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:

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.

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,

Jon Edwards for

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

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

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 I10 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?		X	
Are there associated NSR or Title V permits for the site?	X		75992
Is each PBR > 25/250 tpy?		X	
Are PBR sitewide emissions > 25/250 tpy?		X	
Are there permit limits on using PBRs at the site?		X	
Is PSD or Nonattainment netting required?		X	
Do NSPS, NESHAP, or MACT standards apply to this registration?		X	
Does NOx Cap and Trade apply to this registration?		X	
Is the facility in compliance with all other applicable rules and regulations?	X		

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, and106.512** 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

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

1) The compressors are in compliance with 106.512.
2) 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 (SO_2), 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 SO_2 must include gas lost by equilibrium flash as well as gas lost by conventional evaporation.
3) 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.
4) The height of any vent whichcould 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.
5 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.

ESTIMATED EMISSIONS

Emission Source	EPN	VOC		NOx		CO		PM_{10}		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										
Oil Storage Tank (400 bbl)	T-01		0.000										
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 EMISSIONS (TPY):			**10.819**		**2.098**		**2.054**		**0.053**				
MAXIMUM OPERATING SCHEDULE:		**Hours/Day**		24	**Days/Week**		7	**Weeks/Year**		52	**Hours/Year**		8760

SITE REVIEW / DISTANCE LIMIT	Yes	No	Description/Outcome	Date	Reviewed by
Site Review Required?		X			
PBR Distance Limits Met?	X		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:			
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

12/29/2005 ---------- NSR PERMITS IMS- PROJECT RECORD ----------

PROJECT#: 119627 PERMIT#: **77495** STATUS: **P** DISP CODE: ____

RECEIVED: **12/05/2005** PROJTYPE: **XRVW** RENEWAL:

FEE DATE: 12/05/2005 FEE AMT: $ 100 PROJ-ISSUE DATE: 12/30/05

STDX,PBR#,STDP: 0352 CHECK NUMBER: 1004

PROJECT NAME: CLEMENTS 1 FACILITY

Clyde 3.5

GROUP: PAR

PAR1_2 : HICKMAN, SHARON

GROUP: HRT & SRT

PEERREVIEW : PRICE, CLYDE

TECHENGR : GALVAN, MIGUEL

ADMIN REVIEW

A - PAR RECEIVED : 12/05/2005

A - CN/RN REQ FROM CENTRAL REG : 12/06/2005

A - PAR TRANSFER TO APD : 12/07/2005

A - CN/RN REC FROM CENTRAL REG : 12/07/2005

ISSUED TO: AZIMUTH ENERGY LLC

COMPANY NAME: AZIMUTH ENERGY LLC

CUSTOMER REGISTRY ID: **CN602842973**

PRIMARY CONTACT INFORMATION

CONTACT TYPE: TECHNICAL CONTACT

NAME: MR GREGORY W CATES

TITLE: SENIOR ENVIRONMENTAL SPECIALIST

EMPLOYER NAME: ENVIRONMENTAL SAFETY SOLUTIONS INC

PHONE: 337-254-4440 ext

FAX: 337-993-7859 ext

STREET: 100 AGAPE CIR

CITY/STATE,ZIP: LAFAYETTE, LA , 70508-

CONTACT TYPE: RESPONSIBLE OFFICIAL

NAME: MR RANDY JUDGE

TITLE: PRODUCTION MANAGER

EMPLOYER NAME: AZIMUTH ENERGY LLC

PHONE: 303-537-7011 ext 261

FAX: 720-946-2838 ext

STREET: 511 16TH ST STE 300

CITY/STATE,ZIP: DENVER, CO , 80202-

PROJECT INFORMATION

UNIT: CLEMENTS 1 FACILITY

SIC: 1311 REGION: 12 ACCOUNT:

REG ENTITY ID: **RN104618269**

SITE NAME: CLEMENTS 1 FACILITY

COUNTY: CHAMBERS CAPUNITS: UNITTYPE:

CAPACITY: CITY: WINNIE

LOCATION: FR INTERSECTION OF I10 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

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 RECEIVE PROJECT :	12/09/2005	SUP - RECEIVED FROM PAR :	12/09/2005	TR - INITIAL REVIEW COMPLETE :	12/09/2005
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

Amanda Berry - Azimith Energy Permit 77495

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

TIME : 02/17/2006 10:51
NAME :
FAX : 1300
TEL : 1300
SER.# : BROM4J173761

DATE,TIME	02/17 10:51
FAX NO./NAME	913379937859
DURATION	00:00:00
PAGE(S)	00
RESULT	BUSY
MODE	STANDARD

BUSY: BUSY/NO RESPONSE

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:

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TRANSMISSION VERIFICATION REPORT

TIME : 02/17/2006 12:01
NAME :
FAX : 1300
TEL : 1300
SER.# : BROM4J173761

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

BUSY: BUSY/NO RESPONSE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

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Winnie, Chambers County
Regulated Entity Number: RN104618269
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TRANSMISSION VERIFICATION REPORT

TIME : 02/17/2006 12:04
NAME :
FAX : 1300
TEL : 1300
SER.# : BROM4J173761

DATE,TIME	02/17 12:04
FAX NO./NAME	913372732514
DURATION	00:00:00
PAGE(S)	00
RESULT	BUSY
MODE	STANDARD

BUSY: BUSY/NO RESPONSE

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
337-273-2514

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 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

TRANSMISSION VERIFICATION REPORT

TIME : 02/17/2006 15:03
NAME :
FAX : 1300
TEL : 1300
SER.# : BROM4J173761

DATE,TIME	02/17 15:02
FAX NO./NAME	913372732514
DURATION	00:00:40
PAGE(S)	02
RESULT	OK
MODE	STANDARD ECM

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
337-273-2514

Re: Permits by Rule Registration Number: 77495
Clements No.1 Facility
Winnie, Chambers County
Regulated Entity Number: RN104618269
Customer Reference Number: CN602842973

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12/09/2005 ---------- NSR PERMITS IMS- PROJECT RECORD ----------

PROJECT#: 119627 PERMIT#: **77495** STATUS: **P** DISP CODE: _____

RECEIVED: **12/05/2005** PROJTYPE: **XRVW** RENEWAL:

FEE DATE: FEE AMT: $ 100 PROJ-ISSUE DATE: _____

STDX,PBR#,STDP: 0352 CHECK NUMBER: 1004

PROJECT NAME: CLEMENTS 1 FACILITY

12-9

75992

GROUP: PAR

PAR1_2 : HICKMAN, SHARON

GROUP: HRT

TECHENGR : GALVAN, MIGUEL

ADMIN REVIEW

A - PAR RECEIVED :	12/05/2005	A - CN/RN REQ FROM CENTRAL REG :	12/06/2005	A - PAR TRANSFER TO APD :	12/07/2005
A - CN/RN REC FROM CENTRAL REG :	12/07/2005				

ISSUED TO: AZIMUTH ENERGY LLC

COMPANY NAME: AZIMUTH ENERGY LLC

CUSTOMER REGISTRY ID: **CN602842973**

321004/321005

PRIMARY CONTACT INFORMATION

CONTACT TYPE: TECHNICAL CONTACT

NAME: MR GREGORY W CATES TITLE: SENIOR ENVIRONMENTAL SPECIALIST

EMPLOYER NAME: ENVIRONMENTAL SAFETY SOLUTIONS INC

PHONE: 337-254-4440 ext FAX: 337-993-7859 ext

STREET: 100 AGAPE CIR CITY/STATE,ZIP: LAFAYETTE, LA , 70508-

CONTACT TYPE: RESPONSIBLE OFFICIAL

NAME: MR RANDY JUDGE TITLE: PRODUCTION MANAGER

EMPLOYER NAME: AZIMUTH ENERGY LLC

PHONE: 303-537-7011 ext 261 FAX: 720-946-2838 ext

STREET: 511 16TH ST STE 300 CITY/STATE,ZIP: DENVER, CO , 80202-

PROJECT INFORMATION

UNIT: CLEMENTS 1 FACILITY

SIC: 1311 REGION: 12 ACCOUNT: REG ENTITY ID: **RN104618269**

SITE NAME: CLEMENTS 1 FACILITY

COUNTY: CHAMBERS CAPUNITS: UNITTYPE:

CAPACITY: CITY: WINNIE

LOCATION: FR INTERSECTION OF I10 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

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

Sharon Hickman - RN104618269 IMS 119627

From: Gloria Kelley
To: Sharon Hickman
Date: 12/7/2005 7:47 AM
Subject: RN104618269 IMS 119627

Done

Sharon Hickman - Fwd: Re: project 115700

From: Sharon Hickman
To: Carpenter, Rich
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 denied on 6/30/2005. The project record 115700 doesn't show denied, it shows Issued.

