

Texas Commission on Environmental Quality

Title V New

Site Information (Regulated Entity)

What is the name of the permit area to be authorized?	Bland Lake Amine Plant
Does the site have a physical address?	No
Because there is no physical address, describe how to locate this site:	From E. Main St in San Augustine, TX go N on Hwy 147 N. Clark Street for approximately 3.39 miles. Turn left on CR 113 and go 0.65 miles.
City	San Augustine
State	TX
ZIP	75972
County	SAN AUGUSTINE
Latitude (N) (##.#####)	31.580821
Longitude (W) (-###.#####)	-94.101894
Primary SIC Code	1389
Secondary SIC Code	
Primary NAICS Code	
Secondary NAICS Code	
Regulated Entity Site Information	
What is the Regulated Entity's Number (RN)?	RN110905486
What is the name of the Regulated Entity (RE)?	BLAND LAKE AMINE PLANT
Does the RE site have a physical address?	No
Because there is no physical address, describe how to locate this site:	FROM E. MAIN STREET IN SAN AUGUSTINE, TX GO NORTH ON HWY 147 N. CLARK STREET FOR APPROXIMATELY 3.39 MILES. TURN LEFT ON CR 113 AND GO 0.65 MILE TO THE SITE ACCESS LOCATION ON THE RIGHT.
City	SAN AUGUSTINE
State	TX
ZIP	75972
County	SAN AUGUSTINE
Latitude (N) (##.#####)	31.580045
Longitude (W) (-###.#####)	-94.099166
Facility NAICS Code	211111
What is the primary business of this entity?	NATURAL GAS PROCESSING & TREATING

Customer (Applicant) Information

How is this applicant associated with this site?	Owner Operator
What is the applicant's Customer Number (CN)?	CN605565175
Type of Customer	Corporation
Full legal name of the applicant:	
Legal Name	Kudu Midstream LLC
Texas SOS Filing Number	802844961
Federal Tax ID	

State Franchise Tax ID	32065224845
State Sales Tax ID	
Local Tax ID	
DUNS Number	
Number of Employees	
Independently Owned and Operated?	Yes

Responsible Official Contact

Person TCEQ should contact for questions about this application:

Organization Name	Aethon Energy Operating LLC
Prefix	MR
First	Preston
Middle	V
Last	Phillips
Suffix	
Credentials	
Title	Chief Commercial Officer
Enter new address or copy one from list:	
Mailing Address	
Address Type	Domestic
Mailing Address (include Suite or Bldg. here, if applicable)	12377 MERIT DR STE 1200
Routing (such as Mail Code, Dept., or Attn:)	
City	DALLAS
State	TX
ZIP	75251
Phone (###-###-####)	2147504336
Extension	
Alternate Phone (###-###-####)	
Fax (###-###-####)	
E-mail	pphillips@aethonenergy.com

Technical Contact

Person TCEQ should contact for questions about this application:

Same as another contact?	Responsible Official Contact
Organization Name	Aethon Energy Operating LLC
Prefix	MR
First	Preston
Middle	V
Last	Phillips
Suffix	
Credentials	
Title	Chief Commercial Officer
Enter new address or copy one from list:	
Mailing Address	
Address Type	Domestic

Mailing Address (include Suite or Bldg. here, if applicable)	12377 MERIT DR STE 1200
Routing (such as Mail Code, Dept., or Attn:)	
City	DALLAS
State	TX
ZIP	75251
Phone (###-###-####)	2147504336
Extension	
Alternate Phone (###-###-####)	
Fax (###-###-####)	
E-mail	pphillips@aethonenergy.com

Title V General Information - New

1) Permit Latitude Coordinate:	31 Deg 34 Min 51 Sec
2) Permit Longitude Coordinate:	94 Deg 6 Min 7 Sec
3) Is this submittal a new application or an update to an existing application?	New Application
3.1. What type of Federal Operating Permit are you applying for?	SOP
3.2. Is this submittal an abbreviated or a full application?	Abbreviated
3.3. Is this application for a portable facility?	No
3.4. Is the site a non-major source subject to the Federal Operating Permit Program?	No
3.5. Are there any permits that should be voided upon issuance of this permit application through permit conversion?	No
3.6. Are there any permits that should be voided upon issuance of this permit application through permit consolidation?	No
4) Does this application include Acid Rain Program or Cross-State Air Pollution Rule requirements?	No

Title V Attachments New

Attach OP-1 (Site Information Summary)

Attach OP-ACPS (Application Compliance Plan and Schedule)

Attach OP-REQ1 (Application Area-Wide Applicability Determinations and General Information)

Attach OP-REQ2 (Negative Applicable Requirement Determinations)

Attach OP-REQ3 (Applicable Requirements Summary)

Attach OP-PBRSUP (Permits by Rule Supplemental Table)

Attach OP-SUM (Individual Unit Summary)

Attach OP-MON (Monitoring Requirements)

Attach OP-UA (Unit Attribute) Forms

Attach OP-CRO2 (Change of Responsible Official Information)

Attach OP-DEL (Delegation of Responsible Official)

Attach any other necessary information needed to complete the permit.

