STATEMENT OF BASIS

for the issuance of Draft Air Permit # 1362-AOP-R2

1. PERMITTING AUTHORITY:

Arkansas Department of Pollution Control and Ecology 8001 National Drive Post Office Box 8913 Little Rock, Arkansas 72219-8913

2. APPLICANT:

Seeco, Inc. - Stockton Compressor Station South of Interstate 40, West of County Road 64, North of State Highway 164 Ozark, Arkansas 72949

3. PERMIT WRITER:

Siew Low

4. PROCESS DESCRIPTION AND NAICS CODE:

NAICS Description: Natural Gas Pipeline Compressor Station

NAICS Code: 486210

5. SUBMITTALS: November 7, 2003 and December 4, 2003.

6. REVIEWER'S NOTES:

This Title V renewal air permit revises emission limits of the four compressor engines by using updated USEPA emission factors and vendor data. The n-hexane emissions are included based on the finding of the natural gas analysis report.

7. COMPLIANCE STATUS: The following summarizes the current compliance status of the facility including active/pending enforcement actions and recent compliance activities and issues:

There are no active/pending enforcement actions or recent compliance activities regarding this facility.

8. APPLICABLE REGULATIONS:

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| NSPS (Y/N) | N | If yes, subpart |
|-----------------------------|---|--------------------|
| NESHAP (Y/N) | N | If yes, subpart |
| PSD applicability | (Y/N) <u>N</u> | |
| • | ist (100 tpy)? (Y/N) ormed to avoid PSD review | N w (Y/N) N |
| Indicate increases and de | creases used in netting for | PSD purposes only. |
| Subject to 112 (g) requires | | |

9. EMISSION CHANGES:

The following table summarizes plantwide emission changes associated with this permitting action.

| | Plantwide Permitted Emissions (ton/yr) | | | | |
|---------------------|--|---------------------------|--------|--|--|
| Pollutant | Air Permit 1362-AOP-R1 | Air Permit 1362-AOP-R2 | Change | | |
| PM/PM ₁₀ | 0 | 0.8 | +0.8 | | |
| SO_2 | 0 | 0 | 0 | | |
| VOC | 37.2 | 37.4 | +0.2 | | |
| СО | 201.0 | 199.8 | -1.2 | | |
| NO_X | 73.6 | 74.0 | +0.4 | | |
| Acrolein | 0.72 | 0.54 | -0.18 | | |
| Formaldehyde | 7.56 | 1.79 | -5.77 | | |
| n-Hexane | 0 | 0.12 | +0.12 | | |

10. MODELING:

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A. Criteria Pollutants

| Pollutant | Emission Rate (lb/hr) | NAAQS Standard (µg/m³) | Averaging Time | Highest Concentration (µg/m³) | % of NAAQS |
|-----------|---|---|----------------|-------------------------------------|---------------|
| NO_X | not required, emissions are < 100 tons per year | | | | |
| VOC | | not applicable, emissions are < 500 tons per year | | | |
| | | 10,000 | 8-hour | 203.4 | 2.03% |
| СО | 74.1 | 40,000 | 1-hour | 299.7 | 0.75% |

B. Non-Criteria Pollutants

1st Tier Screening (PAER)

Estimated hourly emissions from the following sources were compared to the Presumptively Acceptable Emission Rate (PAER) for each compound. The PAER was deemed by the Department to be the product, in lb/hr, of 0.11 and the Threshold Limit Value (mg/m³), as listed by the American Conference of Governmental Industrial Hygienists (ACGIH).

| Pollutant | TLV (mg/m³) | PAER (lb/hr) = 0.11*TLV | Proposed lb/hr | Pass? |
|--------------|-------------|----------------------------|----------------|-------|
| Acrolein | 0.23 | 0.0253 | 0.15 | No |
| Formaldehyde | 0.37 | 0.0407 | 0.48 | No |
| n-Hexane | 176 | 19.38 | 0.04 | Yes |

2nd Tier Screening (PAIL)

ISCST3 air dispersion modeling was performed on the estimated hourly emissions from the following sources, in order to predict ambient concentrations beyond the property boundary. The Presumptively Acceptable Impact Level (PAIL) for each compound was deemed by the Department to be one one-hundredth of the Threshold Limit Value, as listed by the ACGIH.

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| Pollutant | (PAIL, μ g/m ³) = 1/100 of Threshold Limit Value | Modeled Concentration (μg/m³) | Pass? |
|--------------|---|-------------------------------|-------|
| Acrolein | 2.3 | 0.47 | Yes |
| Formaldehyde | 15.0* | 1.89 | Yes |

^{*} Surrogate screening value adopted by ADEQ (see Steve Patrick memo of October 19, 1998).

11. CALCULATIONS:

| SN | Emission Factor Source (AP-42, Testing, etc) | Emission Factor and units (lbs/ton, lbs/hr, etc) | Control Equipme nt Type (if any) | Control Equipment Efficiency | Comments (Emission factor controlled/uncon trolled, etc) |
|--------------|--|---|---|------------------------------------|--|
| 01 and 02 | manufacturer's data VOC CO NO _x HAPs – AP-42, Table 3.2-2 and 3.2-3 | 2 g/hp-hr 28 g/hp-hr 7 g/hp-hr | none | - | - |
| 03 and 04 | manufacturer's data VOC CO NO _x HAPs – AP-42, Table 3.2-2 and 3.2-3 | 1 g/hp-hr 2.65 g/hp-hr 1.5 g/hp-hr | none | - | - |

13. TESTING REQUIREMENTS:

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This permit requires stack testing of the following sources.

| SN(s) | Pollutant | Test Method | Test Interval | Justification For Test Requirement |
|----------------|-----------------|----------------|-------------------------------|---|
| | CO | 10 | One-half of each | Standard for compressor |
| 01, 02, 03, 04 | NO _x | 7E | engine type every five years. | stations. See Plantwide Condition #8 for details. |

14. MONITORING OR CEMS

There are no CEMS or monitoring requirements in this permit.

15. RECORD KEEPING REQUIREMENTS

The following are items (such as throughput, fuel usage, VOC content of coating, etc) that must be tracked and recorded, frequency of recording and whether records are needed to be included in any annual, semiannual or other reports.

| SN | Recorded Item | Limit (as established in permit) | Frequency* | Report (Y/N)** |
|--------|---------------------------------------|--------------------------------------|--------------|----------------|
| 01, 02 | hours of operation - total both units | 8760 hours per 12 consecutive months | update daily | Yes |

^{*} Indicate frequency of recording required for the item (Continuously, hourly, daily, etc.)

16. OPACITY

| SN | Opacity % | Justification (NSPS limit, Dept. Guidance, etc) | Compliance Mechanism (daily observation, weekly, control equipment operation, etc) |
|-------------------|--------------|--|--|
| 01, 02, 03, 04 | 5 | natural gas fired | use of natural gas |

17. DELETED CONDITIONS:

The following Specific Conditions were included in the previous permit, but deleted for the

^{**} Indicates whether the item needs to be included in reports

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current permitting action.

| Former SC | Justification for removal |
|--------------|---------------------------|
| | None |

18. VOIDED, SUPERSEDED OR SUBSUMED PERMITS

List all active permits for this facility which are voided/superseded/subsumed by issuance of this permit.

| Permit # | |
|-------------|--|
| 1362-AOP-R1 | |

19. CONCURRENCE BY:

The following supervisor concurs with the permitting decision:

Lyndon Poole, P.E.