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

TCEQ Fax:5122394500

*** 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	# 0 K	

FAX TRANSMITTAL

Protecting Texas by Reducing and Preventing Pollution

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	
New Cust.	
New Reg Ent	

Check Box	
Update Customer	✓
Update Regulated Entity	✓
Update All CN Info	
Update All RN Info	
New Affiliation	
New Reg/Permit #	✓

Portable	

✓ 1st Request

2nd Request

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:	CN602841973

TCEQ

Protecting Texas by Reducing and Preventing Pollution

FAX TRANSMITTAL

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	
New Cust.	
New Reg Ent	

Check Box	
Update Customer	✓
Update Regulated Entity	✓
Update All CN Info	
Update All RN Info	
New Affiliation	
New Reg/Permit #	✓

Portable	

✓ 1st Request

2nd Request

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)**

Texas Commission on Environmental Quality
Form PI-7-CERT
Certification and Registration for Permits by Rule

I. REGISTRANT INFORMATION

A. TCEQ Customer Reference Number: CN- | TCEQ Regulated Entity Number: RN-

Note: If no CN or RN number was entered above, please fill out the required Core Data Form, which will be available in Step II of the submittal process.

B. Company or Other Legal Customer Name: Azimuth Energy, L.L.C

Company Official Contact Name: Randy Judge | Title: Production Manager

Mailing Address: 511 16th Street, Suite 300

City: Denver | State: CO | Zip Code: 80202

Phone: (303) 537-7011 Ext 261 | Fax: (720) 946-2838 | E-mail: rjudge@AspectResources.com

C. Technical Contact Name: Gregory W. Cates | Title: Sr. Environmental Specialist

Company: Environmental Safety Solutions, Inc.

Mailing Address: 100 Agape Circle

City: Lafayette | State: LA | Zip Code: 70508

Phone: (337) 254-4440 | Fax: (337) 993-7859 | E-mail: essolutions@cox.net

D. Facility Location Information - Street Address:

If no street address, provide written driving directions to the site: *(attach description if additional space is needed)*

From the intersection of I-10 & Hwy 124 in Winnnie, 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.

City: Winnie | County: Chambers | Zip Code: 77665

II. FACILITY AND SITE INFORMATION

A. Name and Type of Facility: ☑ Permanent ☐ Portable

B. Permits by Rule (PBR) claimed under 30 TAC §106 *(List all):* §106.352 Oil and Ga | §106. | §106.

Are you claiming **historical standard exemption or PBR**? ☐ YES ☑ NO If "YES" enter effective date and Rule No.:

C. Are you registering a **grandfathered** facility? *If "YES," attach documentation of construction date* ☐ YES ☑ NO

D. Is there a previous **Standard Exemption or PBR** for the facility in this registration? *(Attach details regarding changes)* ☐ YES ☑ NO — If "YES," enter Registration No.: / If "YES," enter Rule No.:

E. Are there any **other facilities** at this **site** which are **authorized by an air Standard Exemption or PBR**? ☐ YES ☑ NO — If "YES," enter Registration No.: / If "YES," enter Rule No.:

F. Are there any **other air preconstruction permits** at this site? ☐ YES ☑ NO — If "YES," enter Permit Nos.:

G. Is this **site** required to obtain an air **federal operating permit**? ☐ YES ☑ NO — If "YES," enter Permit No.:

H. TCEQ Account Identification Number *(if known):*

III. FEE INFORMATION

To determine if a fee is required answer the following questions. If "YES," to question III. A., a fee is not required, skip to Section IV. If "NO" to answer III. A., then go to Section III. B. See Section VI for address to send fee or go to www2.tceq.state.tx.us/epay *to pay online*

A. Is this registration an update to a previously registered facility solely to establish a federally enforceable emission limit? ☐ YES ☑ NO

B. What is the fee amount? *If "YES," to any of the following three questions, a **$100 fee** is required. Otherwise, a **$450 fee** is required.*

Does this business have less than 100 employees? ☑ YES ☐ NO

Does this business have less than 1 million dollars in annual gross receipts? ☐ YES ☑ NO

Is this certification and registration submitted by a governmental entity with a population of less than 10,000? ☐ YES ☑ NO

C. Check/Money Order or Transaction Number (*Payable to TCEQ*): 1004

Company Name on Check: Environmental Safety Solutions, Inc. | Fee Amount: $900.00

Received

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Air & Waste Applications

IV. SELECTED FACILITY REVIEWS ONLY - TECHNICAL INFORMATION

Note: If claiming one of the following PBRs, complete this section, then skip to Section VI "Submitting Your Registration" below.

Animal Feeding Operations §106.161 **Livestock Auction Facilities §106.162** **Saw Mills §106.223**
Grain Handling, Storage and Drying §106.283 **Auto Body Refinishing Facilities §106.436** **Air Curtain Incinerator §106.496**

A.	Is the **applicable PBR checklist** attached which shows the facility meets all **general** and **specific** requirements of the PBR(s) being claimed? (*If submitting electronically, click "YES"*)	☐ 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:**		

V. TECHNICAL INFORMATION INCLUDING STATE AND FEDERAL REGULATORY REQUIREMENTS

Registrants must be in compliance with all applicable state and federal regulations and standards to claim a PBR.

A.	Is confidential information submitted and properly marked "CONFIDENTIAL" with this certification and registration?	☐ YES	☑ NO
B.	Is a process flow diagram or a process description attached?	☑ YES	☐ NO
C.	Are emissions data and calculations for this claim attached?	☑ YES	☐ NO
D.	Is information attached showing how the **general** requirements **(30 TAC § 106.4)** of the PBR is met for this certification and registration? ***(PBR checklists** may be used, but are optional)*	☑ YES	☐ NO

*Note: Please be reminded that if the facilities listed in this certification and registration are subject to the Mass Emissions Cap & Trade program under **30 TAC Chapter 101, Subchapter H, Division 3**, the owner/operator of these facilities must possess NO_x allowances equivalent to the actual NO_x emissions from these facilities.*

E.	Is information attached showing how the **specific PBR** requirements are met for this registration? ***(PBR checklists** may be used, but are optional)*	☑ YES	☐ NO
F.	Distance from this facility's emission release point to the nearest property line: **Enter in Feet:** 50		
	Distance from this facility's emission release point to the nearest off-property structure: **Enter in Feet:** >3000		

Note: In limited cases, a map or drawing of the site and surrounding land use may be requested during the technical review or at the request of the TCEQ Regional Office or local air pollution control program during an investigation.

VI. SIGNATURE FOR CERTIFICATION AND REGISTRATION

The signature below indicates that the Responsible Official has knowledge of the facts herein set forth and that the same are true, accurate, and complete to the best of my knowledge and belief. By this signature, the maximum emission rates listed on this certification reflect the maximum anticipated emissions due to the operation of this facility and all representations in this certification of emissions are conditions upon which the facilities and sources will operate. It is understood that it is unlawful to vary from these representations unless the certification is first revised. The signature certifies that to the best of the Responsible Official's knowledge and belief, the project will satisfy the conditions and limitations of the indicated exemption or permit by rule and the facility will operate in compliance with all regulations of the Texas Commission on Environmental Quality and with federal U.S. Environmental Protection Agency regulations governing air pollution. The signature below certifies that, based on information and belief formed after reasonable inquiry, the statements and information above and contained in the attached document(s) are true, accurate, and complete. ***If you have questions on how to fill out this form or about air quality permits. Please call 512/239-1250.** 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, call 512/239-3282.*

SIGNATURE: [signature] **DATE:** 7-24-05

VII. COPIES OF THE CERTIFICATION AND REGISTRATION - Copies **must** be sent as listed below. **Processing delays may occur if copies are not sent as noted.**

Who	*Where*	*What*
Permits Administrative Review (PAR) Section, TCEQ	**Regular, Certified, Priority Mail** MC 161, P.O. Box 13087, Austin, Texas 78711-3087 **Hand Delivery, Overnight Mail** MC 161, 12100 Park 35 Circle, Building F, First Floor, Room 1206, Austin, Texas 78753 OR **Facsimile** (512) 239-2123 (*do not follow fax with paper copies*)	Originals - Form PI-7, Core Data Form; all attachments
Revenue Section, TCEQ	**Regular, Certified, Priority Mail** MC 214, P.O. Box 13088, Austin, Texas 78711-3088 **Hand Delivery, Overnight Mail** MC 214, 12100 Park 35 Circle, Building A, Third Floor, Austin, Texas 78753	Original Money Order or Check Copy of Form PI-7 and Core Data Form
Appropriate TCEQ regional office	To find your regional office address, go to the TCEQ Web site at www.tceq.state.tx.us, or call (512) 239-1250	Copy of Form PI-7, Core Data Form, and all attachments
Appropriate local air pollution control program(s)	To find your local air pollution control programs go to the TCEQ, APD Web site at www.tceq.state.tx.us/nav/permits/air_permits.html, or call (512) 239-1250	Copy of Form PI-7, Core Data Form, and all attachments

TCEQ Core Data Form

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.

SECTION I: General Information

1. Reason for Submission *Example: new wastewater permit; IHW registration; change in customer information; etc.*

Registration for Permit By Rule, Oil and Gas Facility 106.352

2. Attachments				Describe Any Attachments: *(ex: Title V Application, Waste Transporter Application, etc.)*
X	YES		NO	Calculations and supporting data for Air Standard Permit

3. Customer Reference Number-*if issued*			4. Regulated Entity Reference Number-*if issued*		
CN	602842973	*(9 digits)*	RN	104618269	*(9 digits)*

SECTION II: Customer Information

5. Customer Role *(Proposed or Actual)* **-- As It Relates to the Regulated Entity Listed on This Form**

Please check one of the following:		Owner		Operator	X	Owner and Operator
	Occupational Licensee		Volunteer Cleanup Applicant			Other
TCEQ Use Only			**Superfund**		**PST**	**Respondent**

6. General Customer Information

	New Customer	✓	Change to Customer Information
	Change in Regulated Entity Ownership		No Change *

*If "No Change" and Section I is complete, skip to Section III - Regulated Entity Information.