An additional space to attach any other necessary information needed to complete the permit.

Expedite Title V

1) Per Texas Health and Safety Code, Section 382.05155, does the applicant want to expedite the processing of this application?

No

Certification

I certify that I am the Responsible Official for this application and that, based on information and belief formed after reasonable inquiry, the statements and information on this form are true, accurate, and complete.

1. I am Preston V Phillips, the owner of the STEERS account ER060854.
2. I have the authority to sign this data on behalf of the applicant named above.
3. I have personally examined the foregoing and am familiar with its content and the content of any attachments, and based upon my personal knowledge and/or inquiry of any individual responsible for information contained herein, that this information is true, accurate, and complete.
4. I further certify that I have not violated any term in my TCEQ STEERS participation agreement and that I have no reason to believe that the confidentiality or use of my password has been compromised at any time.
5. I understand that use of my password constitutes an electronic signature legally equivalent to my written signature.
6. I also understand that the attestations of fact contained herein pertain to the implementation, oversight and enforcement of a state and/or federal environmental program and must be true and complete to the best of my knowledge.
7. I am aware that criminal penalties may be imposed for statements or omissions that I know or have reason to believe are untrue or misleading.
8. I am knowingly and intentionally signing Title V New.
9. My signature indicates that I am in agreement with the information on this form, and authorize its submittal to the TCEC

OWNER OPERATOR Signature: Preston V Phillips OWNER OPERATOR

Account Number:ER060854

Signature IP Address:165.91.10.70

Signature Date:2024-07-11

Signature Hash:D91E8B8D3D7444869D534A37650E92CD5538F557E3AEE58B2D6B5BC8D45A0D13

Form Hash Code at time of Signature:53970F5D40A07EDD89B3CFD192874216EE2CABD91198400780A894C6EB63764B

Submission

Reference Number:The application reference number is 666137

Submitted by:The application was submitted by ER060854/Preston V Phillips

Submitted Timestamp:The application was submitted on 2024-07-11 at 14:02:54 CDT

Submitted From:

The application was submitted from IP address
165.91.10.70

Confirmation Number:

The confirmation number is 550466

Steers Version:

The STEERS version is 6.79

Additional Information

Application Creator: This account was created by Gordon R Moore

APPLICATION FOR INITIAL SITE OPERATING PERMIT

**KUDU Midstream LLC
(CN605565175)**

San Augustine County, Texas

July 9, 2024

Prepared by: C-K Associates, LLC



CK Project Number: 16610

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Appendix B	TCEQ Form OP-CRO1
Appendix C	Request for Part 70 Applicability Determination

1.0 INTRODUCTION

The Bland Lake Amine Plant is an existing site (RN 110905486), operated by Kudu Midstream LLC (Kudu). The facility is currently permitted as a minor source under a Standard Permit. Kudu has prepared an Abbreviated Title V Application and is requesting an Initial Site Operating Permit, a Title V permit, for the Bland Lake Amine Plant based on anticipated emission changes at the facility.

Along with this Abbreviated Title V Application, Kudu is requesting an Applicability Determination (AD) from TCEQ to determine whether or not one or both of two nearby facilities should be combined with the Bland Lake Amine Plant as part of a Title V major source. Aethon Energy Operating, LLC (Aethon) owns oil and gas wells in San Augustine County, including the Clark Armstrong 4H 5HB Pad. Brahma Services LLC (Brahma) will construct and operate the Bland Lake SWD, very close to the Bland Lake Amine Plant. Brahma and Aethon share some managerial and other resources with Kudu.

At this time, Kudu is submitting an initial abbreviated Site Operating Permit (SOP) application for the Bland Lake Amine Plant, which will include one or both of the facilities if TCEQ determines the two facilities are part of the same site, as defined in 30 TAC 122.10.

1.1 Facility Description

The Bland Lake Amine Plant consists of generator engines, heaters, separators, reboilers, dehydration units, an amine unit, thermal oxidizers, produced water tanks, combustors, and a flare. The facility is a natural gas processing plant that receives unprocessed natural gas from pipelines which have gathered the gas from its producer's facilities, utilizes amine unit and glycol dehydration unit, and delivers the final product via pipeline. Produced water generated from the facility will be trucked to the Blank Lake SWD facility.

