



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

December 30, 2005

Mr. Randy Judge Production Manager Azimuth Energy, L.L.C. 511 16th Street, Suite 300 Denver, Colorado 80202

Re: Permits by Rule Registration Number: 77495

Clements No.1 Facility
Winnie, Chambers County

Regulated Entity Number: RN104618269 Customer Reference Number: CN602842973

Dear Mr. Judge:

RECEIVED

JUL 2 4 2006

This is in response to your Form PI-7-CERT, entitled "Certification and Registration for Permits by Rule," concerning the proposed installation and operational use of the Clements No. 1 Facility located near Winnie, Chambers County. This site is expected to handle only sweet natural gas as fuel and product. The site contains equipment used for the production, separation, and drying of natural gas and storage of condensate/crude oil and produced water. The emissions associated with the referenced activities are estimated as 10.81 tons per year (tpy) of volatile organic compounds, 2.09 tpy of nitrogen oxide, 2.05 tpy of carbon monoxide, and 0.053 tpy of particulate matter less than or equal to 10 microns in diameter.

After evaluation of the information which you have furnished, we have determined that your installation is authorized under Title 30 Texas Administrative Codes §§ 106.352 and 106.512 (30 TAC §§ 106.352 and 106.512) if constructed and operated as described in your registration request. This permit by rule was authorized by the Texas Commission on Environmental Quality (TCEQ) pursuant to 30 TAC Chapter 106.

Copies of the of the permits by rule in effect at the time of this registration are enclosed. You must install facilities in accordance with the version of the permits by rule in effect when installation actually begins [see 30 TAC § 106.4(a)(5)]. After completion of the installation, the facility shall be operated in compliance with all the applicable conditions of the claimed permits by rule and 30 TAC § 106.4.

You are reminded that regardless of whether a permit is required, these facilities must be in compliance with all rules and regulations of the TCEQ and of the U.S. Environmental Protection Agency at all times.

Mr. Randy Judge Page 2 December 30, 2005

Re: Permits by Rule Registration Number: 77495

Please note that Title Code of Federal Regulations Part 63, Subpart HH (40 CFR Part 63, Subpart HH), "National Emission Standard of Hazardous Air Pollutants from Oil and Natural Gas Production Facilities," is now in effect. It is the responsibility of the owner/operator to ensure the applicability of 40 CFR Part 63, Subpart HH is properly determined, both initially and whenever changes are made to a unit. The owner/operator may choose to complete and submit and emission certification under 30 TAC § 106.6 demonstrating that the emissions levels at the unit are below applicability limits for 40 CFR Part 63, Subpart HH.

Please reference the TCEQ air account number, regulated entity reference number (RN), and customer reference number (CN) included in this document in all future correspondence. Before the Central Registry program began, the TCEQ assigned air account numbers. In the Central Registry computer application, the RN is a unique number assigned to the facility (if portable) or site (if permanent), and the CN is a unique number assigned to the company or corporation and applies to all facilities and sites owned or operated by the company or corporation.

Your cooperation in this matter is appreciated. If you have any questions concerning this permit by rule, please contact Mr. Miguel Galvan at (713)767-3521 or write to the Texas Commission on Environmental Quality, Office of Permitting, Remediation, and Registration, Air Permits Division (MC-163), P.O. Box 13087, Austin, Texas 78711-3087.

This action is authorized on behalf of the TCEQ Executive Director.

Sincerely,

Anne M. Inman, Manager

General/Standard/Rule (GSR) Permit Section

Air Permits Division

Texas Commission on Environmental Quality

AMI/MOG/alb

Enclosure

cc: Mr. Gregory W. Cates, Senior Environmental Specialist, Environmental Safety Solutions, Inc., Lafayette, Louisiana

Air Section Managers, Region 12 - Houston

Project Number: 119627

Permit No.:	77495	Company Name:	Azimuth Energy, LLC	APD Reviewer:	Mr. Miguel Galvan
Project No.:	119627	Site/Area Name:	Clements No. I Facility	PBR No(s).:	106.352 and 106.512

GENERAL INFORMATION						
Regulated Entity No.:	RN104618269	Project Type:	XRVW			
Customer Reference No.:	CN602842973	Date Received by TCEQ:	December 05, 2005			
Account No.:		Date Received by Reviewer:	December 09, 2005			
City/County:	Winnie, Chambers County	Physical Location:	FR INTERSECTION OF II0 AND HWY 124 IN WINNIE PROCEED SOUTH ON HWY 124 FOR 3.0 MILES . TURN LEFT ON MAIN STREET AND PROCEED .6 MILES. TURN LEFT ON FIFTH STREET AND PROCEED .1 MILES. WELL LOCATION IS ON RIGHT .			

CONTACT INFORMATION					
Responsible Official/ Primary Contact Name and Title:	Mr. Randy Judge Production Manager	Phone No.: Fax No.:	(303) 537-7011 (720) 946-2838	Email:	NA
Technical Contact/ Consultant Name and Title:	Mr. Gregory W. Cates Senior Environmental Specialist	Phone No.: Fax No.:	(337) 254-4440 (337) 993-7859	Email:	

GENERAL RULES CHECK	YES	NO	COMMENTS
Is confidential information included in the application?		Х	
Are there associated NSR or Title V permits for the site?	Х		75992
Is each PBR > 25/250 tpy?		Х	
Are PBR sitewide emissions > 25/250 tpy?		Х	
Are there permit limits on using PBRs at the site?		Х	
Is PSD or Nonattainment netting required?		Х	
Do NSPS, NESHAP, or MACT standards apply to this registration?		Х	
Does NOx Cap and Trade apply to this registration?		х	
Is the facility in compliance with all other applicable rules and regulations?	Х		

DESCRIBE OVERALL PROCESS AT THE SITE

The company claims the proposed installation and operational use of the Clements 1 Facility, located near Winnie, in Chambers County. In support for this Permit by Rule claim, the registrant submitted Form PI-7-CERT form, emission calculations and the 106.352/106.512 checklists.

DESCRIBE PROJECT AND INVOLVED PROCESS

This site is expected to handle only sweet natural gas as fuel and product. The facility contains equipment used for the production, separation and drying of natural gas and storage of condensate/crude oil and produced water. Low-pressure separator gas is piped to the gas compressor before entering the glycol dehydration unit. a glycol dehydration unit is used to dry the gas. Gas is sent to the sales pipeline or to the facility fuel gas system.

TECHNICAL SUMMARY - DESCRIBE HOW THE PROJECT MEETS THE RULES

The registrant submits that the new site will comply with PBRs 106.4 - general emission requirements and 106.352, and 106.512 as follows:

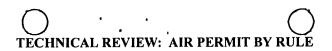
Applicability of 106.4 - general emission requirements:

* Maximum annual emissions for this project -in tons: CO ~2.054 NOx ~ 2.098: SO2 ~ 0.0: VOC ~ 10.81: PM 0.05

* Maximum annual site emissions (in tons): CO < 250: NOx < 250: SO2 < 25: VOC < 25: PM < 25.

- * EPA's NSPS not applicable to the facility.
- * Facility is located in an attainment county.
- * Facility does not trigger NAAQS PSD review.

106.352 Oil and Gas production Facilities



Permit No.:	77495	Company Name:	Azimuth Energy, LLC	APD Reviewer:	Mr. Miguel Galvan
Project No.:	119627	Site/Area Name:	Clements No. I Facility	PBR No(s).:	106.352 and 106.512

- 1) The compressors are in compliance with 106.512.
- Total emissions, including process fugitives, combustion unit stacks, separator, or other process vents, tank vents, and loading emissions from all such facilities constructed at a site under this section shall not exceed 25 tons per year (tpy) each of sulfur dioxide (SO₂), all other sulfur compounds combined, or all volatile organic compounds (VOC) combined; and 250 tpy each of nitrogen oxide and carbon monoxide. Emissions of VOC and sulfur compounds other than SO₂ must include gas lost by equilibrium flash as well as gas lost by conventional evaporation.
- Any facility handling sour gas shall be located at least 1/4 mile from any recreational area or residence or other structure not occupied or used solely by the owner or operator of the facility or the owner of the property upon which the facility is located. The facility handles sweet natural gas.
- The height of any vent which could emit sulfur compounds is at least the required height of 20 feet above ground level. The facility handles sweet natural gas.
- 5) Form PI-7-CERT was included.

106.512 Stationary Engines and Turbines

- 1. Form PI-7-CERT was provided by the company.
- 2. The proposed equipment consists of one 95 horsepower Caterpillar 3304 natural gas compressor engine, equipped with catalytic convertor.
- 3. There are no turbines at the site.
- 4. This is not a temporary replacement.
- The engines are field gas (sweet gas) operated.
- 6. Rural option with no terrain above stack height and no building downwash were used for the source. The building option was not used since there are no buildings or obstructions to wind in close vicinity of the modeled source.

Emission Source	EPN	VC	VOC		NOx		co		110	SO ₂		Other	
		lbs/hr	tpy	lbs/hr	tpy	lbs/hr	tpy	lbs/hr	tpy	lbs/hr	tpy	lbs/hr	tpy
Natural Gas Comp. Engine (95 HP)	CE-01		0.092		1.835		1.835		0.031				
Gas Operated Chemical Pump	CI-01		1,188										
Gas Operated Chemical Pump	CI-02		1.188										
Gas Operated Chemical Pump	DP-01		0.778										
Fugitive Emissions	FE-01		3.649										
Glycol Boiler Burner	GR-01		0.004		0.053		0.044		0.004				
Glycol Still Vent	GV-01		3.864										
Tank Truck Loading Losses	LF-01		0.000		0.210		0.175		0.018				
Line Heater	LH-01		0.013										
Pressure Level Controllers	PL-01		0.043										<u> </u>
Oil Storage Tank (400 bbl)	T-01		0.000										L
Oil Storage Tank (400 bbl)	T-02		0.000										
Oil Storage Tank (400 bbl)	T-03		0.000										
Oil Storage Tank (400 bbl)	T-04		0.000										
Oil Storage Tank (400 bbl)	T-05		0.000										
TOTAL EMISSI	ONS (TPY):		10.819		2.098		2.054		0.053				
MAXIMUM OPERATING S	CHEDULE:	Hour	rs/Day	24	Days	Week	7	Week	s/Year	52	Hour	rs/Year	8760

SITE REVIEW / DISTANCE LIMIT	Yes	No	Description/Outcome	Date	Reviewed by
Site Review Required?		х			
PBR Distance Limits Met?	х		More than 3000 feet from any receptor	12/28/2005	As stated by the company

TECHNICAL REVIEW: AIR PERMIT BY RULE

Permit No.:	77495	Company Name:	Azimuth Energy, LLC	APD Reviewer:	Mr. Miguel Galvan
Project No.:	119627	Site/Area Name:	Clements No. 1 Facility	PBR No(s).:	106.352 and 106.512

	TECHNICAL REVIEWER	PEER REVIEWER	FINAL REVIEWER
SIGNATURE:	M Cem	Clyde Price	Elyde Price
PRINTED NAME:	Mr. Miguel Galvan	Mr. Clyde Price	Mr. Clyde Price
DATE:	12/28/05	December 28, 2005	December 28, 2005

BASIS OF PROJECT POINTS	POINTS
Base Points:	1.5
Project Complexity Description and Points: + 106.512 9 Additional EPNs	0.5 2.0
Technical Reviewer Project Points Assessment:	3.5
Final Reviewer Project Points Confirmation:	3.50

COUNTY: CHAMBERS CAPUNITS:

UNITTYPE:

CAPACITY:

CITY: WINNIE

LOCATION: FR INTERSECTION OF II0 AND HWY 124 IN WINNIE PROCEED SOUTH ON HWY 124 FOR 3.0 MILES TURN LEFT ON MAIN STREET AND PROCEED .6 MILES TURN LEFT ON FIFTH STREET AND PROCEED .1 MILES

WELL LOCATION IS ON RIGHT

7
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Page 2 of 2

PUBLIC NOTICE

PUBLIC NOTICE REQUIRED?:

PN1 ALT LANGUAGE: NO PN2 ALT LANGUAGE: NO

EMISSION RATES

TONS/YR REDUCTION NOX CO VOC PM SO2 OTHER TOTAL

PROJECT NOTES

ADMINISTRATIVE: FEE APPLIED FROM PROJECT 115700

TECHNICAL ACTIVITY HISTORY

TR - ENGINEER

12/09/2005 $\frac{\text{SUP}}{\text{PAR}}$:

12/09/2005 TR - INITIAL REVIEW COMPLETE :

12/09/2005

RECEIVE PROJECT: TR - PROJECT TO

ADMIN:

12/28/2005 TR - FINAL PKG TO TEAM LEADER :

12/28/2005

TR - PEER REVIEW:

12/28/2005 12/28/2005

PROJECT ATTRIBUTES

PROJECT LINK

PROJECTS/PERMITS VOIDANCE





From:

Cindy Swor

To:

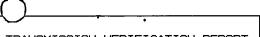
Amanda Berry

Date:

2/10/2006 3:13:30 PM

Subject: Azimith Energy Permit 77495

Amanda - please fax the letter to Gregory Cates at 337/993-7859.



TRANSMISSION VERIFICATION REPORT

02/17/2006 10:51

NAME

1300

BROM4J173761

DATE, TIME FAX NO./NAME 02/17 10:51 913379937859 00:00:00 STANDARD

BUSY: BUSY/NO RESPONSE

Kathleen Hartnett White, Chairman R. B. "Ralph" Marquez, Commissioner Larry R. Soward, Commissioner Glenn Shankle, Executive Director



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

December 30, 2005

Mr. Randy Judge Production Manager Azimuth Energy, L.L.C. 511 16th Street, Suite 300 Denver, Colorado 80202

Attn: Gregory Cates 337-993-7859

Re: Permits by Rule Registration Number: 77495

Clements No.1 Facility Winnie, Chambers County

Regulated Entity Number: RN104618269 Customer Reference Number: CN602842973

Dear Mr. Judge:

This is in response to your Form PI-7-CERT, entitled "Certification and Registration for Pennits by Rule," concerning the proposed installation and operational use of the Clements No. 1 Facility located near Winnie, Chambers County. This site is expected to handle only sweet natural gas as fuel and product. The site contains equipment used for the production, separation, and drying of natural gas and storage of condensate/crude oil and produced water. The emissions associated with the referenced activities are estimated as 10.81 tons per year (tpy) of volatile organic compounds, 2.09 tpy of nitrogen oxide, 2.05 tpy of carbon monoxide, and 0.053 tpy of particulate matter less than or equal to 10 missions in diamateur



TIME

02/17/2006 12:01

NAME FAX

1300 1300

TEL :

SER.# : BROM4J173761

DATE,TIME FAX NO./NAME DURATION PAGE(S) RESULT 02/17 12:01 913379937859 00:00:00 00 BUSY STANDARD

BUSY: BUSY/NO RESPONSE

Kathleen Hartnett White, Choirman R. B. "Ralph" Marquez, Commissioner Larry R. Soward, Commissioner Glenn Shankle, Executive Director



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TRANSMISSION VERIFICATION REPORT

TIME 02/17/2006 12:04

1300

1300 BROM4J173761

DATE, TIME FAX NO./NAME DURATION

02/17 12:04 913372732514 00:00:00 ดต STANDARD

BUSY: BUSY/NO RESPONSE

Kathleen Hartnett White, Chairman R. B. "Ralph" Marquez, Commissioner Larry R. Soward, Commissioner Gleon Shankle, Executive Director



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

December 30, 2005

Mr. Randy Judge Production Manager Azimuth Energy, L.L.C. 511 16th Street, Suite 300 Denver, Colorado 80202

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Regulated Entity Number: RN104618269 Customer Reference Number: CN602842973

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11771 Gregory Cates 337-273-2514



TIME

02/17/2006 15:03

NAME

1300

1300 BROM4J173761

DATE, TIME FAX NO./NAME DURATION

02/17 15:02 913372732514 00:00:40 STANDARD

Kathleen Hartnett White, Chairman R. B. "Ralph" Marquez, Commissioner Larry R. Soward, Commissioner Glenn Shankle, Executive Director



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

December 30, 2005

Mr. Randy Judge Production Manager Azimuth Energy, L.L.C. 511 16th Street, Suite 300 Denver, Colorado 80202

Re: Permits by Rule Registration Number: 77495

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Regulated Entity Number: RN104618269 Customer Reference Number: CN602842973

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Attn Gregory Cates 337-273-2514

12/09/2005 NSI PROJECT#: 119627	R PERMITS IMS- PROJEC PERMIT#: 77495	T RECORD STATUS: P	DISP CODE:
RECEIVED: 12/05/2005	PROJTYPE: XRVW	RENEWAL:	
FEE DATE: STDX,PBR#,STDP: 0352 PROJECT NAME: CLEMI	FEE AMT: \$ 100 CHECK NUMBER: 1004 ENTS 1 FACILITY	PROJ-ISSUE DATE:	- 29
GROUP: PAR			1992
PAR1_2 : HICKMAN, SH. GROUP: HRT	ARÒN		120
TECHENGR : GALVAN, ADMIN REVIEW	MIGUEL		
A - PAR RECEIVED :	12/05/2005 A - CN/RN R CENTRAL R	EQ FROM EG : 12/06/2005 A - PAR 1	TRANSFER TO 12/07/200
A - CN/RN REC FROM CENTRAL REG :	12/07/2005		
ISSUED TO: AZIMUTH E COMPANY NAME: AZIM CUSTOMER REGISTRY PRIMARY CONTACT II CONTACT TYPE: TECHI	ENERGY LLC MUTH ENERGY LLC ID: CN602842973 NFORMATION NICAL CONTACT	321004/321805	
NAME: MR GREGORY V		TITLE: SENIOR EI SPECIALIST	NVIRONMENTAL
EMPLOYER NAME: ENV	/IRONMENTAL SAFETY		
INC PHONE: 337-254-4440 ex STREET: 100 AGAPE CI		FAX: 337-993-7859 CITY/STATE,ZIP:	ext LAFAYETTE, LA , 70508-
CONTACT TYPE: RESPONDED IN THE RESPONDED	GE MUTH ENERGY LLC	TITLE: PRODUCTION MANAGE	ER
PHONE: 303-537-7011 ex STREET: 511 16TH ST ST		FAX: 720-946-2838 ext CITY/STATE,ZIP: DENVER, CO	, 80202-
PROJECT INFORMATI UNIT: CLEMENTS 1 FAC			
SIC: 1311 REGION: 1	12 ACCOUNT:	REG ENTITY ID: RN104618269	
SITE NAME: CLEMENTS	S 1 FACILITY		
COUNTY: CHAMBERS	CAPUNITS:	UNITTYPE:	
CAPACITY:	CITY: WINNIE		
WINNIE PROCEED SOU TURN LEFT ON MAIN S	ECTION OF I10 AND HWY TH ON HWY 124 FOR 3.0 TREET AND PROCEED .6 TREET AND PROCEED .1	MILES MILES	

WELL LOCATION IS ON RIGHT

PUBLIC NOTICE

PUBLIC NOTICE REQUIRED?:

PN1 ALT LANGUAGE: NO PN2 ALT LANGUAGE: NO

EMISSION

RATES

TONS/YR REDUCTION NOX CO VOC PM SO2 OTHER TOTAL

PROJECT NOTES

ADMINISTRATIVE: FEE APPLIED FROM PROJECT 115700

TECHNICAL ACTIVITY HISTORY

SUP - RECEIVED

FROM PAR:

TR - PROJECT TO

ADMIN:

TR - FINAL PKG TO

TEAM LEADER:

TR - DEFICIENCY

CYCLE:

TR - PEER REVIEW:

TR - ENGINEER

RECEIVE PROJECT:

12/09/2005

TR - INITIAL REVIEW

COMPLETE:

12/09/2005

PROJECT ATTRIBUTES

PROJECT LINK

PROJECTS/PERMITS VOIDANCE





From:

Gloria Kelley Sharon Hickman

To: Date:

12/7/2005 7:47 AM

Sharon Hickman - RN104618269 IMS 119627

Subject: RN104618269 IMS 119627

Done



From:

Sharon Hickman Carpenter, Rich

To: Date:

Date: 12/6/2005 10:10 AM **Subject:** Fwd: Re: project 115700

CC:

Nelon, Donald Dale

rich

can you clarify if a standard permit application is denied, can that fee be used for a permit by rule application that is submitted within 6 months or do they have to submit a new fee?

thank you

Sharon Hickman TCEQ Air Permits Division phone: 512.239.1544 fax: 512.239.4500 shickman@tceq.state.tx.us

>>> Monico Banda 12/6/2005 9:54 AM >>>

Project #115700 was denied registration, but I believe (though I'm not sure) that if they respond within 6 months, they can apply the same fee.

>>> Sharon Hickman 12/5/2005 4:58 PM >>> monico

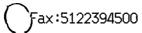
Azimuth Energy LLC has submitted a PBR 106.352 to register the Clement No 1 Facility. Their cover letter states that they originally applied for a JRVW (project 115700) but that it was <u>denied</u> on 6/30/2005. The project record 115700 doesn't show denied, it shows <u>Issued</u>.

They are also trying to re-use the fee that was applied to project 115700. My understanding is that the fee cannot be applied to another project since the application was denied.

Can you please tell me the status of this project record.

thanks

Sharon Hickman TCEQ Air Permits Division phone: 512.239.1544 fax: 512.239.4500 shickman@tceq.state.tx.us THE THE



** Transmit Conf.Report **

P. 1

Dec 6 '05 10:29

Telephone Number	Mode	Start	Time	Pages	Result	Note
5181	NORMAL	6,10:28	0'39"	3	# O K	



Protecting Texas by Reducing and Preventing Pollution

F	A	\mathbf{X}	TR	A	N	S	M	T	T	T	$oldsymbol{\Delta}$	I
		~ N	1 17		T			1	1			1.

DATE: 12/6/05

NUMBER OF PAGES (including this cover sheet):

3

TO:

Name

Central Registry

Organization

Attention: Central Registry

FAX Number

(512) 239-5181

FROM:

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Name

Sharon Hickman

Division/Region

Air Permits Initial Review Team,

Air Permits Division

Telephone Number

(512) 239-1544

FAX Number

(512) 239-4500

Check Box

Į	New Cust.	
	New Pea Ent	

Check Box

Update Customer	
Update Regulated Entity	
Update Ali CN Info	
Update All RN Info	
New Affiliation	
New Reg/Permit #	1

<u>V</u>1st Request

___2nd Request Portable

Attached is a CORE Data form or print out of CR Data. Please update Central Registry with the information on the form provided.

Company Name:	AZIMUHN ENCOGU LLC Assumed Name: different than SOS Legal Name. Legal Name for TCEQ. Legal Name: Research shows name on CDF is Legal Name, not name currently in SOS.
Customer Number:	CN602841973



Protecting Texas by Reducing and Preventing Pollution

1 st	
Request	

2nd Request

F.	$\mathbf{A} - \mathbf{X}$	ΓR	A	NSMIT	TA	\ I
DATE:	12/6/0	5	NUN shee	IBER OF PAGES (including thi	's cover	3
TO:	Name			Central Registry		
	Organization	1		Attention: Central Registr	у	
	FAX Numbe	r		(512) 239-5181		
FROM	I: TEXAS COM	MISSIO	N ON	ENVIRONMENTAL QUALITY		
	Name			Sharon Hickman		
	Division/Reg	ion		Air Permits Initial Review Te Air Permits Division	am,	
	Telephone N	lumber		(512) 239-1544		
	FAX Numbe	r		(512) 239-4500		
	Check Box			Check Box		
	New Cust.			Update Customer		
	New Reg Ent			Update Regulated Entity	V	
				Update All CN Info		
				Update All RN Info		
				New Affiliation		
				New Reg/Permit #	V	
1			•			

Portable	

Attached is a CORE Data form or print out of CR Data. Please update Central Registry with the information on the form provided.

Company Name:	AZIMUTH ENERGY LLC Assumed Name: different than SOS Legal Name. Legal Name for TCEQ. Legal Name: Research shows name on CDF is Legal Name, not name currently in SOS.
Customer Number:	CN602842973
Regulated Entity No.	RN104618269
Account Number:	
IMS Project Number:	119627
Registration or Permit: (Please underline one)	77495

Please call if you should have any questions. Thank you.

(03/09/05)



as Commission on Environmental Ty Form PI-7-CERT Certification and Registration for Permits by Rule

	TOPO Customer Reference Number CN-	TCEO	Regulated l	Entity Number RN-		
<u>A.</u>	TCEQ Customer Reference Number CN- no CN or RN number was entered above, please fill out the requ	ired Core Data Fo	orm, which	will be available in Step II of the :	submittal p	rocess.
lote: If	no CN or RN number was entered above, please jiii out the requ	LLC				
В.	Company or Other Legal Customer Name: Azimuth Energy,	L.L.U		Title: Production Mana	ger	
	Company Official Contact Name: Randy Judge					
	Mailing Address: 511 16th Street, Suite 300	State: CO		Zip Code: 80202		
	City: Denver		@AspectF	Resources.com		
	Phone: (303) 537-7011 Ext 261Fax: (720) 946-2838	2 man rjudget	ол юроон	Title: Sr. Environmenta	l Speciali	ist
C.	Technical Contact Name: Gregory W. Cates					
	Company: Environmental Safety Solutions, Inc.					
	Mailing Address: 100 Agape Circle	State: LA		Zip Code: 70508		
	City: Lafayette Fax: (337) 993-7859		tions@co			
	11101101 (001 / 20 1	L-man. essoiu	uoris@oo	Allot		
D.	Facility Location Information - Street Address:	or lattach descrip	tion if addit	ional space is needed)		
	If no street address, provide written driving directions to the sit	e. (anach descrip		T left an main atract and I	proceed 6	miles
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Α.	Name and Type of Facility:	8106 352	Oil and C	§106.		
В.	Permits by Rule (PBR) claimed under 30 TAC §106 (List all):	YES V	O If"YE	S" enter effective date and Rule N	lo.:	
	Are you claiming historical standard exemption or PBR? Are you registering a grandfathered facility? If "YES," attack				YES	NO NO
C.	Are you registering a grandfathered facility? If TES, under	YES	[7] NO	If "YES," enter Registration No.	:	
D.	Is there a previous Standard Exemption or PBR for the facility in this registration? (Attach details regarding changes		W 140	If "YES," enter Rule No.:		
			[7] NO	If "YES," enter Registration No.	:	
E.	Are there any other facilities at this site which are authorized	1 [] 1E3	W 140	If "YES," enter Rule No.:		
	by an air Standard Exemption or PBR?	[] VEC	[7] NO	If "YES," enter Permit Nos.:	 	
F.	Are there any other air preconstruction permits at this site?	YES	M MO	II TES, CHOIT CHARTICON	+	
i		- FI 1000		If "YES," enter Permit No.:	- 	
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<u></u>	emission limit? What is the fee amount? If "YES," to any of the following the	ree questions a \$1	00 fee is re	quired. Otherwise, a \$450 fee is	required.	
В	. What is the fee amount? If "IES, to any of the journal and	ee questions, a co			 ✓ YES	א 🔲
L	Does this business have less than 100 employees?	more receipte?			YES	ΔN
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	Is this certification and registration submitted by a governme	ntal entity with a p	opuiation (71 1055 Hidi 10,000 t	<u> </u>	Land Inches
C	. Check/Money Order or Transaction Number (Payable to TCI	EQ): 1004		Fee Amount: \$900	0.00	
-	Company Name on Check: Environmental Safety Solut	ions, inc.		ree Amount.		

