

*State of New Mexico*  
**ENVIRONMENT DEPARTMENT**

*Air Quality Bureau*

2048 Galisteo St.  
Santa Fe, NM 87505  
Phone (505) 827-1494  
Fax (505) 827-1523  
[www.nmenv.state.nm.us](http://www.nmenv.state.nm.us)



**RON CURRY**  
*Secretary*

**DERRITH WATCHMAN-MOORE**  
*Deputy Secretary*

  
**RICHARDSON**  
*Governor*

Certified Mail No: 7003 0500 0005 1472 2864

Return Receipt Requested

**OPERATING PERMIT NO: P094**  
**FACILITY NAME: Linam Ranch Gas Plant**

**PERMITTEE:** Duke Energy Field Services LP  
370 17<sup>th</sup> Street Suite 900  
Denver, CO 80202

**RESPONSIBLE COMPANY OFFICIAL:** Mr. Albert Glasgow  
Vice President of Western Division

**ISSUED BY:** New Mexico Environment Department



*for*  
Sandra Ely  
Air Quality Bureau Chief

**DEC 3 2004**

Date of Issuance

**INTRODUCTION**

Operating Permit Number **P094** is issued by the Air Quality Bureau of the New Mexico Environment Department ("Department") to Duke Energy Field Services LP pursuant to the federal Clean Air Act ("federal Act"), the New Mexico Air Quality Control Act ("state Act") and regulations adopted pursuant to the state and federal Acts, including Title 20, New Mexico Administrative Code, Chapter 2, Part 70 (20.2.70 NMAC) - Operating Permits. This permit authorizes the operation of this facility located at UTM Zone 13, UTMH 661.100 km, UTMV 3618.760 km, approximately 7 miles west of Hobbs, New Mexico in Lea County.

This permit is valid only for the named permittee, owner, and operator. A permit modification is required to change any of those entities.

This facility is a natural gas processing plant. The operations at Linam Ranch gas processing plant utilize gas engines including compressors and turbines, sulfur recovery unit, external combustion sources such as heaters, boilers, and thermal oxidizers, storage tanks, and a cryogenic unit. The plant processes 225 MMscfd of field natural gas into processed natural gas.

NMOCD CASE NO. 13598  
FEBRUARY 9, 2006  
SMITH, SNYDER & A.C.  
EXHIBIT NO. 6

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or PO Box No. 370 17th Street Suite 2500

City, State, Zip Denver, CO 80202

PO # P094/JOE  
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1. Article Addressed to:  
 Kristin Koblis  
 Duke Energy  
 370 17th Street  
 Denver, CO 8

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 Kristin Koblis  
 Duke Energy  
 370 17th Street  
 Denver, CO 8

2. Article Number  
 (Transfer from Service)

Complete items 1 through 4 on the back of this card to return it to the sender.

The Department specifies with this permit, terms and conditions to assure compliance with all applicable requirements, this permit is issued. Pursuant to the New Mexico Air Quality Act of 1974, article 2, all terms and conditions in this permit, which relate to this facility's potential to emit, are enforceable by the NMED, all terms and conditions are enforceable by the Environmental Protection Agency ("EPA") and citizens under section 106(d)(2) if such emission is specifically designated in this permit as not being

## ERMIT SHIELD

Compliance with the conditions of this permit shall be deemed to meet the requirements existing as of the date of permit issuance and shall be subject to the following:

A. The requirements in Table A.1 of Appendix A are the minimum requirements identified for individual emission units. Requirements not shown in Appendix A - Table A.1.

requirements in Table A.2 of Appendix A as identified in this source.

Administrative amendments, to minor permit modifications, to) of the federal Act, or to permit terms for which notice has  
rt.

## POTENTIAL EMISSIONS

The total potential emissions from this facility, excluding insignificant or trivial activities, are shown in the following table. Emission limitations for individual units are shown in paragraph 3.2.

**Total Potential Criteria Pollutant Emissions from Entire Facility (for information only, not an enforceable condition):**

Pollutant	Emissions (Tons per year)
Nitrogen Oxides (NOx)	1389
Carbon Monoxide (CO)	547
Sulfur Dioxide (SO <sub>2</sub> )	1304

Pollutant	Emissions (Tons per year)
Volatile Organic Compound (VOC)	119
Fugitive VOC	114

**Total Potential HAPS that exceed one ton per year (for information only, not an enforceable condition):**

Pollutant	Emission Rates (Tons per year)
Hexane	14.9
Formaldehyde	11.8

**\* HAP Emissions are already included in fugitive VOC emissions**

### **PERMIT TERMS AND CONDITIONS**

#### **1.0 GENERAL CONDITIONS**

1.1 The following permit terms and conditions are placed upon the permittee in accordance with 20.2.70.301.B NMAC and 20.2.70.302.A.2 NMAC.