The Bland Lake SWD facility is scheduled to start operation in late summer/ early fall 2024. The equipment will consist of condensate storage tanks, a water offload tank, gun-barrel tanks, water storage tanks, generator engines, oil truck loading, flare, and piping and valves. Produced water and condensate from surrounding facilities are transferred via pipeline to the SWD facility. The co-mingled condensate and produced water from the pipeline are sent to the gun-barrel tanks for separation. From the gun-barrel tanks, condensate is sent to the condensate tank and produced water to the water storage tanks. The produced water is injected into the SWD well. Condensate is unloaded from the storage tank into tanker trucks on a periodic basis for off-site transfer. All storage tanks are controlled by the flare at 98% destruction efficiency.

The Clark Armstrong Pad is a natural gas production facility, which consists of separation equipment, produced water storage tanks, cooler engines, truck loading, insignificant tanks, and piping and values. The production stream is routed from the wells to a separator where the gas is sent to the Bland Lake Amine Plant and the produced water is sent to the Bland Lake SWD via pipeline. Four storage tanks will be used for the produced water when the SWD is not available. The produced water is removed via periodic truck loading and sent to the Bland Lake SWD. The air-cooled heat exchangers are used to cool the stream from the wells prior to separation. The air-cooled heat exchangers are each powered by an engine.

2.0 APPLICATION CONTENTS

Per 30 TAC §122.132(c), this initial, abbreviated SOP application contains TCEQ Form OP-1 in Appendix A, TCEQ Form OP-CRO1 in Appendix B. Information to support an Applicability Determination is provided in Appendix C. A full SOP application will be submitted to TCEQ within the deadline set by the agency.

APPENDICES

APPENDIX A

TCEQ Form OP-1

**Federal Operating Permit Program
Site Information Summary
Form OP-1 (Page 1)
Texas Commission on Environmental Quality**

Please print or type all information. Direct any questions regarding this application form to the Air Permits Division at (512) 239-1250 or to the Texas Commission on Environmental Quality, Office of Air, Air Permits Division (MC 163), P.O. Box 13087, Austin, Texas 78711-3087.

I. Company Identifying Information
A. Company Name: Kudu Midstream LLC
B. Customer Reference Number (CN): CN 605565175
C. Submittal Date (mm/dd/yyyy): 07/09/2024
II. Site Information
A. Site Name: Bland Lake Amine Plant
B. Regulated Entity Reference Number (RN): RN 110905486
C. Indicate affected state(s) required to review permit application: <i>(Check the appropriate box[es].)</i>
<input type="checkbox"/> AR <input type="checkbox"/> CO <input type="checkbox"/> KS <input type="checkbox"/> LA <input type="checkbox"/> NM <input type="checkbox"/> OK <input checked="" type="checkbox"/> N/A
D. Indicate all pollutants for which the site is a major source based on the site's potential to emit: <i>(Check the appropriate box[es].)</i>
<input type="checkbox"/> VOC <input type="checkbox"/> NO _x <input type="checkbox"/> SO ₂ <input type="checkbox"/> PM ₁₀ <input checked="" type="checkbox"/> CO <input type="checkbox"/> Pb <input type="checkbox"/> HAPS
Other:
E. Is the site a non-major source subject to the Federal Operating Permit Program? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
F. Is the site within a local program area jurisdiction? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
G. Will emissions averaging be used to comply with any Subpart of 40 CFR Part 63? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
H. Indicate the 40 CFR Part 63 Subpart(s) that will use emissions averaging: N/A
III. Permit Type
A. Type of Permit Requested: <i>(Select only one response)</i>
<input checked="" type="checkbox"/> Site Operating Permit (SOP) <input type="checkbox"/> Temporary Operating Permit (TOP) <input type="checkbox"/> General Operating Permit (GOP)

**Federal Operating Permit Program
Site Information Summary
Form OP-1 (Page 2)
Texas Commission on Environmental Quality**

IV. Initial Application Information <i>(Complete for Initial Issuance Applications Only.)</i>	
A. Is this submittal an abbreviated or a full application?	<input checked="" type="checkbox"/> Abbreviated <input type="checkbox"/> Full
B. If this is a full application, is the submittal a follow-up to an abbreviated application?	<input type="checkbox"/> YES <input type="checkbox"/> NO
C. If this is an abbreviated application, is this an early submittal for a combined SOP and Acid Rain permit?	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
D. Has an electronic copy of this application been submitted (or is being submitted) to EPA? (Refer to the form instructions for additional information.)	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
V. Confidential Information	
A. Is confidential information submitted in conjunction with this application?	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
VI. Responsible Official (RO) Identifying Information	
RO Name Prefix: (<input checked="" type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> Dr.)	
RO Full Name: Preston V. Phillips	
RO Title: Chief Commercial Officer	
Employer Name: Aethon Energy Operating, LLC	
Mailing Address: 12377 Merit Drive, Suite 1200	
City: Dallas	
State: Texas	
ZIP Code: 75251	
Territory:	
Country: United States	
Foreign Postal Code:	
Internal Mail Code:	
Telephone No.: (214) 750-3820	
Fax No.:	
Email: pphillips@aethonenergy.com	