Received

DEC 0 5 2005

TCEQ - 20182 (Revised 02/05) Form PI-7-CERT
This form is for use by sources subject to air quality
permits and may be revised periodically. [APDG 5379v3]

Note: If claiming one Animal Feeding Op	FY REVIEWS ONLY - TECHNICAL INFORMATION of the following PBRs, complete this section, then skip to Section VI crations §106.161 Livestock Auction Facilities §106.162 orage and Drying §106.283 Auto Body Refinishing Facilities §106	Saw Mil	stration" belove. Is §106.223 tain Incinerator §10	D6.496
	PBR checklist attached which shows the facility meets all general and ag claimed? (If submitting electronically, click "YES")	specific requirements	YES	NO
B. Distance from this	facility's emission release point to the nearest property line:	Enter in Feet:		
Distance from this	facility's emission release point to the nearest off-property structure:	Enter in Feet:	· · · · · · · · · · · · · · · · · · ·	
	MATION INCLUDING STATE AND FEDERAL REGULATORY compliance with all applicable state and federal regulations and stan			
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B. Is a process flow d	liagram or a process description attached?		√ YES	NO
C. Are emissions data	a and calculations for this claim attached?		√ YES	NO
	ched showing how the general requirements (30 TAC § 106.4) of the and registration? (PBR checklists may be used, but are optional)	PBR is met for	YES	NO
30 TAC Chapte emissions from		must possess NO _x allow	vances equivalent to	the actual NC
	sched showing how the specific PBR requirements are met for this reginary be used, but are optional)	stration?	√ YES	NO
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Distance from this	facility's emission release point to the nearest off-property structure:	Enter in Feet: >3000)	
	, a map or drawing of the site and surrounding land use may be reques l Office or local air pollution control program during an investigation.	ted during the technical	review or at the requ	uest of the
VI. SIGNATURE FOR C	ERTIFICATION AND REGISTRATION			
best of my knowledge and to the operation of this faci understood that it is unlawf Official's knowledge and b in compliance with all regu governing air pollution. The and contained in the attach Please call 512/239-1250.	tes that the Responsible Official has knowledge of the facts herein set for belief. By this signature, the maximum emission rates listed on this condition and all representations in this certification of emissions are conditionally to vary from these representations unless the certification is first revise belief, the project will satisfy the conditions and limitations of the indical ulations of the Texas Commission on Environmental Quality and with the signature below certifies that, based on information and belief formed at the document(s) are true, accurate, and complete. If you have question and Individuals are entitled to request and review their personal information tion corrected. To review such information, call 512/239-3282.	certification reflect the mons upon which the faciled. The signature certificated exemption or permit federal U.S. Environmenter reasonable inquiry, thus on how to fill out this	aximum anticipated ities and sources will as that to the best of the by rule and the facilintal Protection Agent estatements and info form or about air question and inform or about air questions.	emissions dual operate. It is ne Responsible ty will operate by regulation ormation above uality permits
SIGNATURE:			DATE: 7-24	1-05
VII. COPIES OF THE C	ERTIFICATION AND REGISTRATION - Copies must be sent as	listed below. Processin	Barrer of the Control	
Who	Where		Wha	
Permits Administrative Review (PAR) Section, TCEQ	Regular, Certified, Priority Mail MC 161, P.O. Box 13087, Austin. Hand Delivery, Overnight Mail MC 161, 12100 Park 35 Circle, Bu Room 1206, Austin, Texas 78753 OR Facsimile (512) 239-2123 (do not follow fax with paper copies)		Originals - Form Pl Data Form; all attac	
Revenue Section, TCEQ	Regular, Certified, Priority Mail MC 214, P.O. Box 13088, Austin Hand Delivery, Overnight Mail MC 214, 12100 Park 35 Circle, B Austin, Texas 78753		Original Money Or Copy of Form PI-7 Data Form	
Appropriate TCEQ regional office	To find your regional office address, go to the TCEQ Web site at ww call (512) 239-1250	w.tceq.state.tx.us, or	Copy of Form PI-7 Form, and all attack	
Appropriate local air pollution control program(s)	To find your local air pollution control programs go to the TCEQ, Al www.tceq.state.tx.us/nav/permits/air_permits.html, or call (512) 239-		Copy of Form PI-7 Form, and all attack	

Received

TCEQ Use Only

If you have questions on how to fill out this form or about our Central Registry, please contact us at 512-239-5175.

Individuals are entitled to request and review their personal information that the agency gathers on its forms.

They may also have any errors in their information corrected. To review such information, contact us at 512-239-3282.

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DEC 0 5 2005

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Gregory W. Cates, CHMM 100 Agape Circle Lafayette, La 70508

> Phone: (337) 254-4440 Fax: (337) 993-7859

November 28, 2005

RE:

Texas Commission on Environmental Quality MC-161
12100 Park 35 Circle
Building F, First Floor, Room 1206
Austin, Texas 78753

RECEIVED

DEC 0 5 2005

AIR & WASTE
APPLICATIONS TEAM

Permit By Rule Application for Azimuth Energy, L.L.C

Clement No: 1 Facility

To Whom It May Concern:

Environmental Safety Solutions, Inc. on behalf of Azimuth Energy, L.L.C., is re-submitting a Permit By Rule (PBR) registration for the above referenced facility. Payment has already been submitted. The original application was for a Standard Air Permit. On June 30, 2005 the application was denied based on emissions and as a result enforcement actions were taken. The facility has installed a Vapor Recovery Unit to reduce emission to a level such that the facility can now qualify for a Permit By Rule (PBR). In addition to the application, I have attached correspondence from the agency pertaining to the above referenced facility. According to the attached letter no additional application fees are required if the permit is reapplied for within six months of the initial submittal. Under the PBR regulations it is not necessary to register this facility. We are submitting this registration to resolve the compliance issues resulting from the original submittal.

Contact me (337) 254-4440 if you have any questions.

Sincerely.

Gregory W. Cates

Sr. Environmental Specialist

CC.

Revenue Section Houston Office

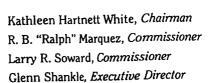
Enclosures

Received

DEC 0 5 2005

Air & Waste Applications

e-mail: essolutions@cox.net





TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

September 7, 2005

CERTIFIED MAIL -7002 2030 0003 4754 3279 RETURN RECEIPT REQUESTED

Mr. Randy Judge, Manager Azimuth Energy, LLC 511 16th Street, Suite 300 Denver, CO 80202-4260

Re:

Notice of Enforcement Action

Azimuth Energy, LLC Clement No. 1 Facility

RN104618269

Docket No. 2005-1272-AIR-E; Enforcement Case No. 26211

FOR SETTLEMENT PURPOSES ONLY

Dear Mr. Judge:

The Executive Director of the Texas Commission on Environmental Quality ("Commission" or "TCEQ") is pursuing an enforcement action against Azimuth Energy, LLC for violations of the Texas Health & Safety Code and/or Commission Rules. These violations were discovered during an investigation conducted on June 24, 2005 and documented in a letter dated July 7, 2005 from the TCEQ Houston Regional Office.

Please find enclosed a proposed agreed order which we have prepared in an attempt to expedite this enforcement action. The order assesses an administrative penalty of One Thousand Dollars (\$1,000). We are proposing a one time offer to defer Two Hundred Dollars (\$200) of the administrative penalty if you satisfactorily comply with all the ordering provisions within the time frames listed. Therefore, the administrative penalty to be paid is Eight Hundred Dollars (\$800). The order also identifies the violations that we are addressing, and identifies specific technical requirements necessary to resolve them.

If you have any questions regarding this matter, we are available to discuss them in a conference in Houston or over the telephone. If we reach agreement in a timely manner, the TCEQ will then proceed with the remaining procedural steps to settle this matter. These steps include publishing notice of the proposed order in the *Texas Register*, and scheduling the matter for the Commission's agenda. We believe that handling this matter expeditiously could save Azimuth Energy, LLC and the TCEQ a significant amount of time, as well as the expense associated with litigation.

Received

DEC 0 5 2005

REPLY To: REGION 12 • 5425 POLK AVE., STEPH CATIONSTON, TEXAS 77023-1486 • 713/767-3500 • FAX 713/767-3520

Mr. Randy Judge Page 2

A copy of the order is provided for your files. Also enclosed for your convenience is a return envelope. If you agree with the order as proposed, please sign and return the original order and the penalty payment (check payable to "TCEQ" and referencing Azimuth Energy, LLC, Docket No. 2005-1272-AIR-E) to:

Financial Administration Division, Revenues Attention: Cashier's Office, MC 214 Texas Commission on Environmental Quality P.O. Box 13088 Austin, Texas 78711-3088

Should you believe you are unable to pay the proposed administrative penalty, you may claim financial inability to pay part or all of the penalty amount. In order to qualify for financial inability to pay, the penalty must be greater than 1% of annual gross revenues. If this is the case, please contact us immediately to obtain a list of financial disclosure documents that must be submitted within 30 days of the receipt of this letter. These documents, once properly completed and submitted, will be thoroughly reviewed to determine if we agree with the claim of financial inability. Please be aware that if financial inability is proven to the satisfaction of staff, discussions pertaining to the penalty amount adjustment will focus only on deferral and not on waiver of the penalty amount. The Commission will make the final decision on the staff recommendation.

You may be able to perform or pay for a Supplemental Environmental Project ("SEP"), which is a project that benefits the environment, to offset a portion of your penalty. Please contact us for additional information regarding SEPs, or you may visit the Commission's web site at http://www.tnrcc.state.tx.us/legal/sep/.

Please note that any agreements we reach are subject to final approval by the Commission.

If we cannot reach a settlement of this enforcement action or you do not wish to participate in this expedited process, we will proceed with enforcement under the Commission's Enforcement Rules, 30 Tex. Admin. Code ch. 70. Specifically, if the signed order and penalty are not mailed and postmarked within 60 days from the date of this letter, your case will be forwarded to the Litigation Division and this settlement offer, including the penalty deferral, will no longer be available. If you would like to obtain a copy of 30 Tex. Admin. Code ch. 70 or any other TCEQ rules, you may contact any of the sources listed in the enclosed brochure entitled Obtaining TCEQ Rules. The enforcement process described in 30 Tex. Admin. Code ch. 70 requires the staff to prepare and issue an Executive Director's Preliminary Report and Petition to the Commission.

Received

DEC 0 5 2005

Air & Waste Applications

Mr. Randy Judge Page 3

For any questions or comments about this matter or to arrange a meeting, please contact me at (713) 422-8938.

Sincerely,

Kimberly Morales, Coordinator

Enforcement Division, Houston Regional Office

Texas Commission on Environmental Quality

Enclosures:

Proposed Agreed Order, File Copy, Return Envelope, Obtaining TCEQ Rules, Penalty

Calculation Worksheet, Site Compliance History

cc:

Manager, Air Section, Houston Regional Office, TCEQ

CT Corporation System, Registered Agent, 350 North St. Paul Street, Dallas, TX 75201

Mr. Gregory W. Cates, Senior, Environmental Specialist, Environmental Safety Solutions, Inc., 100

Agape Circle, Lafayette, LA 70508

Mr. Randy Judge Page 4

bcc:

Ms. Kimberly Morales, Coordinator, Enforcement Division, Houston Regional Office

Central Records, Building E, MC 198 Enforcement Division Reader File

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN	§	BEFORE THE
ENFORCEMENT ACTION	§	
CONCERNING	§	TEXAS COMMISSION ON
AZIMUTH ENERGY, LLC	§	
RN104618269	§	ENVIRONMENTAL QUALITY

AGREED ORDER DOCKET NO. 2005-1272-AIR-E

I. JURISDICTION AND STIPULATIONS

At its ______ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Azimuth Energy, LLC ("Azimuth") under the authority of Tex. Health & Safety Code ch. 382 and Tex. Water Code ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and Azimuth appear before the Commission and together stipulate that:

- 1. Azimuth owns and operates a new natural gas production facility located 0.1 mile to the north of the intersection of Main Street and 5th Street in Winnie, Chambers County, Texas (the "Plant").
- 2. The Plant consists of one or more sources as defined in Tex. Health & Safety Code § 382.003(12).
- 3. The Commission and Azimuth agree that the Commission has jurisdiction to enter this Agreed Order, and that Azimuth is subject to the Commission's jurisdiction.
- 4. Azimuth received notice of the violations alleged in Section II ("Allegations") on or about July 12, 2005.
- 5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Azimuth of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
- 6. An administrative penalty in the amount of One Thousand Dollars (\$1,000) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). Azimuth has paid Eight Hundred Dollars (\$800) of the administrative penalty and Two Hundred Dollars (\$200) is deferred contingent upon Azimuth's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If Azimuth fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require Azimuth to pay all or part of the deferred penalty.

Azimuth Energy, LLC DOCKET NO. 2005-1272-AIR-E Page 2

- 7. Any notice and procedures which might otherwise be authorized or required in this action are waived in the interest of a more timely resolution of the matter.
- 8. The Executive Director of the TCEQ and Azimuth have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
- 9. The Executive Director recognizes that Azimuth installed a vapor recovery system on August 3, 2005 to recover Volatile Organic Compound ("VOC") emissions from the Plant's oil storage tanks, produced water storage tanks and tank truck loading.
- 10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that Azimuth has not complied with one or more of the terms or conditions in this Agreed Order.
- 11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
- 12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, Azimuth is alleged to have failed to obtain a New Source Review permit prior to beginning Plant operations, in violation of 30 Tex. ADMIN. CODE § 116.110(a) and Tex. HEALTH & SAFETY CODE §§ 382.0518(a) and 382.085(b), as documented during an investigation conducted on June 24, 2005.

III. DENIALS

Azimuth generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Azimuth pay an administrative penalty as set forth in Section I, Paragraph 6 above. The imposition of this administrative penalty and Azimuth's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Azimuth Energy, LLC, Docket No. 2005-1272-AIR-E" to:

Azimuth Energy, LLC DOCKET NO. 2005-1272-AIR-E Page 3

Financial Administration Division, Revenues Section Attention: Cashier's Office, MC 214 Texas Commission on Environmental Quality P.O. Box 13088 Austin, Texas 78711-3088

- It is further ordered that Azimuth shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Agreed Order, submit an administratively complete TCEQ Form PI-7, as required by 30 Tex. ADMIN. CODE § 116.110(a).
 - b. Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the Form PI-7 within 30 days after the date of such requests, or by any other deadline specified in writing.
 - c. Within 45 days after the effective date of this Agreed Order, submit written certification as described in Ordering Provision No. 2.e. to demonstrate compliance with Ordering Provision No. 2.a.
 - d. Within 180 days after the effective date of this Agreed Order, submit written certification as described in Ordering Provision No. 2.e. that either authorization to construct and operate a source of air emissions has been obtained or that construction/operation has ceased until such time that appropriate authorization is obtained.
 - e. The certification required by Ordering Provision No. 2.c. shall include detailed supporting documentation including receipts, and/or other records to demonstrate compliance, be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

The certification shall be submitted to:

Work Leader
Team 5, Section III
Enforcement Division, MC 149
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Azimuth Energy, LLC DOCKET NO. 2005-1272-AIR-E Page 4

Manager
Air Section
Houston Regional Office
Texas Commission on Environmental Quality
5425 Polk Avenue, Suite H
Houston, Texas 77023-1486

- 3. The provisions of this Agreed Order shall apply to and be binding upon Azimuth. Azimuth is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
- 4. If Azimuth fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, Azimuth's failure to comply is not a violation of this Agreed Order. Azimuth shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Azimuth shall notify the Executive Director within seven days after Azimuth becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
- 5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by Azimuth shall be made in writing to the Executive Director. Extensions are not effective until Azimuth receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
- 6. This Agreed Order, issued by the Commission, shall not be admissible against Azimuth in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
- 7. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
- 8. Under 30 Tex. Admin. Code § 70.10(b), the effective date is the date of hand-delivery of the Order to Azimuth, or three days after the date on which the Commission mails notice of the Order to Azimuth, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.



Azimuth Energy, LLC DOCKET NO. 2005-1272-AIR-E Page 5

Azimuth Energy, LLC

SIGNATURE PAGE

		·	
or the Commission			
For the Executive Director	Date		
A negative impact on my compliance hist Greater scrutiny of any permit application Referral of this case to the Attorney Gene penalties, and/or attorney fees, or Increased penalties in any future enforcer Automatic referral to the Attorney General me; and TCEQ seeking other relief as authorized to addition, any falsification of any compliance defined	ory; as submitted by me; aral's Office for contempt, i to a collection agency; ment actions against me; al's Office of any future en	forcement actions agains	
n addition, any raisingation of any compliance a			
Signature	Date		·

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues

Section at the address in Section IV, Paragraph 1 of this Agreed Order.

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DEC 0 5 2005

Aur & Waste Applications

Screening Date 22-Jul-2005

Docket No. 2005-1272-AIR-E

0%

Respondent Azimuth Energy, LLC

Case ID No. 26211

Policy Revision 2 (September 2002)

PCW Revision May 19, 2005

Reg. Ent. Reference No. RN104618269 Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

Compliance History Worksheet

omponent		umber Here	Adjust.				
	Written NOVs with same or similar violations as those in the current	0	0%				
NOVs	enforcement action (number of NOVs meeting criteria)	0	0%				
	Other written NOVs						
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	0	0%				
	Any adjudicated final enforcement orders, agreed final enforcement orders						
	without a denial of liability, or default orders of this state or the federal						
	government, or any final prohibitory emergency orders issued by the	0	0%				
	commission						
	Any non-adjudicated final court judgments or consent decrees containing						
Judgments	a denial of liability of this state or the federal government (number of	0	0%				
and	judgements or consent decrees meeting criteria)	_					
Consent	Any adjudicated final court judgments and default judgments, or						
Decrees	non-adjudicated final court judgments or consent decrees without a denial	0	0%				
	of liability, of this state or the federal government						
	Any criminal convictions of this state or the federal government (number	0	0%				
Convictions	of counts)	-					
Emissions	Chronic excessive emissions events (number of events)	0	0%				
	Letters notifying the executive director of an intended audit conducted	_					
	under the Texas Environmental, Health, and Safety Audit Privilege Act,	0	0%				
Audits	74th Legislature, 1995 (number of audits for which notices were						
Addition	Disclosures of violations under the Texas Environmental, Health, and	•					
	Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for	0	0%				
	which violations were disclosed) Please Enter Yes or No						
	Environmental management systems in place for one year or more	No	0%				
	Voluntary on-site compliance assessments conducted by the executive						
	director under a special assistance program	No	0%				
Other	Participation in a voluntary pollution reduction program	No	0%				
	Early compliance with, or offer of a product that meets future state or	No	0%				
	federal government environmental requirements	INO	076				
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Average Perl				(

No penalty enhancement or reduction due to average performer classification.

Total Adjustment Percentage (Subtotals 2, 3, & 7)

Received DEC 0 5 2005

Compliance

History Notes

Air & Waste Applications

Page 3 of	9/08/05	I:\WAST	E\ENFOR	CE\KMorale	es\Azimuth	gyVA	zimuth.wb3	3
Screening Date	22-Jul-2005		Doc	ket No. 2	005-1272-All	R-E		PCW
Respondent	Azimuth Ene	ergy, LLC					Policy Revi	sion 2 (September 2002)
Case ID No.		, .	•				PC	W Revision May 19, 2005
Reg. Ent. Reference No.	RN10461820	69						
Media [Statute]								
Enf. Coordinator	Kimberly Mo	rales						
Violation Number								1
Primary Rule Cite(s)	30 Tex. /	Admin. Co		110(a) and 3 382.0518(a)	Tex. Health &	Safety	Code	
Secondary Rule Cite(s)		30 Tex.	Health &	Safety Cod	e § 382.085(l	b)		
Violation Description	Failure to	obtain a N		e Review perperations.	rmit prior to b	peginnin	g Plant	
						Bas	e Penalty[\$10,000
>> Environmental, Pro	pertyand	Humani	Health	Matrix				
		Harm						
Release	Major M	Moderate	Minor					
OR Actual	<u> </u>				Percent			
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Rrogrammatic Mati	ix		15					
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Matrix Notes The res	pondent faile	d to comp	ly with 100	0% of the ru	le requireme	nts.		
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Estimated E		\$120			Violation Fir			\$1,000
		This viola	tion Fina	l Assassad	Penalty (adj	iusted f	ior limits)	\$1,000

DEC 0 5 2005

Air & Waste Applications

I:\WASTE\ENFORCE\KMorales\Azimuth v\Azimuth.wb3 Page 4 of 4 **Economic Benefit Worksheet** Respondent Azimuth Energy, LLC Case ID No. 26211 Reg. Ent. Reference No. RN104618269 Percent Years of Media [Statute] Air Quality Violation No. 1 Interest Depreciation 5.0 EB Date Interest Onetime item Saved Costs Item Required Amount Description No commas or \$ **Delayed Costs \$**0 \$0 0.0 Equipment 0.0 \$0 \$0 \$0 Buildings \$0 0.0 \$0 \$0 Other (as needed) \$0 \$0 \$0 Engineering/construction 0.0 \$0 \$0 0.0 \$0 \$0 0.0 **Record Keeping System** \$0 0.0 \$0 Training/Sampling \$0 \$0 0.0 Remediation/Disposal \$2,000 24-Jun-2005 04-Sep-2006 \$120 1.2 \$120 **Permit Costs** \$0 Other (as needed) Estimated cost to prepare and submit a New Source Review permit application. Date Notes for DELAYED costs required is the investigation date. Final date is the projected date of compliance. ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs **Avoided Costs** \$0 \$0 0.0 Disposal **\$**0 \$0 0.0 \$0 Personnel \$0 \$0 \$0 0.0 Inspection/Reporting/Sampling \$0 0.0 \$0 \$0 Supplies/equipment 0.0 \$0 \$0 \$0 Financial Assurance [2] 0.0 \$0 \$0 **\$**0 ONE-TIME avoided costs [3] \$0 0.0 \$0 Other (as needed) Notes for AVOIDED costs TOTAL \$120

Received DEC 05 2005 Air & Waste Applications

Approx. Cost of Compliance

\$2,000



omer/Respondent/Owner-Operator:

CN602842973

Azimuth Energy, LLC

Classification: AVERAGE

Rating: 3.010

BY DEFAULT

Regulated Entity:

RN104618269

CLEMENTS NO. 1 FACILITY

Classification: AVERAGE

Site Rating: 3.01

BY DEFAULT

ID Number(s)

AIR NEW SOURCE PERMITS

REGISTRATION

75992

Location:

LOCATED 0.1 MILE TO THE NORTH OF THE INTERSECTION OF MAIN STREET AND 5TH STREET IN

WINNIE, CHAMBERS COUNTY

TCEQ Region:

REGION 12 - HOUSTON

Date Compliance History Prepared:

July 21, 2005

Agency Decision Requiring Compliance History: Enforcement

Compliance Period:

July 21, 2000 to July 21, 2005

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Kimberly Morales Phone: (713) 422-8938

Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period?

2. Has there been a (known) change in ownership of the site during the compliance period?

No

Yes, who is the current owner?

N/A

4. if Yes, who was/were the prior owner(s)?

N/A

5. When did the change(s) in ownership occur?

N/A

Components (Multimedia) for the Site:

A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.

N/A

B. Any criminal convictions of the state of Texas and the federal government.

N/A

C. Chronic excessive emissions events.

N/A

D. The approval dates of investigations. (CCEDS Inv. Track. No.)

1 07/07/2005 (397956)

E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

F. Environmental audits.

YALC 05 2005

Air & Waste Applications

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

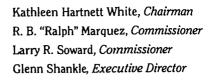
Sites Outside of Texas

N/A

Air & Waste Applications

005 **č** 0 J⊇U

DOMBOON





Protecting Texas by Reducing and Preventing Pollution

June 30, 2005

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Mr. Tommy Lovell Production Superintendent Azimuth Energy, LLC 2496 Martin Luther King Drive, Suite D Orange, Texas 77630

Re: Standard Permit Registration Denial

Standard Permit Registration Number: 75992

Clement No. 1 Facility Winnie, Chambers County

Regulated Entity Number: RN104618269 Customer Reference Number: CN602842973

Dear Mr. Lovell:

This is in response to your request to register the Clement No. 1 Facility in Winnie, Chambers County, under Standard Permit Number 75992 at your facility.

After evaluation of the information submitted in support of your claim, we are unable to verify that all conditions of the standard permit have been met. Therefore, we cannot confirm your claim at this time. The following information was found to be deficient in your request:

Total site-wide emissions of heptane (12.92 pounds per hour, 15.39 tons per year [tpy]) and n-butane (10.33 tpy) exceed the emission limitations prescribed in § 116.610(a)(1).

Within six months from the date of this letter you may resubmit, with appropriate corrections, a revised Standard Permit registration without any additional fee. The re-submittal should include an updated Form PI-1S entitled "Standard Permit Registration Request," the additional information, and a cover letter noting the package is in response to a deficiency notice. To expedite the process, any re-submittal should be sent directly to the TCEQ, Permits Administrative Review Section (MC-162), P.O. Box 13087, Austin, Texas 78711-3087.

If you find that you cannot meet the conditions of the standard permit, you may apply for a permit or amendment using the Form PI-1, entitled "General Application for Air Preconstruction Permits and Amendments" to the address listed in the above paragraph. If submitted within six months, you may apply the fee for this request to that application by referring to Receipt Number E547687.

Mr. Tommy Lovell Page 2 June 30, 2005

Re: Standard Permit Registration Number: 75992

You are reminded that the Texas Health and Safety Code §§ 382.0518(a) and 382.057 require that a permit be obtained or permit by rule be fully complied with before work is begun on the construction of a new facility or modification of an existing facility that may emit air contaminants. Since we cannot confirm your claim, construction should not be started on the proposed project.

Please reference the regulated entity number (RN), customer reference number (CN), and permit number noted in this document in all your future correspondence for the referenced facility or site. The RN replaces the former TCEQ account number for the facility (if portable) or site (if permanent). The CN is a unique number assigned to the company or corporation and applies to all facilities and sites owned or operated by this company or corporation.

Your cooperation in this matter is appreciated. If you have any questions, please contact Mr. Monico Banda at (512) 239-1589 or write to the Texas Commission on Environmental Quality, Office of Permitting, Remediation, and Registration, Air Permits Division (MC-163), P.O. Box 13087, Austin, Texas 78711-3087.