1.1.1 The permittee shall abide by all terms and conditions of this permit, except as allowed under section 502(b)(10) of the federal Act. Any permit noncompliance is grounds for enforcement action, and significant or repetitious noncompliance may result in termination of this permit. Additionally, noncompliance with federally enforceable conditions of this permit constitutes a violation of the federal Act.

1.1.2 It shall not be a defense for the permittee in an enforcement action to claim that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.

1.1.3 If the Department determines that cause exists to modify, reopen and revise, revoke and reissue, or terminate this permit, this shall be done in accordance with 20.2.70.405 NMAC.

1.1.4 The permittee shall furnish any information the Department requests in writing to determine if cause exists for reopening and revising, revoking and reissuing, or terminating the permit, or to determine compliance with the permit. This information shall be furnished within a reasonable time period specified by the Department. Additionally, the permittee shall furnish, upon request by the Department, copies of records required by the permit to be maintained by the permittee.

1.1.5 A request by the permittee that this permit be modified, revoked and reissued, or terminated, or a notification by the permittee of planned changes or anticipated noncompliance, shall not stay any conditions of this permit.

exceed 163 ppmv at 15 percent oxygen on a dry basis.

3.2.2.4 The nitrogen dioxide emissions from the Solar Centaur T-4500 turbine shall not exceed 166 ppmv at 15 percent oxygen on a dry basis.

3.2.3 Sulfur Dioxide Emissions (brought forward from NSR condition 2.d): To comply with NSPS Subpart GG, the exhaust gases to the atmosphere from any turbines shall not contain sulfur dioxide in excess of 0.015 percent by volume at 15 percent oxygen and on a dry basis, or the fuel burned in these turbines shall not contain sulfur in excess of 0.8 percent by weight.

3.2.4 The Hydrogen Sulfide emissions from any flare shall not exceed 10 ppmv, (brought forward from NSR condition 2.f).

The conditions of section 3.2 are pursuant to 40CFR50, 20.2.3 NMAC, Paragraphs 1, 7, and 8 of 20.2.70.302.A NMAC, and NSR permit No. 39-M3.

### 3.3 Operational Requirements

#### 3.3.1 Operational Requirements – Fixed Roof Storage Tanks

Emission Unit No.	Typical Liquid Stored	Maximum Throughput (gals/year)	Vapor Pressure @ Maximum Temperature (psia)	Maximum Allowable VOC Emission Rate in TPY
40 - TK 4	Produced Water	52,560,000	7.06	28.3
76 - TK 40	Stabilized Crude	1,839,600	2.81	4.4
77 - TK 41	Stabilized Crude	1,839,600	2.81	4.4
78 -TK 42	Produced Water	479,062	7.06	5.5
79 - TK 43	Produced Water	479,062	7.06	5.5

The fixed roof tanks may be used to store the typical liquids indicated in the table or any other low, moderate, and high vapor pressure liquids as the case may be, as long as the maximum vapor pressure at maximum storage temperatures are not exceeded. The maximum throughput for each individual tank as indicated in the above table shall not be exceeded.

This condition is pursuant to NSR permit No. 39-M2, Condition 2.c

#### 3.3.2 Operational Requirements - Other

3.3.2.1 The processing capacity of Linam Ranch Natural Gas Processing plant shall not exceed 225 MMscfd. (Brought forward from NSR condition 1.k.)

3.3.2.2 Only pipeline quality natural gas containing no more than 0.25 grains of H<sub>2</sub>S per 100 standard cubic feet of gas shall be used as fuel in any fuel burning equipment in the plant. (Brought forward from NSR condition 1.j.)



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PS Form 3800, June 2002 See Reverse for Instructions

Sept. 02, 2005

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**RETURN RECEIPT REQUESTED**

Kristin Koblis  
Environmental Scientist & Specialist  
Duke Energy Field Services, LP  
370 17th Street  
Suite 2500  
Denver, CO 80202

Re: Administrative Amendment  
No.P094M2 Linam Ranch Gas Plant  
IDEA ID No: 589 - PRT20050002

Dear Ms. Koblis:

This letter constitutes an Administrative Amendment to Operating Permit No. P094 for the Linam Ranch Gas Plant located in Lea County, New Mexico. The New Mexico Environment Department has reviewed your request dated August 18, 2005 and grants this Administrative Amendment pursuant to the Federal Clean Air Act (Federal Act), the New Mexico Air Quality Control Act (Act) and regulations adopted pursuant to the Act including Title 20 of the New Mexico Administrative Code, Chapter 2, Part 70 (20.2.70 NMAC), Operating Permits, Section 404, Paragraph A, Administrative Permit Amendments.