**Federal Operating Permit Program
Site Information Summary
Form OP-1 (Page 3)
Texas Commission on Environmental Quality**

VII. Technical Contact Identifying Information <i>(Complete if different from RO.)</i>
Technical Contact Name Prefix: (<input checked="" type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> Dr.)
Technical Contact Full Name: Gordon R. Moore, P.E.
Technical Contact Title: Senior Engineer
Employer Name: C-K Associates, LLC
Mailing Address: 2001 East 70th Street, Suite 503
City: Shreveport
State: LA
ZIP Code: 71105
Territory:
Country: United States
Foreign Postal Code:
Internal Mail Code:
Telephone No.: (318) 218-7651
Fax No.:
Email: gordon.moore@c-ka.com
VIII. Reference Only Requirements <i>(For reference only.)</i>
A. State Senator: Robert Nichols
B. State Representative: Trent Ashby
C. Has the applicant paid emissions fees for the most recent agency fiscal year (Sept. 1 - August 31)? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A
D. Is the site subject to bilingual notice requirements pursuant to 30 TAC § 122.322? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
E. Indicate the alternate language(s) in which public notice is required: Spanish

**Federal Operating Permit Program
Site Information Summary
Form OP-1 (Page 4)
Texas Commission on Environmental Quality**

IX. Off-Site Permit Request

(Optional for applicants requesting to hold the FOP and records at an off-site location.)

A. Office/Facility Name: Bland Lake Amine Plant

B. Physical Address:

City:

State:

ZIP Code:

Territory:

Country:

Foreign Postal Code:

C. Physical Location: From E. Main Street in San Augustine, TX go N on Hwy 147 (N. Clark Street) for approximately 3.39 miles. Turn left on CR 113 and go 0.65 miles to facility entrance on right.

D. Contact Name Prefix: (☐ Mr. ☐ Mrs. ☒ Ms. ☐ Dr.)

Contact Full Name: Andrea Taylor

E. Telephone No.: (307) 200-4391

X. Application Area Information

A. Area Name: Bland Lake Amine Facility

B. Physical Address:

City:

State:

ZIP Code:

C. Physical Location: From E. Main Street in San Augustine, TX go N on Hwy 147 (N. Clark Street) for approximately 3.39 miles. Turn left on CR 113 and go 0.65 miles.

D. Nearest City: San Augustine

E. State: TX

F. ZIP Code: 75972

**Federal Operating Permit Program
Site Information Summary
Form OP-1 (Page 5)
Texas Commission on Environmental Quality**

X.	Application Area Information (continued)
G.	Latitude (nearest second): 31.580821
H.	Longitude (nearest second): -94.101894
I.	Are there any emission units that were not in compliance with the applicable requirements identified in the application at the time of application submittal? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
J.	Indicate the estimated number of emission units in the application area:
K.	Are there any emission units in the application area subject to the Acid Rain Program? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
XI.	Public Notice (Complete this section for SOP Applications and Acid Rain Permit Applications only.)
A.	Name of a public place to view application and draft permit: San Augustine Public Library
B.	Physical Address: 413 E Columbia St
	City: San Augustine
	ZIP Code: 75972
C.	Contact Person (Someone who will answer questions from the public during the public notice period):
	Contact Name Prefix: (<input type="checkbox"/> Mr. <input checked="" type="checkbox"/> Mrs. <input type="checkbox"/> Ms. <input type="checkbox"/> Dr.):
	Contact Person Full Name: Andrea Taylor
	Contact Mailing Address: 12377 Merit Drive, Suite 1200
	City: Dallas
	State: TX
	ZIP Code: 75251
	Territory:
	Country: United States
	Foreign Postal Code:
	Internal Mail Code:
	Telephone No.: (307) 200-4391

**Federal Operating Permit Program
Site Information Summary
Form OP-1 (Page 6)
Texas Commission on Environmental Quality**

XII. Delinquent Fees and Penalties

Notice: This form will not be processed until all delinquent fees and/or penalties owed to the TCEQ or the Office of Attorney General on behalf of the TCEQ are paid in accordance with the "Delinquent Fee and Penalty Protocol."

Complete Sections XIII and XIV for Acid Rain Permit and CSAPR applications only. Please include a copy of the Certificate of Representation submitted to EPA.

XIII. Designated Representative (DR) Identifying Information

DR Name Prefix: (☐ Mr. ☐ Mrs. ☐ Ms. ☐ Dr.)

DR Full Name:

DR Title:

Employer Name:

Mailing Address:

City:

State:

ZIP Code:

Territory:

Country:

Foreign Postal Code:

Internal Mail Code:

Telephone No.:

Fax No.:

Email:

**Federal Operating Permit Program
Site Information Summary
Form OP-1 (Page 7)
Texas Commission on Environmental Quality**

Complete Sections XIII and XIV for Acid Rain Permit and CSAPR applications only. Please include a copy of the Certificate of Representation submitted to EPA.