7. Type of Customer:					
	Individual		Sole Proprietorship - D.B.A.		
	Partnership	X	Corporation		Federal Government
	State Government		County Government		City Government
	Other Government		Other:		

8. Customer Name *(If an individual, please print last name first)*	*If new name, enter previous name:*
Azimuth Energy, L.L.C.	

9. Mailing Address:	511 16th Street			
	Suite 300			
	City	State	ZIP	ZIP + 4
	Denver	CO	80202	

10. Country Mailing Information *if outside USA*	11. E-Mail Address *if applicable*
	N/A

12. Telephone Number	13. Extension or Code	14. Fax Number *if applicable*
(303) 573-7011	N/A	(720) 946-2838

15. Federal Tax ID *(9 digits)*	16. State Franchise Tax ID Number *if applicable*	17. DUNS Number *if applicable (9 digits)*
14-1866875	11418668759	

18. Number of Employees

0-20		21-100	X	101-250		251-500		501 and higher

19. Independently Owned and Operated?

X	Yes		No

SECTION III: Regulated Entity Information

20. General Regulated Entity Information

New Regulated Entity	✓	Change to Regulated Entity Information		No Change*

*If "No Change" and Section I is complete, skip to Section IV - Preparer Information.

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Air & Waste Applications

21. Regulated Entity Name *(If an individual, please print last name first)*				
Clement No. 1 Facility				
22. Street Address (No PO Boxes)				
	City	State	ZIP	ZIP + 4
23. Mailing Address	**Att: Troy Luquette**			
	2496 Martin Luther King Drive.			
	City	State	ZIP	ZIP + 4
	Orange	**TX**	**77630**	
24. E-Mail Address:	**N/A**			

25. Telephone Number	**26. Extension or Code**	**27. Fax Number *if applicable***
(409) 882-0402	**N/A**	**N/A**

28. Primary SIC Code (4 digits)	**29. Secondary SIC Code (4 digits)**	**30. Primary NAICS Code (5 or 6 digits)**	**31. Secondary NAICS Code (5 or 6 digits)**
1311	**N/A**	**211111**	**N/A**

32. What is the Primary Business of this entity? (Please do not repeat the SIC or NAICS description)

Oil and Natural Gas Production

Questions 33 - 37 address geographic location. Please refer to the instructions for applicability.

33. County **Chambers**

34. Description of Physical Location From the intersection of I-10 & state Hwy 124 in Winnie, TX, proceed South on Hwy. 124 for 3.0 miles to Main Street. Turn left on Main Street and proceed for 0.6 miles to Fifth Street. Turn left on Fifth Street and proceed for 0.1 of mile to the well location on the right.

35. Nearest City	**State TX**	**Nearest Zip**
Winnie	TX	77665

36. Latitude (N)			***37. Longitude (W)***		
Degrees	***Minutes***	***Seconds***	***Degrees***	***Minutes***	***Seconds***
29	**47**	**551**	**94**	**22**	**206**

38. TCEQ Programs In Which This Regulated Entity Participates *Not all programs have been listed. Please add to this list as needed. If you don't know or are unsure, please mark "Unknown".* If you know a permit or registration # for this entity, please write it below the program."

	Animal Feeding Operation	X	Petroleum Storage Tank		Water Rights
	Title V - Air		Wastewater Permit		
	Industrial & Hazardous Waste		Water Districts		
	Municipal Solid Waste		Water Utilities		Unknown
X	New Source Review - Air		Licensing - TYPE(s)		

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Air & Waste Applications

Section IV: Preparer Information

39. Name	**40. Title**
Gregory W. Cates	**Owner /Environmental Safety Solutions, Inc**

41. Telephone Number	**42. Extension or Code**	**43. Fax Number *if applicable***
(337) 254-4440	**N/A**	**(337) 254-9978**

44. E-mail Address: **essolutions@cox.net**

Environmental
Safety
Solutions, Inc.

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

RE: 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 re-applied 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

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.

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.

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

Sincerely,

Kimberly Morales

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

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 ENFORCEMENT ACTION CONCERNING AZIMUTH ENERGY, LLC RN104618269	§ § § § §	**BEFORE THE TEXAS COMMISSION ON 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.

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:

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

with a copy to:

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.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

_____
For the Commission

_____ _____
For the Executive Director Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity, if any, indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that my failure to comply with the Ordering Provisions, if any, in this order and/or my failure to timely pay the penalty amount, may result in:

- A negative impact on my compliance history;
- Greater scrutiny of any permit applications submitted by me;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions against me;
- Automatic referral to the Attorney General's Office of any future enforcement actions against me; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

_____ _____
Signature Date

_____ _____
Name (Printed or typed) Title
Authorized Representative of
Azimuth Energy, LLC

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.

Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002) PCW Revision May 19, 2005

TCEQ

DATES						
Assigned	11-Jul-2005					
PCW	23-Aug-2005	Screening	22-Jul-2005	EPA Due	03-Apr-2006	

RESPONDENT/FACILITY INFORMATION

Respondent	Azimuth Energy, LLC		
Reg. Ent. Ref. No.	RN104618269		
Facility/Site Region	12-Houston	Major/Minor Source	Minor Source

CASE INFORMATION

Enf./Case ID No.	26211	No. of Violations	1
Docket No.	2005-1272-AIR-E	Order Type	1660
Media Program(s)	Air Quality	Enf. Coordinator	Kimberly Morales
Multi-Media		EC's Team	Enforcement Team 6
Admin. Penalty $ Limit	Minimum $0	Maximum	$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) — *Subtotal 1*: $1,000

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History — 0% Enhancement — *Subtotals 2, 3, & 7*: $0

Notes: No penalty enhancement or reduction due to average performer classification.

Culpability — No — 0% Enhancement — *Subtotal 4*: $0

Notes: The respondent does not meet the culpability criteria.

Good Faith Effort to Comply — 0% Reduction — *Subtotal 5*: $0

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	x	*(mark with a small x)*

Notes: The respondent is not yet in compliance.

Economic Benefit — 0% Enhancement* — *Subtotal 6*: $0

**Capped at the Total EB $ Amount*

Total EB Amounts	$120
Approx. Cost of Compliance	$2,000

SUM OF SUBTOTALS 1-7 — Final Subtotal: $1,000

OTHER FACTORS AS JUSTICE MAY REQUIRE — Adjustment: $0

Reduces or enhances the Final Subtotal by the indicated percentage. *(Enter number only; e.g. -30 for -30%.)*

Notes:

Final Penalty Amount: $1,000

STATUTORY LIMIT ADJUSTMENT — Final Assessed Penalty: $1,000

DEFERRAL — 20% Reduction — Adjustment: -$200

Reduces the Final Assessed Penalty by the indicted percentage. *(Enter number only; e.g. 20 for 20% reduction.)*

Notes: Deferral offered for expedited settlement.

PAYABLE PENALTY: $800

Screening Date 22-Jul-2005 **Docket No.** 2005-1272-AIR-E **PCW**

Respondent Azimuth Energy, LLC *Policy Revision 2 (September 2002)*

Case ID No. 26211 *PCW Revision May 19, 2005*

Reg. Ent. Reference No. RN104618269

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

Compliance History Worksheet

>> Compliance History *Site* Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action *(number of NOVs meeting criteria)*	0	0%
	Other written NOVs	0	0%
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 commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government *(number of judgements or consent decrees meeting criteria)*	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government *(number of counts)*	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 *(number of audits for which notices were*	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 *(number of audits for which violations were disclosed)*	0	0%
		Please Enter Yes or No	
Other	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%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 0%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History *Person* Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

No penalty enhancement or reduction due to average performer classification.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 0%

Screening Date 22-Jul-2005 **Docket No.** 2005-1272-AIR-E **PCW**

Respondent Azimuth Energy, LLC *Policy Revision 2 (September 2002)*

Case ID No. 26211 *PCW Revision May 19, 2005*

Reg. Ent. Reference No. RN104618269

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

Violation Number 1

Primary Rule Cite(s)	30 Tex. Admin. Code § 116.110(a) and Tex. Health & Safety Code § 382.0518(a)
Secondary Rule Cite(s)	30 Tex. Health & Safety Code § 382.085(b)
Violation Description	Failure to obtain a New Source Review permit prior to beginning Plant operations.

Base Penalty $10,000

>> **Environmental, Property and Human Health Matrix**

Release	Harm: Major	Moderate	Minor
Actual			
Potential			

OR **Percent**

>> **Programmatic Matrix**

Falsification	Major	Moderate	Minor
	x		

Percent 10%

Matrix Notes: The respondent failed to comply with 100% of the rule requirements.

Adjustment -$9,000

Base Penalty Subtotal $1,000

Violation Events

Number of Violation Events 1

mark only one use a small x	
daily	
monthly	x
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty $1,000

One monthly event is recommended based on documentation of the violation during the June 24, 2005 investigation through the screening date of July 22, 2005.

