. The fuel gas for each of the flares is limited to natural gas containing no more than 5 grains of total sulfur per 100 dscf.
Emission Factors: TCEQ factors were used for the NO_x and CO emissions. VOC emissions from the pilots are based on the VOC in the gas analysis. VOC emissions from the Well Flowline/Field Flare other than from the pilots were calculated based on the composition of the waste gas streams. The pilot emissions from the flares are based on unassisted flare NO_x and CO factors because the steam would only be used during an unplanned event. SO_2 emissions from the flare pilots are based on 5 grains S/100 dscf of fuel gas. SO_2 from the waste gas streams routed to the Well Flowline/Field Flare are based on the sulfur composition of the waste gas streams routed to it.
Monitoring: The special condition regarding the flare design and monitoring does not include the requirement to continuously monitor the flow and composition to the flares because the analysis conducted by the company shows that the potential waste gas routed to the flare is combustible without supplemental fuel gas at all times.

Source Category: Piping Fugitives
Sources Description: Piping fugitives were not quantified in the previous permit actions.
Emission Factors: Equipment leak factors for oil and gas production operations were used to calculate emissions.
LDAR Monitoring: NSPS Subpart KKK does not apply to this site because the operating permits for this site were issued April 13, 1983, which was before NSPS Subparts KKK applicability date of January 20, 1984. Uncontrolled VOC emissions are estimated to be 20.97 TPY of VOC. Since uncontrolled VOC emissions are greater than 10 TPY but less than 25 TPY, the company agreed to implement the 28M leak detection and repair program within 180 days after approval of the amendment approved March 30, 2009. In addition, the permit holder will implement a daily walkthrough to check for H_2S leaks.

Source Category: Sulfur Recovery Unit
Sources Description: Acid gas from the low and high pressure Sulfinol Units is sent to the 3 stage Claus Unit. The unconverted acid gas from the Claus Unit is routed to the SCOT unit which converts the SO_2 back to H_2S. The majority of the converted H_2S from the SCOT unit is sent back to the Claus Unit but a slip stream from the Tail gas Treating Unit (TGTU) is routed to two thermal oxidizers in parallel. Each thermal oxidizer is capable of handling 100% of the stream from the TGTU. The SO_2 from the two thermal oxidizers is vented through a single stack which is 300' tall (EPN INCINSTK).
SRU Efficiency and Monitoring: The SRU is rated at 850 LTPD but currently handles much less than 850 LTPD. As part of the amendment approved March 30, 2009, a minimum SRU recovery efficiency of 99.7 percent on a rolling 12-month basis and 97.5 percent on a daily basis was added to the permit. The permit holder is required to compute the calendar day and rolling 12-month sulfur recovery efficiencies using SO_2 monitor data and sulfur production records once a week.
SO_2 Emissions and Monitoring: The TGI SO_2 emission limit of 350 lbs in any 1-hour period provided the average SO_2 emissions in any 24-hour period do not exceed 250 lbs is a PSD-TX-55M3 limit. The TGI exhaust stack is equipped with a CEMS for SO_2.

Source Category: Sulfur Recovery Unit
CO Emissions and Monitoring: CO emissions from the TGI stack are 2,482.85 TPY. The CO is both from combustion and from CO in the natural gas entering the plant. The CO due to combustion in the thermal oxidizers is based on AP-42 factors. The CO emission from the natural gas entering the plant is based on the mole percent of CO of the natural gas and volume of natural gas represented in the construction permit application. A CEMS for CO is required to be installed within 180 days after approval of the amendment approved March 30, 2009.

Source Category: Wastewater Pit (EPN WH2OPIT)
Sources Description: Wastewater from the API separator vessel is routed either to injection wells for disposal or to a 20,000 barrel wastewater pit. In addition, storm water and water from various pieces of equipment are routed to the wastewater pit. Skimmers collect the slop oil and direct it to the Slop Oil Tank (V-516). The wastewater in the pit can be routed either to injection wells for disposal or to the API Separator.
Emission Factors: The water going to the pit is assumed to contain 1% by volume slop oil.
Emissions: Emissions from the pit are estimated to be 0.19 lb/hr and 0.83 TPY based on EPA Water9 and assuming 480,000 barrels of wastewater contained in the pit per 12-months.

Source Category: API Separator (EPN FL-FLD)
Sources Description: Water from the inlet separator is routed to a 500-barrel separator vessel (V-501.5). The wastewater from the API separator vessel is routed either to injection wells for disposal or to the 20,000 barrel wastewater pit.
Controls: Vapors from the API separator are routed to the Well Flowline/Field Flare.

