

## STATEMENT OF BASIS

To: Reviewers  
Through: Lori Bocchino, Operating Permit Program Manager  
From: Rita Piroutek, Operating Permit Program  
Subject: Draft Chapter 6, Section 3 Operating Permit 3-3-011-1, Merit Energy Company,  
East Painter Facility  
Date: November 18, 2013

Attached for your review is the draft modified Wyoming Air Quality Standards and Regulations (WAQSR) Chapter 6, Section 3 operating permit 3-3-011-1 for Merit Energy Company's East Painter Facility. Permit 3-3-011 was issued on November 1, 2012. The operating permit is being modified to incorporate new requirements which have become applicable to the East Painter Facility since the issuance of permit 3-3-011.

In August 2012, the Environmental Protection Agency promulgated 40 CFR 60, Subpart OOOO - *Standards of Performance for Crude Oil and Natural Gas Production, Transmission, and Distribution*, which were effective on October 15, 2012. These regulations establish emission standards and compliance schedules for the control of volatile organic compound (VOC) and sulfur dioxide (SO<sub>2</sub>) emissions from affected facilities that commence construction, modification or reconstruction after August 23, 2011. The regulations cover several types of emission units, including compressors and pneumatic controllers, which may become subject to Subpart OOOO when installed, replaced, or modified. Affected emission units at the East Painter Facility may be, or become, subject to Subpart OOOO during the term of this operating permit.

WAQSR Chapter 6, Section 3(d)(vii) requires the Division of Air Quality to reopen the operating permit if additional requirements under the Act become applicable to a major source with a remaining permit term of 3 or more years. On October 16, 2013, Merit Energy Company was notified that the Division intended to reopen operating permit 3-3-011 to add applicable requirements from 40 CFR 60, Subpart OOOO.

On June 3, 2013, Chapter 6 Section 2 waiver wv-14787 was issued to authorize two emergency generators, which fulfilled condition C4 of permit 3-3-011. The three 500 barrel and one 425 barrel temporary frac tanks, authorized by waiver wv-13013 (2/10/12), were never utilized and all references to these tanks are removed from the permit.

The operating permit revisions include the following:

- Table of Contents: revised to denote that 40 CFR 60, Subpart OOOO has been added to the list of applicable New Source Performance Standards (NSPS) and repaginated as necessary.
- The NAICS code was added to the general information page.
- The Source Emission Points table is updated to include waiver wv-14787.
- Requirements from waiver wv-14787 for the two generators were incorporated into conditions F2, F7, and F8.
- Condition F6 is updated to reflect wording currently used in operating permits issued by the division.
- All references to the four temporary frac tanks are removed from conditions F3, F9(b), and the subpart Kb requirements.
- Condition F9 is also updated to include reporting requirements for the two generators.

- NSPS List: revised to include 40 CFR 60, Subpart OOOO requirements.
- Requirements associated with WAQSR Ch 5, Sec 3 Subpart DDDDD, as published in the Federal Register of September 13, 2004, were removed because the subpart was removed from the state regulations.
- Condition C1: revised to replace reference to the temporary frac tanks with requirements for the generators, include compliance certification requirements for 40 CFR 60, Subpart OOOO, correct a typo in paragraph C1(b)(ix), and re-numerate sub-conditions as appropriate.
- Condition C4 is reserved.
- The State Only Permit Conditions were updated to reflect the current ambient standards.
- The summary tables are updated to reflect the aforementioned changes to the permit requirements.