Economic Benefit (EB) for this violation **Statutory Limit Test**

Estimated EB Amount $120 **Violation Final Penalty Total** $1,000

This violation Final Assessed Penalty (adjusted for limits) $1,000

Economic Benefit Worksheet

Respondent Azimuth Energy, LLC
Case ID No. 26211
Reg. Ent. Reference No. RN104618269
Media [Statute] Air Quality
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost (No commas or $)	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Delayed Costs							
Equipment				0.0	$0	$0	$0
Buildings				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0
Engineering/construction				0.0	$0	$0	$0
Land				0.0	$0	n/a	$0
Record Keeping System				0.0	$0	n/a	$0
Training/Sampling				0.0	$0	n/a	$0
Remediation/Disposal				0.0	$0	n/a	$0
Permit Costs	$2,000	24-Jun-2005	04-Sep-2006	1.2	$120	n/a	$120
Other (as needed)				0.0	$0	n/a	$0
Notes for DELAYED costs	Estimated cost to prepare and submit a New Source Review permit application. Date required is the investigation date. Final date is the projected date of compliance.						
Avoided Costs	ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)						
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	$0
Other (as needed)				0.0	$0	$0	$0
Notes for AVOIDED costs							

Approx. Cost of Compliance $2,000

TOTAL $120

Compliance History

Customer/Respondent/Owner-Operator:	CN602842973	Azimuth Energy, LLC	Classification: AVERAGE BY DEFAULT	Rating: 3.010
Regulated Entity:	RN104618269	CLEMENTS NO. 1 FACILITY	Classification: AVERAGE BY DEFAULT	Site Rating: 3.01
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
Name: 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
If 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

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

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.

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

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

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

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Clement No.1 Facility

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

Company Name: Azimuth Energy L.L.C. Checklist completed by: G Cate Date: 7-24-05

Facility Type: Oil and Gas Exemption(s) claimed: §106. 352

Project Description: New oil & Gas production Facility

(including equipment, materials, and brief process description)

List the maximum annual emission rates, in **TONS PER YEAR (TPY)**, for this project:

CO: 2.054 NO_x: 2.098 PM: 0.053
SO_2: 0.004 VOCs: 10.098 Other: N/A

The following questions require 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
If "No", please contact the TNRCC NSRP Division 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 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): ___.

C. §106.4(b): Circumvention check

§106.4(b) states "No person shall circumvent by artificial limitations the requirements of §116.110 of this title (covering permitting)."
Circumvention by artificial limitations may include but is not limited to:

1. *dividing a complete project into separate segments to circumvent §106.4(a)(1) limits;*
2. *claiming feed or production rates below the physical capacity of the project's equipment in order to begin constructing facilities before a permit or permit amendment is approved for full scale operations, particularly when the unit will not be economically viable at less than permitted capacity;*
3. *claiming a limited chemical list in order to begin constructing facilities before a permit or permit amendment is approved for additional chemicals, particularly when the unit will not be economically viable until the additional chemicals are authorized.*

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

Yes ✓ No ___ 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): Emission limits check

Yes ✓ 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.
Forward all information needed to verify your exemption claim to the TNRCC.
If "No", please continue through the remaining applicable pages of the checklist.

Detailed §106.4 Requirements

F. §106.4(a)(1): Emission limits check continued....

1. Yes ✓ No___ Are SO_x, PM, VOC, and other emissions shown above each less than 25 TPY?
2. 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. Yes ✓ No___ Are total NO_x and CO emissions each less than 250 TPY?
2. 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

1. 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

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. 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

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.

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_x emissions, please complete the following

For this project only:

		VOC	NO_x
New allowable rate	+	_____	_____
Old actual rate**	-	_____	_____
Project Increase	=	_____	_____

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

K. VOCs

1. Yes ✓ No ___ The facility to be exempted has the potential for VOC emissions.
   If "No", continue to the NO_x questions (Section L) below
   If "Yes", please answer the following
2. Yes ___ No ✓ Are site-wide VOC emissions from all sources * greater than 25 TPY? (i.e. Is this site an existing major source?)
   If "No", continue to the NO_x questions below
   If "Yes", please complete the following :
3. Yes ___ No ✓ Is the project increase of VOCs greater than 5 TPY? (i.e. Does this action trigger netting?) *If*
   New Facility *If "No", continue to the NO_x questions below*
   If "Yes", please provide contemporaneous netting calculations (attach) and answer the following question
4. Yes ___ No ✓ Is the contemporaneous net increase of VOCs greater than 25 TPY? (i.e. Is this project a major modification?)*If "No", continue to the NO_x questions below*
   If "Yes", this project will be a major modification and an exemption may not be used. A Nonattainment permit review must be completed.

L. NO_x

1. Yes ✓ No ___ The facility to be exempted has the potential for NO_x emissions.
   If "No", continue to the PSD questions
   If "Yes", please answer the following

2. Yes ___ No ✓ Are site-wide NO_x emissions from all sources * greater than 25 TPY? (i.e. Is this site an existing major source?)
   If "No", continue to question 3
   If "Yes", please complete the following :
   A. Yes ___ No ✓ Is the project increase of NO_x greater than 5 TPY? (i.e. Does this action trigger netting?)
   If "No", continue to the PSD questions
   If "Yes", please provide contemporaneous netting calculations (attach) and answer the following question
   B. Yes ___ No ✓ Is the contemporaneous net increase of NO_x greater than 25 TPY? (i.e. Is this project a major modification?)
   If "No", continue to the PSD questions
   If "Yes", this project will be a major modification and an exemption may not be used. A Nonattainment permit review must be completed.

3. Yes ___ No ✓ For new or existing minor sources, are project increases greater than 25 TPY?
   If "No", continue to the PSD questions
   If "Yes", this project will be major in itself and an exemption may not be used. A Nonattainment permit review must be completed.

* Processed
"all sources" and "site-wide" should include facilities which are permitted, exempted, or grandfathered, excluding this project
** *Actual emission rates are based on the average emissions from all existing facilities affected by this exemption claim (project) for the previous 2 years*

§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

Named Sources

1. Yes___ No_✓_ Is the SITE a **named** PSD source? (See list on page 2 of checklist)
   If "No", continue to the un-named source questions (#4) below
   If "Yes", please answer the following:
2. Yes___ No_✓_ Prior to this action, are site-wide emissions of any NAAQS regulated pollutant (including fugitives) greater than 100 TPY? (i.e. Is this site an existing major source?)
   If "Yes", the site is a major source. Please answer questions #6-8 below (PSD "Significance")
   If "No", answer the next question
3. Yes___ No_✓_ For any regulated NAAQS contaminant (except as noted above), will the project's increases be greater than 100 TPY? (i.e. Is this project major?)
   If "No", no further review is needed to complete the checklist for Chapter 106.
   If "Yes", the project is a major source and an exemption may not be used and a PSD Permit review must be completed to authorize the project.

Un-named Sources

4. Yes___ No_✓_ Is the SITE an **un-named** PSD source? (See list on page 2 of checklist)
   If "No", the above questions regarding named sources should be completed
   If "Yes", please answer the following:
5. Yes___ No_✓_ Prior to this action, are site-wide emissions of any NAAQS regulated pollutant (point sources only) greater than 250 TPY? (i.e. Is this site an existing major source?)
   If "Yes", the site is a major source. Please answer questions #6-8 below (PSD "Significance")
   If "No", no further review is required. Please send this checklist and all additional documentation to the TNRCC NSRP Division and the applicable Regional office.

6. **PSD "Significance" check:**
   If the existing site is a major source, Complete the following chart and attach calculations to determine the project's emission increases for all regulated NAAQS compounds (in TPY).

		NO_x	PM_{10}	CO	VOCs	SO_2	*Other:* _____	*Other:* _____
New allowable rate	+							
Old actual rate**	-							
Project Increase	=							

7. Yes___ No___ For any regulated NAAQS contaminant, will the project's increases be greater than the PSD 'significant' rates? (i.e. Does this action trigger netting?) (See list on page 2 of checklist)
   If "No", no further review is needed to complete the checklist for Chapter 106.
   If "Yes", PSD Applicability review and netting calculations must be completed (attach).
   These netting calculations should be used to answer the following:
8. Yes___ No___ For any regulated NAAQS contaminant, are the contemporaneous net increases greater than the PSD 'significant' rates? (i.e. Is this project a major modification?)
   If "No", no further review is needed to complete the checklist for Chapter 106. Please attach all netting calculations and documentation for review by TNRCC NSRP staff.
   If "Yes", the project is a major modification and an exemption may not be used.
   A PSD Permit review must be completed to authorize the project.

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

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 § 106.352 (30 TAC § 106.352) 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, checklist 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.

	Please check the most appropriate answer.	
	Check the type of facilities covered by this registration(check all that are applicable): ☑ oil or gas production facility ☐ carbon dioxide separation facility ☐ oil or gas pipeline facility	
	The facilities at the site include (check all that apply): ☑ one or more tanks ☑ separators ☐ sulfur recovery units ☐ free water knockouts ☐ gunbarrels ☐ heater treaters ☑ dehydration units ☐ gas sweetening and other gas conditioning facilities ☐ 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 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 ☐ NO
	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 ☐ NO

PRINT SUBMIT

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 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 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.