Source Category: Sulfur Pit and Sulfur Tank
Sources Description: Molten sulfur is stored in a below ground pit and an aboveground sulfur tank.
Emission Factors: Sampling of the vapor space of the sulfur pit and the sulfur tank by the company using stain tubes provided concentrations of 2,200 ppmv H_2S and 30 ppmv SO_2 from the sulfur tank and 600 ppmv H_2S and 11 ppmv SO_2 from the sulfur pit.
Emissions: Emissions from the sulfur pit based on filling it at 35.1 LT/hr are 0.002 lb/hr of H_2S and 0.00003 lb/hr of SO_2. Annual emissions from the sulfur pit based on 307,330 LT/yr are 0.008 lb/hr of H_2S and 0.0002 TPY of SO_2.
Controls: Vapors from the sulfur pit and sulfur storage tank are routed to the TGIs via an eductor system which uses fuel gas as the driving force. Even though the eductor is intended to capture all the vapors from the sulfur pit and tank, the current permit holder wants to be conservative and show 5% of the potential H_2S and SO_2 emissions as emitted to the atmosphere from the sulfur pit and tank. Degassing of the molten sulfur is not required of the company because stain tube sampling which the permit holder conducted shows the concentrations of H_2S in the molten sulfur is less than 100 ppmv.

Source Category: Loading of Molten Sulfur into Railcars
Sources Description: Molten sulfur from the sulfur pit and the sulfur tank are loaded into railcars at the rate of 450 long tons per hour and 307,330 long tons per rolling 12-months.
Emission Factors: Sampling of the vapor space of the railcars using stain tubes provided concentrations of 45 ppmv H_2S.
Controls: Currently, molten sulfur is loaded into railcars uncontrolled. However, at a meeting in February of 2009, the permit holder announced that for employee protection they intended to install self-sealing shrouds on their sulfur loading operations and the captured vapors would be routed to the TGIs.
Monitoring: Until the shrouds are installed, the permit holder is required to conduct an annual sample of the vapor space of a railcar being loaded with molten sulfur for H_2S using stain tubes.

Source Category: Loading of Condensate into tank trucks (EPN CLOAD)
Source Description: Condensate is loaded into tank trucks for transfer off-site.
Emission Factors: Uncontrolled emissions were calculated using submerged fill into dedicated service tank trucks.

Source Category: Loading of Condensate into tank trucks (EPN CLOAD)
Controls: All loading is done into pressure rated tank trucks using pressure rated loading lines. The tank trucks are leak tested in accordance with the test procedures in 49 CFR § 180.407 for pressure containers. Vapors from loading condensate into tank trucks are routed to the Well Flowline/Field Flare (EPN FL-FLD).

Source Category: Storage Tanks

Sources Description: There are 5 tanks at this site which store condensate and 6 tanks which store other organics.

Tank FIN	Service	MW	Max VP psia	Tank Capacity (gallons)	Max Fill Rate (gallons/hour)	Rolling 12-Month Throughput (gallons)
COND1	Condensate	46.80	12.2859	21,000	3,760	2,575,440
COND1	Condensate	46.80	12.2859	21,000	3,760	2,575,440
V-517A	Condensate	46.80	12.2859	44,746	3,760	5,472,810
V-517B	Condensate	46.80	12.2859	44,746	3,760	5,472,810
V-518	Condensate	46.80	12.2859	43,500	3,760	5,365,500
V-521	Methanol	32.04	2.8008	8,400	8,400	84,000
V-216	Sulfinol	46.80	0.0580	12,600	9,000	6,300
V-217	Sulfinol	49.07	0.0580	12,600	9,000	15,000
V-218	DIPA	46.80	0.0020	12,600	9,000	43,670
V-109	Corrosion Inhibitor	190.00	0.0001	950	950	3,500
V-516	Slop	130.00	0.0129	8,400	50	436,800

Control of tanks storing condensate: Vapors from the five tanks which store condensate are routed to the Well Flowline Flare (EPN FL-FLD).

Control of tank not storing condensate: The emissions from the fixed-roof storage tanks which do not store condensate are all allowed to be uncontrolled because the capacities of each storage tank is less than 25,000 gallons and the emissions have not resulted in any unacceptable off-property impacts.

Tank Color: The EPA Tanks printouts for the storage tanks show that the storage tanks are painted light grey. During the amendment approved March 30, 2009, the tanks were allowed to remain light grey for up to 10 years after the amendment approved March 30, 2009 because the annual emissions from the tanks not routed to the flare are all less than 0.01 TPY.