Sincerely,

Anne M. Inman, Manager

General/Standard/Rule (GSR) Permit Section

Air Permits Division

Texas Commission on Environmental Quality

AMI/MSB/alb

cc: Air Section Managers, Region 12 - Houston

Mr. George Cates, Senior Environmental Specialist, Environmental Safety Solutions, Inc., Lafayette, LA

Project Number: 115700

Kecsived

DEC 0 5 2005

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Permit By Rule Azimuth Energy, L.L.C. Clement No. 1 Facility

TABLE OF CONTENTS

- I. Core Data
- II. PI-7 CERT
- III. Check List

PBR Checklist Oil & Gas Facilities 106.352 Chapter 106 Exemption Checklist PBR Checklist Stationary Engines and Turbines 106.512

IV. Process Description

Process Description
Process Flow Diagram

V. Maps/Drawings

Location Map 20 mile Location Map 3 mile Plot Plan Emission Point Summary

VI. Emission Point Data

Emission Point List Annual Emission Rate Table Emission Point Summary (Table 1a) Emissions by Pollutant

VII. Applicable Regulations

IX Emission Point Calculations

Gas Analysis
Estimated C6+ Natural Gas Composition



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Permit By Rule Azimuth Energy, L.L.C. Clement No. 1 Facility

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Emission Point Calculations

CE-01 Natural Gas Compressor Engine (95 HP)

CI-01 Gas Operated Chemical Injection Pump

CI-02 Gas Operated Chemical Injection Pump

DP-01 Gas Operated Diaphragm Pump

FE-01 Fugitive Emissions

GR-01 Glycol Reboiler (0.125 MMBTU/HR)

GV-01 Glycol Still Column Vent

LF-01 Tank Truck Loading Losses

LH-01 Line Heater Burner (0.5 MMBTU/HR)

PL-01 Gas Operated Pressure/Level Controllers

T-01 Oil Storage Tank (400 BBL)

T-02 Oil Storage Tank (400 BBL)

T-03 Oil Storage Tank (400 BBL)

T-04 Oil Storage Tank (400 BBL)

T-03 Produced Water Storage Tank (400 BBL)





General Requirements - page 1

TNRCC NSRP Division Chapter 106 Exemption Checklist Effective Date May 1, 1998	General Requirements - page 1
Company Name: Azimuth Energy L.L.C. Facility Type: Oil and Gas	Checklist completed by: 6 Cate, Date: 7-24-05
Facility Type: Oil and Gas	Exemption(s) claimed: §106. 352
Project Description: New ail + Gan production	n Facility
(including equipment, materials, and brief process description)	
List the maximum annual emission rates, in TONS PER Y. CO: 2.054 NO: 2.098 PN SO ₂ : 0.004 VOCs: 10.098 Of	EAR (TPY), for this project: 1 :
The following questions require a "Yes" or "No" answer to be indicated for this exemption	
A. §106.4(a)(5): Current Exemption Requirements	
Yes No Have you checked to determine if this oversion of 30 TAC 106?	exempt project is being claimed under the current ion for a copy of the current exemption to be claimed.
B. §106.4(a)(7): Exemption prohibition check	
Yes No Are there any air permits under the san or restrict the use of standard exemption if "No", continue to next question if "Yes", exemptions may not be used or their use. A new permit or permit amendment may be required.	ms!
C. §106.4(b): Circumvention check §106.4(b) states "No person shall circumvent by artificial limitations Circumvention by artificial limitations may include but is not limited 1. dividing a complete project into separate segments to circumven 2. claiming feed or production rates below the physical capacity of before a permit or permit amendment is approved for full scale viable at less than permitted capacity; 3. claiming a limited chemical list in order to begin constructing fa additional chemicals, particularly when the unit will not be econ	to: § 106.4(a)(1) limits; f the project's equipment in order to begin constructing facilities operations, particularly when the unit will not be economically acilities before a permit or permit amendment is approved for
Yes No Does your project meet any of the crite if "No", continue to next rule question if "Yes", an exemption may not be claimed	
D. §106.4(c) - (d): Compliance with all Rules	
Yes No Will the facility comply with all rules Clean Air Act, and any local permittin If "Yes", continue to next rule question If "No", an exemption may not be claimed	ig of registration requirements.
E.§106.4(a)(1): Emission limits check	
Yes No The maximum emissions from all faci	lities at the site, including this exemption claim, are
Received	no further review is needed to complete this checklist. your exemption claim to the TNRCC.
DEC 0 5 2005 If "No", please continue through the rem	aining applicable pages of the cnecklist.

Detailed §106.4 Requirements

F.	§106.4(a)(1): Emission limits check continued
1. 2.	Yes No_ Are SO _x , PM, VOC, and other emissions shown above each less than 25 TPY? Yes No_ Are the NO _x and CO emissions shown above each less than 250 TPY? If the answer to either question is "No", an exemption cannot be claimed. If the answer to both questions is "Yes", continue to next rule question
G.	§106.4(a)(4): Site exemption emissions (For all exemptions at the property and/or under the same Account ID No.)
1. 2.	Yes No Are total NO _x and CO emissions each less than 250 TPY? Are total emissions of all other contaminants each less than 25 TPY? If the answer to both questions is "Yes", continue to next rule question if either question is answered "No" please answer the following:
3.	Yes No Has any facility at the property had public notification and comment as required in 30 TAC 116 (or applicable procedures of Chapter 116 in effect at the time)? If "Yes", please describe the associated permit action and when notice occurred: If "No", an exemption may not be claimed.
H.	§106.4(a)(6): Federal Requirements for NSPS & NESHAPs
	Yes No Are any EPA New Source Performance Standards (NSPS) applicable to the facilities for which the exemption is being claimed?
2.	Yes No Are any EPA National Emissions Standards for Hazardous Air Pollutants (NESHAPs) applicable to the facilities for which the exemption is being claimed? If "No", continue to next rule question If "Yes", Please list the applicable SubPart(s): Please attach a discussion of how the facilities will meet applicable standards.
I.	§106.4(a)(2): Nonattainment checklists
	Yes No The facility to be exempted is located in a nonattainment county? (See list pages 1 & 2) If "Yes", complete applicable pages of this checklist, then answer the next question If "No", continue to the PSD questions below
2.	Yes No For any regulated nonattainment contaminant, has this project triggered a nonattainment review? If "No", continue to the PSD questions below If "Yes", the project is a major source or a major modification and an exemption may not be used. A Nonattainment Permit review must be completed to authorize the project.
J.	. §106.4(a)(3): Prevention of Significant Deterioration (PSD) checklist
	YesNo For any regulated National Ambient Air Quality Standard (NAAQS) contaminant, has this project triggered a PSD review? (Please complete the last page of this checklist, then answer:) If "No", no further review is needed to complete the checklist for Chapter 106. Forward all information needed to verify your exemption claim to the TNRCC. If "Yes", the project is a major source and an exemption may not be used. A PSD Permit review must be completed to authorize the project.

Received
DEC 05 2005

Air & Waste Applications

TNRCC NSRP Division Chapter 106 Exemption Checklist Effective Date May 1, 1998

Houston/Galveston Nonattainment Applicability Checklist

If the facility to be exempted is located in Brazoria, Chambers, Ft. Bend, Galveston, Harris, Liberty, Montgomery or Waller County and has the potential for VOC or NO, emissions, please complete the following

For	this project only:	VOC	NO _x		
	New allowable rate Old actual rate** Project Increase	+ ·		- - -	
The f	following questions require a "Yes" or "No" answer to be indicated for this	exemption claim:	٠		
K.	VOCs				
1.	Yes No The facility to be exempted has the figure of the NO, questing if "Yes", please answer the following the facility to be exempted has the facility to be exempted him to be exempted him to be exempted him to be exempted him to be exempted	ions (Section L) ve no	:WW		
2.	Yes No Are site-wide VOC emissions from existing major source?) If "No", continue to the NO, questions	om <u>all sources :</u> ions below	* greater than 2	5 TPY? (i.e. Is this	s site an
3.	Yes No Is the project increase of VOCs & If "No", continue to the NO, questing a feet of the No. The second increase of VOCs of the No. The second increase of the No. The second increase of VOCs of the No. The second increase	greater than 5 1 ions below			
4.	Yes No V Is the contemporaneous net incre major modification?) If "No", continuity of "Yes", this project will be a major permit review must be completed.	we to the NO . aw	estions below		
L.	NO _x			_	
1.	Yes No The facility to be exempted has t If "No", continue to the PSD quest If "Yes", please answer the follows	tions .	r NO _x emissio	ns.	
2.	Yes No Are site-wide NO _x emissions from existing major source?) If "No", continue to question 3		greater than 2	5 TPY? (i.e. Is this	site an
	If "Yes", please complete the follo A. Yes No\scripts the project trigger netting?)	increase of NO	O _x greater than	5 TPY? (i.e. Does	this action
	If "No", continue to the PSD ques If "Yes", please provide contempo B. Yes No Is the contemp this project a major modification If "No", continue to the PSD ques	raneous netting co poraneous net 1?)	increase of NU	greater than 25 11	P1 ? (1. c . 1s
	if "Yes", this project will be a maj permit review must be completed.	ior modification a	nd an exemption n	uay <u>not</u> be used. A Non	attainment
3.	Yes No For new or existing minor source If "No", continue to the PSD quest If "Yes", this project will be major review must be completed.	tions			nent permit
*	"all sources" and "ste-wide" should include facilities which are permittee Actual emission rates are based on the average emissions from all existing DEC 05 2005	d, exempted, or grand g facilities affected by	futhered <u>, excluding the</u> this exemption claim (s project project) for the previous 2 yea	พร

§106.4(a)(3): Prevention of Significant Deterioration (PSD) checklist

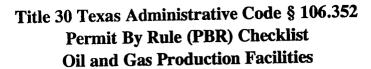
Please note that If the facility is located in a non-attainment area for VOCs, CO or PM10, you do not have to be reviewed again for PSD Applicability for that contaminant.

The following questions require a "Yes" or "No" answer to be indicated for this exemption claim:

S. PSD Applicability check

N٤	amed So	urces										
1.	Yes	_No_ <u>i/</u>	If "No",	continue to the	e un-named so r the following	urce questions (:		•				
2.	Yes	No_/	Prior to this fugitives) g	s action, are	e site-wide e 100 TPY? (najor source. I	missions of a (i.e. Is this s	any NAAQS ite an existir uestions #6-8 b	ig maior sou	ollutant (includre) (gnificance*)	ding		
3.	Yes	No_/	For any regulated NAAQS contaminant (except as noted above), will the project's increase be greater than 100 TPY? (i.e. Is this project major?)									
			If "No", If "Yes"	no further rev	riew is needed i a major source	to complete the	checklist for C	hapter 106. e used and a F	SD Permit review	v must be		
Uı	n-name(d Source	s			_						
4.	Yes		If "No", If "Yes"	the above qui , please answ	estions regardii er the following	ng named sourc ::	t on page 2 of o ces should be co	ompleted				
5.	Yes	_ No_✓	only) greate If "Yes" If "No".	er than 250 , the site is a t no further re	TPY? (i.e. najor source. view is require	Is this site a	n existing ma questions #6-8 this checklist a	ajor source'! <i>below (PSD)</i> "!	pollutant (point) Nignificance") al documentation			
6.	If th	re existing :	ance" check site is a major : all regulated NA	source, Comp	lete the followinds (in TPY).	ing chart and a	ttach calculatio	ns to determine Other:	the project's emi.	ssion		
			NO x	PM_{10}	co	VOCs	SO ₂					
Ne	ew allowal	ble rate	+			·						
	ld actual ra roject Incre		=									
	Yes	_ No	'significant If "No" If "Yes"	' rates? (i.e no further rev '. PSD Applica	e. Does this view is needed in vibility review a	action trigge to complete the	er netting?) (checklist for C ulations must b	See list on pag hapter 106.	e greater than to e 2 of checklist) ttach).	he PSD		
8.	Yes_	_ No	the DSD 's	ionificant' 1	rates? (i.e. I	s this projec	t a maior mo	edification?)	increases great lease attach all ne			
j.	lece!	ived	calculat H "Yes"	ions and docu the project i	mentation for i s a maior mod	review by TNRC ification and a	CC NSRP staff. • exemption m			*****		
	DEC O	5 2005	A PSD	Permit review	must be compl	eted to authori	ce une project.					
ir (& Waste I	Applicatio	ns						•			





Electroni	ic Submittal - Only enter the PI-7 confirmation number hereif submitting electronical	ly.
Hard-Cop	by Submittal - Print and complete the following checklist.	
requirem	owing checklist is designed to help you confirm that you meet Title 30 Texas Administrative Code § 106.352 ents. If you do not meet all the requirements, you may alter the project design or operation in such a way the BR are met or you may obtain a construction permit. The PBR forms, tables, checklist and guidance documes a Commission on Environmental Quality (TCEQ), Air Permits Division Web site at www.tceq.state.tx.us/nav/permits	ents are available from
Please	check the most appropriate answer.	
	Check the type of facilities covered by this registration(check all that are applicable): Zoil or gas production facility	line facility
	The facilities at the site include (check all that apply): one or more tanks separators matural gas liquids recovery units sulfur recovery units free water knockouts dehydration units natural gas liquids recovery units	✓YES □NO
	Will gas sweetening, sulfur recovery, or other gas conditioning facilities only condition gas that contains less than two (2) long tons per day of sulfur compounds as sulfur?	□YES ☑NO
1	Do all compressors and flares fully meet the requirements of 30 TAC § 106.512 and 30 TAC § 106.492, respectively? Attach data showing how the exemptions are met. Checklists are available.	✓YES □NO
2	Are total emissions from all facilities, including fugitives and loading emissions, less than 25 tpy SO ₂ , VOC, or 250 tpy of CO or NO _x ?	✓YES □NO
	Have you attached calculations and other data, such as a gas analysis, showing that the emissions	✓YES □NO

If the facility handles sour gas, is it located at least 1/4 mile from any recreational area, residence, or

other structure not occupied or used solely by the owner or operator of the facility or the owner of the

Are total emissions of sulfur compounds, excluding sulfur oxides, less than 4.0 pounds per hour?

Does the height of each vent emitting sulfur compounds meet or exceed the minimum vent height stated

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✓YES □NO

✓ YES □NO

✓ YES □ NO

limits of the general rule are met?

in 30 TAC § 106.352? List stack height:

Attach calculations.

property upon which the facility is located? Attach a scaled map.







Title 30 Texas Administrative Code § 106.512 Permit By Rule (PBR) Checklist **Stationary Engines and Turbines**

Electronic Submittal - Only enter the PI-7 confirmation number here	if submitting electronically
Hard-Copy Submittel - Print and complete the following checklist.	

The following checklist is designed to help you confirm that you meet Title 30 Texas Administrative Code § 106.512 (30 TAC § 106.512) requirements. If you do not meet all the requirements, you may alter the project design or operation in such a way that all the requirements of the PBR are met or you may obtain a construction permit. The PBR forms, tables, checklists and guidance documents are available from the Texas Commission on Environmental Quality (TCEQ), Air Permits Division Web site at, www.tceq.state.tx.us/nav/permits/air_permits.html.

Definitions:

Rich-burn Engine: A rich-burn engine is a gas fired spark-ignited engine that is operated with an exhaust oxygen content less than four percent by volume.

Lean-burn Engine: A lean-burn engine is a gas-fired spark-ignited engine that is operated with an exhaust oxygen content of four percent

by volume, or greater.

Rated Engine Horsepower (hp): Engine rated horsepower shall be based on the engine manufacturer's maximum continuous load rating at the lesser of the engine or driven equipment's maximum published continuous speed.

Turbine Horsepower: Turbine rated horsepower shall be based on turbine base load, fuel power heating value, and International Standards Organization Standard Day Conditions of 59 degrees Fahrenheit, 1.0 atmosphere pressure, and 60 percent relative humidity.

OVER CO	WENT MOST ADDODDIATE ANSWED	
CHEC:	Is the engine or turbine rated less than 240 hp? If "YES," then you do not need to register, but you must comply with conditions (5) and (6). If "NO,"	✓YES □NO
	then you MUST register by submitting a completed Form PI-7 and Table 29 or 31 as applicable within 10 days after construction begins.	
	Describe the equipment (pick one):engine If an engine, go to Question 2. If turbine, go to Question 3.	turbine
2	Is the engine rated at 500 hp or greater?	☐YES ☑ NO
	If "NO," the engine is between 240 and 500 hp. You need only need to register the engine by sub- Form PI-7 and Table 29 within 10 days after construction begins and you must comply with condition	mitting a completed s (5) and (6).
	If "YES," In addition to registration, the engine must operate in compliance with the following nitrogen of limit(s). Check the limit(s) applicable to this engine by answering the following:	oxide (NO _x) emission
2A	The engine is a gas-fired, rich-burn engine and will not exceed 2.0 grams per horsepower hour (g/hp-hr) under all operating conditions.	□YES □NO
	The engine is a spark ignited, gas-fired, lean-burn engine or any compression-ignited dual fuel-fired engine manufactured new after June 18, 1992, and will not exceed 2.0 g/hp-hr NO _x at manufacturer's rated full load and speed at all times; except, the engine will not exceed 5.0 g/hp-hr NO _x under reduced speed and 80% to 100% of full torque conditions.	YES NO
	The engine is any spark-ignited, gas-fired, lean-burn 2-cycle or 4-cycle engine or any compression-ignited dual fuel-fired engine rated 825 hp or greater and manufactured between September 23, 1982, and June 18, 1992, and will not exceed 5.0 g/hp-hr NO _x under all operating conditions.	□YES □NO

	The engine is any spark-ignited, gas-fired, lean-burn 4-cycle engine or compression-ignited dual fuel-fired engine that was manufactured before June 18, 1992, and is rated less than 825 hp, or was manufactured before September 23, 1982, and will not exceed 5.0 g/hp-hr NO _x at manufacturer's rated full load and speed at all times; except, the engine will not exceed 8.0 g/hp-hr NO _x under reduced speed and 80% to 100% of full torque conditions.	□YES □NO				
	The engine is any spark-ignited gas-fired 2-cycle lean-burn engine that was manufactured before June 18, 1992, and is rated less than 825 hp, or was manufactured before September 23, 1982, and will not exceed 8.0 g/hp-hr NO _x under all operating conditions.					
	The engine is any compression-ignited liquid-fired engine and will not exceed 11.0 g/hp-hr NO _x under all operating conditions.	☑YES □NO				
2B	Does the engine require an automatic air-fuel ratio controller to meet the NO _x limit(s) above?	✓YES □NO				
	Is the engine required to have an automatic air-fuel ratio controller under condition (2)(B) of the PBR?	✓ YES □ NO				
2C	Are you aware of and accept responsibility for the record and testing requirements as specified in condition (2)(C) of the PBR?	☑YES ☐NO				
3	Is the turbine rated 500 hp or more?	Z YES □NO				
	If "NO," the turbine is between 240 and 500 hp. You need only need to register the engine by submitting a completed Form PI-7 and Table 31 within 10 days after construction begins and you must comply with conditions (5) and (6).					
	If "YES," In addition to registration, the turbine must operate in compliance with the following emiss	ion limit(s).				
3A	The emissions of NO _x shall not exceed 3.0 g/hp-hr for gas-firing and	✓YES □NO				
3B	the turbine shall meet all applicable NO _x and sulfur dioxide (or fuel sulfur) emissions limitations, monitoring requirements, and reporting requirements of EPA, NSPS 40 CFR Part 60, Subpart GG.	YES NO				
4	Is the engine or turbine rated less than 500 hp or used for temporary replacement purposes?	✓ YES □NO				
<u> </u>	If "NO," go to condition (5).					
	If "YES," the equipment does not have to meet the emission limits of conditions (2) and (3); how replacement equipment can only remain in service for a maximum of ninety days.	vever, the temporary				
5	What type of fuel will be used and will the fuel meet the requirements of the PBR? (Pick one or more): ✓ Natural Gas	✓ YES □NO				
6	Does installation comply with the National Ambient Air Quality Standards? Indicate which method is used and attach modeling report and/or calculations and diagrams to support the selected method. □ Modeling □ Stack Height □ Facility Emissions and Property Line Distance	✓ YES □NO				
<u> </u>	PRINT	SUBMIT				

	Air & Was	EQ Exe	emption	30 TAC §	§106.512	Genera	l Guideli	nes		
	6 0 m					-hr Emiss				
Date Origina	I Manufacture	n/a	n/a	Before 9	9/23/82	9/2	3/82 to 6/18	/92	After 6	/18/92
Mfg. Rated h	= = = = = = = = = = = = = = = = = = = =	< 240	>240 < 500	≥50	00*	500-	824*	>825	>5(00*
Operating Sponsor	peed praue	n/a n/a	n/a n/a	Full n/a	Reduced 80-100%	Full n/a	Reduced 80-100%	n/a n/a	Full n/a	Reduced 80-100%
Ignition Type	Engine Combustion Design									
Spark	Rich Burn †† Lean Burn** 2-Cycle	n/a n/a n/a	n/a n/a n/a	2.0 5.0 8.0	2.0 8.0 8.0	2.0 5.0 8.0	2.0 8.0 8.0	2.0 5.0 5.0	2.0 2.0 2.0	2.0 5.0 5.0
Compression	Dual Fuel Liquid Fuel	n/a n/a	n/a n/a	5.0 11.0	8.0 11.0	5.0 11.0	8.0 11.0	5.0 11.0	2.0 11.0	5.0 11.0
	Turbines†	n/a	n/a	3.0	3.0	3.0	3.0	3.0	3.0	3.0
PI-7 Registr	ation	no no	yes no	yes Biennial	yes Biennial	yes Biennial	yes Biennial	yes Biennial	yes Biennial	yes Biennial

Notes:

Lower emission rates apply to lean burn engine operating: Full Speed & Any Torque or Any Speed & <80% or >100% Torque
 Turbine emissions are also regulated by EPA NSPS Standards for NO_X and SO₂
 Lean Burn = > 4% exhaust 02.
 Rich Burn = < 4% exhaust 02

Process Description Azimuth Energy, L.L.C. Clement. 1 Facility

The Clement No. 1 is a is a new natural gas production facility located in Chambers County, Texas. This facility handles only sweet natural gas (5 ppm H₂S or less) as fuel and product. The facility contains equipment used for the production, separation and drying of natural gas and the storage of condensate/crude oil and produced water. The Facility annually handles approximately maximum daily production rates expected through the facility are as follows:

> 219,000 BBO of condensate/oil, 2920 MMSCF 730,000 BOW

Description of the facility's process is as follows:

Separation

Production from nearby wells arrives at the New Facility via pipeline and flows through the .50 MMBTY/hr Line Heater (Source LH-01) and then to the high-pressure separator. Gas from the high-pressure separator is piped directly to the gas dehydration unit. The liquids (condensate/oil and produced water) then flow into the low-pressure separator. The flash losses due to the pressure drop between the high pressure separator and the low pressure separator is routed to the compressor (Source CE-01). Produced Water separated out of the low pressure separator is routed to a 400 BBL Produced Water Tank (Source T-05). Condensate/Crude Oil is then piped to one of the four storage tanks (Sources T-01, T-02, T-03 & T-04). Emissions from the Low Pressure Separator are routed to the Oil Storage Tanks (Sources T-01,T-02, T-03 & T-04) and in then vented to atmosphere.

Compression

Low-pressure separator gas is piped to the gas compressors (Source CE-01) before entering the glycol dehydration unit. The engine is being permitted to operate continuously, or 8760 hours per year. CE-01 is a gas compressor driven by a 4-cycle rich burn, natural gas fueled, 95 HP, internal-combustion engine, equipped with a catalytic converter. Emissions for the natural gas-fired engine were estimated using updated AP-42 emission factors for natural gas prime movers and manufactures data.

Dehydration

A glycol (TEG) dehydration unit is used to dry the gas. Dry gas is sent to the sales pipeline or to the facility fuel gas system. Emissions from the glycol still column vent (Source GV-01) were calculated using a gas analysis, proposed plant operating data and the GRI-GLY Calc v. 4.0 program. The glycol reboiler (Source GR-01) is rated at .125 MMBTU/Hr. and is fired by produced natural gas and operates continuously. The Reboiler emissions were calculated using AP-42 Emission Factors for Natural Gas Combustion.

Condensate/Crude Oil Storage and Load Out

Condensate/crude oil is stored in the four 400 barrel, fixed roof storage tanks (Sources T-Flash and standing and working losses are vented to the vapor 01, T-02, T-03 & T-04). recovery system. The stored condensate/crude oil is trucked off-site to sales (Source LF-01). Volatile Organic Compounds (VOC's) emissions resulting from the tank truck loading facility (Source LF-01) are vented to the vapor recovery. No emissions go to atmosphere from these sources. The facility handles oil prior to lease custody transfer.

Produced Water Storage and Disposal

Produced water is sent to the 400 barrel Produced Water Tank (Source T-05). The water is transported by truck for disposal. Standing and working losses are vented to the vapor recovery system. No emissions go to atmosphere from this source.

Fugitive Emissions

Fugitive natural gas emissions occur due to potential leaks from flanges, compressor/pump seals, valves, controllers, and piping connections (Source FE-01). Potential emissions were calculated using factors in American Petroleum Institute's (API) Documents No. 4615, 4638 and 4589. The count of each component type is estimated based on the type and amount of equipment on site.

Vapory Recovery System

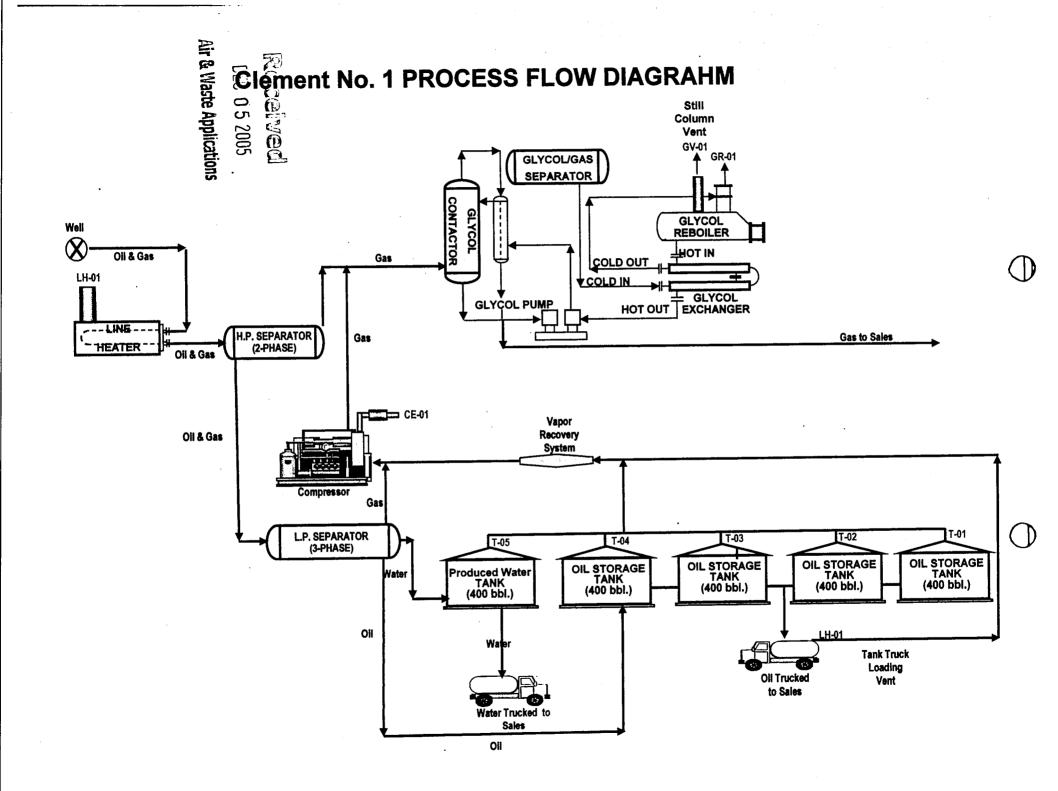
The vapor recovery system is a venturi device that uses gas from the compressor to create a vacuum. Gas vented from the Oil and Produced Water storage tank is drawn into the system. The storage tanks are maintained at a slight positive pressure to prevent air intrusion. As the pressure increases on the tanks the suction valve on the venture opens and the vapors enter the suction side of the compressor. Vapors are then compressed and sent to sales. Vapors from tank truck loading loses are routed back into the tanks and then to the vapor recover system. The system is designed to prevent any vapors from escaping to atmosphere.

Miscellaneous Sources

Two chemical injection pumps (Sources CI-01 and CI-02) are used at the facility to transfer chemicals.