CHECK 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): *If an engine, go to Question 2. If turbine, go to Question 3.*	☐ engine ☐ 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 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 oxide (NO_x) emission 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

	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 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 emission 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
	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 ☐ Liquid Petroleum Gas ☐ Field Gas ☐ Liquid Fuel	☑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

PRINT SUBMIT

TCEQ Exemption 30 TAC §106.512 General Guidelines

		NO_X g/hp-hr Emission Limits								
Date Original Manufacture		n/a	n/a	Before 9/23/82		9/23/82 to 6/18/92			After 6/18/92	
Mfg. Rated Horsepower		< 240	>240 < 500	≥500*		500-824*		>825	>500*	
Operating Speed		n/a	n/a	Full	Reduced	Full	Reduced	n/a	Full	Reduced
Opreating Torque		n/a	n/a	n/a	80-100%	n/a	80-100%	n/a	n/a	80-100%
Ignition Type	*Engine Combustion Design*									
Spark	Rich Burn ††	n/a	n/a	2.0	2.0	2.0	2.0	2.0	2.0	2.0
	Lean Burn**	n/a	n/a	5.0	8.0	5.0	8.0	5.0	2.0	5.0
	2-Cycle	n/a	n/a	8.0	8.0	8.0	8.0	5.0	2.0	5.0
Compression	Dual Fuel	n/a	n/a	5.0	8.0	5.0	8.0	5.0	2.0	5.0
	Liquid Fuel	n/a	n/a	11.0	11.0	11.0	11.0	11.0	11.0	11.0
	Turbines†	n/a	n/a	3.0	3.0	3.0	3.0	3.0	3.0	3.0
PI-7 Registration		no	yes	yes	yes	yes	yes	yes	yes	yes
Emission Testing		no	no	Biennial	Biennial	Biennial	Biennial	Biennial	Biennial	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 SO_2
** 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 H_2S 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-01, T-02, T-03 & T-04). Flash and standing and working losses are vented to the vapor 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.

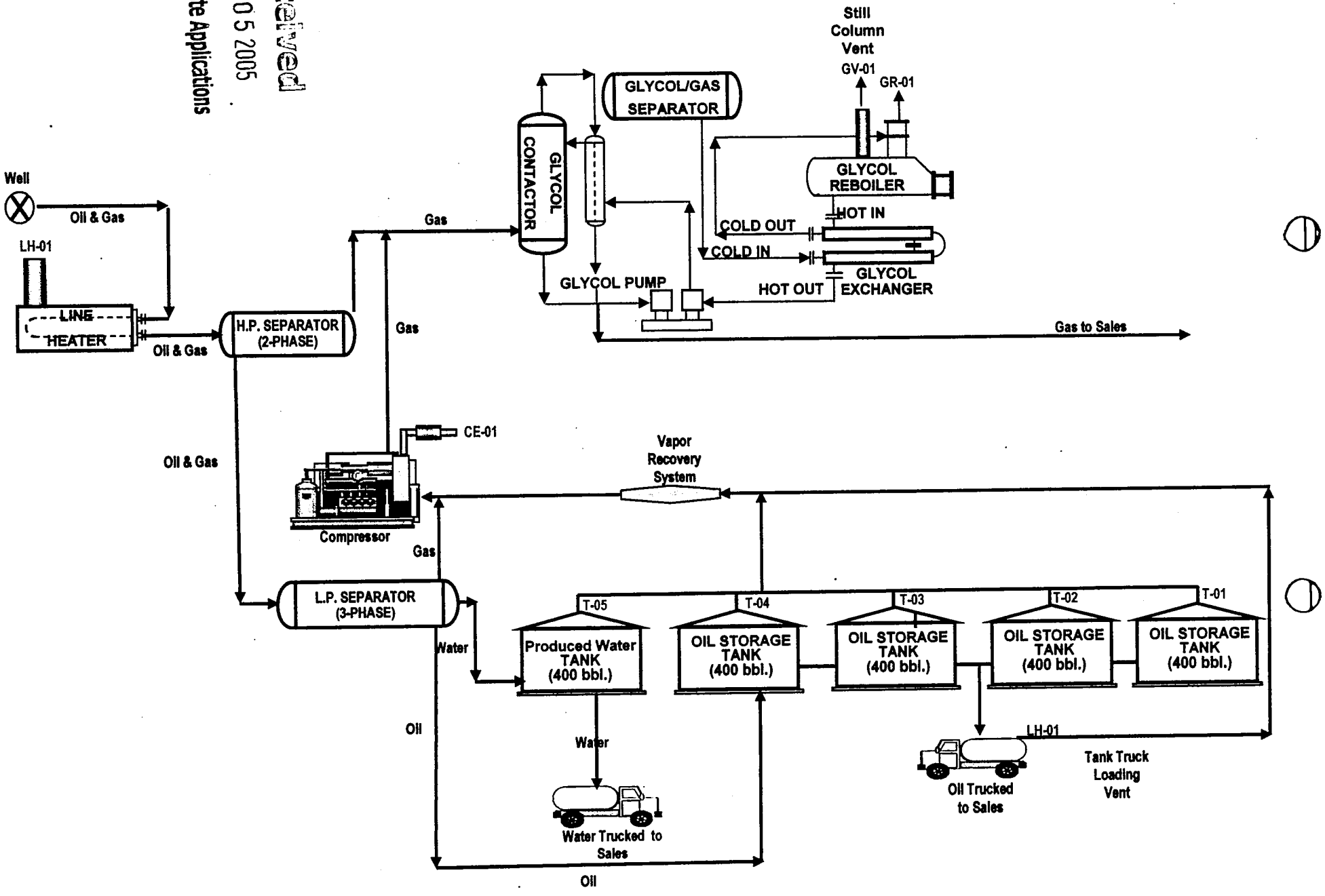
Miscellaneous Sources

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

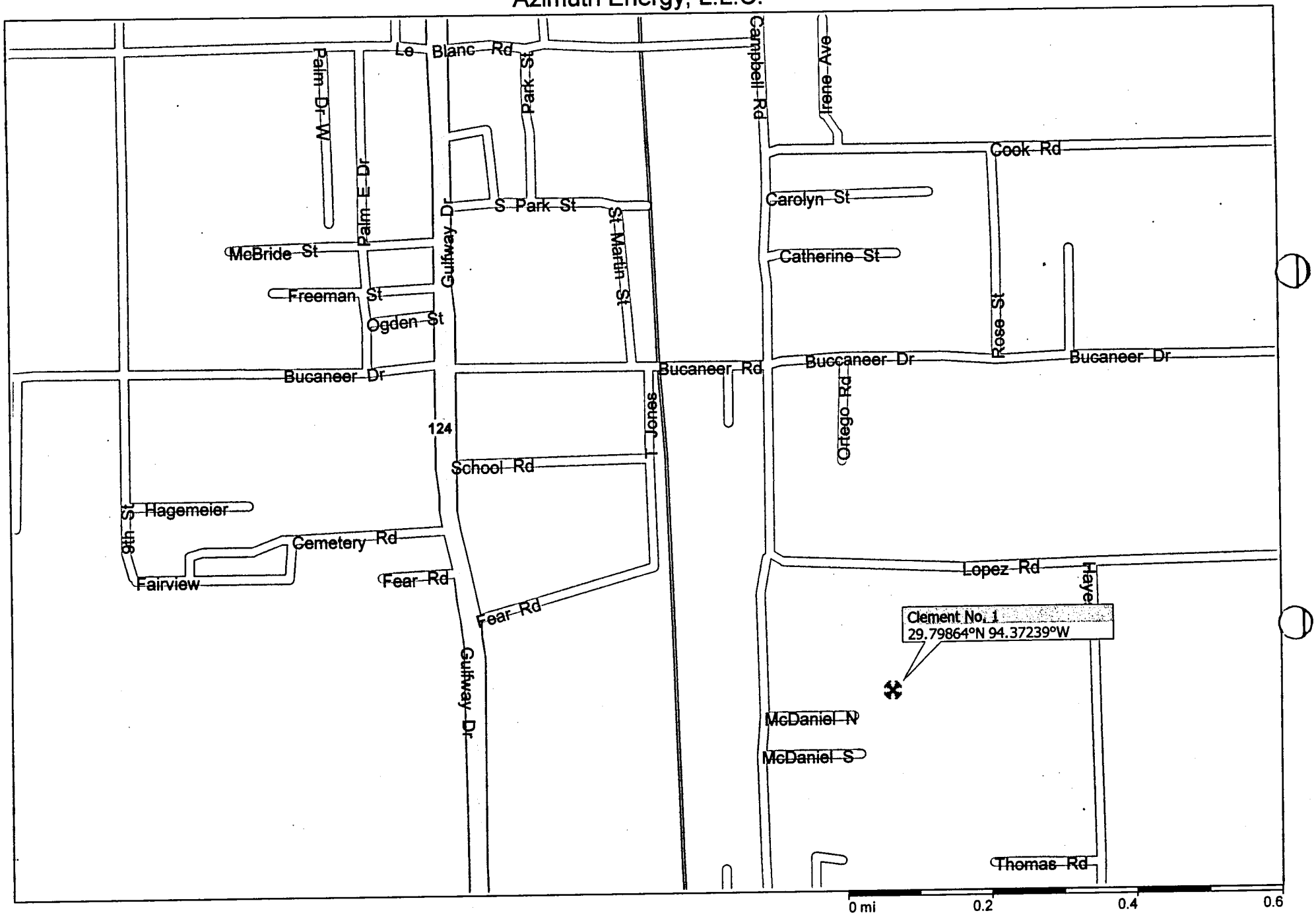
Several gas-operated pressure and level controllers (Source PL-01) are used throughout the facility.