XIV. Alternate Designated Representative (ADR) Identifying Information

ADR Name Prefix: (☐ Mr. ☐ Mrs. ☐ Ms. ☐ Dr.)

ADR Full Name:

ADR Title:

Employer Name:

Mailing Address:

City:

State:

ZIP Code:

Territory:

Country:

Foreign Postal Code:

Internal Mail Code:

Telephone No.:

Fax No.:

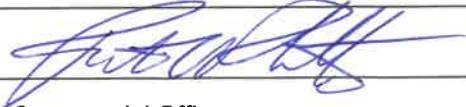
Email:

APPENDIX B

TCEQ Form OP-CRO1

Form OP-CRO1
Certification by Responsible Official
Federal Operating Permit Program

All initial permit application, revision, renewal, and reopening submittals requiring certification must be addressed using this form. Updates to site operating permit (SOP) and temporary operating permit (TOP) applications, other than public notice verification materials, must be certified prior to authorization of public notice or start of public announcement. Updates to general operating permit (GOP) applications must be certified prior to receiving an authorization to operate under a GOP.

I. Identifying Information					
RN: 110905486		CN: 605565175		Account No.:	
Permit No.: 159343			Project No.:		
Area Name: Bland Lake Amine Plant			Company Name: Kudu Midstream LLC		
II. Certification Type <i>(Please mark the appropriate box)</i>					
<input checked="" type="checkbox"/> Responsible Official			<input type="checkbox"/> Duly Authorized Representative		
III. Submittal Type <i>(Please mark the appropriate box) (Only one response can be accepted per form)</i>					
<input checked="" type="checkbox"/> SOP/TOP Initial Permit Application		<input type="checkbox"/> Update to Permit Application			
<input type="checkbox"/> GOP Initial Permit Application		<input type="checkbox"/> Permit Revision, Renewal, or Reopening			
<input type="checkbox"/> Other: _____					
IV. Certification of Truth					
This certification does not extend to information which is designated by the TCEQ as information for reference only.					
I, <u>Preston V. Phillips</u> certify that I am the <u>RO</u> <div style="text-align: center;"><i>(Certifier Name printed or typed)</i> <i>(RO or DAR)</i></div>					
and that, based on information and belief formed after reasonable inquiry, the statements and information dated during the time period or on the specific date(s) below, are true, accurate, and complete:					
<i>Note: Enter Either a Time Period OR Specific Date(s) for each certification. This section must be completed. The certification is not valid without documentation date(s).</i>					
Time Period: From _____ to _____ <div style="text-align: center;"><i>Start Date</i> <i>End Date</i></div>					
Specific Dates: <u>07/09/2024</u>					
<i>Date 1</i>		<i>Date 2</i>		<i>Date 3</i>	
<i>Date 4</i>		<i>Date 5</i>		<i>Date 6</i>	
Signature: 			Signature Date: <u>7/9/2024</u>		
Title: <u>Chief Commercial Officer</u>					

Form OP-CRO1
Certification by Designated Representative
Acid Rain, Cross-State Air Pollution Rule (CSAPR)

All initial permit application, permit revision, and renewal submittals requiring certification must be accompanied by this form. Updates to acid rain or CSAPR (other than public notice verification materials) must be certified prior to authorization of public notice for the draft permit.

I. Identifying Information					
RN:		CN:		Account No:	
Permit No.:			Project No.:		
Area Name:			Company Name:		
II. Certification Type <i>(Please mark the appropriate box)</i>					
<input type="checkbox"/> Designated Representative			<input type="checkbox"/> Alternated Designated Representative		
III. Requirement and Submittal Type <i>(Please mark the appropriate box for each column)</i>					
Requirement: <input type="checkbox"/> Acid Rain Permit <input type="checkbox"/> CSAPR					
Submittal Type: <input type="checkbox"/> Initial Permit Application <input type="checkbox"/> Update to Permit Application					
<input type="checkbox"/> Permit Revision or Renewal <input type="checkbox"/> Other: _____					
IV. Certification of Truth					
I, _____, the _____ <div style="text-align: center;"><i>(Name printed or typed)</i> <i>(DR or ADR)</i></div>					
am authorized to make this submission on behalf of the owners and operators of the source or units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment. The above certification is for the statements and information dated during the time period or on the specific date(s) below:					
<i>Note: Enter EITHER a Time Period OR Specific Date(s) for each certification. This section must be completed. The certification is not valid without documentation date(s).</i>					
Time Period: From _____ to _____ <div style="text-align: center;"><i>Start Date</i> <i>End Date</i></div>					
Specific Dates: _____ <div style="text-align: center;"><i>Date 1</i> <i>Date 2</i> <i>Date 3</i> <i>Date 4</i> <i>Date 5</i> <i>Date 6</i></div>					
Signature: _____ Signature Date: _____					
Title: _____					

