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GOVERNOR

JOHN A. SANCHEZ  
LIEUTENANT GOVERNOR

New Mexico  
**ENVIRONMENT DEPARTMENT**

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RYAN FLYNN  
CABINET SECRETARY

BUTCH TONGATE  
DEPUTY SECRETARY

June 28, 2016

**CERTIFIED MAIL NO. 7015 1520 0001 8090 9183**

No Return Receipt Required

Robert McNeill  
Environmental Manager  
COG Operating, LLC  
600 W. Illinois Ave.  
Midland, TX 79701

Notice of Intent No. 6921  
IDEA ID No. 37089 - PRN20160001  
COG Operating - Cookie Tosser State Com  
1H & 2H Battery  
AIRS No. 35-015-1548

Dear Mr. McNeill:

This letter acknowledges the receipt of your Air Quality Bureau Notice of Intent (NOI) application dated May 24, 2016 to construct and operate the COG Operating - Cookie Tosser State Com 1H & 2H Battery. The facility is located at latitude/longitude 32.7538°N, 103.9717°W (32°, 45', 13.5" N; 103°, 58', 18.2" W). The legal description is: New Mexico, New Mexico Meridian T18S, R30E, sec16. The UTM coordinates are zone 13 (X,Y) 596327, 3624456 in Eddy County, New Mexico. The Department received the application on June 2, 2016.

This facility will be a crude oil production battery consisting of two (2) production batteries with four (4) 500 bbl fixed roof storage tanks, two (2) 500 bbl fixed roof produced water tanks, and one (1) 500K Btu/hr fired production treater, each located adjacent to each other. The production facility gathers crude oil from a producing well and separates the oil, natural gas, and water from the produced fluid through the heater treater.

Gas from the inlet separation process is piped to downstream markets. Crude oil from the inlet separation process will be routed to the storage tanks and then trucked to sales. Tank vapors will be routed to the Vapor Combustion Units for destruction. Produced water will be routed to the produced water tanks and then to disposal.

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As described in the application, this facility shall consist of the following equipment:

| Unit Number <sup>1</sup> | Source Description | Manufacturer | Model # | Serial # | Maximum or Rated Capacity <sup>3</sup><br>(Specify Units) | For Each Piece of Equipment, Check One | Applicable State & Federal Regulation(s) (i.e. 20.2.X, JJJJ, ...) |
|--------------------------|--------------------|--------------|---------|----------|-----------------------------------------------------------|----------------------------------------|-------------------------------------------------------------------|
| Tk-01                    | Storage Tank       | N/A          | N/A     | N/A      | 500 Bbls                                                  | X New/Additional                       | 20.2.38, OOOO                                                     |
| Tk-02                    | Storage Tank       | N/A          | N/A     | N/A      | 500 Bbls                                                  | X New/Additional                       | 20.2.38, OOOO                                                     |
| Tk-03                    | Storage Tank       | N/A          | N/A     | N/A      | 500 Bbls                                                  | X New/Additional                       | 20.2.38, OOOO                                                     |
| Tk-04                    | Storage Tank       | N/A          | N/A     | N/A      | 500 Bbls                                                  | X New/Additional                       | 20.2.38, OOOO                                                     |
| Tk-05                    | Storage Tank       | N/A          | N/A     | N/A      | 500 Bbls                                                  | X New/Additional                       | 20.2.38, OOOO                                                     |
| Tk-06                    | Storage Tank       | N/A          | N/A     | N/A      | 500 Bbls                                                  | X New/Additional                       | 20.2.38, OOOO                                                     |
| Tk-07                    | Storage Tank       | N/A          | N/A     | N/A      | 500 Bbls                                                  | X New/Additional                       | 20.2.38, OOOO                                                     |
| Tk-08                    | Storage Tank       | N/A          | N/A     | N/A      | 500 Bbls                                                  | X New/Additional                       | 20.2.38, OOOO                                                     |
| PW-01                    | Storage Tank       | N/A          | N/A     | N/A      | 500 Bbls                                                  | X New/Additional                       | N/A                                                               |
| PW-02                    | Storage Tank       | N/A          | N/A     | N/A      | 500 Bbls                                                  | X New/Additional                       | N/A                                                               |
| PW-03                    | Storage Tank       | N/A          | N/A     | N/A      | 500 Bbls                                                  | X New/Additional                       | N/A                                                               |
| PW-04                    | Storage Tank       | N/A          | N/A     | N/A      | 500 Bbls                                                  | X New/Additional                       | N/A                                                               |
| HT-01                    | Heater Treater     | N/A          | N/A     | N/A      | 500K Btu                                                  | X New/Additional                       | 20.2.61                                                           |
| HT-02                    | Heater Treater     | N/A          | N/A     | N/A      | 500K Btu                                                  | X New/Additional                       | 20.2.61                                                           |
| VCU-01                   | Combustion Unit    | Edge         | CXV     | N/A      | 100 Mcfd                                                  | X New/Additional                       | 20.2.61                                                           |
| VCU-02                   | Combustion Unit    | Edge         | CXV     | N/A      | 100 Mcfd                                                  | X New/Additional                       | 20.2.61                                                           |