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

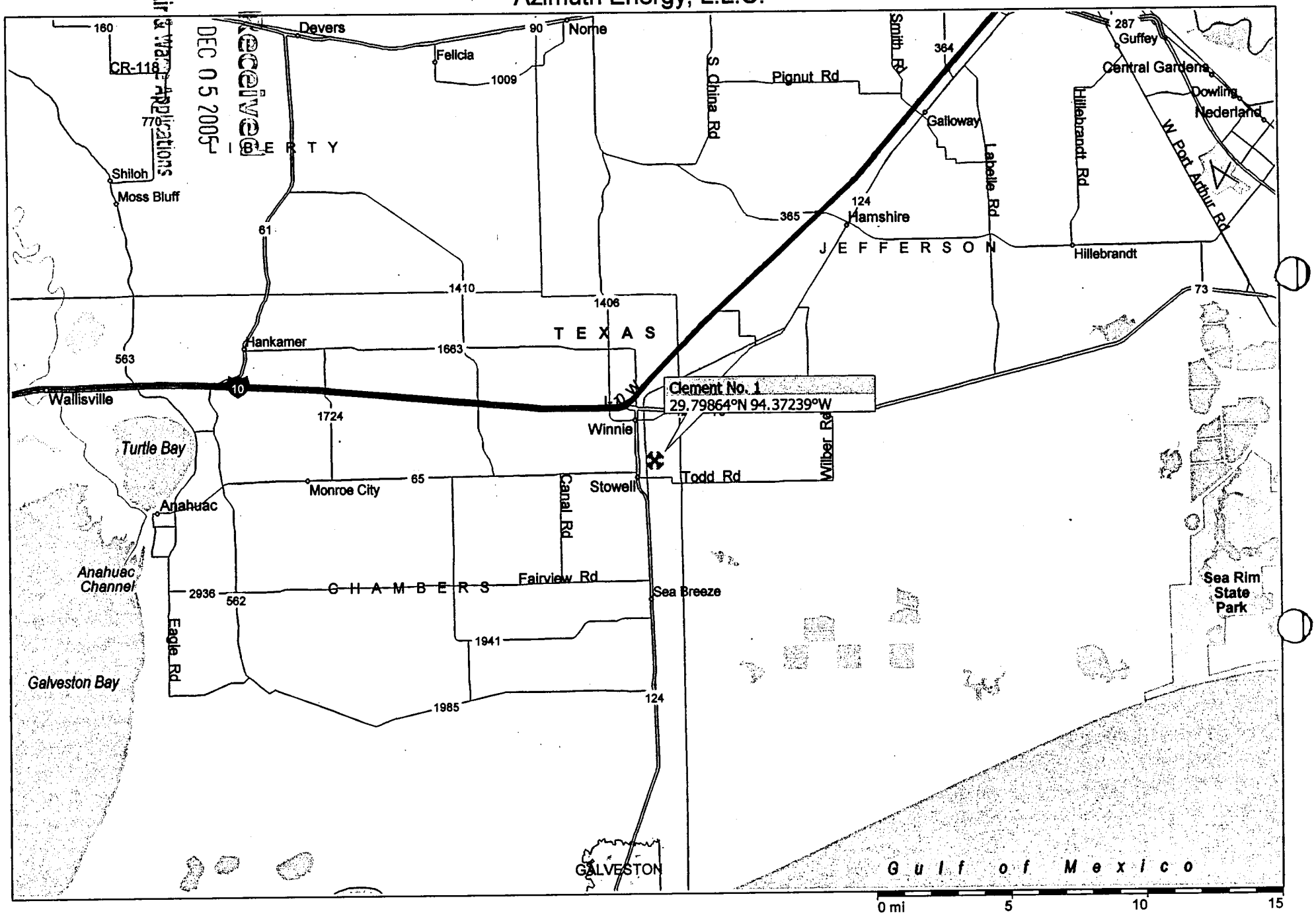
Clement No. 1 PROCESS FLOW DIAGRAHM



Azimuth Energy, L.L.C.



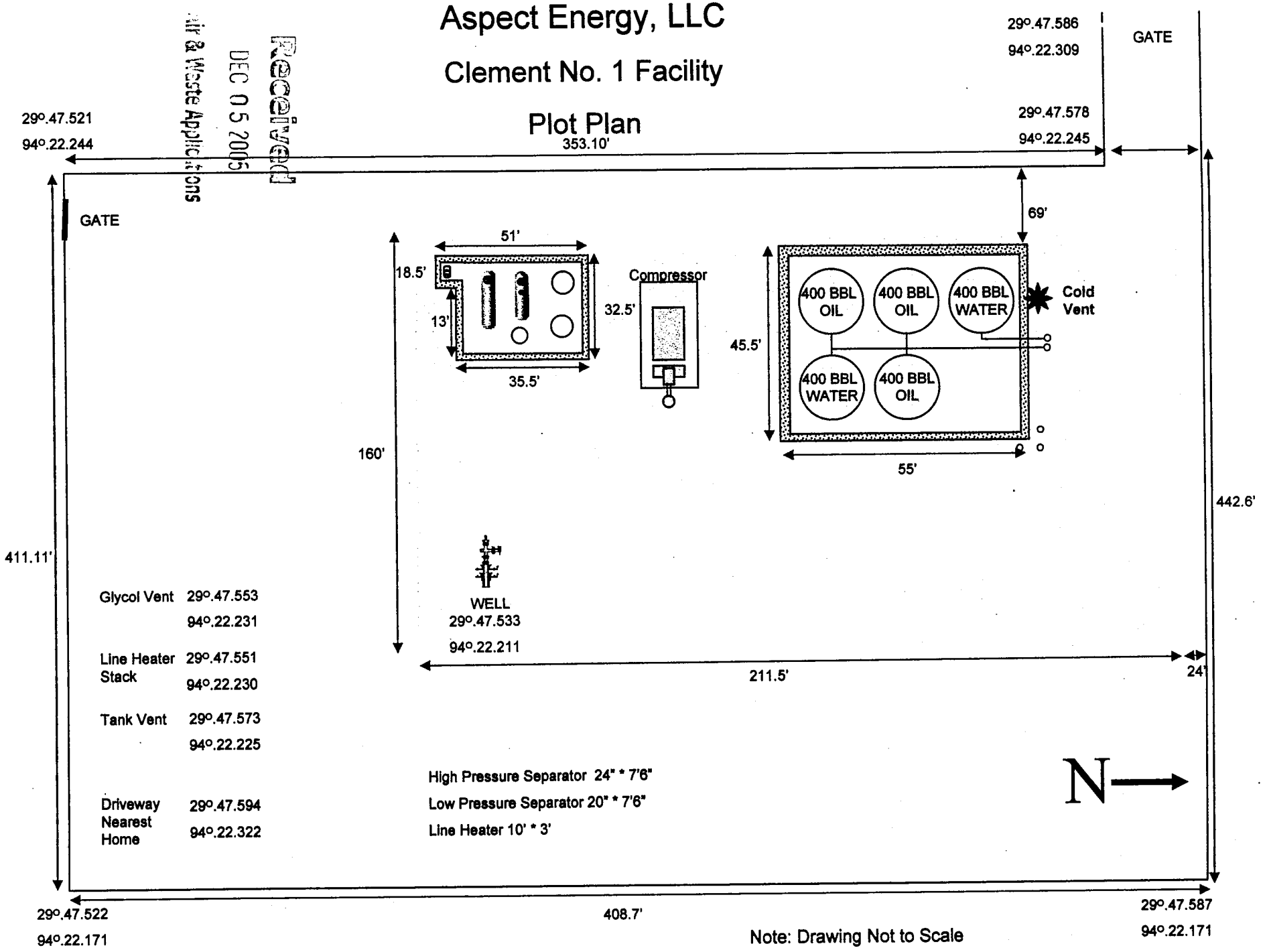
Azimuth Energy, L.L.C.