PRINT FORM

RESET FORM

APPENDIX C

Request for Part 70 Applicability Determination

**Request for Part 70 Applicability Determination
Kudu Midstream LLC**

Kudu Midstream LLC (Kudu) is requesting a Part 70 applicability determination (i.e., a “site” determination”) for the following group of oil and gas facilities located in San Augustine, Texas:

- Clark Armstrong 4H 5HB Pad (owned and operated by Aethon Energy Operating, LLC – CN 604910117)
- Bland Lake Amine Facility (owned and operated by Kudu Midstream LLC – CN 605565175)
- Bland Lake SWD (a proposed site owned which will be operated by Brahma Services, LLC - CN 605604792)

A description of each facility is provided, along with information needed to support a conclusion and determination whether all three (3) facilities must be considered as one (1) “site”, as defined in 30 TAC 122.10(29), or any subgroup of these facilities must be considered as one (1) “site” for the purposes of Part 70 applicability. The three (3) criteria used as a basis for the “site” determination are:

1. Major Group Standard Industrial Classification code
2. Common Control
3. Contiguous or Adjacent

Information related to the three (3) criteria has been presented and a preliminary conclusion has been proposed. Kudu is requesting concurrence with this opinion or conversely, TCEQ’s opinion after review of this submittal and any other information considered.

Background

Aethon Energy Operating LLC (Aethon) owns and operates natural gas production wells in San Augustine County, Texas. Four of those wells are on a facility called the Clark Armstrong Pad. Natural gas from the Clark Armstrong Pad and other area wells flow in an Aethon-owned gathering pipeline system to the Bland Lake Amine Facility (owned and operated by Kudu Midstream LLC), where the gas is treated to remove H₂S and CO₂. Produced water from the Clark Armstrong Pad flows in an Aethon-owned water pipeline to the Bland Lake SWD (owned and operated by Brahma Services, LLC) where the water is injected for sub-surface disposal. Produced water separated from the inlet gas stream at the Bland Lake Amine Facility is trucked to the Bland Lake SWD for disposal.

The Bland Lake Amine Plant (RN 110905486) is currently authorized as a minor source under Standard Permit for Oil and Gas Facilities (30 TAC 116.620) but is submitting an Abbreviated Title V Application due to anticipated emissions increases associated with amine plant flash gas controls.

The Clark Armstrong 4H 5HB Pad is authorized under Permits by Rule (30 TAC 106.352, 106.359, and 106.512) but is not required to register the facility; except that an LPE-CERT and

**Request for Part 70 Applicability Determination
Kudu Midstream LLC**

Core Data Form have been submitted to maintain compliance with 40 CFR Part 60 - NSPS Subpart OOOOb. No RN is known to be assigned to the Clark Armstrong 4H 5HB Pad as of the date of submittal of this document.

The Bland Lake SWD (RN 111829248) is authorized as a minor source is authorized under Permits by Rule (30 TAC 106.351, 106.352, 106.359, 106.492 and 106.512.) The Bland Lake SWD is not currently operating.

The three (3) facilities, Clark Armstrong Pad, Bland Lake Amine Facility, and Bland Lake SWD, are located in close proximity to each other and are owned and operated by corporations which are related, share engineering and operations personnel, and have some common ownership. The Clark Armstrong Pad and SWD facilities have potential emissions which allow them to operate as minor NSR and minor Part 70 sources. Bland Lake Amine Plant has submitted an abbreviated, initial Title V Permit Application due to anticipated emission changes at the facility. If the emissions for all three (3) facilities were aggregated, it is anticipated the total emissions would be major under the threshold listed in 30 TAC 122.1(13)(c). Bland Lake SWD is planned to startup late summer or early fall 2024. The Clark Armstrong 4H 5HB Pad is more than a quarter of a mile from either the Bland Lake Amine Plant or Bland Lake SWD and therefore, consistent with the EPA "Source Determination Rule" should not be included in the aggregated emissions for determining whether the Title V Operating Permits Program applies.

An abbreviated Initial Application for Initial Site Operating Permit has been prepared with this Part 70 Applicability Determination Request. If the Texas Commission on Environmental Quality (TCEQ) determines a SOP is required, please proceed with the enclosed abbreviated application. If the TCEQ determines the two (2) facilities (Bland Lake Amine Plant and Bland Lake SWD) do not require a Site Operating Permit (SOP), please provide a written response to document that determination and the SOP Initial Application will be withdrawn.

Major Group Standard Industrial Classification code

Each of the three (3) facilities has the same two-digit Major Group Standard Industrial Classification (SIC) code (as described in the Standard Industrial Classification Manual, 1987).