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As described in the application, this facility shall consist of the following equipment: (cont.)

| Unit Number <sup>1</sup> | Source Description  | Manufacturer | Model # | Serial # | Maximum or Rated Capacity <sup>3</sup> (Specify Units) | For Each Piece of Equipment, Check One | Applicable State & Federal Regulation(s) (i.e. 20.2.X, JJJJ, ...) |
|--------------------------|---------------------|--------------|---------|----------|--------------------------------------------------------|----------------------------------------|-------------------------------------------------------------------|
| F-01                     | Fugitive Emission   | N/A          | N/A     | N/A      | N/A                                                    | X New/Additional                       | N/A                                                               |
| HR-01                    | Haul Road Emissions | N/A          | N/A     | N/A      | N/A                                                    | X New/Additional                       | N/A                                                               |
| TL-01                    | Truck Loading       | N/A          | N/A     | N/A      | N/A                                                    | X New/Additional                       | N/A                                                               |
| FL-01                    | Emergency Flare     | N/A          | N/A     | N/A      | N/A                                                    | X New/Additional                       | N/A                                                               |

Based on the information provided in the submitted application, the Department has determined that the potential emission rate (PER) of any regulated air pollutant from this facility for which there is a National or New Mexico Ambient Air Quality Standard is less than ten (10) pounds per hour and twenty-five (25) tons per year. Therefore, in accordance with Title 20, Chapter 2, Part 72 of the New Mexico Administrative Code, (20.2.72 NMAC), an air quality permit is not required and construction may commence. Because the potential emission rate is greater than ten (10) tons per year, this facility is subject to 20.2.73 NMAC. The submitted application will serve as the Notice of Intent in accordance with 20.2.73.200.A. NMAC.

In addition to 20.2.73 NMAC, this facility may be subject to additional state and federal regulations *such as* those found in Table 1. The issuance of an NOI does not constitute a determination of regulatory applicability, regardless of statements of anticipated applicability made in the application. It is the permittee's responsibility to determine applicability and to comply with all applicable regulations.

**Table 1: Other Regulations**

| Citation             | Title                                                                                                                                                                               |
|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 20.2.38 NMAC         | Hydrocarbon Storage Facilities                                                                                                                                                      |
| 20.2.61 NMAC         | Smoke and Visible Emissions                                                                                                                                                         |
| 20.2.70 NMAC         | Operating Permits                                                                                                                                                                   |
| 40 CFR 60 Subpart Ka | Standards of Performance for Storage Vessels for Petroleum Liquids for Which Construction, Reconstruction, or Modification Commenced After May 18, 1978, and Prior to July 23, 1984 |

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**Table 1: Other Regulations (cont.)**

| <b>Citation</b>         | <b>Title</b>                                                                                                                                                                                            |
|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 40 CFR 60 Subpart Kb    | Standards of Performance for Volatile Organic Liquid Storage Vessels (Including Petroleum Liquid Storage Vessels) For Which Construction, Reconstruction, or Modification Commenced After July 23, 1984 |
| 40 CFR 60, Subpart IIII | Standards of Performance for Stationary Compression Ignition Internal Combustion Engines                                                                                                                |
| 40 CFR 60, Subpart JJJJ | Standards of Performance for Stationary Spark Ignition Internal Combustion Engines                                                                                                                      |
| 40 CFR 60, Subpart OOOO | Standards of Performance for Crude Oil and Natural Gas Production, Transmissions and Distribution                                                                                                       |
| 40 CFR 63 Subpart ZZZZ  | National Emissions Standards for Hazardous Air Pollutants (NESHAP) for Stationary Reciprocating Internal Combustion Engines                                                                             |
| 40 CFR 63 Subpart HH    | National Emission Standards for Hazardous Air Pollutants From Oil and Natural Gas Production Facilities                                                                                                 |