Aspect Energy, LLC

Clement No. 1 Facility

Plot Plan

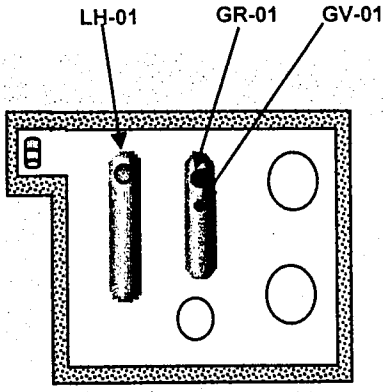


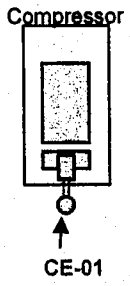
Note: Drawing Not to Scale

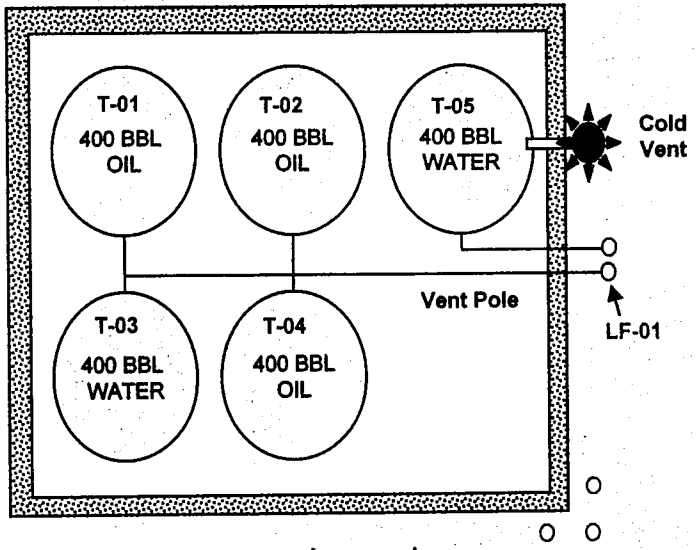
Aspect Energy, LLC

Clement No. 1 Facility

Emission Point Location







WELL

29°.47.533

94°.22.211

CE-01	Natural Gas Compressor	95 HP
FE-01	Fugitives	
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

TCEQ

Air & Waste Applications

Received DEC 05 2005

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Table l(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.

AIR CONTAMINATE DATA					
1. Emission Point			2. Component or Air Contaminate Name	3. Air Contaminate Emission Rate	
EPN (A)	FIN (B)	NAME (C)		Pounds per Hour (A)	TPY (B)
CE-01	CE-01	Natural Gas Compressor Engine (Caterpillar 3304)	Nitrogen dioxide	0.419	1.835
"	"	"	Carbon monoxide	0.628	2.752
"	"	"	Particulate Matter (PM10)	0.007	0.031
"	"	"	Sulfur Dioxide	0.001	0.004
"	"	"	VOC (including HAPs)	0.021	0.092
"	"	"	N-Hexanes	0.000	0.000
"	"	"	Formaldehyde	0.015	0.066
"	"	"	Acetaldehyde	0.002	0.009
"	"	"	Benzene	0.001	0.004
"	"	"	Toluene	0.000	0.000
"	"	"	Ethylbenzene	0.000	0.000
"	"	"	Xylenes	0.000	0.000
"	"	"	Methane	0.163	0.714
"	"	"	Ethane	0.05	0.219
"	"	"	Non-toxic VOC (Heptane+)	0.003	0.013

EPN = Emission Point Number FIN = Facility Identification Number

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Table l(a) Emission Point Summary

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

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AIR CONTAMINATE DATA					
1. Emission Point			2. Component or Air Contaminate Name	3. Air Contaminate Emission Rate	
EPN (A)	FIN (B)	NAME (C)		Pounds per Hour (A)	TPY (B)
CI-01	CI-01	Gas Operated Chemical InjectionPump	Particulate Matter (PM10)	0.000	0.000
"	"	"	Sulfur Dioxide	0.000	0.000
"	"	"	Nitrogen dioxide	0.000	0.000
"	"	"	Carbon monoxide	0.000	0.000
"	"	"	VOC (including HAPs)	0.271	1.188
"	"	"	Methane	1.672	7.321
"	"	"	Ethane	0.130	0.571
"	"	"	Propane	0.093	0.407
"	"	"	n-Butane	0.114	0.499
"	"	"	n-Pentane	0.030	0.133
"	"	"	i-Hexane	0.013	0.058
"	"	"	Heptanes	0.016	0.071
"	"	"	n-Hexane	0.003	0.011
"	"	"	Benzene	0.001	0.003
"	"	"	Toluene	0.000	0.002
"	"	"	Ethylbenzene	0.000	0.000
"	"	"	Xylenes	0.001	0.004

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TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Table l(a) Emission Point Summary

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AIR CONTAMINATE DATA					
1. Emission Point			2. Component or Air Contaminate Name	3. Air Contaminate Emission Rate	
EPN (A)	FIN (B)	NAME (C)		Pounds per Hour (A)	TPY (B)
CI-02	CI-02	Gas Operated Chemical InjectionPump	Particulate Matter (PM10)	0.000	0.000
"	"	"	Sulfur Dioxide	0.000	0.000
"	"	"	Nitrogen dioxide	0.000	0.000
"	"	"	Carbon monoxide	0.000	0.000
"	"	"	VOC (including HAPs)	0.271	1.188
"	"	"	Methane	1.672	7.321
"	"	"	Ethane	0.130	0.571
"	"	"	Propane	0.093	0.407
"	"	"	n-Butane	0.114	0.499
"	"	"	n-Pentane	0.030	0.133
"	"	"	i-Hexane	0.013	0.058
"	"	"	Heptanes	0.016	0.071
"	"	"	n-Hexane	0.003	0.011
"	"	"	Benzene	0.001	0.003
"	"	"	Toluene	0.000	0.002
"	"	"	Ethylbenzene	0.000	0.000
"	"	"	Xylenes	0.001	0.004

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TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Table l(a) Emission Point Summary

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

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

EPN = Emission Point Number FIN = Facility Identification Number

TCEQ-IOI53 [Revised 11I04]

This form is for use by sources subject to air quality permit requirements and may be revised periodically. [APDG 5178y4]

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Table l(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.

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

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

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.

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

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TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

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1. Emission Point			2. Component or Air Contaminate Name	3. Air Contaminate Emission Rate	
EPN (A)	FIN (B)	NAME (C)		Pounds per Hour (A)	TPY (B)
HT-01	HT-01	Heater Treater Burner (<100MMBTU/hr)	Nitrogen dioxide	0.048	0.210
"	"	"	Carbon monoxide	0.040	0.175
"	"	"	Particulate Matter (PM10)	0.004	0.018
"	"	"	Sulfur Dioxide	0.000	0.000
"	"	"	VOC (including HAPs)	0.001	0.004
"	"	"	n-Hexanes	0.001	0.004
"	"	"	Formaldehyde	0.000	0.000
"	"	"	Acetaldehyde	0.000	0.000
"	"	"	Benzene	0.000	0.000
"	"	"	Toluene	0.000	0.000
"	"	"	Ethylbenzene	0.000	0.000
"	"	"	Xylenes	0.000	0.000
"	"	"	Methane	0.001	0.004
"	"	"	Ethane	0.001	0.004
"	"	"	Non-toxic VOC (Heptane+)	0.002	0.009

EPN = Emission Point Number FIN = Facility Identification Number

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Table l(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.

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

EPN = Emission Point Number FIN = Facility Identification Number

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Table l(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.

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

EPN = Emission Point Number FIN = Facility Identification Number

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Table l(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.

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

EPN = Emission Point Number FIN = Facility Identification Number

TCEQ-10153 [Revised 11104]

This form is for use by sources subject to air quality permit requirements and may be revised periodically. [APDG 5178y4]

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

		Permitted Emissions			
		Before		After	
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

Date Revised: New

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

		Permitted Emissions			
		Before		After	
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

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

		Permitted Emissions			
		Before		After	
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
TOTAL	Sulfur Dioxide	0.000	0.000	0.001	0.004

Date Revised: New

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

		Permitted Emissions			
		Before		After	
Source ID	Pollutant	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

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

		Permitted Emissions			
		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

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

		Permitted Emissions			
		Before		After	
Source ID	Pollutant	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

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

		Permitted Emissions			
		Before		After	
Source ID	Pollutant	lbs/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

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

		Permitted Emissions			
		Before		After	
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
TOTAL	Propane	0.000	0.000	2.944	1.900

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

		Permitted Emissions			
		Before		After	
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

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

		Permitted Emissions			
		Before		After	
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

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

		Permitted Emissions			
		Before		After	
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

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

		Permitted Emissions			
		Before		After	
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

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

		Permitted Emissions			
		Before		After	
Source ID	Pollutant	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

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			
		Before		After	
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

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

		Permitted Emissions			
		Before		After	
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

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

		Permitted Emissions			
		Before		After	
Source ID	Pollutant	lbs/hr	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

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

		Permitted Emissions			
		Before		After	
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

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

		Permitted Emissions			
		Before		After	
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

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

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

Annual Emission Rate Table

Company Name: Azimuth Energy, L.L.C. **Date of Submittal:** 7/25/05

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

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

Date Revised: New

Annual Emission Rate Table

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

Date of Submittal: 7/25/05

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

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
N-Hexane	0.252
Formaldehyde	0.066
Acetaldehyde	0.009
Xylene	0.013
Benzene	0.030
Toluene	0.018
Ethylbenzene	0.001
Total Air Toxics	0.389

Non-toxic VOC's:	TPY
Propane	1.900
N-Butane	2.739
N-Pentane	0.813
Heptane	4.545
I-Hexane	0.433
Total Non-toxic VOC's	10.430

Other Emissions:	TPY
Methane	34.627
Ethane	4.295

Date Revised: New

EMISSION POINT LIST

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

Date Revised: New

March 2, 2005

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

For: Azimuth Energy, LLC
511 16th Street, Suite 300
Denver, Colorado 80202

Field: Texas Miss

Sample: Clements No. 1
Separator Gas @ 500 psig & 105 °F

Station: N/A

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

CHROMATOGRAPH ANALYSIS

COMPONENT	MOL%	GPM
Nitrogen	0.241	
Carbon Dioxide	0.731	
Methane	91.006	
Ethane	3.789	1.007
Propane	1.842	0.504
Isobutane	1.225	0.398
n-Butane	0.488	0.153
Isopentane	0.242	0.088
n-Pentane	0.124	0.045
Hexanes	0.134	0.055
Heptanes Plus	0.178	0.086
Totals:	**100.000**	**2.336**

Computed Real Properties:

Specific Gravity	0.641 (Air=1.000)
Compressibility(Z)	0.9973
Gross Heating Value at	14.650 psia & 60 °F
Dry Basis	1119 BTU/CF
Saturated Basis	1100 BTU/CF

Base Conditions: 14.650 psia & 60 °F

Certified: FESCO, Ltd. - Alice, Texas

Leo Soliz 361-661-7015

Job Number: 52020.001
Analyst ID: PB

Cyl Number: B-387

Company: 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
		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.