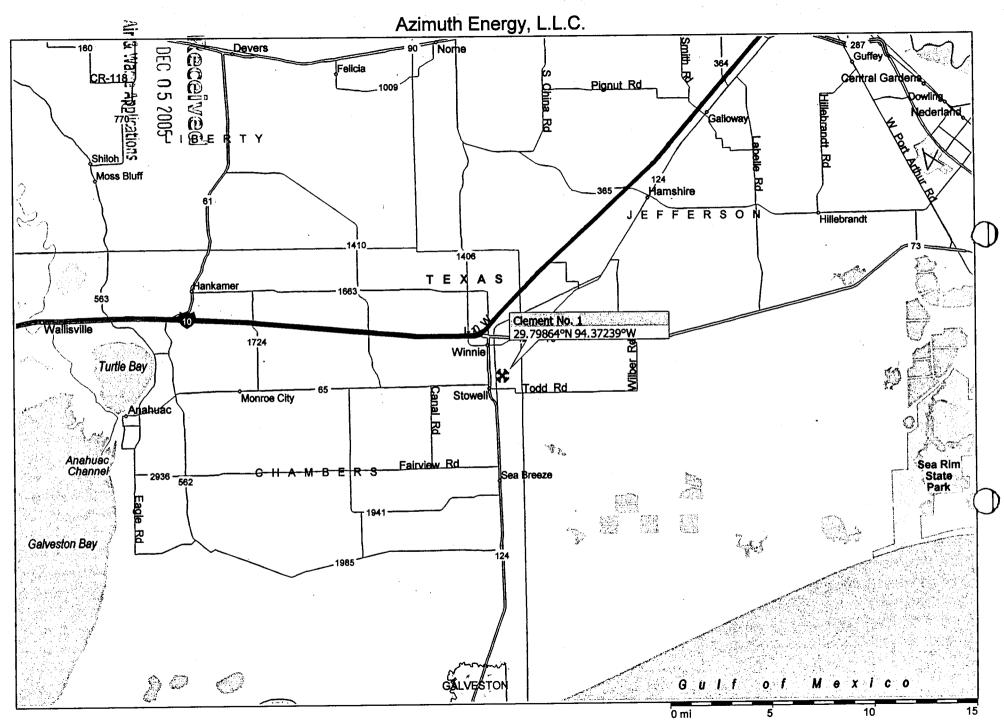
Several gas-operated pressure and level controllers (Source PL-01) are used throughout the facility.

A gas-operated diaphragm pump (Source DP-01) is used to recirculate the oil tank bottoms

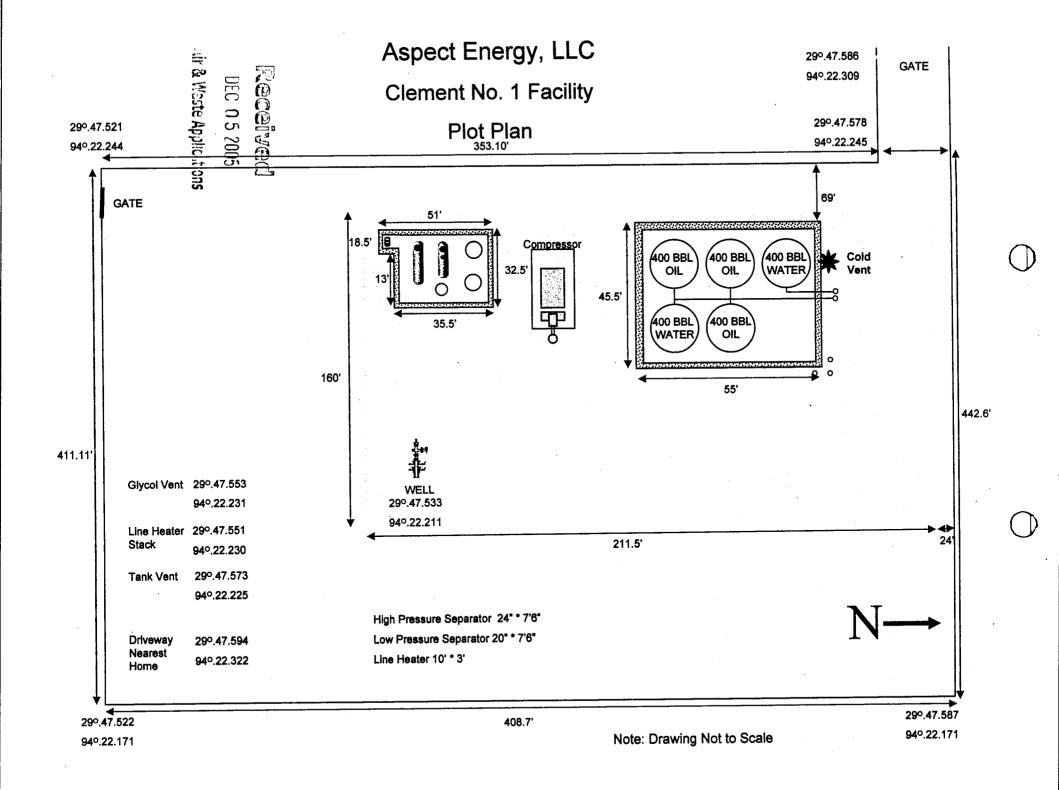


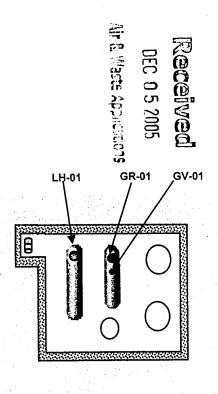
Azimuth Energy, L.L.C. Blanc-Rd Gook Rd Carolyn-St St Martin S MeBride St Catherine St Freeman St Ogden-St Buccaneer Dr by Oo by UO Bucaneer Dr Bucaneer Rd Bucaneer Dr 124 School Rd க் Hagemeier Cemetery Rd Lopez-Rd Fear Rd Fairview Foar Rd-Clement No. 1 29.79864°N 94.37239°W McDaniel N McDaniel S Thomas Rd 0.6 0.4 0.2 0 mi

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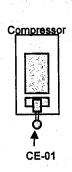


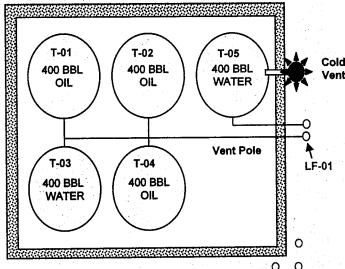
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Aspect Energy, LLC Clement No. 1 Facility Emission Point Location







	0 0	
CE-01	Natural Gas Compressor	95 HP
FE-01	Fugitives	1.10
GR-01	Glycol Re-boiler	.125MMBTU/hr
GV-01	Glycol Vent	
LF-01	Tank Truck Loading Losses	
LH-01	Line Heater	.5MMBTU/hr
PL-01	Pressure and Level Controllers	8 each
T-01	Oil Storage Tank	400 BBL
T-02	Oil Storage Tank	400 BBL
T-03	Oil Storage Tank	400 BBL
T-04	Oil Storage Tank	400 BBL
T-05	Water Storage Tank	400 BBL



Air & Waste Applica TEXAS COMMISSION ON ENVIRONMENTAL QUALITY Table I(a) Emission Point Summary Table I(a) Emission Point Summary

	77		
	<u> </u>	RN	Date
Permit		741	
Company Azimuth Energy, L.L.C.		•	· · · · · · · · · · · · · · · · · · ·
Company Azimuth Energy, E.E.C.	<u>' </u>		

nits will be expedited by supplying all necessary information requested on this Table.

1. I FIN (B)	NAME (C) Natural Gas Compressor Engine (Caterpillar 3304)	2. Component or Air Contaminate Name Nitrogen dioxide Carbon monoxide	Pounds per Hour (A) 0.419	TPY (B)
-01	(C) Natural Gas Compressor Engine (Caterpillar 3304)	Nitrogen dioxide	(A) 0.419	(B)
lt .	(Caterpillar 3304)			1.835
lt .		Carbon monoxide	0.000	
11	lt .	Catoon monoxide	0.628	2.752
	**	Particulate Matter (PM10)	0.007	0.031
11	H	Sulfur Dioxide	0.001	0.004
	t!	VOC (including HAPs)	0.021	0.092
11	11		0.000	0.000
11	н		0.015	0.066
н	H		0.002	0.009
-	н		0.001	0.004
	11		0.000	0.000
	11		0.000	0.000
	"		0.000	0.000
	11		0.163	0.714
	11		0.05	0.219
"	H .	Non-toxic VOC (Heptane+)	0.003	0.013
	# # # # # # # # # # # # # # # # # # #	11 11 11 11 11 11 11 11 11 11 11 11 11	" " VOC (including HAPs) " N-Hexanes " Formaldehyde " Acetaldehyde " Benzene " Toluene " Ethylbenzene " Xylenes " Methane " Ethane	" " VOC (including HAPs) 0.021 " " N-Hexanes 0.000 " " Formaldehyde 0.015 " " Acetaldehyde 0.002 " " Benzene 0.001 " " Toluene 0.000 " " Ethylbenzene 0.000 " " Xylenes 0.000 " Methane 0.163 " Ethane 0.05

EPN = Emission Point Number FIN = Facility Identification Number

TCEQ-IOI53 [Revised 11104]



Air & Waste Applicate TEXAS COMMISSION ON ENVIRONMENTAL QUALITY Table I(a) Emission Point Summary

Permit		<u>∵</u> ₹67	RN	Date	
Company	Azimuth Energy, LLC	Clement No. 1 Facility			

Review of applications and issuance of permits will be expedited by supplying all necessary information requested on this Table.

			AIR CONTAMINATE DATA			
		Emission Point		3. Air Contaminate Emission Rate		
EPN (A)	• If ■ Provide the Control of th		이 그는 사람이 가지 한 경험을 살고 하면서 사람들이 가지를 살아가지 않는데 내가 되었다. 그는 사람들이 사람들은 함께 하는데 가지 않는데 가지를 하게 되었다. 그는 사람들이 바람들이 살아지는 그를 살고 살고 살아지다.		TPY (B)	
CI-01	CI-01	Gas Operated Chemical InjectionPump	Particulate Matter (PM10)	0.000	0.000	
11	11	"	Sulfur Dioxide	0.000	0.000	
н	11	н	Nitrogen dioxide	0.000	0.000	
11	"	"	Carbon monoxide	0.000	0.000	
н	"		VOC (including HAPs)	0.271	1.188	
11	"	n	Methane	1.672	7.321	
11	"	Ħ	Ethane	0.130	0.571	
11	н	H .	Propane	0.093	0.407	
11	11	н	n-Butane	0.114	0.499	
11	11	н	n-Pentane	0.030	0.133	
11	11	Ħ	i-Hexane	0.013	0.058	
n	11	н	Heptanes	0.016	0.071	
11	11	29	n-Hexane	0.003	. 0.011	
11	11	11	Benzene	0.001	0.003	
11	Ħ	11	Toluene	0.000	0.002	
11	11	11	Ethylbenzene	0.000	0.000	
11	11	11	Xylenes	0.001	0.004	

EPN = Emission Point Number FIN = Facility Identification Number

TCEQ-IOI53 [Revised 11104]



Air & Waste Applica DEC 0 5 2005

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY Table l(a) Emission Point Summary

Permit		RN	Date	\neg
Company Azimuth Energy, LLC	Clement No. 1 Facility			

Review of applications and issuance of permits will be expedited by supplying all necessary information requested on this Table.

			AIR CONTAMINATE DATA		nakaka kan merena	
	1.	Emission Point		3. Air Contaminate Emission Rate		
EPN (A)	그는 그는 그들고 그 물을 그는 그는 그들은 사람들이 그를 내려가 되는 것이 하는 것이 되었다. 그는 사람들이 아이를 하는 것이 없는 것이 없어?		2. Component or Air Contaminate Name	Pounds per Hour (A)	TPY (B)	
CI-02	CI-02	Gas Operated Chemical InjectionPump	Particulate Matter (PM10)	0.000	0.000	
11	н	11	Sulfur Dioxide	0.000	0.000	
11	11	11	Nitrogen dioxide	0.000	0.000	
l!	11	. 11	Carbon monoxide	0.000	0.000	
11	н	**	VOC (including HAPs)	0.271	1.188	
11	11	н	Methane	1.672	7.321	
11	11	н	Ethane	0.130	0.571	
11	11	11	Propane	0.093	0.407	
н	н	11	n-Butane	0.114	0.499	
11	11	н	n-Pentane	0.030	0.133	
It	11	н	i-Hexane	0.013	0.058	
11	11	н	Heptanes	0.016	0.071	
lt .	11	n	n-Hexane	0.003	0.011	
It	t1	11	Benzene	0.001	0.003	
11	"	H.	Toluene	0.000	0.002	
"	"	Ħ	Ethylbenzene	0.000	0.000	
11	11	H	Xylenes	0.001	0.004	

EPN = Emission Point Number FIN = Facility Identification Number

TCEQ-IOI53 [Revised 11104]



Table I(a) Emission Point Summary

Permit		RN	Date	
Company Azimuth Energy, LLC	Clement No. 1 Facility			

Review of applications and issuance of permits will be expedited by supplying all necessary information requested on this Table.

			AIR CONTAMINATE DATA			
	1:	Emission Point		3. Air Contaminate Emission Rate		
EPN (A)	FIN (B)	NAME (C)	2. Component or Air Contaminate Name	Pounds per Hour (A)	TPY (B)	
DP-01	DP-01	Gas Operated Diaphragm Pump	Particulate Matter (PM10)	0.000	0.000	
11	"	n	Sulfur Dioxide	0.000	0.000	
11	н	rt et	Nitrogen dioxide	0.000	0.000	
11	11	11	Carbon monoxide	0.000	0.000	
l1	. 11	н	VOC (including HAPs)	7.491	0.778	
11	11	11	Methane	46.227	4.808	
11	11	11	Ethane	3.608	0.375	
11	11	н	Propane	2.571	0.267	
11	11	н	n-Butane	3.151	0.328	
H	11	H	n-Pentane	0.838	0.087	
11	11	н	i-Hexane	0.363	0.038	
н	11	н	Heptanes	0.445	0.046	
H	11	н	n-Hexane	0.070	0.007	
H	11	н	Benzene	0.018	0.002	
H	11	ll .	Toluene	0.012	0.001	
11	11	II .	Ethylbenzene	0.000	0.000	
11	71	n .	Xylenes	0.023	0.002	

EPN = Emission Point Number FIN = Facility Identification Number



Air & Waste Applic

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY Table l(a) Emission Point Summer Commentation Point S

Permit	i C	53	RN	Date	
Company Azimuth Energy	1 45 h				

Devices of applications and issuence of permits will be expedited by cumplying all pagescery information requested on this Table

			AIR CONTAMINATE DATA			
		. Emission Point		3. Air Contaminate Emission Rate		
EPN (A)	FIN (B)	NAME (C)	2. Component or Air Contaminate Name	Pounds per Hour (A)	TPY (B)	
E-01	FE-01	Fugitive Emissions from Crude Production Site	Nitrogen dioxide	0.000	0.000	
11	11	11	Carbon monoxide	0.000	0.000	
11	"	. #	Particulate Matter (PM10)	0.000	0.000	
11	11	11	Sulfur Dioxide	0.000	0.000	
Ħ	11	н	VOC (including HAPs)	0.833	3.649	
11	11	"	n-Hexanes	0.050	0.219	
Ħ	н	11	Benzene	0.004	0.018	
11	н	11	Toluene	0.003	0.013	
11	"	11	Ethylbenzene	0.000	0.001	
11	11	11	Xylenes	0.001	0.003	
11	- 11	11	Non-toxic VOC (Heptane+)	0.775	3.395	
11	11	19	Methane	2.499	10.946	
H	11	"	Ethane	0.409	1.792	
· · · · · ·						
1.00						

EPN = Emission Point Number FIN = Facility Identification Number

TCEQ-IOI53 [Revised 11104]



Air & Waste Applica

Table I(a) Emission Point Summary

Permit	ξ,	RN	Date	
Company Azimuth				

			AIR CONTAMINATE DATA			
	1.	Emission Point		3. Air Contaminate Emission Rate		
EPN (A)	FIN (B)	NAME (C)	2. Component or Air Contaminate Name	Pounds per Hour (A)	TPY (B)	
GR-01	GR-01	Glycol Reboiler Burner (<100MMBTU/hr)	Nitrogen dioxide	0.012	0.053	
н .	11	"	Carbon monoxide	0.010	0.044	
11	11	11	Particulate Matter (PM10)	0.001	0.004	
11	11	11	Sulfur Dioxide	0.000	0.000	
li	11	H	VOC (including HAPs)	0.001	0.004	
11	11	II II	n-Hexanes	0.000	0.000	
11	"	н	Formaldehyde	0.000	0.000	
11	"	II.	Acetaldehyde	0.000	0.000	
11	11	н	Benzene	0.000	0.000	
11	11	. 11	Toluene	0.000	0.000	
11	11	11	Ethylbenzene	0.000	0.000	
11	11	н	Xylenes	0.000	0.000	
II	Ħ	н	Methane	0.000	0.000	
11	. 11	n	Ethane	0.000	0.000	
Ħ	11	11	Non-toxic VOC (Heptane+)	0.001	0.004	
	•					
						

EPN = Emission Point Number FIN = Facility Identification Number



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY Table l(a) Emission Point Summary DEC 05 ?

TCEQ	Air & Waste Ap	DEC 05	TEXA	AS COMMISSION ON ENVIRO		
Permit	Ŝ	- 8	(i)	RN	Date	
Company Azimuth Energy, L.L.C.	Cic		نظ			

Review of applications and issuance of permits will be expedited by supplying all necessary information requested on this Table.

			AIR CONTAMINATE DATA			
	1.	Emission Point		3. Air Contaminate Emission Rate		
EPN (A)	FIN (B)	NAME (C)	2. Component or Air Contaminate Name	Pounds per Hour (A)	TPY (B)	
GV-01	GV-01	Glycol Still Column Vent (8.0 MMSCFD)	Nitrogen dioxide	0.000	0.000	
11	"	н	Carbon monoxide	0.000	0.000	
11	. 11	"	Particulate Matter (PM10)	0.000	0.000	
H	11	н	Sulfur Dioxide	0.000	0.000	
11	Ħ	"	VOC (including HAPs)	2.017	8.833	
Ħ	11	11	Methane	1.693	7.413	
11	11	11	Ethane	0.387	1.695	
11	11	11	Propane	0.420	1.838	
11	11	"	Butanes	0.728	3.188	
11	"	"	Pentanes	0.238	1.041	
71	11	"	Hexanes	0.145	0.634	
11	11	"	Heptanes	0.487	2.133	
	-					
	 					

EPN = Emission Point Number FIN = Facility Identification Number

TCEQ-IOI53 [Revised 11104]



Air & Waste Applica DEC 0 5 2005

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY Table l(a) Emission Point Summary

	F4 01 (-1		
Permit	9	RN	Date
	nergy, L.L.C.		

Review of applications and issuance of permits will be expedited by supplying all necessary information requested on this Table.

AIR CONTAMINATE DATA							
	1.	Emission Point		3. Air Contamin	3. Air Contaminate Emission Rate		
EPN (A)	FIN (B)	NAME (C)	2. Component or Air Contaminate Name	Pounds per Hour (A)	TPY (B)		
IT-01	HT-01	Heater Treater Burner (<100MMBTU/hr)	Nitrogen dioxide	0.048	0.210		
11	11	11	Carbon monoxide	0.040	0.175		
11	11	н	Particulate Matter (PM10)	0.004	0.018		
н	11	H .	Sulfur Dioxide	0.000	0.000		
H	11	н	VOC (including HAPs)	0.001	0.004		
11	п	11	n-Hexanes	0.001	0.004		
H ·	"	"	Formaldehyde	0.000	0.000		
11	н	n	Acetaldehyde	0.000	0.000		
11	11	**	Benzene	0.000	0.000		
11	н	tt .	Toluene	0.000	0.000		
tl .	11	н	Ethylbenzene	0.000	0.000		
11	"	н	Xylenes	0.000	0.000		
H	11	11	Methane	0.001	0.004		
· H	11	it .	Ethane	0.001	0.004		
11	11	t!	Non-toxic VOC (Heptane+)	0.002	0.009		
					<u> L.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,</u>		

EPN = Emission Point Number FIN = Facility **Identification Number**

TCEQ-IOI53 [Revised 11104] This form is for use by sources subject to air quality

permit requirements and may be revised periodically. [APDG 5178y4]





Table I(a) Emission Point Summary

Permit	į,	RN	Date
Company	Azimuth Energy, L.L.C.		

Review of applications and issuance of permits will be expedited by supplying all necessary information requested on this Table.

AIR CONTAMINATE DATA							
	1.	Emission Point		3. Air Contaminate Emission Rate			
. EPN (A)	FIN (B)	NAME (C)	2. Component or Air Contaminate Name	Pounds per Hour (A)	TPY (B)		
.H-01	LH-01	Line Heater Burner (<100MMBTU/hr)	Nitrogen dioxide	0.048	0.210		
tt ,	"	II .	Carbon monoxide	0.040	0.175		
r)	11	II .	Particulate Matter (PM10)	0.004	0.018		
**	11	11	Sulfur Dioxide	0.000	0.000		
11	11	11	VOC (including HAPs)	0.003	0.013		
, II	11	H	n-Hexanes	0.001	0.004		
11	Ħ	Ħ	Formaldehyde	0.000	0.000		
H	"	Ħ	Acetaldehyde	0.000	0.000		
t!	11	н	Benzene	0.000	0.000		
11	11 .	н	Toluene	0.000	0.000		
11	"	11	Ethylbenzene	0.000	0.000		
11	11	Ħ	Xylenes	0.000	0.000		
17	11	**	Methane	0.001	0.004		
H	11	H	Ethane	0.001	0.004		
II	11	11	Non-toxic VOC (Heptane+)	0.002	0.009		
		·					

EPN = Emission Point Number FIN = Facility Identification Number

TCEQ-IOI53 [Revised 11104]



Table I(a) Emission Point Summary

Permit Permit	RN	Date
Company Azimuth Energy, L.L.C.		

Review of applications and issuance of permits will be expedited by supplying all necessary information requested on this Table.

wi ritial			AIR CONTAMINATE DATA			
1. Emission Point			1. Emission Point	3. Air Contaminate Emission Rate		
EPN (A)	FIN (B)	NAME (C)	2. Component or Air Contaminate Name	Pounds per Hour (A)	TPY (B)	
F-01	LF-01	Tank Truck Loading Losses	Nitrogen dioxide	0.000	0.000	
#	11	11	Carbon monoxide	0.000	0.000	
н	"	II	Particulate Matter (PM10)	0.000	0.000	
11	11	11	Sulfur Dioxide	0.000	0.000	
11	11	11	VOC (including HAPs)	0.000	0.000	
11	11	#	Heptane	0.000	0.000	
		All emissions this source are routed to Vapor Recovery		·		
				<u> </u>		

EPN = Emission Point Number FIN = Facility Identification Number

TCEQ-IOI53 [Revised 11104]



Table I(a) Emission Point Summary

Permit		RN	Date	
Company	Azimuth Energy, L.L.C.			

Review of applications and issuance of permits will be expedited by supplying all necessary information requested on this Table.

		A Company of the Comp	AIR CONTAMINATE DATA			
1. Emission Point				3. Air Contaminate Emission Rate		
EPN (A)	FIN (B)	NAME (C)	2. Component or Air Contaminate Name	Pounds per Hour (A)	TPY (B)	
PL-01	PL-01	Gas Operated Level Controllers (Mallard)	Nitrogen dioxide	0.000	0.000	
11	. 11	n	Carbon monoxide	0.000	0.000	
11	11	. "	Particulate Matter (PM10)	0.000	0.000	
11	11	- 11	Sulfur Dioxide	0.000	0.000	
Ħ	11	11	VOC (including HAPs)	0.009	0.043	
11	"	11	Methane	0.062	0.270	
н	"	"	Ethane	0.005	0.021	
Ħ	11	н	Propane	0.003	0.015	
11	11	11	Butane	0.004	0.018	
11	н	н	Pentane	0.001	0.005	
11	"	Ħ ·	Hexane	0.000	0.002	
11	н	11	Heptanes +	0.001	0.003	
н	rt .	11	n-Hexane	0	0	
11	"	н	Benzene	0	0	
11	11	11	Toluene	0	0	
11	II II		Ethylbenzene	0	0	
· · · · · · · · · · · · · · · · · · ·	- "	11	Xylene Xylene	0	0	

EPN = Emission Point Number FIN = Facility Identification Number

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Emissions By Pollutant Company Name: Azimuth Energy, L.L.C. Plant Location and Name:

Clement No. 1 Facility, Chambers Parish

Date of Submittal:

7/25/05

		Permitted Emissions			
		Befo	ore	Afte	er
Source ID	Pollutant	lbs/hr	tons/yr	lbs/hr	tons/yr
CE-01	Particulate Matter	0.000	0.000	0.007	0.031
GR-01	Particulate Matter	0.000	0.000	0.001	0.004
LH-01	Particulate Matter	0.000	0.000	0.004	0.018
TOTAL	Particulate Matter	0.000	0.000	0.012	0.053

Received DEC 0 5 2005

Air & Waste Applications

Date Revised:

New

Emissions By Pollutant
Company Name: Azimuth Energy, L.L.C.

Clement No. 1 Facility, Chambers Parish Plant Location and Name:

Date of Submittal:

7/25/05

		Permitted Emissions			
		Befo	ore	Afte	er
Source ID	Pollutant	lbs/hr	tons/yr	lbs/hr	tons/yr
CE-01	Carbon Monoxide	0.000	0.000	0.419	1.835
GR-01	Carbon Monoxide	0.000	0.000	0.010	0.044
LH-01	Carbon Monoxide	0.000	0.000	0.040	0.175
TOTAL	Carbon Monoxide	0.000	0.000	0.469	2.054

Received

DEC 0 5 2005

Air & Waste Applications

Page 2



Emissions By Pollutant
Company Name: Azimuth Energy, L.L.C.
Plant Location and Name: Clement No. 1 Facility, Chambers Parish

Date of Submittal:

7/25/05

		Permitted Emissions			
		Befo	ore	Afte	er
Source ID	Pollutant	lbs/hr	tons/yr	lbs/hr	tons/yr
CE-01	Sulfur Dioxide	0.000	0.000	0.001	0.004
GR-01	Sulfur Dioxide	0.000	0.000	0.000	0.000
				0.004	0.004
TOTAL	Sulfur Dioxide	0.000	0.000	0.001	0.004

Page 3

Emissions By Pollutant Company Name: Azimuth Energy, L.L.C.

Date of Submittal:

7/25/05

Plant Location and Name:

Clement No. 1 Facility, Chambers Parish

Source ID	Pollutant	Permitted Emissions			
		Before		After	
		lbs/hr	tons/yr	lbs/hr	tons/yr
CE-01	Nitrogen Oxides	0.000	0.000	0.419	1.835
GR-01	Nitrogen Oxides	0.000	0.000	0.012	0.053
LH-01	Nitrogen Oxides	0.000	0.000	0.048	0.210
TOTAL	Nitrogen Oxides	0.000	0.000	0.479	2.098

Received

DEC 0 5 2005

Air & Waste Applications

Date Revised:

New

Emissions By Pollutant Company Name: Azimuth Energy, L.L.C.

Clement No. 1 Facility, Chambers Parish Plant Location and Name:

Date of Submittal:

7/25/05

···· ··· ··· ··· ··· ··· ··· ··· ··· ·			Permitted E	missions	
•		Before		After	
Source ID	Pollutant	lbs/hr	tons/yr	lbs/hr	tons/yr
CE-01	VOC (including toxics)	0.000	0.000	0.021	0.092
CI-01	VOC (including toxics)	0.000	0.000	0.271	1.188
CI-02	VOC (including toxics)	0.000	0.000	0.271	1.188
DP-01	VOC (including toxics)	0.000	0.000	7.491	0.778
FE-01	VOC (including toxics)	0.000	0.000	0.833	3.649
GR-01	VOC (including toxics)	0.000	0.000	0.001	0.004
GV-01	VOC (including toxics)	0.000	0.000	0.882	3.864
LF-01	VOC (including toxics)	0.000	0.000	0.000	0.000
LH-01	VOC (including toxics)	0.000	0.000	0.003	0.013
PL-01	VOC (including toxics)	0.000	0.000	0.009	0.043
T-01	VOC (including toxics)	0.000	0.000	0.000	0.000
T-02	VOC (including toxics)	0.000	0.000	0.000	0.000
T-03	VOC (including toxics)	0.000	0.000	0.000	0.000
T-04	VOC (including toxics)	0.000	0.000	0.000	. 0.000
T-05	VOC (including toxics)	0.000	0.000	0.000	0.000
TOTAL	VOC (including toxics)	0.000	0.000	9.782	10.819

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ur & Naste Applications

Emissions By Pollutant

Company Name: Azimuth Energy, L.L.C.