Changes to March 30, 2009 Special Conditions: None

Changes to March 30, 2009 MAERT: None

Permit Concurrence and Related Authorization Actions

Is the applicant in agreement with special conditions?	**Yes**
Company representative(s):	**Ms. Stephanie Meadows, Consultant**
Contacted Via:	**E-mail**
Date of contact:	**02/24/2009**
Other permit(s) or permits by rule affected by this action:	**None**
List permit and/or PBR number(s) and actions required or taken:	**N/A**

Project Reviewer Date Team Leader/Section Manager/Backup Date

Permit Renewal
Source Analysis & Technical Review Supplement

Company	**Regency Field Services LLC**	Permit Number	**6051**
City	**Eustace**	Project Number	**56250**
County	**Henderson**	Account Number	**HM-0014-N**
Project Type	**Renewal**	Regulated Entity Number	**RN102176377**
Project Reviewer	**Mr. Patricio Griego**	Customer Reference Number	**CN603263823**
Site Name	**Eustace Gas Processing Plant**		

On September 30, 2009, a letter was mailed to each of the persons or families who had requested a contested case hearing or provided comments on the renewal of Permit Nos. 6051 and 6052 in 1998. The purpose of the letter was to bring each of the persons or families up to date on the status of the renewals and to inform them of what the next processing steps for the renewal were.

In addition, on September 30, 2009, a copy of the letter mailed to the persons or families and a copy of the 1999 Response to Comments was mailed to State Senator Robert Nichols and State Representative Betty Brown.

On October 15, 2009, between 9:00 AM and 11:00 AM, Ms. Terry Salem of the TCEQ Environmental Law Division and the project reviewer attempted to contact each person by the telephone. The purpose of the telephone calls was three fold: (1) to verify that the person received the September 30, 2009 letter; (2) to answer any questions about the permit renewal; and (3) to see if the person or family was still interested in a contested case hearing. Prior to October 15, 2009, 411.com was used to research if the telephone number on record for each person or family was still a valid telephone number for the person or family. On October 15, 2009, each of the telephone numbers on record were dialed as well as telephone numbers obtained from 411.com. If an answering machine answered, a message was left identifying who was calling, the purpose of our call, and the telephone number of the project reviewer, should the person want to contact the project reviewer. During the calls, two persons told us they no longer lived at the address on record. Copies of the September 30, 2009, letter were mailed to these two families at their current address along with information about changing their address on record with the TCEQ Office of the Chief Clerk.

On October 19, 2009, the USPS returned two of the original September 30, 2009 letters to the TCEQ. A copy of the September 30, 2009, letter was mailed to an alternative address obtained from 411.com for one of the two families whose letters were returned on October 19, 2009. On October 23, 2009, the USPS returned two more of the letters mailed September 30, 2009, to the TCEQ.

On October 27, 2009, between 6:00 PM and 7:00 PM, the project reviewer attempted to telephone the persons and families that were not reached on October 15, 2009.

As on November 2, 2009, none of the persons or families for which a message was left on an answering machine had called to discuss the renewals.

Patricio L. Griego	11/02/2009	Robert M. Mann	11/2/09
Project Reviewer	Date	Team Leader/Section Manager/Backup	Date

Compliance History Report

Customer/Respondent/Owner-Operator:	CN603263823	Regency Field Services LLC	Classification: AVERAGE	Rating: 3.32
Regulated Entity:	RN102176377	EUSTACE GAS PLANT	Classification: HIGH	Site Rating: 0.00

ID Number(s):

AIR NEW SOURCE PERMITS	PERMIT	6051
AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	HM0014N
AIR NEW SOURCE PERMITS	AFS NUM	4821300013
AIR NEW SOURCE PERMITS	REGISTRATION	43723
AIR NEW SOURCE PERMITS	EPA ID	PSDTX55M3
AIR NEW SOURCE PERMITS	REGISTRATION	86700
AIR NEW SOURCE PERMITS	REGISTRATION	82687
AIR OPERATING PERMITS	ACCOUNT NUMBER	HM0014N
AIR OPERATING PERMITS	PERMIT	863
AIR EMISSIONS INVENTORY	ACCOUNT NUMBER	HM0014N

Location: 16401 COUNTY ROAD 2854, EUSTACE, TX, 75124

TCEQ Region: REGION 05 - TYLER

Date Compliance History Prepared: June 22, 2010

Agency Decision Requiring Compliance History: Permit - Issuance, renewal, amendment, modification, denial, suspension, or revocation of a permit.

Compliance Period: January 13, 1993 to June 22, 2010

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: Mr. Patricio Griego Phone: 239 - 1080

Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? Yes
2. Has there been a (known) change in ownership/operator of the site during the compliance period? Yes
3. If Yes, who is the current owner/operator?

Regency Field Services LLC

4. if Yes, who was/were the prior owner(s)/operator(s) ?