Note: Some New Mexico state regulations are not federally enforceable (e.g. 20.2.35, 20.2.36, 20.2.38 NMAC) and while these regulations can be used for determining the PER, they cannot be used in determining facility wide potential to emit (PTE) unless included in a federally enforceable permit such as a 20.2.72 NMAC permit. This could result in non-applicability of 20.2.72 NMAC or 20.2.73 NMAC but applicability of 20.2.70 NMAC and/or 20.2.74 NMAC should still be considered.

Please be advised that this NOI issuance was based upon the information provided in the application and these sources when constructed will be subject to inspection.

Before any asbestos demolition or renovation work, you shall determine whether 40 CFR 61, Subpart M, National Emission Standard for Asbestos applies.

Any changes in the method of operation or addition of more units at the site may constitute a modification, which requires the Department's prior approval for construction and/or operation.

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In the event of any change in ownership or operator of this facility, the new owner or operator shall notify the Department in writing within thirty (30) days of that change.

If you have any questions, please call me in Santa Fe at 505-476-4333.

Sincerely,



Greg Tickle  
Air Permit Specialist  
Permit Section - Technical Services Unit  
Air Quality Bureau

cc: Robert (Andy) Price, Price Energy Consulting, andy@price-env.com

Enclosure: Industry/Consultant Feedback Questionnaire with envelope

Sante Fe Main Office  
Phone: (505) 476-3441

General Information  
Phone: (505) 629-6116

Online Phone Directory  
<https://www.emnrd.nm.gov/oecd/contact-us>

State of New Mexico  
Energy, Minerals and Natural Resources  
Oil Conservation Division  
1220 S. St Francis Dr.  
Santa Fe, NM 87505

QUESTIONS

Action 603206

QUESTIONS

|                                                                                         |                                                   |
|-----------------------------------------------------------------------------------------|---------------------------------------------------|
| Operator:<br>Maverick Permian LLC<br>500 Dallas Street, Suite 2300<br>Houston, TX 77002 | OGRID:<br>331199                                  |
|                                                                                         | Action Number:<br>603206                          |
|                                                                                         | Action Type:<br>[UF-FAC] TB Registration (TB-REG) |

QUESTIONS

|                                                  |                        |
|--------------------------------------------------|------------------------|
| Facility Details                                 |                        |
| Please answer all the questions in this group.   |                        |
| Name of the facility                             | Cookie Tosser State 2H |
| Date the facility was or will commence operation | 05/24/2016             |
| Depth to ground water, if known                  | Not answered.          |

|                                                                |    |
|----------------------------------------------------------------|----|
| Verification                                                   |    |
| Does the operator have other facilities with a matching name   | No |
| Are there other facilites located within approximately 50 feet | No |

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State of New Mexico  
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Oil Conservation Division  
1220 S. St Francis Dr.  
Santa Fe, NM 87505

ACKNOWLEDGMENTS

Action 603206

ACKNOWLEDGMENTS

|                                                                                         |                                                   |
|-----------------------------------------------------------------------------------------|---------------------------------------------------|
| Operator:<br>Maverick Permian LLC<br>500 Dallas Street, Suite 2300<br>Houston, TX 77002 | OGRID:<br>331199                                  |
|                                                                                         | Action Number:<br>603206                          |
|                                                                                         | Action Type:<br>[UF-FAC] TB Registration (TB-REG) |

ACKNOWLEDGMENTS

|                                     |                                                                                              |
|-------------------------------------|----------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> | I certify that I am authorized to register a facility on behalf of the responsible operator. |
| <input checked="" type="checkbox"/> | I certify that I will notify OCD of any changes of ownership for this facility.              |
| <input checked="" type="checkbox"/> | I certify that I will notify OCD when this facility is closed.                               |