Date of Submittal:

7/25/05

Plant Location and Name:

Clement No. 1 Facility, Chambers Parish

<u></u>			Permitted E	missions	
	Pollutant	Befo	ore	Afte	er
Source ID		lbs/hr	tons/yr	lbs/hr	tons/yr
CE-01	Methane	0.000	0.000	0.016	0.714
CI-01	Methane	0.000	0.000	1.672	7.321
CI-02	Methane	0.000	0.000	1.672	7.321
DP-01	Methane	0.000	0.000	46.227	4.808
FE-01	Methane	0.000	0.000	2.499	10.946
GV-01	Methane	0.000	0.000	0.740	3.243
LH-01	Methane	0.000	0.000	0.001	0.004
PL-01	Methane	0.000	0.000	0.062	0.270
TOTAL	Methane	0.000	0.000	52.890	34.627

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DEC 0 5 2005

Air & Waste Applications

			Permitted E	missions	
		Befo	ore	After	
Source ID	Pollutant	ibs/hr	tons/yr	lbs/hr	tons/yr
CE-01	Ethane	0.000	0.000	0.050	0.219
CI-01	Ethane	0.000	0.000	0.130	0.571
CI-02	Ethane	0.000	0.000	0.130	0.571
DP-01	Ethane	0.000	0.000	3.608	0.375
FE-01	Ethane	0.000	0.000	0.409	1.792
GV-01	Ethane	0.000	0.000	0.169	0.742
LH-01	Ethane	0.000	0.000	0.001	0.004
PL-01	Ethane	0.000	0.000	0.005	0.021
TOTAL	Ethane	0.000	0.000	4.502	4.295

Plant Location and Name:

Emissions By Pollutant
Company Name: Azimuth Energy, L.L.C.

Clement No. 1 Facility, Chambers Parish

Date of Submittal:

7/25/05

		Permitted Emissions				
		Befo	ore	Afte	er	
Source ID	Pollutant	lbs/hr	tons/yr	lbs/hr	tons/yr	
CI-01	Propane	0.000	0.000	0.093	0.407	
CI-02	Propane	0.000	0.000	0.093	0.407	
DP-01	Propane	0.000	0.000	2.571	0.267	
GV-01	Propane	0.000	0.000	0.184	0.804	
PL-01	Propane	0.000	0.000	0.003	0.015	
		0.000	0.000	2.044	1.900	
TOTAL	Propane	0.000	0.000	2.944	1.900	



Plant Location and Name:

Emissions By Pollutant Company Name: Azimuth Energy, L.L.C.

Clement No. 1 Facility, Chambers Parish

Date of Submittal:

7/25/05

			Permitted Emissions				
		Befo	ore	Afte	er		
Source ID	Pollutant	lbs/hr	tons/yr	lbs/hr	tons/yr		
CI-01	N-Butane	0.000	0.000	0.144	0.499		
CI-02	N-Butane	0.000	0.000	0.144	0.499		
DP-01	N-Butane	0.000	0.000	3.151	0.328		
GV-01	N-Butane	0.000	0.000	0.318	1.395		
PL-01	N-Butane	0.000	0.000	0.004	0.018		
TOTAL	N-Butane	0.000	0.000	3.761	2.739		

Received

DEC 0 5 2005

Air & Waste Applications

Date Revised:

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Emissions By Pollutant Company Name: Azimuth Energy, L.L.C.

Clement No. 1 Facility, Chambers Parish Plant Location and Name:

Date of Submittal:

7/25/05

			Permitted E	missions	
		Befo	ore	Afte	er
Source ID	Pollutant	lbs/hr	tons/yr	lbs/hr	tons/yr
CI-01	N-Pentane	0.000	0.000	0.030	0.133
CI-02	N-Pentane	0.000	0.000	0.030	0.133
DP-01	N-Pentane	0.000	0.000	0.838	0.087
GV-01	N-Pentane	0.000	0.000	0.104	0.455
PL-01	N-Pentane	0.000	0.000	0.001	0.005
TOTAL	N-Pentane	0.000	0.000	1.003	0.813

Received UEC 0 5 2005

Air & Waste Applications

Date Revised:

New

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Emissions By Pollutant
Company Name: Azimuth Energy, L.L.C.
Plant Location and Name: Clement No. 1 Facility, Chambers Parish

Date of Submittal:

7/25/05

			Permitted E	missions	
	•	Befo	ore	Afte	er .
Source ID	Pollutant	lbs/hr	tons/yr	lbs/hr	tons/yr
CI-01	N-Hexane	0.000	0.000	0.003	0.011
CI-02	N-Hexane	0.000	0.000	0.003	0.011
DP-01	N-Hexane	0.000	0.000	0.070	0.007
FE-01	N-Hexane	0.000	0.000	0.050	0.219
LH-01	N-Hexane	0.000	0.000	0.001	0.004
TOTAL	N-Hexane	0.000	0.000	0.127	0.252

			Permitted E	missions	
		Befo	re	Afte	∍r
Source ID	Pollutant	lbs/hr	tons/yr	lbs/hr	tons/yr
CE-01	Heptane	0.000	0.000	0.003	0.013
CI-01	Heptane	0.000	0.000	0.160	0.071
CI-02	Heptane	0.000	0.000	0.160	0.071
DP-01	Heptane	0.000	0.000	0.445	0.046
FE-01	Heptane	0.000	0.000	0.775	3.395
GR-01	Heptane	0.000	0.000	0.001	0.004
GV-01	Heptane	0.000	0.000	0.213	0.933
LH-01	Heptane	0.000	0.000	0.002	0.009
PL-01	Heptane	0.000	0.000	0.001	0.003
TOTAL	Heptane	0.000	0.000	1.760	4.545

Received

DEC 0 5 2005

Air & Waste Applications

Emissions By Pollutant
Company Name: Azimuth Energy, L.L.C.

Clement No. 1 Facility, Chambers Parish Plant Location and Name:

Date of Submittal:

7/25/05

		Permitted Emissions			
Source ID	Pollutant	Before		After	
		lbs/hr	tons/yr	lbs/hr	tons/yr
CE-01	Formaldehyde	0.000	0.000	0.015	0.066
TOTAL	Formaldehyde	0.000	0.000	0.015	0.066

Received

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Air & Waste Applications

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Emissions By Pollutant Company Name: Azimuth Energy, L.L.C. Plant Location and Name: Clement No. 1 Facility, Chambers Parish					7/25/05
			Permitted E	missions	
		Befo	re	Afte	er
Source ID	Pollutant	lbs/hr	tons/yr	lbs/hr	tons/yr
CE-01	Acetaldehyde	0.000	0.000	0.002	0.009
TOTAL	Acetaldehyde	0.000	0.000	0.002	0.009

Received DEC 0 5 2005

Air & Waste Applications

Date Revised:

New

Emissions By Po Company Name: Plant Location a	nambers Parish	Date of Su	ıbmittal:	7/25/05	
· · · · · · · · · · · · · · · · · · ·		Permitted Emissions			
·		Befo	Before		er
Source ID	Pollutant	lbs/hr	tons/yr	lbs/hr	tons/yr
CI-01	Xylene	0.000	0.000	0.001	0.004
CI-02	Xylene	0.000	0.000	0.001	0.004
DP-01	Xylene	0.000	0.000	0.023	0.002
FE-01	Xylene	0.000	0.000	0.001	0.003
TOTAL	Xylene	0.000	0.000	0.026	0.013

Received UEC 0 5 2005

Air & Waste Applications

Date Revised:

New

Plant Location a	: Azimuth Energy, L.L.C. and Name: Clement No. 1 Facility, Cl				
		Pofe	missions Aft	0 -	
Source ID	Pollutant	Before	tons/yr	lbs/hr	tons/yr
CE-01	Benzene	0.000	0.000	0.001	0.004
CI-01	Benzene	0.000	0.000	0.001	0.003
CI-02	Benzene	0.000	0.000	0.001	0.003
DP-01	Benzene	0.000	0.000	0.018	0.002
FE-01	Benzene	0.000	0.000	0.004	0.018
TOTAL	Benzene	0.000	0.000	0.025	0.030



DEC 0 5 2005

Air & Waste Applications

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Emissions By Pollutant
Company Name: Azimuth Energy, L.L.C.
Plant Location and Name: Clement No.

Clement No. 1 Facility, Chambers Parish

Date of Submittal:

7/25/05

		Permitted Emissions					
		Befo	ore	Afte	er		
Source ID	Pollutant	lbs/hr	tons/yr	lbs/hr	tons/yr		
CI-01	Toluene	0.000	0.000	0.000	0.002		
CI-02	Toluene	0.000	0.000	0.000	0.002		
DP-01	Toluene	0.000	0.000	0.012	0.001		
FE-01	Toluene	0.000	0.000	0.003	0.013		
TOTAL	Toluene	0.000	0.000	0.015	0.018		

Received

DEC 0 5 2005

Air & Waste Applications

Emissions By Pollutant

Company Name: Azimuth Energy, L.L.C.
Plant Location and Name: Clement No

me: Clement No. 1 Facility, Chambers Parish

Date of Submittal:

7/25/05

		Permitted Emissions					
		Befo	ore	Afte	er		
Source ID	Pollutant	lbs/hr	tons/yr	lbs/hr	tons/yr		
CI-01	Ethylbenzene	0.000	0.000	0.000	0.000		
CI-02	Ethylbenzene	0.000	0.000	0.000	0.000		
DP-01	Ethylbenzene	0.000	0.000	0.000	0.000		
FE-01	Ethylbenzene	0.000	0.000	0.000	0.001		
TOTAL	Ethylbenzene	0.000	0.000	0.000	0.001		

Receive 5 2005

r & Waste Applications

Emissions By Pollutant

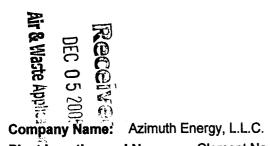
Plant Location and Name:

Company Name: Azimuth Energy, L.L.C.

Clement No. 1 Facility, Chambers Parish

Date of Submittal: 7/25/05

Permitted Emissions After **Before** tons/yr tons/yr lbs/hr lbs/hr **Pollutant** Source ID 0.058 0.130 0.000 0.000 CI-01 I-Hexane 0.130 0.058 0.000 0.000 CI-02 I-Hexane 0.038 0.000 0.000 0.363 DP-01 I-Hexane 0.063 0.277 0.000 0.000 GV-01 I-Hexane 0.000 0.000 0.000 0.002 PL-01 I-Hexane 0.000 0.000 0.686 0.433 TOTAL I-Hexane



Plant Location and Name:

Annual Emission Rate Table

Clement No. 1 Facility, Chambers County, Texas

Date of Submittal:

7/25/05

Source ID	Equipment Description	PART Tons/Yr	SO2 Tons/Yr	NOX Tons/Yr	VOC Tons/Yr	CO Tons/Yr	H2S Tons/Yr
CE-01	Natural Gas Compressor Engine (95 HP)	0.031	0.004	1.835	0.092	1.835	0.000
CI-01	Gas Operated Chemical Injection Pump	0.000	0.000	0.000	1.188	0.000	0.000
CI-02	Gas Operated Chemical Injection Pump	0.000	0.000	0.000	1.188	0.000	0.000
DP-01	Gas Operated Chemical Injection Pump	0.000	0.000	0.000	0.778	0.000	0.000 🔾
FE-01	Fugitive Emissions	0.000	0.000	0.000	3.649	0.000	0.000
GR-01	Glycol Boiler Burner (.125MMBTU/HR)	0.004	0.000	0.053	0.004	0.044	0.000
GV-01	Glycol Still Column Vent	0.000	0.000	0.000	3.864	0.000	0.000
LF-01	Tank Truck Loading Losses	0.000	0.000	0.000	0.000	0.000	0.000
LH-01	Line Heater (.5 MMBTU/HR)	0.018	0.000	0.210	0.013	0.175	0.000
PL-01	Pressure Level Controllers (Mallard)	0.000	0.000	0.000	0.043	0.000	0.000
T-01	Oil Storage Tank (400 BBL)	0.000	0.000	0.000	0.000	0.000	0.000
T-02	Oil Storage Tank (400 BBL)	0.000	0.000	0.000	0.000	0.000	0.000
T-03	Oil Storage Tank (400 BBL)	0.000	0.000	0.000	0.000	0.000	0.000
T-04	Oil Storage Tank (400 BBL)	0.000	0.000	0.000	0.000	0.000	0.000
T-05	Produced Water Storage Tank (400 BBL)	0.000	0.000	0.000	0.000	0.000	0.000

Annual Emission Rate Table

Company Name: Azimuth Energy, L.L.C.

Plant Location and Name:

Clement No. 1 Facility, Chambers County, Texas

34.627

4.295

Date of Submittal:

7/25/05

Source iD	Equipment Description	PART Tons/Yr	SO2 Tons/Yr	NOX Tons/Yr	VOC Tons/Yr	CO Tons/Yr	H2S Tons/Yr
Total		0.053	0.004	2.098	10.819	2.054	0.000
*VOC TAP Speciation	: TPY			Non-to	oxic VOC's:		TPY
N-Hexane	0.252			Propa	ne		1.900
Formaldehyde	0.066			N-But	ane		2.739
Acetaldehyde	0.009			N-Pen	tane		0.813
Xylene	0.013			Hepta	ne		4.545
Benzene	0.030			I-Hexa	ane		0.433
Toluene	0.018			Total	Non-toxic VOC	's	10.430
Ethylbenzene	0.001			·		•	
Total Air Toxics	0.389						
Other Emissions:	TPY						

Methane

Ethane



Clement No. 1 Facility - Azimuth Energy, L.L.C.

Winnie - Chambers, Louisiana

Emission Point No.	Description	Operating Rate (Max) or Tank	H/D	D/W	W/Y
CE-01	Natural Gas Compressor Engine (95 HP)	95 HP	24	7	52
CI-01	Gas Operated Chemical Injection Pump	43.4 SCF/hr	24	7	52
CI-02	Gas Operated Chemical Injection Pump	43.4 SCF/hr	24	7	52
DP-01	Gas Operated Chemical Injection Pump	1200 SCF/hr	24	7	52
FE-01	Fugitive Emissions		24	7	52
GR-01	Glycol Boiler Burner (.125MMBTU/HR)	0.125 MMBTU/hr	24	7	52
GV-01	Glycol Still Column Vent	3.5 MMSCFD	24	7	52
LF-01	Tank Truck Loading Losses	600 BOPD	4	7	52
LH-01	Line Heater (.5 MMBTU/HR)	0.5 MMBTU/hr	24	7	52
PL-01	Pressure Level Controllers (Mallard)	0.2 SCF/hr	24	7	52
T-01	Oil Storage Tank (400 BBL)	400 BBL	24	7	52
T-02	Oil Storage Tank (400 BBL)	400 BBL	24	7	52
T-03	Oil Storage Tank (400 BBL)	400 BBL	24	7	52
T-04	Oil Storage Tank (400 BBL)	400 BBL	24	7	52
T-05	Produced Water Storage Tank (400 BBL)	400 BBL	24	7	52

Page 1



FESCO, Ltd. 1100 Fesco Avenue - Alice, Texas 78332

For: Azimuth Energy, LLC

511 16th Street, Suite 300 Denver, Colorado 80202

Sample: Clements No. 1

Separator Gas @ 500 psig & 105 °F

Station:

at 12:00 hours Date Sampled: 3/1/2005

Texas Miss Field:

CHROMATOGRAPH ANALYSIS

COMPONENT	MOL%	GPM
Nitrogen	0.241	
Carbon Dioxide	0.731	•
Methane	91.006	•
Ethane	3.789	1.007
	1.842	0.504
Propane	1.225	0.398
Isobutane	0.488	0.153
n-Butane	0.242	0.088
Isopentane	0.124	0.045
n-Pentane	0.124	0.055
Hexanes		0.086
Heptanes Plus	0.178	_
Totals:	100.000	2.336

Computed Real Properties:

0.641 (Air=1.000) **Specific Gravity** 0.9973

Compressibility(Z) Gross Heating Value at 14.650 psia & 60 °F

1119 BTU/CF **Dry Basis** 1100 BTU/CF Saturated Basis

Base Conditions: 14.650 psia & 60 °F.

Certified: FESCO, Ltd.

Alice, Texas

Received

UEC **Job Nümber:**Analyst ID: Air & Waste Applications 52020.001

PB

Cyl Number:

Azimuth Energy, L.L.C.

Facility:

Clements No. 1

Estimated C6+ Natural Gas Composition					
Compound	Factor	Analysis C6+, mol%	Composition, mol%		
Other Hexanes	0.6385	0.178	0.114		
n-Hexane	0.1479	0.178	0.026		
Heptane	0.0687	0.178	0.012		
2,2,4-Trimethylpentane	0.0267	0.178	0.005		
Octanes +	0.048	0.178	0.009		
Benzene	0.0331	0.178	0.006		
Toluene	0.0285	0.178	0.005		
Ethylbenzene	0.0014	0.178	0.000		
Xylenes	0.0072	0.178	0.001		
/4/01/30		Total	0.178		

Notes:
The facility gas analysis includes the group, Hexanes+ (C6+).
The factors for estimating the speciation of C6+ are obtained from guidance in GRI-GLYCalc.

Received DEC 0 5 2005 Air & Waste Applications Company Name:

Azimuth Energy, L.L.C.

Facility:

Clement No. 1

EPN:

CE-01

Source Description:

Natural Gas Compressor Engine (Caterpillar 3304)

Engine Type:

Rich-burn, 4-stroke (With Catalytic Converter)

Emission Calculations:

Rated Engine Capacity: Btu Value of Fuel Gas: Engine Heat Input:

Hours Operated for Year: Calculated Heat Rate:

Calculated Fuel Use:

95 hp 1050 Btu/scf 7500 Btu/hp-hr 8760 hrs 0.71 MMBtu/hr 679 cu. ft./hr;

Percent Operation for Year:

5.95 MMCF/yr 100.00 %

J. W.	

	Pollutant	Factor Ib/MMBTU	g/hp-hr	Avg. lbs/hr	Total tons/yr	Source of Factor
1.000 A	NOx	0	2.000	0.419	1.835	Manufacturer Data
≰	СО	0	3.000	0.628	2.752	Manufacturer Data
CRITTERIA	PM ₁₀	9.50E-03	0.032	0.007	0.031	AP-42, Table 3.2-3, 7/00
8	SO ₂ 1	9.19E-04	0.003	0.001	0.004	AP-42, Table 3.2-3, 7/00 - Adjusted ¹
	VOC	2.96E-02	0.101	0.021	0.092	AP-42, Table 3.2-3, 7/00
S.	N-Hexanes	N/A	0.000	0.000	0.000	No emission factor
1 6	Formaldehyde	2.05E-02	0.070	0.015	0.066	AP-42, Table 3.2-3, 7/00
AIR POLLUT	Acetaldehyde	2.79E-03	0.009	0.002	0.009	AP-42, Table 3.2-3, 7/00
Ž	Benzene	1.58E-03	0.005	0.001	0.004	AP-42, Table 3.2-3, 7/00
	Toluene	5.58E-04	0.002	0.000	0.000	AP-42, Table 3.2-3, 7/00
HAZARDOUS	Ethylbenzene	2.48E-05	0.0001	0.000	0.000	AP-42, Table 3.2-3, 7/00
3	Xylenes	1.95E-04	0.001	0.000	0.000	AP-42, Table 3.2-3, 7/00
1 3	Total Hazardous Air Pollu	tants (HAP's	3)	0.018	0.079	
	Methane	2.30E-01	0.782	0.163	0.714	AP-42, Table 3.2-3, 7/00
£	Ethane	7.04E-02	0.239	0.050	0.219	AP-42, Table 3.2-3, 7/00
OTHER	тос	3.58E-01	1.218	0.254	1.113	AP-42, Table 3.2-3, 7/00
	Non-toxic VOC (Heptane+)			0.003	0.013	= VOC - Total TAPs

Additional Notes:



^{1.} The AP-42 factor for SO_2 is based on a fuel content of 2000 gr $H_2S/10^6$ scf (3.2 ppm). This calculation adjusts the factor for 5 ppm H_2S .





Azimuth Energy, L.L.C.

Facility:

Clement No. 1

Source:

CI-01

Source Description:

Gas Operated Chemical InjectionPump

Make/Model

Sidwinder

Gas vented = usage

Hours per year: Gas vented: 8760 hrs. 43.4 scf

Emissions:

2.12 lb/hr gas (total gas stream)
18553.68 lb/year gas

9.277

ton/year gas

Emission Speciation:

			Mole fract			
	Mole	Mole	X	Wt.	avg	
Component	Fraction	Weight	Mole Wt	fraction	lbs/hr	tons/yr
Nitrogen	0.241%	28.013	0.068	0.0036	0.008	0.033
Carbon Dioxide	0.731%	44.01	0.322	0.0174	0.037	0.161
Methane	91.006%	16.043	14.600	0.7892	1.672	7.321
Ethane	3.789%	30.07	1.139	0.0616	0.130	0.571
Propane	1.842%	44.097	0.812	0.0439	0.093	0.407
Butanes	1.713%	58.124	0.996	0.0538	0.114	0.499
Pentanes	0.366%	72.151	0.264	0.0143	0.030	0.133
Hexanes (non-toxic)	0.134%	86.178	0.116	0.0062	0.013	0.058
Heptanes+ (non-toxic)	0.140%	100.204	0.140	0.0076	0.016	0.071
*n-Hexane	0.026%	86.178	0.022	0.0012	0.003	0.011
*Benzene	0.006%	78.114	0.005	0.0003	0.001	0.003
*Toluene	0.005%	92.141	0.005	0.0002	0.000	0.002
*Ethylbenzene	0.001%	106.168	0.001	0.0000	0.000	0.000
*Xylenes	0.007%	106.168	0.007	0.0004	0.001	0.004

Gas MW =

Total Non-toxic VOCs Total toxics (HAP's) Total VOCs (includes toxics/HAP's)

18.50

1.00

0.266	1.168
0.005	0.020
0.271	1.188

Notes:

100.00%

Component lbs/hr = (lbs gas/hr)(component weight fraction)

Component tons/yr = (tons gas/yr)(component weight fraction)

Received

UEC 0 5 2005

Air & Waste Applications

1

^{*}Speciation for Toxic Air Pollutants obtained from extended gas analysis.





Azimuth Energy, L.L.C.

Facility:

Clement No. 1

Source:

CI-02

Source Description:

Gas Operated Chemical InjectionPump

Make/Model

Sidwinder

Gas vented = usage

Hours per year: Gas vented: Emissions:

8760	hrs.
43.4	scfi
2.12	lb/h

18553.68 9.277

lb/hr gas (total gas stream)

ib/year gas ton/year gas

Emission Speciation:

Mole fract

			MOIO HAOL			
	Mole	Mole	X	Wt.	avg	
Component	Fraction	Weight	Mole Wt	fraction	lbs/hr	tons/yr
Nitrogen	0.241%	28.013	0.068	0.0036	0.008	0.033
Carbon Dioxide	0.731%	44.01	0.322	0.0174	0.037	0.161
Methane	91.006%	16.043	14.600	0.7892	1.672	7.321
Ethane	3.789%	30.07	1.139	0.0616	0.130	0.571
Propane	1.842%	44.097	0.812	0.0439	0.093	0.407
Butanes	1.713%	58.124	0.996	0.0538	0.114	0.499
Pentanes	0.366%	72.151	0.264	0.0143	0.030	0.133
Hexanes (non-toxic)	0.134%	86.178	0.116	0.0062	0.013	0.058
Heptanes+ (non-toxic)	0.140%	100.204	0.140	0.0076	0.016	0.071
*n-Hexane	0.026%	86.178	0.022	0.0012	0.003	0.011
*Benzene	0.006%	78.114	0.005	0.0003	0.001	0.003
*Toluene	0.005%	92.141	0.005	0.0002	0.000	0.002
*Ethylbenzene	0.001%	106.168	0.001	0.0000	0.000	0.000
*Xylenes	0.007%	106.168	0.007	0.0004	0.001	0.004
	100.00%	Gas MW =	18.50	1.00	建筑	的特殊人类的变数

Total Non-toxic VOCs Total toxics (HAP's) Total VOCs (includes toxics/HAP's)

0.266	1.168
0.005	
0.271	1.188

Notes:

1

^{*}Speciation for Toxic Air Pollutants obtained from extended gas analysis.

Component lbs/hr = (lbs gas/hr)(component weight fraction)

Component tons/yr = (tons gas/yr)(component weight fraction)





Azimuth Energy, L.L.C.

Facility:

Clement No. 1

Source:

DP-01

Source Description:

Gas Operated Diaphragm Pump

Gas vented = usage

Hours per year: Gas vented:

Emissions:

1200 scfh 58.58 ib/hr gas (total gas stream) 12183.6 lb/year gas

hrs.