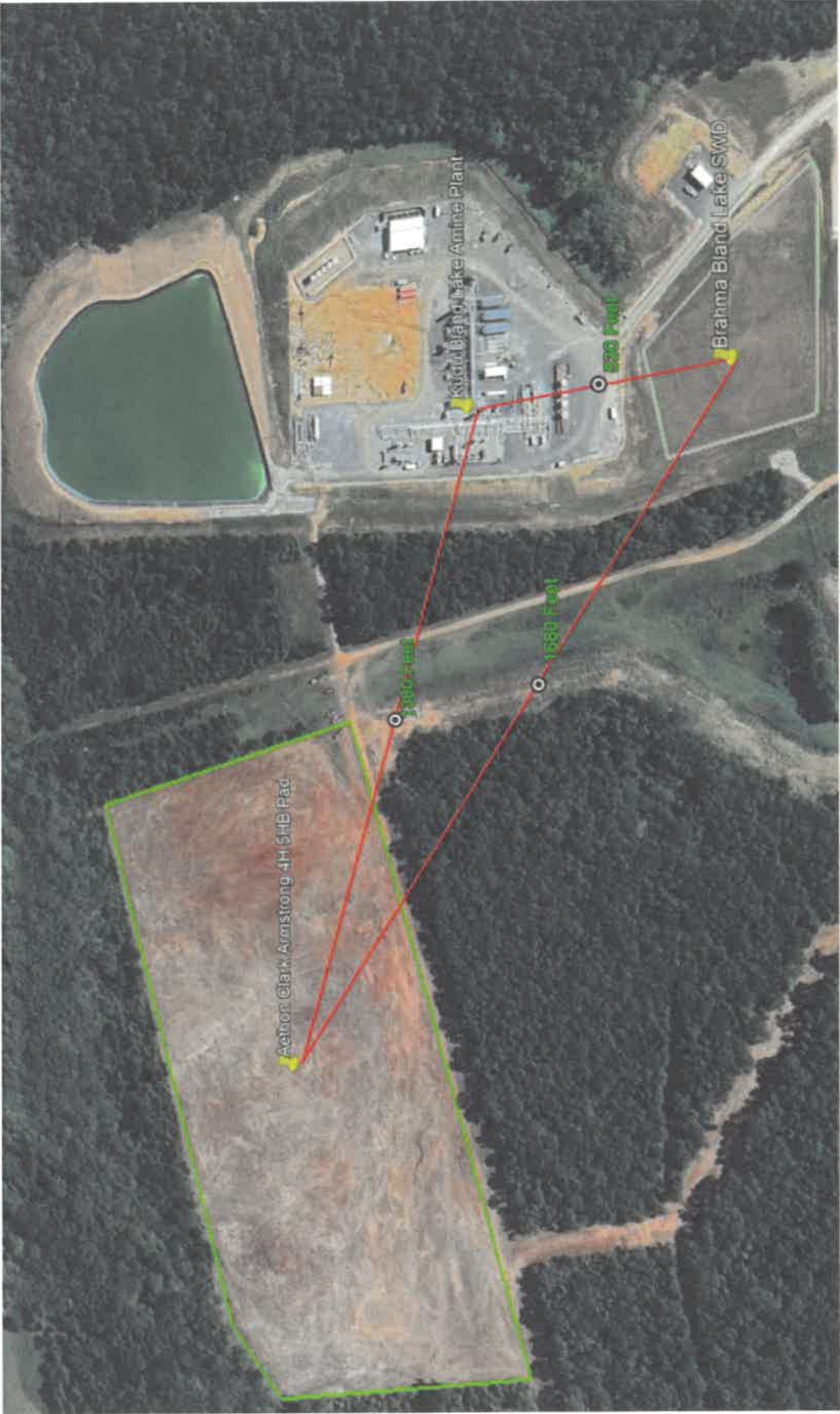
- Clark Armstrong 4H 5HB Pad - SIC Code 1311 – Crude Petroleum and Natural Gas
- Bland Lake Amine Facility – SIC Code 1389 – Oil and Gas Field Services, N.E.C.
- Bland Lake SWD – SIC Code 1389 - Oil and Gas Field Services, N.E.C. (Note: "saltwater disposal", "saltwater injection", "injection well", and "disposal well" are not listed in the 1987 manual.)