OWNOPR	Regency FS LP
OWN	Sulphur River Gathering GP, LC
OWNOPR	Dynegy NGL, Inc.
OWNOPR	Enbridge Pipelines (NE Texas) L.P.
OWNOPR	Enbridge Pipelines (NE Texas) L.L.C.
OWNOPR	Targa Midstream Services Limited Partnership

5. When did the change(s) in owner or operator occur?

12/01/1999	OWNOPR	Targa Midstream Services Limited Partnership
03/09/2002	OWNOPR	Enbridge Pipelines (NE Texas) L.L.C.
12/05/2005	OWN	Sulphur River Gathering GP, LC
	OWNOPR	Dynegy NGL, Inc.
	OWNOPR	Enbridge Pipelines (NE Texas) L.P.
10/10/2007	OWNOPR	Regency FS LP

6. Rating Date: 9/1/2009 Repeat Violator: NO

Components (Multimedia) for the Site :

A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.

N/A

B. Any criminal convictions of the state of Texas and the federal government.

N/A

C. Chronic excessive emissions events.

N/A

D. The approval dates of investigations. (CCEDS Inv. Track. No.)

1	09/30/1999	(104678)
2	06/12/2000	(104679)

3	06/29/2000	(104680)
4	10/30/2000	(104681)
5	02/06/2001	(104682)
6	03/01/2001	(104683)
7	08/10/2001	(104684)
8	08/16/2001	(104685)
9	12/17/2001	(104686)
10	01/10/2002	(104687)
11	01/18/2002	(104688)
12	04/02/2002	(104690)
13	04/03/2002	(104689)
14	04/17/2002	(104691)
15	04/17/2002	(104692)
16	06/20/2002	(104693)
17	05/29/2003	(38190)
18	08/25/2004	(291022)
19	01/12/2005	(341229)
20	03/22/2005	(373802)
21	04/26/2005	(378390)
22	05/23/2005	(392468)
23	06/06/2005	(393607)
24	07/25/2005	(392596)
25	08/05/2005	(402370)
26	08/05/2005	(402587)
27	08/15/2005	(404374)
28	09/23/2005	(432702)
29	09/28/2005	(432765)
30	10/12/2005	(432835)
31	10/12/2005	(432910)
32	10/12/2005	(433092)
33	10/12/2005	(433114)
34	10/12/2005	(433253)
35	10/12/2005	(433430)
36	11/18/2005	(433959)
37	11/18/2005	(435497)
38	11/30/2005	(434899)
39	12/16/2005	(440313)
40	12/16/2005	(449491)
41	02/06/2006	(449717)
42	03/09/2006	(458393)
43	04/13/2006	(458559)
44	04/13/2006	(458760)
45	04/13/2006	(458854)
46	04/13/2006	(459082)
47	04/13/2006	(459215)
48	04/13/2006	(460201)
49	04/13/2006	(460303)
50	05/23/2006	(467189)
51	08/22/2006	(497534)
52	08/28/2006	(509779)
53	09/20/2006	(511669)
54	09/20/2006	(512879)
55	09/21/2006	(513429)
56	10/18/2006	(513863)
57	10/19/2006	(509143)
58	10/19/2006	(515169)
59	12/19/2006	(533881)
60	02/12/2007	(539400)
61	05/02/2007	(556285)

62	05/21/2007	(561164)
63	09/25/2007	(594195)
64	10/01/2007	(596234)
65	10/04/2007	(596497)
66	10/25/2007	(597685)
67	10/26/2007	(596962)
68	11/20/2007	(599870)
69	03/28/2008	(639477)
70	11/10/2008	(706016)
71	05/26/2009	(745050)
72	05/26/2009	(745362)
73	05/28/2009	(746099)
74	05/28/2009	(746245)
75	05/28/2009	(746549)
76	06/03/2009	(746576)
77	06/05/2009	(746505)
78	10/05/2009	(777809)
79	10/13/2009	(777671)
80	10/13/2009	(777689)
81	11/16/2009	(745377)
82	02/01/2010	(788545)

E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

Date: 01/16/2002 (104688)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter F 101.221(a)

Description: MAINTAIN POLLUTION EQP

Date: 08/25/2004 (291022)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 106, SubChapter T 106.454(3)(B)(i)
30 TAC Chapter 122, SubChapter B 122.143(4)
O-00863, SC 5 OP

Description: Failure to keep the lid closed on the degreaser unit when parts are not being handled in the unit. During the physical investigation, the investigator documented that the lid was open on the degreaser and no parts were being handled. The degreaser contains a VOC.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter F 101.201(e)
30 TAC Chapter 122, SubChapter B 122.143(4)
O-00863, SC 3(G) OP

Description: Failure to report an excess opacity event within 24 hours after the discovery of the excess opacity event. On December 5, 2003 an excess opacity event was experienced at the incinerator stack. This event was not reported to the agency prior to this investigation.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 122, SubChapter B 122.143(4)
O-00863, SC 5 OP
PSD-TX-55M3 PA

Description: Failure to meet the no visible emissions opacity limit on the incinerator on December 5, 2003. As stated in Track No. 171333, the excess opacity event did not qualify for the affirmative defense and therefore the emissions are unauthorized.

F. Environmental audits.

N/A

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A