6.092

208

ton/year gas

Emission Speciation:

•			Mole fract			
	Mole .	Mole	X	Wt.	avg	
Component	Fraction	Weight	Mole Wt	fraction	lbs/hr	tons/yr
Nitrogen	0.241%	28.013	0.068	0.0036	0.211	0.022
Carbon Dioxide	0.731%	44.01	0.322	0.0174	1.019	0.106
Methane	91.006%	16.043	14.600	0.7892	46.227	4.808
Ethane	3.789%	30.07	1.139	0.0616	3.608	0.375
Propane	1.842%	44.097	0.812	0.0439	2.571	0.267
Butanes	1.713%	58.124	0.996	0.0538	3.151	0.328
Pentanes	0.366%	72.151	0.264	0.0143	0.838	0.087
Hexanes (non-toxic)	0.134%	86.178	0.116	0.0062	0.363	0.038
Heptanes+ (non-toxic)	0.140%	100.204	0.140	0.0076	0.445	0.046
*n-Hexane	0.026%	86.178	0.022	0.0012	0.070	0.007
*Benzene	0.006%	78.114	0.005	0.0003	0.018	0.002
*Toluene	0.005%	92.141	0.005	0.0002	0.012	0.001
*Ethylbenzene	0.001%	106.168	0.001	0.0000	0.000	0.000
*Xylenes	0.007%	106.168	0.007	0.0004	0.023	0.002
	100.00%	Gas MW =	18.50	1.00	经的"连续	是自己更多的政治

Total Non-toxic VOCs Total toxics (HAP's) Total VOCs (includes toxics/HAP's)

7.368	0.766
0.123	0.012
7.491	0.778

*Speciation for Toxic Air Pollutants obtained from extended gas analysis. Component lbs/hr = (lbs gas/hr)(component weight fraction) Component tons/yr = (tons gas/yr)(component weight fraction)

Received DEC 0 5 2005

Air & Wasteschapplications

Company Name: Facility Name:

Azimuth Energy, L.L.C. Clement No. 1

EPN:

FE-01

Source Description:

Fugitive Emissions from Crude Production Site

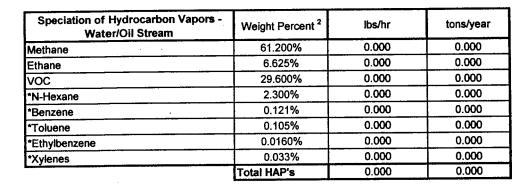
Summary Total For Fugitives	ibs/hr	tons/year
VOC	0.833	3.649
n-Hexane	0.050	0.219
Benzene	0.004	0.018
Toluene	0.003	0.013
Ethylbenzene	0.000	0.001
Xylenes	0.001	0.003
Total Hazardous Air Pollutants (HAP)	0.058	0.254
Non-Toxic VOC's (Heptane)	0.775	3.395
Methane	2.499	10.946
Ethane	0.409	1.792

Emission Calculations:

Component Type - Light Oil Streams	Number	Emission Factor ² (lbs/day- component)	Total Hydrocarbon lbs/day	Total Hydrocarbon Ibs/hr
Connectors 1	708	0.011	7.788	0.325
Flanges 3	167	0.0058	0.969	0.040
Open-ends ¹	20	0.074	1.480	0.062
Other- pressure relief, meters,	8	0.4	3.200	0.133
Pump Seals	0	0.69	0.000	0.000
Valves ⁴	167	0.13	21.710	0.905
		Total HC - L	ight Oil Streams	1.465

Speciation of Hydrocarbon Vapors - Light Oil Streams	Weight Percent ²	lbs/hr	tons/year
Methane	61.200%	0.897	3.929
Ethane	6.625%	0.097	0.425
VOC	29.600%	0.434	1.901
*N-Hexane	2.300%	0.034	0.149
*Benzene	0.121%	0.002	0.009
*Toluene	0.105%	0.002	0.009
*Ethylbenzene	0.0160%	0.000	0.001
*Xylenes	0.033%	0.001	0.002
Aylettes	Total HAP's	0.039	0.170

Component Type - Water/Oil Streams	Number	Emission Factor ² (lbs/day- component)	Total Hydrocarbon lbs/day	Total Hydrocarbon lbs/hr
Connectors ¹	0	0.0058	0.000	0.000
Flanges ³	0	0.00015	0.000	0.000
Open-ends ¹	0	0.013	0.000	0.000
Other- pressure relief, meters, compressors 1	0	0.74	0.000	0.000
Pump Seals	0	0.0013	0.000	0.000
Valves ⁴	0	0.0052	0.000	0.000
		Total HC - W	ater/Oil Streams	0.000



Component Type - Gas Stream	Number	Emission Factor ² (lbs/day- component)	Total Hydrocarbon lbs/day	Total Hydrocarbon lbs/hr
Valves ⁴	161	0.24	38.640	1.610
Flanges ³	161	0.021	3.381	0.141
Open Ends ¹	20	0.11	2.200	0.092
Connectors ¹	683	0.011	7.513	0.313
Other- pressure relief, meters, compressors ¹	9	0.47	4.230	0.176
		Total H	C - Gas Service	2.332

Speciation of Hydrocarbon Vapors - Gas Stream	Weight Percent ²	lbs/hr	tons/year
Methane	68.700%	1.602	7.017
Ethane	13.388%	0.312	1.367
VOC	17.100%	0.399	1.748
*N-Hexane	0.693%	0.016	0.070
*Benzene	0.069%	0.002	0.009
*Toluene	0.038%	0.001	0.004
*Ethylbenzene	0.003%	0.000	0.000
*Xylenes	0.009%	0.000	0.001
	Total HAP's	0.0193	0.0843

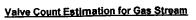
References:

(1) The count for connectors, open-ends, and "others" may be estimated using API Publication No. 4589. A factor is derived from Table 4, page W-4, and is multiplied by the valve count.

The set of factors used is based on the type of site, not to be confused with type of stream.

	Gas Production	Gas Plants	Light Liquid Production
Open-ends	0.17	0.13	0.12
Connectors	5.40	4.03	4.24
Others	0.10	0.11	0.05

- (2) Table 1 and Table 2 of Method 1 in API Publication No. 4638 contains the EPA Emission Factors and Typical Speciation Fractions for calculating fugitive emissions in Gas and Light Liquid service.
- (3) The Flange count is estimated at one flange per valve. API Publication No. 4638, page 14.
- (4) The Valve count is the estimated number of valves based on the facility equipment.



	Instrument &				
	Facility Content	Process Valve	Gauge Valve		
	(Gas Service)	Factor	Factor	Valve Count	
Gas Wellhead	1	9 ·	3	12	
HP Separator	i	5	8	13	
Pig Launcher in Gas Service	Ó	5	5	0	
LP Separator	1	5	9	14	
Test Separator	0	13	10	0	
Line Heater	1	5	2	7	
Heater Treater	0	11	5	0	
Glycol Contact Tower	1	14	7	21	
Glycol Charcoal Filter	1	0	0	0	
Glycol Flash Separator	1	3	4	7	
Glycol Pumps	1	0	0	0	
Glycol Sock Filter	1	0	0	0	
Glycol Regenerator	1	0	0	0	
Glycol Reboiler	1	5	3	8	
Fuel Gas Scrubber	1	11	2	13	
Fuel Gas Filter	0	10	12	0	
Gas Sales Meter	1	8	4	12	
Oil LACT Meter	0	0	0	0	
Vent Scrubber	0	4	3	0	
Flare Scrubber	0	4	3	0	
Oil Tank	2	1	0	2	
Oil Transfer Pump - electric	0	0	0	0	
Oil Pump w/gas engine	0	8	2	0	
Generator	0	6	4	0	
Gas Compressor	1	20	10	30	
Gas Compressor Knockout - Number of stages	2	1	2	6	
Compressor Seals	4	4	0	16	
Gas Engine Lube Oil	0	0	0	0	
Amine Contact Tower	0	14	. 7	0	
Amine Separator	0	6	2	0	
Amine Coalescer	0	5	2	0	
Amine Filter	0	0	0	0	
Amine Regenerator	0	5	0	0	
Amine Reboiler Burners	0	5	2	0	
Amine Exchanger	0	0	0	0	
Amine Pump	0	0	0	0	
Pump Seals	0	0	0	0	
•	•		Total Gas Valve Count	161	

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Air & Waste Applications



Valve Count Estimation for Liquid Streams

	Facility Content	Process Valve Factor	Instrument & Gauge Valve Factor	Valve Count
Liquid Wellhead	1	9	3	12
HP Separator	1	30	8	38
Pig Launcher in Liquid Service	0	5	3	0
LP Separator	1	22	9	31
Test Separator	0	22	10	0
Line Heater	1	5	2	7
Heater Treater	0	14	16	0
Glycol Contact Tower	1	6	7	13
Glycol Charcoal Filter ·	1	8	3	11
Glycol Flash Separator	1	3	5	8
Glycol Pumps	1	7	2	9
Glycol Sock Filter	1	8	2	10
Glycol Regenerator	1	4	3	7
Glycol Reboiler	1	0	0	0
Fuel Gas Scrubber	1	3	0	3
Fuel Gas Filter	0	4	4	0
Gas Sales Meter	1	• 0	0	0
Oil LACT Meter	0	19	10	0
Vent Scrubber	0	1	6	0
Flare Scrubber	0	1	6	0
Oil Tank	2	5	0	10
Oil Transfer Pump - electric	0	10	3	0
Oil Pump w/gas engine	0	13	2	0
Generator	0	0	0	0
Gas Compressor	1	0	0	0
Gas Compressor Knockout - Number of stages	2	4	0	8
Compressor Seals	4	0	0	0
Gas Engine Lube Oil	0	12	2	0
Amine Contact Tower	0	3	7	0
Amine Separator	0	6	8	0
Amine Coalescer	0	14	6	0
Amine Filter	0	8	2	0
Amine Regenerator	0	5	2	0
Amine Reboiler Burners	0	0	0	0
Amine Exchanger	0	5	4	0
Amine Pump	0	7	2	0
Pump Seals	0	2 Total	0 Liquid Valve Count	0 167

 Liquid Streams
 Percent of valves
 Valve Count

 Light Oil Stream(>20 API Gravity)
 100
 167

 Water/Oil Stream
 0
 0

 Water
 0
 0

DEC 0 5 2005

Air & Waste Applications

Company Name:

Azimuth Energy, L.L.C.

Facility:

Clement No. 1

EPN:

GR-01

Source Description:

Glycol Reboiler Burner (<100MMBTU/hr)

Emission Calculations:

Heat Rating of Unit: Btu Value of Fuel Gas: Fuel Use of Unit: 0.125 MMBtu/hr 1050 Btu/scf 119 scf/hr-avg 1.04 MMscf/yr

Hours Operated for Year: Percent Operation for Year:

8760 hrs 100.00 %

	Pollutant	Factor lb/MMscf fuel	Avg. lbs/hr	Total tons/yr	Source of Factor
10,075	NOx	100	0.012	0.053	AP-42, Table 1.4-1 (7/98)
1 5	со	84	0.010	0.044	AP-42, Table 1.4-1 (7/98)
ı, e	PM ₁₀	7.6	0.001	0.004	AP-42, Table 1.4-2 (7/98)
CRITERIA	SO ₂	0.938	0.000	0.000	AP-42, Table 1.4-2 (7/98)-Adjusted 1
0.	voc	5.5	0.001	0.004	AP-42, Table 1.4-2 (7/98)
# 18 M	n-Hexanes	1.800	0.000	0.000	AP-42, Table 1.4-3 (7/98)
	Acetaldehyde	N/A	0.000	0.000	No emission factor
S AR	Formaldehyde	0.075	0.000	0.000	AP-42, Table 1.4-3 (7/98)
REDOUS	Benzene	0.002	0.000	0.000	AP-42, Table 1.4-3 (7/98)
養者	Toluene	3.40E-03	0.000	0.000	AP-42, Table 1.4-3 (7/98)
38	Ethylbenzene	N/A	0.000	0.000	No emission factor
1.3	Xvlenes	N/A	0.000	0.000	No emission factor
1300	Total Hazardous Air Pollu	tants (HAP's)	0.000	0.000	The same of the sa
œ	Methane	2.3	0.000	0.000	AP-42, Table 1.4-2 (7/98)
OTHER	Ethane	3.1	0.000	0.000	AP-42, Table 1.4-3 (7/98)
18	Non-toxic VOC (Heptane+)		0.001	0.004	= VOC - Total TAPs

Additional Notes:

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Air & Waste Applications

^{1.} The AP-42 factor for SO_2 is based on a fuel content of 2000 gr $H_2S/10^6$ scf (3.2 ppmv). This calculation adjusts the factor for 5 ppm(v) H2S.

Page: 1

GRI-GLYCalc VERSION 4.0 - AGGREGATE CALCULATIONS REPORT

Case Name: Clements No. 1

File Name: C:\Environmental Safety Solutions 10-3-05\Aspect Energy\Clement #1\Clemenet No 1ddf.ddf

Date: October 08, 2005

DESCRIPTION:

Description: Glycol Dehydrator 3.5 MMSCFD GAS

Reboiler .125 MMBTU/hr. No Flash tank, no controlls.

Annual Hours of Operation: 8760.0 hours/yr

EMISSIONS	REPORTS:	
EMISSIONS	REPORTS:	

UNCONTROLLED REGENERATOR EMISSIONS

Component	lbs/hr	lbs/day	tons/yr
Methane	0.7405	17.772	3.2434
Ethane	0.1693	4.064	0.7417
Propane	0.1836	4.406	0.8041
Isobutane	0.2103	5.047	0.9211
n-Butane	0.1081	2.594	0.4734
Isopentane	0.0627	1.505	0.2747
n-Pentane	0.0413	0.990	0.1807
Other Hexanes	0.0633	3 1.519	0.2772
Heptanes	0.2130	5.112	0.9330
Total Emissions	1.7921	43.010) 7.8493

Total Hydrocarbon Emissions 1.7921 43.010 7.8493 Total VOC Emissions 0.8823 21.174 3.8643

EQUIPMENT REPORTS:				
ABSORBER				

NOTE: Because the Calculated Absorber Stages was below the minimum allowed, GRI-GLYCalc has set the number of Absorber Stages to 1.25 and has calculated a revised Dry Gas Dew Point.

Page: 2

Calculated Absorber Stages:

1.25

Calculated Dry Gas Dew Point:

5.12 lbs. H2O/MMSCF

105.0 deg. F Temperature: Pressure: 1000.0 psig

Dry Gas Flow Rate: 3.5000 MMSCF/day Glycol Losses with Dry Gas: 0.0755 lb/hr

Wet Gas Water Content: Saturated

Calculated Wet Gas Water Content: 67.39 lbs. H2O/MMSCF

Specified Lean Glycol Recirc. Ratio:

3.00 gal/lb H2O

Remaining Absorbed in Dry Gas in Glycol Component

Water	7.59%	92.41%
Carbon Dioxide	99.83%	0.17%
Nitrogen	99.99%	0.01%
Methane	99.99%	0.01%
Ethane	99.96%	0.04%
Propane	99.94%	0.06%
Isobutane	99.92%	0.08%
n-Butane	99.90%	0.10%
Isopentane	99.91%	0.09%
n-Pentane	99.88%	0.12%
Other Hexanes	99.86%	6 0.14%
Heptanes	99.69%	0.31%

REGENERATOR

No Stripping Gas used in regenerator.

Rem Component	aining Dis in Glycol	illed Overhead 	
Water	29.02%	70.98%	
Carbon Dioxide	0.00%	100.00%	
Nitrogen	0.00%	100.00%	
Methane	0.00%	100.00%	
Ethane	0.00%	100.00%	
Propane	0.00%	100.00%	
Isobutane	0.00%	100.00%	
n-Butane	0.00%	100.00%	
Isopentane	0.50%	99.50%	
n-Pentane	0.50%	99.50%	
Other Hexanes	s 1.00%	99.00%	

0.50%

99.50%

Heptanes

STREAM REPORTS:

WET GAS STREAM

Temperature: 105.00 deg. F Pressure: 1014.70 psia Flow Rate: 1.46e+005 scfh

Component Conc. Loading (vol%) (lb/hr)

Water 1.42e-001 9.84e+000 Carbon Dioxide 7.30e-001 1.24e+002 Nitrogen 2.41e-001 2.59e+001 Methane 9.09e+001 5.61e+003 Ethane 3.78e+000 4.38e+002

Propane 1.84e+000 3.12e+002 Isobutane 1.22e+000 2.74e+002 n-Butane 4.87e-001 1.09e+002 Isopentane 2.42e-001 6.71e+001 n-Pentane 1.24e-001 3.44e+001

Other Hexanes 1.34e-001 4.44e+001 Heptanes 1.78e-001 6.86e+001

Total Components 100.00 7.12e+003

DRY GAS STREAM

Temperature: 105.00 deg. F Pressure: 1014.70 psia Flow Rate: 1.46e+005 scfh

Component Conc. Loading (vol%) (lb/hr)

Water 1.08e-002 7.47e-001 Carbon Dioxide 7.30e-001 1.23e+002 Nitrogen 2.41e-001 2.59e+001 Methane 9.10e+001 5.61e+003 Ethane 3.79e+000 4.38e+002

Propane 1.84e+000 3.12e+002

1.22e+000 2.73e+002

n-Butane 4.88e-001 1.09e+002

DEC 0 5 2005 sopentane 2.42e-001 6.71e+001

n-Pentane 1.24e-001 3.44e+001

Air & Waste Applications

Page: 4 Other Hexanes 1.34e-001 4.43e+001 Heptanes 1.77e-001 6.84e+001

Total Components 100.00 7.11e+003

LEAN GLYCOL STREAM

Temperature: 105.00 deg. F Flow Rate: 4.40e-001 gpm

Component Conc. Loading (wt%) (lb/hr)

TEG 9.85e+001 2.44e+002 Water 1.50e+000 3.72e+000 Carbon Dioxide 8.39e-012 2.08e-011 Nitrogen 1.56e-013 3.87e-013 Methane 1.00e-017 2.49e-017

Ethane 3.22e-008 7.99e-008 Propane 3.01e-009 7.47e-009 Isobutane 2.54e-009 6.31e-009 n-Butane 1.08e-009 2.68e-009 Isopentane 1.27e-004 3.15e-004

n-Pentane 8.36e-005 2.07e-004 Other Hexanes 2.58e-004 6.39e-004 Heptanes 4.32e-004 1.07e-003

Total Components 100.00 2.48e+002

RICH GLYCOL STREAM

Temperature: 105.00 deg. F Pressure: 1014.70 psia Flow Rate: 4.63e-001 gpm

NOTE: Stream has more than one phase.

Component Conc. Loading (wt%) (lb/hr)

TEG 9.43e+001 2.44e+002 Water 4.95e+000 1.28e+001 Carbon Dioxide 8.03e-002 2.08e-001 Nitrogen 1.49e-003 3.87e-003 Methane 2.86e-001 7.40e-001

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Ethane 6.54e-002 1.69e-001 Propane 7.09e-002 1.84e-001 Isobutane 8.12e-002 2.10e-001

Air & Waste Applications n-Butane 4.17e-002 1.08e-001 Isopentane 2.43e-002 6.30e-002

Page: 5

n-Pentane 1.60e-002 4.15e-002 Other Hexanes 2.47e-002 6.39e-002 Heptanes 8.27e-002 2.14e-001

Total Components 100.00 2.59e+002

REGENERATOR OVERHEADS STREAM

Temperature: 212.00 deg. F Pressure: 14.70 psia Flow Rate: 2.18e+002 scfh

Component Conc. Loading (vol%) (lb/hr)

Water 8.77e+001 9.10e+000 Carbon Dioxide 8.21e-001 2.08e-001 Nitrogen 2.40e-002 3.87e-003 Methane 8.02e+000 7.40e-001 Ethane 9.78e-001 1.69e-001

Propane 7.23e-001 1.84e-001 Isobutane 6.29e-001 2.10e-001 n-Butane 3.23e-001 1.08e-001 Isopentane 1.51e-001 6.27e-002 n-Pentane 9.93e-002 4.13e-002

Other Hexanes 1.28e-001 6.33e-002 Heptanes 3.69e-001 2.13e-001

Total Components 100.00 1.11e+001





Page: 1 GRI-GLYCalc VERSION 4.0 - SUMMARY OF INPUT VALUES

Case Name: Clements No. 1

File Name: C:\Environmental Safety Solutions 10-3-05\Aspect Energy\Clement #1\Clemenet No 1ddf.ddf

Date: October 08, 2005

DESCRIPTION:

Description: Glycol Dehydrator 3.5 MMSCFD GAS

Reboiler .125 MMBTU/hr. No Flash tank, no controlls.

Annual Hours of Operation: 8760.0 hours/yr

WET GAS:

Temperature: 105.00 deg. F Pressure: 1000.00 psig

Wet Gas Water Content: Saturated

Component

Conc.

(vol %)

Carbon Dioxide 0.7310

 Nitrogen
 0.2410

 Methane
 91.0060

 Ethane
 3.7890

Propane 1.8420

Isobutane 1.2250 n-Butane 0.4880 Isopentane 0.2420 n-Pentane 0.1240 Other Hexanes 0.1340

Heptanes 0.1780

DRY GAS:

Flow Rate:

3.5 MMSCF/day

Water Content:

7.0 lbs. H2O/MMSCF

LEAN GLYCOL:

Glycol Type: TEG

Water Content:

1.5 wt% H2O

Recirculation Ratio:

3.0 gal/lb H2O

)				
	Page:	2		

PUMP:

Glycol Pump Type: Electric/Pneumatic

Company Name:

Azimuth Energy, L.L.C.

Facility Name:

Clement No. 1

EPN:

LF-01

Source Description:

Tank Truck Loading Losses

Emission Calculation

Average Daily Production 600 BOPD

Total Annual Production 219000 BBL/yr

Loading Rate 150 BBL/hr

Crude Oil Emission Factor 1.7

Annual Operating Time

VOC Emission to Vapor Recovery

VOC Emission to Vapor Recovery

Total Annual Emissions

219000	BBL/yr
150	BBL/hr
1.7	lbs VOC/1000 gal transferred
1460.0	hr/yr
10.710	lbs/hr*
7.820	TPY*
0.000	TPY*

Reference:

AP-42, Table 5.2-5: Associated Reference Note "a" estimates that VOC emissions are 85% of total organic factors for evaporative emissions from oil tank truck loading.

* All vapors are routed to the vapor recovery system. No emissions come from this point.

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Air & Waste Applications

Company Name:

Azimuth Energy, L.L.C.

Facility:

Clement No. 1 -

EPN:

LH-01

Source Description:

Line Heater Burner (<100MMBTU/hr)

Emission Calculations:

Heat Rating of Unit: Btu Value of Fuel Gas: Fuel Use of Unit:

0.50 MMBtu/hr 1050 Btu/scf 476 scf/hr-avg 4.17 MMscf/yr

Hours Operated for Year: Percent Operation for Year:

8760 hrs 100.00 %

	Pollutant	Factor lb/MMscf fuel	Avg. lbs/hr	Total tons/yr	Source of Factor
	NOx	100	0.048	0.210	AP-42, Table 1.4-1 (7/98)
્ર≨	CO	84	0.040	0.175	AP-42, Table 1.4-1 (7/98)
Ë	PM ₁₀	7.6	0.004	0.018	AP-42, Table 1.4-2 (7/98)
CRITERIA	SO ₂	0.938	0.000	0.000	AP-42, Table 1.4-2 (7/98)-Adjusted 1
ပ	voc	5.5	0.003	0.013	AP-42, Table 1.4-2 (7/98)
. 19. S. C.	n-Hexanes	1.800	0.001	0.004	AP-42, Table 1.4-3 (7/98)
	Acetaldehyde	N/A	0.000	0.000	No emission factor
AIR TS	Formaldehyde	0.075	0.000	0.000	AP-42, Table 1.4-3 (7/98)
SS S	Benzene	0.002	0.000	0.000	AP-42, Table 1.4-3 (7/98)
25	Toluene	3.40E-03	0.000	0.000	AP-42, Table 1.4-3 (7/98)
HAZARDOUS AI POLLUTANTS	Ethylbenzene	N/A	0.000	0.000	No emission factor
] 3 -	Xylenes	N/A	0.000	0.000	No emission factor
8.5	Total Hazardous Air Pollu	tants (HAP's)	0.001	0.004	
~ r ·	Methane	2.3	0.001	0.004	AP-42, Table 1.4-2 (7/98)
OTHER	Ethane	3.1	0.001	0.004	AP-42, Table 1.4-3 (7/98)
1 5	Non-toxic VOC (Heptane+)		0.002	0.009	= VOC - Total TAPs

Additional Notes:

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Air & Waste Applications

^{1.} The AP-42 factor for SO_2 is based on a fuel content of 2000 gr $H_2S/10^6$ scf (3.2 ppmv). This calculation adjusts the factor for 5 ppm(v) H2S.

Company:

Azimuth Energy, L.L.C.

Facility:

Clement No. 1

Source:

PL-01

Source Description:

Gas Operated Level Controllers (Mallard)

Make/Model

Mallard 3200

Quantity of controllers:

Gas Vent Rate:

Annual Operation:

Total Gas Vented:

Emissions:

	8	e	ach
	0.2	s	CFH
	8760	h	r/yr
Г	1.60	_]s	CFH
Г	0.078	1	b/hr ga

lb/hr gas (total gas stream) lb/year gas

683.28 0.342

ton/year gas

Emission Speciation:

Component	Mole Fraction	Mole Weight	Mole Fraction X Mole Weight	Weight Fraction	Average lbs/hr	tons/yr
Nitrogen	0.241%	28.013	0.068	0.0036	0.000	0.001
Carbon Dioxide	0.731%	44.01	0.322	0.0174	0.001	0.006
Methane	91.006%	16.043	14.600	0.7892	0.062	0.270
Ethane	3.789%	30.07	1.139	0.0616	0.005	0.021
Propane	1.842%	44.097	0.812	0.0439	0.003	0.015
Butanes	1.713%	58.124	0.996	0.0538	0.004	0.018
Pentanes	0.366%	72.151	0.264	0.0143	0.001	0.005
Hexanes	0.134%	86.178	0.116	0.0062	0.000	0.002
Heptanes +	0.140%	100.204	0.140	0.0076	0.001	0.003
*n-Hexane	0.026%	86.178	0.022	0.0012	0.000	0.000
*Benzene	0.006%	78.114	0.005	0.0003	0.000	0.000
*Toluene	0.005%	92.141	0.005	0.0002	0.000	0.000
*Ethylbenzene	0.001%	106.168	0.001	0.0000	0.000	0.000
*Xylenes	0.007%	106.168	0.007	0.0004	0.000	0.000
	100.00%	Gas MW =	18.500	主直至等等。	1000	
		Total methane	ethane		0.067	0.291
	•	Total Non-Toxic	VOCs	•	0.009	0.043

Total Non-Toxic VOCs Total toxics (HAP's)

Total VOCs (includes toxics/HAP's)

0.000

0.043

0.000

0.009

Component lbs/hr = (lbs HC/hr)(component weight fraction) Component tons/yr = (tons HC/yr)(component weight fraction)

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Air & Waste Applications

7/24/2005



Gregory W. Cates, CHMM 100 Agape Circle Lafayette, La 70508 Phone: (337) 254-4440

(337) 993-7859

November 28, 2005

Texas Commission on Environmental Quality MC-161 12100 Park 35 Circle Building F, First Floor, Room 1206 Austin, Texas 78753

RECEIVED

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AIR & WASTE APPLICATIONS TEAM

Permit By Rule Application for Azimuth Energy, L.L.C RE:

Clement No: 1 Facility

To Whom It May Concern:

Environmental Safety Solutions, Inc. on behalf of Azimuth Energy, L.L.C., is re-submitting a Permit By Rule (PBR) registration for the above referenced facility. Payment has already been submitted. The original application was for a Standard Air Permit. On June 30, 2005 the application was denied based on emissions and as a result enforcement actions were taken. The facility has installed a Vapor Recovery Unit to reduce emission to a level such that the facility can now qualify for a Permit By Rule (PBR). In addition to the application, I have attached correspondence from the agency pertaining to the above referenced facility. According to the attached letter no additional application fees are required if the permit is reapplied for within six months of the initial submittal. Under the PBR regulations it is not necessary to register this facility. We are submitting this registration to resolve the compliance issues resulting from the original submittal.

Contact me (337) 254-4440 if you have any questions.

Sincerely,

Gregory W. Cates

Sr. Environmental Specialist

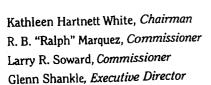
Revenue Section CC. **Houston Office**

Enclosures

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DEC 0 5 2005

e-mail: essolutions@cox.net







TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

September 7, 2005

CERTIFIED MAIL -7002 2030 0003 4754 3279 RETURN RECEIPT REQUESTED

Mr. Randy Judge, Manager Azimuth Energy, LLC 511 16th Street, Suite 300 Denver, CO 80202-4260

Re:

Notice of Enforcement Action

Azimuth Energy, LLC Clement No. 1 Facility

RN104618269

Docket No. 2005-1272-AIR-E; Enforcement Case No. 26211

FOR SETTLEMENT PURPOSES ONLY

Dear Mr. Judge:

The Executive Director of the Texas Commission on Environmental Quality ("Commission" or "TCEQ") is pursuing an enforcement action against Azimuth Energy, LLC for violations of the Texas Health & Safety Code and/or Commission Rules. These violations were discovered during an investigation conducted on June 24, 2005 and documented in a letter dated July 7, 2005 from the TCEQ Houston Regional Office.

Please find enclosed a proposed agreed order which we have prepared in an attempt to expedite this enforcement action. The order assesses an administrative penalty of One Thousand Dollars (\$1,000). We are proposing a one time offer to defer Two Hundred Dollars (\$200) of the administrative penalty if you satisfactorily comply with all the ordering provisions within the time frames listed. Therefore, the administrative penalty to be paid is Eight Hundred Dollars (\$800). The order also identifies the violations that we are addressing, and identifies specific technical requirements necessary to resolve them.

If you have any questions regarding this matter, we are available to discuss them in a conference in Houston or over the telephone. If we reach agreement in a timely manner, the TCEQ will then proceed with the remaining procedural steps to settle this matter. These steps include publishing notice of the proposed order in the Texas Register, and scheduling the matter for the Commission's agenda. We believe that handling this matter expeditiously could save Azimuth Energy, LLC and the TCEQ a significant amount of time, as well as the expense associated with litigation.