Contiguous or Adjacent

The following observations are made based on the current 40 CFR 70.2 "Major Source" definition; and more specifically, for oil and gas extraction: "pollutant emitting activities shall be considered adjacent if they are located on the same surface site; or if they are located on surface sites that are located within 1/4 mile of one another (measured from the center of the equipment on the surface site) and they share equipment. Shared equipment includes, but is not limited to, produced fluids storage tanks, phase separators, natural gas dehydrators or emissions control devices. Surface site, as used in the introductory text of this definition, has the same meaning as in 40 CFR 63.761." A diagram is attached to support the following observations:

1. Bland Lake Amine and Bland Lake SWD:
 - a. The facilities are located approximately 530 feet apart, measured from the approximate facility center to facility center of the two facilities. The southern fence line of Bland Lake Amine is approximately 50 feet from the northern boundary of the proposed Bland Lake SWD.
 - b. Saltwater is removed from the inlet gas at Bland Lake Amine. The saltwater is stored in tanks at Bland Lake Amine. The saltwater is currently trucked offsite to a 3rd party for disposal. After the start of operation of Bland Lake SWD, the Bland Lake Amine saltwater may be trucked to Bland Lake SWD for disposal.
2. Bland Lake SWD and Clark Armstrong Pad
 - a. Bland Lake SWD and Clark Armstrong Pad are not adjacent or contiguous; the facility center to facility center distance is approximately 1,680 feet (> ¼ mile).
 - b. The Clark Armstrong Pad shares equipment with Bland Lake SWD by virtue of the fact that saltwater is transferred from Clark Armstrong Pad to Bland Lake SWD (via an Aethon pipeline) where it is stored in tanks until it is injected in the disposal well. The center/centroid of Clark Armstrong Pad is greater than ¼ mile to the center/centroid of Bland Lake SWD. Bland Lake SWD and Clark Armstrong Pad are not adjacent.
3. Bland Lake Amine and Clark Armstrong Pad
 - a. Bland Lake Amine and Clark Armstrong Pad are not adjacent or contiguous; the facility center to facility center distance is approximately 1,380 feet (> ¼ mile).
 - b. The Clark Armstrong Pad shares equipment with Bland Lake Amine by virtue of the fact that natural gas is transferred from Clark Armstrong Pad to Bland Lake Amine (via an Aethon pipeline) where it is separated, treated, and dehydrated prior to going to a sales pipeline.

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Facility/Distance Diagram

Common Control

Common control determinations are made on a case by case basis. That basis considers several issues including but not limited to shared workforce, shared management, administrative functions, shared equipment, shared intermediates or byproducts, shared pollution control responsibilities, and support/dependency relationships. In this case, while facility operations are separate, the overarching management is under the same common control.

1. Each facility will be operated by personnel who are employees of the company listed as the operator, with the employees being managed and supervised by the company listed, as follows:
 - a. Bland Lake Amine Plant is operated by Kudu Midstream LLC,
 - b. Clark Armstrong is operated by Aethon Energy Operating LLC, and
 - c. Bland Lake SWD will be operated by Brahma Services LLC.
2. Above first line management, each facility may receive operational and technical support from Aethon Energy Operating LLC personnel, including:
 - a. Engineering and technical support,
 - b. Environmental Permitting and Reporting support,
 - c. Operational/maintenance support, and
 - d. Administrative support.
3. Above first line management, each facility may receive operational and technical support from Aethon Energy Operating LLC personnel, including:
 - a. Engineering and technical support,
 - b. Environmental Permitting and Reporting support,
 - c. Operational support, and
 - d. Administrative support.
4. Operational dependency is limited:
 - a. Clark Armstrong Pad relies on the Bland Lake Amine Plant to receive and treat produced gas; there are no other current delivery points.
 - b. Clark Armstrong Pad currently relies on Bland Lake SWD to receive and dispose of produced water but does have the capability to have produced water disposed at another location, which is and will be the current operating procedure until the Bland Lake SWD is operational. After Bland Lake SWD is operational, the Clark Armstrong Pad will rely on Bland Lake SWD for water disposal and methane emissions control.
 - c. Bland Lake Amine Plant is not operationally dependent on Bland Lake SWD. The

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Bland Lake Amine Plant current trucks produced water to another location for disposal but may utilize the Bland Lake SWD after it is operational.

- d. Bland Lake SWD is not operationally dependent on the Bland Lake Amine Plant. They do not share resources or equipment.
 - e. Bland Lake SWD and Bland Lake Amine Plant do not share pollution control equipment or pollution control responsibilities. The facilities are not otherwise operationally interrelated with respect to pollution control, air emissions authorizations, or inter-facility operations that might result in pollution events.
5. Above first line management, each facility may receive administrative, managerial, operational, and technical support from Aethon Energy Operating LLC personnel, including:
- a. Engineering and technical support,
 - b. Environmental Permitting and Reporting support,
 - c. Operational support, and
 - d. Administrative support.

Conclusion

Kudu Midstream LLC, Brahma Services LLC, and Aethon Energy Operating LLC respectfully request an Applicability Determination (AD) from TCEQ to determine whether two or more the facilities will require aggregation under the 30 TAC 122.10 definition of a site.

Kudu is submitting an initial abbreviated Site Operating Permit (SOP) application for the Bland Lake Amine Plant, which will include the Bland Lake SWD and/or the Clark Armstrong Pad if TCEQ determines one or both of those facilities are part of the same site, as defined in 30 TAC 122.10.