The Department has assigned Operating Permit No. P094M2 to the operating permit as amended by this letter. Unless specifically altered by this letter all terms and conditions of Operating Permit No. P094 are still in effect. This letter provides for the following administrative amendments:


1. The Department clarifies the information on page eight of the permit as follows:

The revision proposes to remove the operational requirements on the tanks listed in Section 3.3.1 of the Operating Permit. The produced water tanks (Emission Units 40, TK-4; 78, TK-42 and 79, TK-43) do not have any VOC emissions. The stabilized crude tanks (Emission Units 76, TK-40 and 77, TK-41) are pressurized tanks and do not allow for emissions to the atmosphere.

In addition, DEFS is installing a 210 bbl condensate tank that obtains condensate from a gun barrel tank. It does not have any flash emissions. The breathing and working loss emissions are less than 0.5 tpy VOC. This tank will be insignificant from Title V permitting. DEFS wanted to ensure AQB was aware of this additional tank and that it is exempt from permitting.

Any questions about this permitting action, please call Mahesh Thakur in Santa Fe at 505-955-8092.

Sincerely,



Mary Uhl  
Acting Air Quality Bureau Chief

cc: Program Manager, Compliance and Enforcement Section>  
NMED District/Field office, Hobbs

Chief of Air Permits  
US EPA Region 6  
1445 Ross Avenue, Suite 1200  
Dallas, TX 75202-2733



**BILL RICHARDSON**  
GOVERNOR

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**ENVIRONMENT DEPARTMENT**  
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*Santa Fe, New Mexico 87502-6110*  
*Telephone (505) 827-2990*



**RON CURRY**  
SECRETARY

**DERRITH WATCHMAN-MOORE**  
DEPUTY SECRETARY

**TRACY HUGHES**  
GENERAL COUNSEL

October 22, 2004

Louis W. Rose, Esq.  
P.O. Box 2307  
Santa Fe, New Mexico 87504-2307

Re: Duke Energy Field Services - Linam Ranch Gas Plant, Operating Permit No. P094

Dear Lou,

The Air Quality Bureau ("AQB") responds to your October 13, 2004 letter regarding the Linam Ranch Gas Plant. In that letter, Duke Energy Field Services ("DEFS") discussed its three remaining objections to the Linam Ranch operating permit.

Condition 1.9 (incorporating Condition 4 of NSR Permit 39-M2, specifically the certification of the SRU incinerator every two years).

DEFS requests the AQB's view on revising the NSR permit to remove the two-year certification requirement.

The AQB believes that DEFS could remove the two-year certification requirement through a technical revision, because the SRU is subject to the NSPS, and the NSPS requires a three-year certification requirement.

Condition 3.3.1 (operational requirements for fixed roof storage tanks).

DEFS requests the AQB's view on revising the NSR permit to remove the VOC emission limits for Tanks TK 4, TK 40, TK 41, TK 42, and TK 43.

The AQB believes that DEFS could remove the VOC emission limits from the NSR permit and correct the classification of these tanks through a significant permit revision.



However, the AQB reserves the right to add VOC emission limits (and related monitoring requirements) for these tanks in a subsequent operating permit if the facility continues to be a major source for VOCs.

Appendix A, Table 1 (identification of 20.2.61 NMAC as applicable requirement for Units 2, 5-11, 18-22, and 29-34).

DEFS objects to the identification of Unit 2 in new Condition 3.4.1.10 (formerly Condition 3.4.1.11). The AQB will remove Unit 2 from Condition 3.4.1.10 and add new Condition 3.4.1.12 solely for Unit 2.

DEFS objects to the reference to 20.2.35 NMAC and 20.2.37 NMAC in new Condition 3.4.1.10. The AQB will revise the reference to identify the specific sections, 20.2.35.100 NMAC and 20.2.37.200 NMAC, which are applicable to the facility.

A draft revised permit reflecting these changes is attached.

Please call me if you have any questions regarding this letter or the revised draft permit.

Sincerely,



Eric Ames

cc: Richard Goodyear  
Ned Jerabek  
Joe Kimbrell  
Michael Fowler