Mr. Randy Judge Page 2

A copy of the order is provided for your files. Also enclosed for your convenience is a return envelope. If you agree with the order as proposed, please sign and return the original order and the penalty payment (check payable to "TCEQ" and referencing Azimuth Energy, LLC, Docket No. 2005-1272-AIR-E) to:

Financial Administration Division, Revenues Attention: Cashier's Office, MC 214 Texas Commission on Environmental Quality P.O. Box 13088 Austin, Texas 78711-3088

Should you believe you are unable to pay the proposed administrative penalty, you may claim financial inability to pay part or all of the penalty amount. In order to qualify for financial inability to pay, the penalty must be greater than 1% of annual gross revenues. If this is the case, please contact us immediately to obtain a list of financial disclosure documents that must be submitted within 30 days of the receipt of this letter. These documents, once properly completed and submitted, will be thoroughly reviewed to determine if we agree with the claim of financial inability. Please be aware that if financial inability is proven to the satisfaction of staff, discussions pertaining to the penalty amount adjustment will focus only on deferral and not on waiver of the penalty amount. The Commission will make the final decision on the staff recommendation.

You may be able to perform or pay for a Supplemental Environmental Project ("SEP"), which is a project that benefits the environment, to offset a portion of your penalty. Please contact us for additional information regarding SEPs, or you may visit the Commission's web site at http://www.tnrcc.state.tx.us/legal/sep/.

Please note that any agreements we reach are subject to final approval by the Commission.

If we cannot reach a settlement of this enforcement action or you do not wish to participate in this expedited process, we will proceed with enforcement under the Commission's Enforcement Rules, 30 Tex. Admin. Code ch. 70. Specifically, if the signed order and penalty are not mailed and postmarked within 60 days from the date of this letter, your case will be forwarded to the Litigation Division and this settlement offer, including the penalty deferral, will no longer be available. If you would like to obtain a copy of 30 Tex. Admin. Code ch. 70 or any other TCEQ rules, you may contact any of the sources listed in the enclosed brochure entitled Obtaining TCEQ Rules. The enforcement process described in 30 Tex. Admin. Code ch. 70 requires the staff to prepare and issue an Executive Director's Preliminary Report and Petition to the Commission.

Mr. Randy Judge Page 3

For any questions or comments about this matter or to arrange a meeting, please contact me at (713) 422-8938.

Sincerely,

Kimberly Morales, Coordinator

Enforcement Division, Houston Regional Office Texas Commission on Environmental Quality

Enclosures:

Proposed Agreed Order, File Copy, Return Envelope, Obtaining TCEQ Rules, Penalty

Calculation Worksheet, Site Compliance History

cc: Manager, Air Section, Houston Regional Office, TCEQ

C T Corporation System, Registered Agent, 350 North St. Paul Street, Dallas, TX 75201

Mr. Gregory W. Cates, Senior, Environmental Specialist, Environmental Safety Solutions, Inc., 100

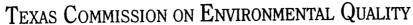
Agape Circle, Lafayette, LA 70508

Mr. Randy Judge Page 4

bcc:

Ms. Kimberly Morales, Coordinator, Enforcement Division, Houston Regional Office

Central Records, Building E, MC 198 Enforcement Division Reader File





IN THE MATTER OF AN	§	BEFORE THE
ENFORCEMENT ACTION	§	
CONCERNING	§	TEXAS COMMISSION ON
AZIMUTH ENERGY, LLC	§	
RN104618269	§	ENVIRONMENTAL QUALITY

AGREED ORDER DOCKET NO. 2005-1272-AIR-E

I. JURISDICTION AND STIPULATIONS

At its ______ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Azimuth Energy, LLC ("Azimuth") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and Azimuth appear before the Commission and together stipulate that:

- 1. Azimuth owns and operates a new natural gas production facility located 0.1 mile to the north of the intersection of Main Street and 5th Street in Winnie, Chambers County, Texas (the "Plant").
- 2. The Plant consists of one or more sources as defined in Tex. Health & Safety Code § 382.003(12).
- 3. The Commission and Azimuth agree that the Commission has jurisdiction to enter this Agreed Order, and that Azimuth is subject to the Commission's jurisdiction.
- 4. Azimuth received notice of the violations alleged in Section II ("Allegations") on or about July 12, 2005.
- 5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Azimuth of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
- 6. An administrative penalty in the amount of One Thousand Dollars (\$1,000) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). Azimuth has paid Eight Hundred Dollars (\$800) of the administrative penalty and Two Hundred Dollars (\$200) is deferred contingent upon Azimuth's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If Azimuth fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require Azimuth to pay all or part of the deferred penalty.

Azimuth Energy, LLC DOCKET NO. 2005-1272-AIR-E Page 2

- 7. Any notice and procedures which might otherwise be authorized or required in this action are waived in the interest of a more timely resolution of the matter.
- 8. The Executive Director of the TCEQ and Azimuth have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
- 9. The Executive Director recognizes that Azimuth installed a vapor recovery system on August 3, 2005 to recover Volatile Organic Compound ("VOC") emissions from the Plant's oil storage tanks, produced water storage tanks and tank truck loading.
- 10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that Azimuth has not complied with one or more of the terms or conditions in this Agreed Order.
- 11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
- 12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, Azimuth is alleged to have failed to obtain a New Source Review permit prior to beginning Plant operations, in violation of 30 Tex. ADMIN. CODE § 116.110(a) and Tex. Health & Safety Code §§ 382.0518(a) and 382.085(b), as documented during an investigation conducted on June 24, 2005.

III. DENIALS

Azimuth generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Azimuth pay an administrative penalty as set forth in Section I, Paragraph 6 above. The imposition of this administrative penalty and Azimuth's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Azimuth Energy, LLC, Docket No. 2005-1272-AIR-E" to:

Azimuth Energy, LLC DOCKET NO. 2005-1272-AIR-E Page 3

Financial Administration Division, Revenues Section Attention: Cashier's Office, MC 214 Texas Commission on Environmental Quality P.O. Box 13088 Austin, Texas 78711-3088

- 2. It is further ordered that Azimuth shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Agreed Order, submit an administratively complete TCEQ Form PI-7, as required by 30 TEX. ADMIN. CODE § 116.110(a).
 - b. Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the Form PI-7 within 30 days after the date of such requests, or by any other deadline specified in writing.
 - c. Within 45 days after the effective date of this Agreed Order, submit written certification as described in Ordering Provision No. 2.e. to demonstrate compliance with Ordering Provision No. 2.a.
 - d. Within 180 days after the effective date of this Agreed Order, submit written certification as described in Ordering Provision No. 2.e. that either authorization to construct and operate a source of air emissions has been obtained or that construction/operation has ceased until such time that appropriate authorization is obtained.
 - e. The certification required by Ordering Provision No. 2.c. shall include detailed supporting documentation including receipts, and/or other records to demonstrate compliance, be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

The certification shall be submitted to:

Work Leader
Team 5, Section III
Enforcement Division, MC 149
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

DEC 0 5 2005

with a copy to:

Azimuth Energy, LLC DOCKET NO. 2005-1272-AIR-E Page 4

Manager
Air Section
Houston Regional Office
Texas Commission on Environmental Quality
5425 Polk Avenue, Suite H
Houston, Texas 77023-1486

- 3. The provisions of this Agreed Order shall apply to and be binding upon Azimuth. Azimuth is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
- 4. If Azimuth fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, Azimuth's failure to comply is not a violation of this Agreed Order. Azimuth shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Azimuth shall notify the Executive Director within seven days after Azimuth becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
- The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by Azimuth shall be made in writing to the Executive Director. Extensions are not effective until Azimuth receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
- 6. This Agreed Order, issued by the Commission, shall not be admissible against Azimuth in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
- 7. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
- 8. Under 30 Tex. Admin. Code § 70.10(b), the effective date is the date of hand-delivery of the Order to Azimuth, or three days after the date on which the Commission mails notice of the Order to Azimuth, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

Azimuth Energy, LLC DOCKET NO. 2005-1272-AIR-E Page 5

Azimuth Energy, LLC

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTA	AL OUALITY
TEAAB COMMEDICATION OF THE STATE OF THE STAT	
For the Commission	
	·
For the Executive Director	Date
I also understand that my failure to comply with failure to timely pay the penalty amount, may remark to timely pay the penalty amount, may remark to a negative impact on my compliance himself. A negative impact on my compliance himself. Greater scrutiny of any permit application. Referral of this case to the Attorney General penalties, and/or attorney fees, or the penalties in any future enforcement.	a the Ordering Provisions, if any, in this order and/or my esult in: story; ons submitted by me; neral's Office for contempt, injunctive relief, additional or to a collection agency; ement actions against me; eral's Office of any future enforcement actions against d by law.
Signature	Date
Name (Printed or typed) Authorized Representative of	Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.

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	Policy Revision 2		 -					
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	Respondent	Azimuth Energy	, LLC	· · · · · · · · · · · · · · · · · · ·				
Reg	. Ent. Ref. No.	RN104618269			erd 30 - 1 10	E C	Minor Course	
Facili	ty/Site Region	12-Houston	·				Minor Source	<u></u>
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	Docket No.	2005-1272-AIR	-E			Order Type	1660	€
Mad	lia Program(s)	Air Quality			Enf.	Coordinator	Kimberly Morales	
Med	Multi-Media					EC's Team	Enforcement Team 6	K
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PAYABLE PENALTY



DEC 0 5 2005

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Screening Date 22-Jul-2005

Docket No. 2005-1272-AIR-E

PCW

Respondent Azimuth Energy, LLC

Case ID No. 26211

Reg. Ent. Reference No. RN104618269

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

Policy Revision 2 (September 2002)

PCW Revision May 19, 2005

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	1101110111111	nter Number Here	Adjust.
	Written NOVs with same or similar violations as those in the current	0	0%
NOVs	enforcement action (number of NOVs meeting criteria)		
	Other written NOVs	0	0%
	Any agreed final enforcement orders containing a denial of liability	0	0%
	(number of orders meeting criteria)		0 70
Ouders	Any adjudicated final enforcement orders, agreed final enforcement ord	ers	
Orders	without a denial of liability, or default orders of this state or the federal	0	0%
	government, or any final prohibitory emergency orders issued by the		0.0
	commission		
	Any non-adjudicated final court judgments or consent decrees containing		
	a denial of liability of this state or the federal government (number of	0	0%
and	judgements or consent decrees meeting criteria)		
Consent	Any adjudicated final court judgments and default judgments, or		
Decrees	non-adjudicated final court judgments or consent decrees without a der	ial 0	0%
	of liability, of this state or the federal government		
Convictions	Any criminal convictions of this state or the federal government (number	<i>r</i> 0	0%
	of counts)		
Emissions	Chronic excessive emissions events (number of events)	<u> </u>	0%
	Letters notifying the executive director of an intended audit conducted		
	under the Texas Environmental, Health, and Safety Audit Privilege Act,	0	0%
Audits	74th Legislature, 1995 (number of audits for which notices were		
Addito	Disclosures of violations under the Texas Environmental, Health, and		00/
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	which violations were disclosed)	e Enter Yes or No	
	Environmental management systems in place for one year or more	No No	0%
	Voluntary on-site compliance assessments conducted by the executive		
	director under a special assistance program	No	0%
Other	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or		
ļ	federal government environmental requirements	No	0%
	receia government cirvioni requirement		L

		Adjustment Percentage (Subtotal 2)	0%
>> Repeat Violator (St	ubtotal 3)		en e
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Compliance History Notes	No pena	alty enhancement or reduction due to average performer classification.	
!		Total Adjustment Percentage (Subtotals 2 3 & 7)	ი%

Page 3 of	9/08/05 I:\W	/ASTE\ENFORC	E\KMorales\Azimuth	Azimuth.wb3	•
Screening Date	22-Jul-2005	Dock	et No. 2005-1272-AIR-E		P.C.W
Respondent	Azimuth Energy,	LC	•	Policy Revis	sion 2 (September 2002)
Case ID No.	26211	• •		PCV	V Revision May 19, 2005
Reg. Ent. Reference No.	RN104618269				
Media [Statute]					
Enf. Coordinator					
Violation Number					
Primary Rule Cite(s)		§ 38	0(a) and Tex. Health & Safet 2.0518(a)	y Code	
Secondary Rule Cite(s)	30	Tex. Health & S	afety Code § 382.085(b)		
Violation Description	Failure to obtain		Review permit prior to beginnle rations.	ing Plant	•
			Ва	se Penalty	\$10,000
>> Environmental, Pro	nertvendillim	antHealth M			
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Economic Benefit (EB) for this vi	lation	StatutoryiLimit	Test	
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Page 4 of 4	9/08/05		FORCE\KMoral		Zgy\A	zimuth.wb3	
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Respondent		y, LLC					
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Delayed Costs							
Equipment				0.0	\$0 \$0	\$0 \$0	\$0 \$0
Bulldings				0.0	\$0	\$0 \$0	\$0 \$0
Other (as needed)				0.0	\$ 0	\$0 \$0	\$0
Engineering/construction				0.0	\$0		\$ 0
Land				0.0	\$0	na d	\$ 0
Record Keeping System	<u></u>			0.0	\$0	in/a	\$0
Training/Sampling				0.0	\$0	m/a	\$0
Remediation/Disposal	\$2,000	24-Jun-2005	04-Sep-2006		\$120	nta (\$120
Permit Costs	\$2,000	24-3011-2003	0+0cp-2000	0.0		inia 🐬	\$0
Other (as needed)		<u> </u>	L			40 Md Barton da	- Deta
Notes for DELAYED costs	required	is the investig	ation date. Fin	al date is the p	rojecte	permit applicatio ed date of compli	ance.
Avoided Costs	ANN	UALIZE [1] avoide	d costs before en			e-time avoided cos	ts)
Disposal				0.0	\$0 \$ 0	\$0 \$0	\$0 \$0
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Supplies/equipment				0.0	\$0 \$0	\$0 \$0	\$0 \$0
Financial Assurance [2]			1	0.0	\$0 \$ 0	\$0 \$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0 \$0	\$0 \$0	\$(
Other (as needed)			L	0.01	Ģ U	401	Ψ.
Notes for AVOIDED costs							
İ							

Received

Approx. Cost of Compliance

UEC 0 5 2005

Air & Waste Applications



omer/Respondent/Owner-Operator:

CN602842973

Azimuth Energy, LLC

Classification: AVERAGE

Rating: 3.010

BY DEFAULT

Regulated Entity:

RN104618269

CLEMENTS NO. 1 FACILITY

Classification: AVERAGE

Site Rating: 3.01

BY DEFAULT

ID Number(s)

AIR NEW SOURCE PERMITS

REGISTRATION

75992

Location:

LOCATED 0.1 MILE TO THE NORTH OF THE INTERSECTION OF MAIN STREET AND 5TH STREET IN

WINNIE, CHAMBERS COUNTY

TCEQ Region:

REGION 12 - HOUSTON

Date Compliance History Prepared:

July 21, 2005

Agency Decision Requiring Compliance History: Enforcement

Compliance Period:

July 21, 2000 to July 21, 2005

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Kimberly Morales Phone: (713) 422-8938

Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period?

Yes

2. Has there been a (known) change in ownership of the site during the compliance period?

No

Yes, who is the current owner?

N/A

4. if Yes, who was/were the prior owner(s)?

N/A

5. When did the change(s) in ownership occur?

N/A

Components (Multimedia) for the Site:

A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.

N/A

B. Any criminal convictions of the state of Texas and the federal government.

N/A

C. Chronic excessive emissions events.

N/A

D. The approval dates of investigations. (CCEDS Inv. Track. No.)

1 07/07/2005 (397956)

E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

N/A

F. Environmental audits.

N/A

G. Type of environmental management systems (EMSs).
N/A
H. Voluntary on-site compliance assessment dates.
N/A
Participation in a voluntary pollution reduction program.
N/A
J. Early compliance.
N/A
Sites Outside of Texas
N/A
,

Kathleen Hartnett White, Chairman R. B. "Ralph" Marquez, Commissioner Larry R. Soward, Commissioner Glenn Shankle, Executive Director



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

June 30, 2005

Mr. Tommy Lovell Production Superintendent Azimuth Energy, LLC 2496 Martin Luther King Drive, Suite D Orange, Texas 77630

Re: Standard Permit Registration Denial

Standard Permit Registration Number: 75992

Clement No. 1 Facility Winnie, Chambers County

Regulated Entity Number: RN104618269 Customer Reference Number: CN602842973

Dear Mr. Lovell:

This is in response to your request to register the Clement No. 1 Facility in Winnie, Chambers County. under Standard Permit Number 75992 at your facility.

After evaluation of the information submitted in support of your claim, we are unable to verify that all conditions of the standard permit have been met. Therefore, we cannot confirm your claim at this time. The following information was found to be deficient in your request:

Total site-wide emissions of heptane (12.92 pounds per hour, 15.39 tons per year [tpy]) and n-butane (10.33 tpy) exceed the emission limitations prescribed in § 116.610(a)(1).

Within six months from the date of this letter you may resubmit, with appropriate corrections, a revised Standard Permit registration without any additional fee. The re-submittal should include an updated Form PI-1S entitled "Standard Permit Registration Request," the additional information, and a cover letter noting the package is in response to a deficiency notice. To expedite the process, any re-submittal should be sent directly to the TCEQ, Permits Administrative Review Section (MC-162), P.O. Box 13087, Austin, Texas 78711-3087.

If you find that you cannot meet the conditions of the standard permit, you may apply for a permit or amendment using the Form PI-1, entitled "General Application for Air Preconstruction Permits and Amendments" to the address listed in the above paragraph. If submitted within six months, you may apply the fee for this request to that application by referring to Receipt Number E547687.

Internet address: www.tceq.state.tx.us

Austin, Texas 78711-3087 • · 512/239-1000 •

Mr. Tommy Lovell Page 2 June 30, 2005

Re: Standard Permit Registration Number: 75992

You are reminded that the Texas Health and Safety Code §§ 382.0518(a) and 382.057 require that a permit be obtained or permit by rule be fully complied with before work is begun on the construction of a new facility or modification of an existing facility that may emit air contaminants. Since we cannot confirm your claim, construction should not be started on the proposed project.

Please reference the regulated entity number (RN), customer reference number (CN), and permit number noted in this document in all your future correspondence for the referenced facility or site. The RN replaces the former TCEQ account number for the facility (if portable) or site (if permanent). The CN is a unique number assigned to the company or corporation and applies to all facilities and sites owned or operated by this company or corporation.

Your cooperation in this matter is appreciated. If you have any questions, please contact Mr. Monico Banda at (512) 239-1589 or write to the Texas Commission on Environmental Quality, Office of Permitting, Remediation, and Registration, Air Permits Division (MC-163), P.O. Box 13087, Austin, Texas 78711-3087.

Sincerely,

Anne M. Inman, Manager General/Standard/Rule (GSR) Permit Section Air Permits Division Texas Commission on Environmental Quality

AMI/MSB/alb

cc: Air Section Managers, Region 12 - Houston
Mr. George Cates, Senior Environmental Specialist, Environmental Safety Solutions, Inc.,
Lafayette, LA

Project Number: 115700

Received

DEC 0 5 2005

Air & Waste Applications

\bigcirc

Permit By Rule Azimuth Energy, L.L.C. Clement No. 1 Facility

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- II. PI-7 CERT
- III. Check List

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Process Description
Process Flow Diagram

V. Maps/Drawings

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VI. Emission Point Data

Emission Point List Annual Emission Rate Table Emission Point Summary (Table 1a) Emissions by Pollutant

VII. Applicable Regulations

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Gas Analysis
Estimated C6+ Natural Gas Composition



Permit By Rule Azimuth Energy, L.L.C. Clement No. 1 Facility

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Emission Point Calculations

CE-01 Natural Gas Compressor Engine (95 HP)

CI-01 Gas Operated Chemical Injection Pump

CI-02 Gas Operated Chemical Injection Pump

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FE-01 Fugitive Emissions

GR-01 Glycol Reboiler (0.125 MMBTU/HR)

GV-01 Glycol Still Column Vent

LF-01 Tank Truck Loading Losses

LH-01 Line Heater Burner (0.5 MMBTU/HR)

PL-01 Gas Operated Pressure/Level Controllers

T-01 Oil Storage Tank (400 BBL)

T-02 Oil Storage Tank (400 BBL)

T-03 Oil Storage Tank (400 BBL)

T-04 Oil Storage Tank (400 BBL)

T-03 Produced Water Storage Tank (400 BBL)

TCEQ Use Only

If you have questions on how to fill out this form or about our Central Registry, please contact us at 512-239-5175.

Individuals are entitled to request and review their personal information that the agency gathers on its forms. They may also have any errors in their information corrected. To review such information, contact us at 512-239-3282.

They may also have any errors in their information contected. To tonoth out the same and the sam										
SECTION I: General Information										
1 Reason for Submission Example: new wastewater permit; IHW registration; change in customer information; etc.										
Posistration for Permit By Rule, Oil and Gas Facility 106.352										
2 Attachments Descr	ibe Any Attachments: <u>(ex</u>	: Title V Application,	Waste Transporter Application, etc.)							
X YES NO Calcu	lations and supporting d	ata for Air Standa	ard Permit							
3. Customer Reference Nur		4. Regulated	Entity Reference Number-IT ISSUED							
	(9 digits)	RN	(9 digits)							
CN	(3 digita)									

ECTION II. Customer Information

SEC	CTION II: Custon	ner Info	rm	ation						444.11	otod	on This	Form	
5. C	ustomer Role (Prop	osed or	Act	ual) I	As It R	elates to	the Re	guiat	ea En	itity Li	steu	On This	3101111	
		followi			Т	Owner		Ope	rator		X	Own	er and Operator	
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7. T	ype of Customer:		<u></u>		oration					ral Go				
	Partnership		^	<u> </u>		ernment			City (Govern	men	<u> </u>		
	State Governmen			Coun	ty GOV	CHILICIA	l	her:	<u> </u>					
	Other Governme	nt			- wim4 le				ter pi	ter previous name:				
8. C	Customer Name (If a	<u>n individu</u>	ıaı, į	olease	print la	ist name i	li Sij	n now marries p						
	Azimuth Energy, L.L	.C.	th 04				<u> </u>	L						
9. !	Mailing Address:	511 16		reet						·				
		Suite 3	00	,		<u></u>		Sta	to		Z	P	ZIP + 4	
		City						1 Ottate			202			
		Denve					44 5			ess if a			<u> </u>	
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12.	Telephone Number	·			N/A		10100	<u>uc</u>			946-2838			
	(303) 573-7011				1		ID No.		if anni	<u> </u>			S Number if applicable	
15	. Federal Tax ID (9 dig	its) 	16			chise Tax	ID Nui	IIDei	парри	icabie			(9 digits)	
	14-1866875			1141	86687	59							lanth Ourned	
	Number of Employ	200								1	9. IN	epend and (lently Owned Operated?	
18	. Number of Employ		01-2	250	2	51-500	5	01 an	d high	ner 2	x Y	'es	No	
	0-20 21-10						<u> </u>							

SECTION III: Regulated Entity Information

 . General Regulated Entity Informati	on									
		No Change*								
 New Regulated Energy	ection Lis complete, skip to Section IV - Preparer Info	ormation.								
New Regulated Entity Change to Regulated Entity Information To Stange To Regulated Entity Information To Regulated Entity Inform										

1. Regulated Entity	Name (If ari	ndivid	ual please prin	nt last name fi	rst)		
1. Regulated Entity	TARINE (1) an n	riui riui	man, promot pro-				
Clement No. 1 Facili	LL.Y						
. Street Address							
(No PO Boxes)	City				State	ZIP	ZIP + 4
	City						
	Att: Troy	Luane	tte				
. Mailing Address	2406 Morti	n Lut	her King Driv	e.			
	City	H Duc	der ing 2		State	ZIP	ZIP + 4
	Orange				TX	77630	
- ng 41 4 31	N/A						
. E-Mail Address:		26. E	xtension or Co	ode	27. Fax	Number	if applicable
Telephone Numb	er	10. 1	N/A			N/A	
(409) 882-0402	10 29 S	econd:	ary SIC Code	30. Prima	ry NAICS	Code 31	. Secondary NAIC
8. Primary SIC Cod (4 digits)		(4 dig		(5 o	r 6 digits)		Code (5 or 6 digits
			N/A	21	1111		N/A
1311 2. What is the Prim	ary Business	of this	entity? (Plea	se do not rep	eat the SI	C or NA	ICS description)
	O D dracti	A 23					
Ougstions 22	37 address ger	ograpl	nic location. P	lease refer to	the instr	uctions f	or applicability.
	T						
. County		on Fro	m the intersect	tion of I-10 &	state Hwy	124 in V	Vinnie, TX, proceed 0.6 miles to Fifth
104C	- ~ 2 A milanta	Main	Street illim ici		Oct and pro	00000	•••
outh on Hwy. 124 fo treet. Turn left on Fi	:Ah Street and	nrocee	ed for 0.1 of mi	ile to the well	location o	n the righ	t
treet. Turn lett on F	IIII Succe and	proces					<u></u>
5 N 4 Ci4:	<u> </u>			State TX	Neare	st Zip	
5. Nearest City				TX		77	665
Winnie				37. Longitud	le (W)		
86. Latitude (N)	Minutes	 	Seconds	Degrees	Miı	nutes	Seconds
Degrees 29			551	94		22	206
8. TCEQ Program add to this list as new egistration # for this	odod It vou de	on I Kr	low or are uns	ure, preuse m	Not all pr ark "Unki	ograms h nown". I	ave been listed. Plea f you know a permit
Animal Feeding	α Operation	X	Petroleum Sto	orage Tank	Water	Rights	
Animai reeding	g Operation	 ^-					
70:41 - 37 A i			Wastewater P	ermit			
Title V - Air							
Industrial & Ha	azardone Waete		Water Distric	ts			
industrial & Ha	azaruous wasu		1, 40, 21,041				
- 10 10	1 Wests		Water Utilitie	es	Unkn	own	
Municipal Soli	u waste	-+	Tracor Current	-			
			Licensing - T	YPE(s)			
X New Source Ro	eview - Air		Licensing - 1	112(3)			
					· · · · · · · · · · · · · · · · · · ·		
Section IV: Prepar	er Informatio	n		ا ما ا	Tidl- O		
39. Name				40.	Title Own	utľ ************************************	al Safety Solutions,
Gregory \	W. Cates			Ow	ner/Envi	Ullment	a baiety bututions,
			_		144 1	TAI	han if annlicable
41. Telephone Nun			,	ion or Code			per <i>if applicable</i>
41. Telephone Nun (337) 254-4440	nber		N/A	ion or Code		ax Numl (337) 254	



as Commission on Environmental Quy Form PI-7-CERT Certification and Registration for Permits by Rule

	TOTAL ANTENDED BY A TION						to M. M.
	ISTRANT INFORMATION Reference Number	CN-	TCEQ	Regulated I	Entity Number RN-		
A	TCEQ Customer Reference Number no CN or RN number was entered abo	ve. please fill out the requir	red Core Data For	m, which w	vill be available in Step II of the s	ubmittal pr	ocess.
ote: If I	Company or Other Legal Customer N	ame: Azimuth Energy. I	L.L.C				
	Company Official Contact Name: Ra				Title: Production Manag	jer	
	Mailing Address: 511 16th Stre	et Suite 300					
	City: Denver		State: CO		Zip Code: 80202		
	Phone: (303) 537-7011 Ext 26	1Fax: (720) 946-2838	E-mail: rjudge@	AspectF	Resources.com		
	Technical Contact Name: Gregory V	N. Cates			Title: Sr. Environmental	Specialis	<u>st</u>
	Company: Environmental Safe	ety Solutions, Inc.			<u> </u>		
	Mailing Address: 100 Agape C						
	City: Lafayette		State: LA		Zip Code: 70508		
	Phone: (337) 254-4440	Fax: (337) 993-7859	E-mail: essolut	ons@co	x.net		
D.	n ill I tion Information - Street	et Address:			· 1		
	If no atreet address, provide written d	lriving directions to the site	: (attach descript	on if addit	ional space is needed)		
Erom ti	to interpolation of L-10 & Hwy 124 in	n Winnnie, proceed south	on Hwy 124 for	3.0 miles	. Turn left on main street and p	roceed .6	miles.
Turn le	of the Fifth street and proceed .1 mi	ies, weiliocauditis out	iaht. : Chambers		Zip Code: 77665		
	City: Winnie	coun,	. Chambers				
	CILITY AND SITE INFORMATIO	National and Articles in the Articles		Tageta e goage tea an usa a	Permanent	Portable	
A.	Name and Type of Facility:		§106.352	Oil and C			
В.	Permits by Rule (PBR) claimed under	# 30 TAC §106 (List all):	YES VN	O If YES	S" enter effective date and Rule N	o.:	
	Are you claiming historical standar	d exemption or PBR/				YES	 ✓ NO
C.		facility? If TES, allach	YES	[7] NO	If "YES," enter Registration No.:	<u> </u>	
D.	Is there a previous Standard Exemp facility in this registration? (Attach	ition or PBR for the details regarding changes)		<u>[V]</u> 110	If "YES," enter Rule No.:		
				[7] NO	If "YES," enter Registration No.	:	
E.	Are there any other facilities at this	site which are authorized PRR?	□ 123	W	If "YES," enter Rule No.:		
	by an air Standard Exemption or		YES	LZI NO	If "YES," enter Permit Nos.:		
F.	Are there any other air preconstruc	ction permits at this site?		W NO		1	
			☐ YES	[7] NO	If "YES," enter Permit No.:		
G.		ederal operating permit?		<u>V</u>	1		
Н.		ver (if known):	January State Committee Committee Committee Committee Committee Committee Committee Committee Committee Commit	+1.1			
III. FE	E INFORMATION determine if a fee is required answer		"VEC " to quartic	n III A a	fee is not required, skip to Section	n IV. If "No	O" to
To an	III A then go to Section III. B.	See Section VI for dadress	to sena jee or go			YES	Z NO
A.	Is this registration an update to a pro	eviously registered facility	solely to establish	a recerany	y emorceanie t		
В.	THE STATE OF THE S	to any of the following thre	ee questions, a \$1	00 fee is re	quired. Otherwise, a \$450 jee is	requirea.	□ NO
	Does this business have less than 10	00 employees?				<u>V 150</u>	
	Does this business have less than I	million dollars in annual gr	ross receipts?			YES	
	Is this certification and registration	submitted by a governmen	tal entity with a p	opulation o	of less than 10,000?	YES ·	N 🔼
1	The section	Number (Pavable to TCE)	O): 1004				
C	Company Name on Check; Enviro	nmental Safety Solution	ons, Inc.		Fee Amount: \$900	.00	
<u></u>	Company Name on Check.						

Note: If claiming one Animal Feeding Op	TY REVIEWS ONLY - TECHNICAL INFORMATION of the following PBRs, complete this section, then skip to Section VI berations §106.161 Livestock Auction Facilities §106.162 orage and Drying §106.283 Auto Body Refinishing Facilities §10	Saw Mil	stration" below. ls §106.223 ain Incinerator §10) 6.496
	PBR checklist attached which shows the facility meets all general and ag claimed? (If submitting electronically, click "YES")	specific requirements	YES	NO
B. Distance from this	a facility's emission release point to the nearest property line:	Enter in Feet:		
Distance from this	a facility's emission release point to the nearest off-property structure:	Enter in Feet:		
	RMATION INCLUDING STATE AND FEDERAL REGULATOR' compliance with all applicable state and federal regulations and stan			
A. Is confidential information?	ormation submitted and properly marked "CONFIDENTIAL" with this	certification and	YES	NO
B. Is a process flow	diagram or a process description attached?		✓ YES	□NO
C. Are emissions dat	a and calculations for this claim attached?		YES	NO
	sched showing how the general requirements (30 TAC § 106.4) of the and registration? (PBR checklists may be used, but are optional)	PBR is met for	YES	NO
30 TAC Chapto emissions from		s must possess NO _x allow	vances equivalent to	the actual NC
(PBR checklists /	ached showing how the specific PBR requirements are met for this reginary be used, but are optional)		YES	
	s facility's emission release point to the nearest property line:	Enter in Feet: 50		
	s facility's emission release point to the nearest off-property structure:			
	s, a map or drawing of the site and surrounding land use may be request I Office or local air pollution control program during an investigation.	sted during the technical	review or at the requ	uest of the
VI. SIGNATURE FOR O	ERTIFICATION AND REGISTRATION			
best of my knowledge and to the operation of this fac understood that it is unlaw! Official's knowledge and be in compliance with all reg governing air pollution. The and contained in the attacl Please call 512/239-1250.	tes that the Responsible Official has knowledge of the facts herein set for belief. By this signature, the maximum emission rates listed on this dility and all representations in this certification of emissions are conditionally to vary from these representations unless the certification is first revisionally the project will satisfy the conditions and limitations of the indical ulations of the Texas Commission on Environmental Quality and with the signature below certifies that, based on information and belief formed a need document(s) are true, accurate, and complete. If you have question Individuals are entitled to request and review their personal information to corrected. To review such information, call 512/239-3282.	certification reflect the man supon which the facilied. The signature certificated exemption or permit federal U.S. Environmenter reasonable inquiry, thus on how to fill out this	aximum anticipated ities and sources will as that to the best of the by rule and the facilintal Protection Agente statements and info form or about air question and inform or about air question and inform or about air question.	emissions du Il operate. It is ne Responsible ity will operate acy regulation ormation above uality permits
SIGNATURE:	12		DATE: 7-24	1-05
VII. COPIES OF THE	CERTIFICATION AND REGISTRATION - Copies must be sent as	listed below. Processin	g delays may occur	if copies are
Who	Where		Wha	
Permits Administrative Review (PAR) Section, TCEQ	Regular, Certified, Priority Mail MC 161, P.O. Box 13087, Austin Hand Delivery, Overnight Mail MC 161, 12100 Park 35 Circle, B Room 1206, Austin, Texas 78753 OR Facsimile (512) 239-2123 (do not follow fax with paper copies)	uilding F, First Floor,	Originals - Form Pl Data Form; all attac	
Revenue Section, TCEQ	Regular, Certified, Priority Mail MC 214, P.O. Box 13088, Austin Hand Delivery, Overnight Mail MC 214, 12100 Park 35 Circle, E Austin, Texas 78753		Original Money Or Copy of Form PI-7 Data Form	
Appropriate TCEQ regional office	To find your regional office address, go to the TCEQ Web site at wo call (512) 239-1250	vw.tceq.state.tx.us, or	Copy of Form PI-7 Form, and all attack	
Appropriate local air pollution control program(s)	To find your local air pollution control programs go to the TCEQ, A www.tceq.state.tx.us/nav/permits/air_permits.html, or call (512) 239	PD Web site at -1250	Copy of Form PI-7 Form, and all attack	

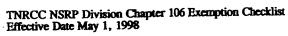
Received

Clement No.1 Facility

TNRCC NSRP Division Chapter 106 Exemption Checklist

•	\ominus	Clement	700.
		General R	equirem

Effective Date May 1, 1998	
Company Name: 🖺	Checklist completed by: 6 Cote, Date: 7-24-05
_Facility Type: _O	Exemption(s) claimed: \$106. 352
_Project Description	: New oil + Gas production Facility
	1
	annual emission rates, in TONS PER YEAR (TPY), for this project:
CO: 2.05 SO ₂ : 0.00	4 NO: 2.098 PM: 0.053 VOČs: 10.098 Other: N/A
	re a "Yes" or "No" answer to be indicated for this exemption claim:
A. §106.4(a)(5):	Current Exemption Requirements
Yes/No	Have you checked to determine if this exempt project is being claimed under the current version of 30 TAC 106? If "Yes", continue to next question for a copy of the current exemption to be claimed.
	Exemption prohibition check
YesNo	Are there any <u>air permits</u> under the same account containing permit conditions which prohibit or restrict the use of standard exemptions? If "No", continue to next question If "Yes", exemptions may not be used or their use must meet the restrictions of the permit. A new permit or permit amendment may be required. List permit number(s):
§106.4(b) states "N Circumvention by a 1. dividing a com 2. claiming feed before a permi viable at less t	Circumvention check No person shall circumvent by artificial limitations the requirements of §116.110 of this title (covering permitting)." Intificial limitations may include but is not limited to: uplete project into separate segments to circumvent §106.4(a)(1) limits; or production rates below the physical capacity of the project's equipment in order to begin constructing facilities of permit amendment is approved for full scale operations, particularly when the unit will not be economically than permitted capacity; ited chemical list in order to begin constructing facilities before a permit or permit amendment is approved for ited chemical list in order to begin constructing facilities before a permit or permit amendment is approved for
additional che	micals, particularly when the unit will not be economically visible unit the additional electrocals and among the
Yes No_	Does your project meet any of the criteria listed above? If "No", continue to next rule question If "Yes", an exemption may not be claimed
D. §106.4(c) - (d): Compliance with all Rules
YesNo	Will the facility comply with all rules and regulations of the TNRCC, the intent of the Texas Clean Air Act, and any local permitting or registration requirements? If "Yes", continue to next rule question if "No", an exemption may not be claimed.
E.§106.4(a)(1): E	mission limits check
Yes_V No	The maximum emissions from all facilities at the site, including this exemption claim, are less than 25 tpy of any contaminant. If the answer to this questions is "Yes", no further review is needed to complete this checklist.
Receive	Forward all information needed to verify your exemption claim to the TNRCC. If "No", please continue through the remaining applicable pages of the checklist.
DEC 0 5 2005	
Air & Waste Applica	tions



on Checklist

Detailed §106.4 Requirements

F.	§106.4(a)(1): Emission limits check continued
1. 2.	Yes No No Are SO, PM, VOC, and other emissions shown above each less than 25 TPY? Yes No No Are the NO, and CO emissions shown above each less than 250 TPY? If the answer to either question is "No", an exemption cannot be claimed. If the answer to both questions is "Yes", continue to next rule question
G.	§106.4(a)(4): Site exemption emissions (For all exemptions at the property and/or under the same Account ID No.)
2.	Yes No Are total NO _x and CO emissions each less than 250 TPY? Yes No Are total emissions of all other contaminants each less than 25 TPY? If the answer to both questions is "Yes", continue to next rule question if either question is answered "No" please answer the following:
3.	Yes No Has any facility at the property had public notification and comment as required in 30 TAC 116 (or applicable procedures of Chapter 116 in effect at the time)? If "Yes", please describe the associated permit action and when notice occurred: If "No", an exemption may not be claimed.
H	. §106.4(a)(6): Federal Requirements for NSPS & NESHAPs
	Yes No Are any EPA New Source Performance Standards (NSPS) applicable to the facilities for which the exemption is being claimed?
2.	YesNo Are any EPA National Emissions Standards for Hazardous Air Pollutants (NESHAPs) applicable to the facilities for which the exemption is being claimed? If "No", continue to next rule question If "Yes", Please list the applicable SubPart(s): Please attach a discussion of how the facilities will meet applicable standards.
ı.	§106.4(a)(2): Nonattainment checklists
1.	Yes No The facility to be exempted is located in a nonattainment county? (See list pages 1 & 2) If "Yes", complete applicable pages of this checklist, then answer the next question If "No", continue to the PSD questions below
2.	YesNoFor any regulated nonattainment contaminant, has this project triggered a nonattainment review? If "No", continue to the PSD questions below If "Yes", the project is a major source or a major modification and an exemption may not be used. A Nonattainment Permit review must be completed to authorize the project.
J.	. §106.4(a)(3): Prevention of Significant Deterioration (PSD) checklist
	Yes No For any regulated National Ambient Air Quality Standard (NAAQS) contaminant, has this project triggered a PSD review? (Please complete the last page of this checklist, then answer:) If "No", no further review is needed to complete the checklist for Chapter 106. Forward all information needed to verify your exemption claim to the TNRCC. If "Yes", the project is a major source and an exemption may not be used. A PSD Permit review must be completed to authorize the project.

TNRCC NSRP Division Chapter 106 Exemption Checklist Effective Date May 1, 1998

and the Applications

Houston/Galveston Nonattainment Applicability Checklist

If the facility to be exempted is located in Brazoria, Chambers, Ft. Bend, Galveston, Harris, Liberty, Montgomery or Waller County and has the potential for VOC or NO, emissions, please complete the following

70C 01 110 ; Ellission	, p		
For this project only:		VOC	NO _x
	New allowable rate Old actual rate** Project Increase	+	
The following questions require	"Yes" or "No" answer to be indicated for this	exemption claim:	•
K. VOCs			
2. Yes No A	xisting major source?)	ing om all sources *	greater than 25 TPY? (i.e. Is this site an
3. Yes No V Is	the project increase of VUCs If "No", continue to the NO _x ques	greater than 5 11 tions below proneous netting calc	PY? (i.e. Does this action trigger netting?) rulations (attach) and answer the following question
4 Yes No V	s the contemporaneous net increasing modification? If "No" contemporaneous	ease of VOCs gr	eater than 25 TPY? (i.e. Is this project a
L. NO _x			
1. Yes/No 7	The facility to be exempted has If "No", continue to the PSD que. If "Yes", please answer the follow	SHOUS	NO _x emissions.
2. Yes No/	existing major source?) If "No", continue to question 3 If "Yes", places complete the following series are some series and series are series are series are series and series are ser	owina ·	greater than 25 TPY? (i.e. Is this site an
	A. Yes No Is the project trigger netting?)	t increase of NO	x greater than 5 TPY? (i.e. Does this action
	3. Yes No I Is the content his project a major modification of "No", continue to the PSD que if "Yes", this project will be a major modification of the PSD que if "Yes", this project will be a major major	oraneous netting cale aporaneous net in n?) stions ajor modification and	culations (attach) and answer the following question necrease of NO _x greater than 25 TPY? (i.e.]
	permit review must be completed	•	increases greater than 25 TPY?
3. Yes No	If "No" continue to the PSD mile	eti ne s	cemption may <u>not</u> be used. A Nonattainment permit
* "all sources" and "site-w ** Actual emission rates and RECEIVED	ide" should include facilities which are permits based on the average emissions from all existi	ed, exempted, or grandfa ng facilities affected by th	whered <u>, excluding this project</u> his exemption claim (project) for the previous 2 years
NEC 0 5 2005			

§106.4(a)(3): Prevention of Significant Deterioration (PSD) checklist

Please note that If the facility is located in a non-attainment area for VOCs, CO or PM10, you do not have to be reviewed again for PSD Applicability for that contaminant.

The following questions require a "Yes" or "No" answer to be indicated for this exemption claim:

S. PSD Applicability check

Na	mea 50	urces								
1.	Yes	No_ <u>/</u>	Is the SITE If "No",	continue to th	e un-named so	urce questions	ge 2 of checkli: (#4) <i>below</i>	st)		
		/	/ If "Yes"	, please answe	r the following	; 	NTA A O	a botolescen	albutant (inabud	ina
2.	Yes	_ No_ <u>/</u>	Prior to thi	s action, are	e site-wide e	missions of	any NAAQS	s regulated p	ollutant (includi	mg
			If "Yes"	reater than , the site is a r , answer the ne	najor source. l	(1.C. IS UNIS S Please answer g	nuestions #6-8 l	ng major sou below (PSD "Si	rce!) gnificance")	
^	37	NI.	ij ivo,	minted NA	MC contam	inant (excen	t as noted al	nove) ivill th	ne project's incr	eases
3.	Yes	_ NO_Y	rot any ica			manı (cxcep	noines)	,0,0,, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	to project s mor	J
			be greater	man 100 1F	'I! (1.6. 18)	his project n	checklist for C	hanter 106		
			If "Yes"	, no juriner rev ,the project is ed to authorize	a major source	e and an exemp	ption may not l	be used and a F	PSD Permit review i	must be
Tix	ı-name	d Source	 							
	Yes	No V	Is the SITE	an un-nan	ned PSD sou	arce? (See lis	t on page 2 of	checklist)		
••		_ ^ \ ~	If "No".	, the above qu	estions regardit er the following	ng named sourc	ces should be o	ompleted		
5	Yes	No V	Prior to thi	s action, ar	e site-wide e	emissions of	any NAAQ	S regulated p	ollutant (point s	source
٥.	100	_ 1.0 <u>v</u>	only) great	er than 250	TPY? (i.e.	Is this site a	n existing m	aior source?) ·	
			If "Van"	the cite is a	wainz cames	Planea meuer	nuestions #6-8	helow (PSD "S	ioniticance")	al
			If "No"	, no further re	view is require	d. Please send	this checklist a	ina au againon	al documentation to	ine
			INKCC	NSKP Divisio	n ana ine appi	icable Regional	одисе.			
6.	If th	re existing	ance" check site is a major all regulated N	source, Comp	lete the follow nds (in TPY).	ing chart and a	ttach calculatio	ons to determine Other:	the project's emiss	ion .
			NO,	PM ₁₀	co	VOCs	SO ₂			
Ne	w allowa	ble rate	+							
	d actual r		-							
					•	-				
PT	oject Inco	case			·	· · · · · · · · · · · · · · · · · · ·				
7.	Yes	_ No	'significan If "No" If "Yes	t' rates? (i.e ',no further rev	e. Does this riew is needed ability review o	action trigge to complete the and netting calc	er netting?) (checklist for C	(See list on pag Thapter 106. De completed (at	e greater than the 2 of checklist) ttach).	e PSD
8.	Yes	_ No	the PSD 's If "No" calcula If "You	ignificant' 1	rates? (i.e. I view is needed mentation for is a major mod	is this project to complete the review by TNR	t a major mo checklist for C CC NSRP staff. mexemption m	odification?) <i>Chapter 106. Pi</i>	lease attach all netti	
	19 6	ceiv	ed						•	

DEC 0 5 2005

Air & Waste Applications



Title 30 Texas Administrative Code § 106.352 Permit By Rule (PBR) Checklist Oil and Gas Production Facilities

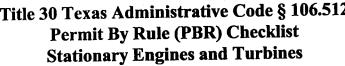
lectronic	Submittal - Only enter the PI-7 confirmation number hereif submitting electronical	ıy.							
	ard-Copy Submittal - Print and complete the following checklist.								
equiremen	ing checklist is designed to help you confirm that you meet Title 30 Texas Administrative Code § 106.352 its. If you do not meet all the requirements, you may alter the project design or operation in such a way the are met or you may obtain a construction permit. The PBR forms, tables, checklist and guidance docume commission on Environmental Quality (TCEQ), Air Permits Division Web site at www.tceq.state.tx.us/nav/permits.	nts are ava	ilable from						
Please ch	eck the most appropriate answer.								
	Check the type of facilities covered by this registration(check all that are applicable): Oil or gas production facility	line facility							
	The facilities at the site include (check all that apply): I one or more tanks I gunbarrels I gas sweetening and other gas conditioning facilities Sulfur recovery units Free water knockouts I dehydration units I natural gas liquids recovery units	YES	□№						
	Will gas sweetening, sulfur recovery, or other gas conditioning facilities only condition gas that contains less than two (2) long tons per day of sulfur compounds as sulfur?	YES	✓NO						
1	Do all compressors and flares fully meet the requirements of 30 TAC § 106.512 and 30 TAC § 106.492, respectively? Attach data showing how the exemptions are met. Checklists are available.	YES	□ио						
2	Are total emissions from all facilities, including fugitives and loading emissions, less than 25 tpy SO ₂ , VOC, or 250 tpy of CO or NO _x ?	YES	□ио						
	Have you attached calculations and other data, such as a gas analysis, showing that the emissions limits of the general rule are met?	YES	□NO						
3	If the facility handles sour gas, is it located at least 1/4 mile from any recreational area, residence, or other structure not occupied or used solely by the owner or operator of the facility or the owner of the property upon which the facility is located? Attach a scaled map.	YES	□NO						
4	Are total emissions of sulfur compounds, excluding sulfur oxides, less than 4.0 pounds per hour? Attach calculations.	YES	Пио						
	Does the height of each vent emitting sulfur compounds meet or exceed the minimum vent height stated in 30 TAC § 106.352? List stack height:	YES	□мо						
<u> </u>	III JU TAC 9 100322.								

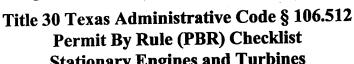
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DEC 0 5 2005

Air & Waste Applications







Electronic Submittal - Only enter the PI-7 confirmation number here	if submitting electronically.
Hard-Copy Submittal - Print and complete the following checklist.	

The following checklist is designed to help you confirm that you meet Title 30 Texas Administrative Code § 106.512 (30 TAC § 106.512) requirements. If you do not meet all the requirements, you may alter the project design or operation in such a way that all the requirements of the PBR are met or you may obtain a construction permit. The PBR forms, tables, checklists and guidance documents are available from the Texas Commission on Environmental Quality (TCEQ), Air Permits Division Web site www.tceq.state.tx.us/nav/permits/air_permits.html.

Definitions:

Rich-burn Engine: A rich-burn engine is a gas fired spark-ignited engine that is operated with an exhaust oxygen content less than four percent by volume.

Lean-burn Engine: A lean-burn engine is a gas-fired spark-ignited engine that is operated with an exhaust oxygen content of four percent by volume, or greater.

Rated Engine Horsepower (hp): Engine rated horsepower shall be based on the engine manufacturer's maximum continuous load rating at the lesser of the engine or driven equipment's maximum published continuous speed.

Turbine Horsepower: Turbine rated horsepower shall be based on turbine base load, fuel power heating value, and International Standards Organization Standard Day Conditions of 59 degrees Fahrenheit, 1.0 atmosphere pressure, and 60 percent relative humidity.

CITIECI	K THE MOST APPROPRIATE ANSWER		
1	Is the engine or turbine rated less than 240 hp? If "YES," then you do not need to register, but you must comply with conditions (5) and (6). If "NO," then you MUST register by submitting a completed Form PI-7 and Table 29 or 31 as applicable within 10 days after construction begins.	☑YES □NO	
	Describe the equipment (pick one): engine If an engine, go to Question 2. If turbine, go to Question 3.	turbine	
2	Is the engine rated at 500 hp or greater?	☐YES Z NO	
	If "NO," the engine is between 240 and 500 hp. You need only need to register the engine by submitting a completed Form PI-7 and Table 29 within 10 days after construction begins and you must comply with conditions (5) and (6).		
	If "YES," In addition to registration, the engine must operate in compliance with the following nitrogen (limit(s). Check the limit(s) applicable to this engine by answering the following:		
2A	The engine is a gas-fired, rich-burn engine and will not exceed 2.0 grams per horsepower hour (g/hp-hr) under all operating conditions.	□YES □NO	
	The engine is a spark ignited, gas-fired, lean-burn engine or any compression-ignited dual fuel-fired engine manufactured new after June 18, 1992, and will not exceed 2.0 g/hp-hr NO _x at manufacturer's rated full load and speed at all times; except, the engine will not exceed 5.0 g/hp-hr NO _x under reduced speed and 80% to 100% of full torque conditions.	YES NO	
	The engine is any spark-ignited, gas-fired, lean-burn 2-cycle or 4-cycle engine or any compression-ignited dual fuel-fired engine rated 825 hp or greater and manufactured between September 23, 1982, and June 18, 1992, and will not exceed 5.0 g/hp-hr NO _x under all operating conditions.	YES NO	



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	The engine is any spark-ignited, gas-fired, lean-burn 4-cycle engine or compression-ignited dual fuel-fired engine that was manufactured before June 18, 1992, and is rated less than 825 hp, or was manufactured before September 23, 1982, and will not exceed 5.0 g/hp-hr NO _x at manufacturer's rated full load and speed at all times; except, the engine will not exceed 8.0 g/hp-hr NO _x under reduced speed and 80% to 100% of full torque conditions.	□YES □NO	
	The engine is any spark-ignited gas-fired 2-cycle lean-burn engine that was manufactured before June 18, 1992, and is rated less than 825 hp, or was manufactured before September 23, 1982, and will not exceed 8.0 g/hp-hr NO _x under all operating conditions.	□YES □NO	
	The engine is any compression-ignited liquid-fired engine and will not exceed 11.0 g/hp-hr NO_x under all operating conditions.	☑YES □NO	
2B	Does the engine require an automatic air-fuel ratio controller to meet the NO _x limit(s) above?	✓ YES □ NO	
	Is the engine required to have an automatic air-fuel ratio controller under condition (2)(B) of the PBR?	☑ YES □NO	
2C	Are you aware of and accept responsibility for the record and testing requirements as specified in condition (2)(C) of the PBR?	✓YES □NO	
3	Is the turbine rated 500 hp or more?	✓YES □NO	
	If "NO," the turbine is between 240 and 500 hp. You need only need to register the engine by submittin PI-7 and Table 31 within 10 days after construction begins and you must comply with conditions (5) of	g a completed Form and (6).	
	If "YES," In addition to registration, the turbine must operate in compliance with the following emiss		
3A	The emissions of NO _x shall not exceed 3.0 g/hp-hr for gas-firing and	✓ YES □NO	
3В	the turbine shall meet all applicable NO _x and sulfur dioxide (or fuel sulfur) emissions limitations, monitoring requirements, and reporting requirements of EPA, NSPS 40 CFR Part 60, Subpart GG.	✓YES □NO	
4	Is the engine or turbine rated less than 500 hp or used for temporary replacement purposes?	✓YES □NO	
	If "NO," go to condition (5).		
	If "YES," the equipment does not have to meet the emission limits of conditions (2) and (3); however, the temporary replacement equipment can only remain in service for a maximum of ninety days.		
5	What type of fuel will be used and will the fuel meet the requirements of the PBR? (Pick one or more): ✓ Natural Gas	✓ YES □NO	
6	Does installation comply with the National Ambient Air Quality Standards? Indicate which method is used and attach modeling report and/or calculations and diagrams to support the selected method. □ Modeling □ Stack Height □ Facility Emissions and Property Line Distance	✓ YES □NO	
<u> </u>	PRINT	SUBMIT	

110perty Dame District	
PRINT	SUBMIT

AIR/RN104618269-77495/E

TELEPHONE MEMO TO THE FILE

Call to:	Kimberly Morales	Call from:	Greg Cates
Date of call:	9/12/05	File No.:	
Phone No.:	(337) 254-4440	Subject:	10-Day Call

Information for file:

Mr. Cates called and confirmed Azimuth received the order; he thinks they'll settle. I answered some general questions he had regarding the denial language and the TRs.

Signed: Win Morales 9/12/05

RECEIVED JAN 27 2006

> TCEQ CENTRAL FILE ROOM

AIR/RN104618269-77495/

TELEPHONE MEMO TO THE FILE

Call to:	Gregory Cates	Call from:	Kimberly Morales
Date of call:	8/24/05	File No.:	
Phone No.:	(337) 254-4440	Subject:	Initial Call

Information for file:

I called (720) 946-2838, the number listed in the investigation report for Randy Judge, but it was a fax number. I called Gregory Cates, consultant for Azimuth, instead. I explained that I was calling in regard to the 7/7/05 NOE and that I would mail a settlement offer in the next few weeks. Mr. Cates said he would send me an email detailing the corrective measures Azimuth has taken toward reducing their VOC emissions below the major source threshold. He explained that they've installed a vapor recovery system which will be tested in about 2 weeks to see if it's working properly. They believe the vapor recovery system will get their emissions below Title V requirements and make them eligible for a permit-by-rule. Mr. Cates said Randy Judge's phone numbers were 303/225-5261 (main) and 303/562-5752 (cell).

Signed: Kim Morales 8/24/05