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:	95	hp
Btu Value of Fuel Gas:	1050	Btu/scf
Engine Heat Input:	7500	Btu/hp-hr
Hours Operated for Year:	8760	hrs
Calculated Heat Rate:	0.71	MMBtu/hr
Calculated Fuel Use:	679	cu. ft./hr;
	5.95	MMCF/yr
Percent Operation for Year:	100.00	%

	Pollutant	Factor lb/MMBTU	g/hp-hr	Avg. lbs/hr	Total tons/yr	Source of Factor
CRITERIA	NOx	0	2.000	0.419	1.835	Manufacturer Data
	CO	0	3.000	0.628	2.752	Manufacturer Data
	PM_{10}	9.50E-03	0.032	0.007	0.031	AP-42, Table 3.2-3, 7/00
	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
HAZARDOUS AIR POLLUTANTS	N-Hexanes	N/A	0.000	0.000	0.000	No emission factor
	Formaldehyde	2.05E-02	0.070	0.015	0.066	AP-42, Table 3.2-3, 7/00
	Acetaldehyde	2.79E-03	0.009	0.002	0.009	AP-42, Table 3.2-3, 7/00
	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
	Ethylbenzene	2.48E-05	0.0001	0.000	0.000	AP-42, Table 3.2-3, 7/00
	Xylenes	1.95E-04	0.001	0.000	0.000	AP-42, Table 3.2-3, 7/00
	Total Hazardous Air Pollutants (HAP's)			**0.018**	**0.079**	
OTHER	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
	TOC	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.

Company: 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:	8760	hrs.
Gas vented:	43.4	scfh
Emissions:	2.12	lb/hr gas (total gas stream)
	18553.68	lb/year gas
	9.277	ton/year gas

Emission Speciation:

Component	Mole Fraction	Mole Weight	Mole fract X Mole Wt	Wt. fraction	avg 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		

Total Non-toxic VOCs	0.266	1.168
Total toxics (HAP's)	0.005	0.020
Total VOCs (includes toxics/HAP's)	0.271	1.188

Notes:
*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)

Company: 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:	8760	hrs.
Gas vented:	43.4	scfh
Emissions:	2.12	lb/hr gas (total gas stream)
	18553.68	lb/year gas
	9.277	ton/year gas

Emission Speciation:

Component	Mole Fraction	Mole Weight	Mole fract X Mole Wt	Wt. fraction	avg 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		

Total Non-toxic VOCs	0.266	1.168
Total toxics (HAP's)	0.005	0.020
Total VOCs (includes toxics/HAP's)	0.271	1.188

Notes:
*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)

Company: Azimuth Energy, L.L.C.
Facility: Clement No. 1
Source: DP-01
Source Description: Gas Operated Diaphragm Pump

Gas vented = usage

Hours per year:	208	hrs.
Gas vented:	1200	scfh
Emissions:	58.58	lb/hr gas (total gas stream)
	12183.6	lb/year gas
	6.092	ton/year gas

Emission Speciation:

Component	Mole Fraction	Mole Weight	Mole fract X Mole Wt	Wt. fraction	avg 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		

Total Non-toxic VOCs	7.368	0.766
Total toxics (HAP's)	0.123	0.012
Total VOCs (includes toxics/HAP's)	7.491	0.778

Notes:
*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)

Company Name: Azimuth Energy, L.L.C.
Facility Name: Clement No. 1
EPN: FE-01
Source Description: Fugitive Emissions from Crude Production Site

Summary Total For Fugitives	lbs/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 lbs/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, compressors [1]	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 - Light 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
	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 - Water/Oil Streams		0.000

Speciation of Hydrocarbon Vapors - Water/Oil Stream	Weight Percent [2]	lbs/hr	tons/year
Methane	61.200%	0.000	0.000
Ethane	6.625%	0.000	0.000
VOC	29.600%	0.000	0.000
*N-Hexane	2.300%	0.000	0.000
*Benzene	0.121%	0.000	0.000
*Toluene	0.105%	0.000	0.000
*Ethylbenzene	0.0160%	0.000	0.000
*Xylenes	0.033%	0.000	0.000
	Total HAP's	0.000	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 HC - 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.

Valve Count Estimation for Gas Stream

	Facility Content (Gas Service)	Process Valve Factor	Instrument & Gauge Valve Factor	Valve Count
Gas Wellhead	1	9	3	12
HP Separator	1	5	8	13
Pig Launcher in Gas Service	0	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

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	0	0
			Total Liquid Valve Count	167

Liquid Streams	**Percent of valves**	**Valve Count**
Light Oil Stream(>20 API Gravity)	100	167
Water/Oil Stream	0	0
Water	0	0

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:	0.125	MMBtu/hr
Btu Value of Fuel Gas:	1050	Btu/scf
Fuel Use of Unit:	119	scf/hr-avg
	1.04	MMscf/yr
Hours Operated for Year:	8760	hrs
Percent Operation for Year:	100.00	%

	Pollutant	Factor lb/MMscf fuel	Avg. lbs/hr	Total tons/yr	Source of Factor
CRITERIA	NOx	100	0.012	0.053	AP-42, Table 1.4-1 (7/98)
	CO	84	0.010	0.044	AP-42, Table 1.4-1 (7/98)
	PM_{10}	7.6	0.001	0.004	AP-42, Table 1.4-2 (7/98)
	SO_2	0.938	0.000	0.000	AP-42, Table 1.4-2 (7/98)-Adjusted [1]
	VOC	5.5	0.001	0.004	AP-42, Table 1.4-2 (7/98)
HAZARDOUS AIR POLLUTANTS	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
	Formaldehyde	0.075	0.000	0.000	AP-42, Table 1.4-3 (7/98)
	Benzene	0.002	0.000	0.000	AP-42, Table 1.4-3 (7/98)
	Toluene	3.40E-03	0.000	0.000	AP-42, Table 1.4-3 (7/98)
	Ethylbenzene	**N/A**	0.000	0.000	No emission factor
	Xylenes	**N/A**	0.000	0.000	No emission factor
	Total Hazardous Air Pollutants (HAP's)		**0.000**	**0.000**	
OTHER	Methane	2.3	0.000	0.000	AP-42, Table 1.4-2 (7/98)
	Ethane	3.1	0.000	0.000	AP-42, Table 1.4-3 (7/98)
	Non-toxic VOC (Heptane+)		0.001	0.004	= 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 ppmv). This calculation adjusts the factor for 5 ppm(v) H2S.

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:

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	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.

Calculated Absorber Stages: 1.25
Calculated Dry Gas Dew Point: 5.12 lbs. H2O/MMSCF

Temperature: 105.0 deg. F
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

Component	Remaining in Dry Gas	Absorbed in Glycol
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%	0.14%
Heptanes	99.69%	0.31%

REGENERATOR

No Stripping Gas used in regenerator.

Component	Remaining in Glycol	Distilled 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	1.00%	99.00%
Heptanes	0.50%	99.50%

STREAM REPORTS:

WET GAS STREAM

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

Component	Conc. (vol%)	Loading (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. (vol%)	Loading (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
Isobutane	1.22e+000	2.73e+002
n-Butane	4.88e-001	1.09e+002
Isopentane	2.42e-001	6.71e+001
n-Pentane	1.24e-001	3.44e+001

Other Hexanes	1.34e-001	4.43e+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. (wt%)	Loading (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. (wt%)	Loading (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
Ethane	6.54e-002	1.69e-001
Propane	7.09e-002	1.84e-001
Isobutane	8.12e-002	2.10e-001
n-Butane	4.17e-002	1.08e-001
Isopentane	2.43e-002	6.30e-002

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. (vol%)	Loading (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

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

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	lbs VOC/1000 gal transferred
Annual Operating Time	1460.0	hr/yr
VOC Emission to Vapor Recovery	**10.710**	lbs/hr*
VOC Emission to Vapor Recovery	**7.820**	TPY*
Total Annual Emissions	**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.

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:	0.50	MMBtu/hr
Btu Value of Fuel Gas:	1050	Btu/scf
Fuel Use of Unit:	476	scf/hr-avg
	4.17	MMscf/yr
Hours Operated for Year:	8760	hrs
Percent Operation for Year:	100.00	%

	Pollutant	Factor lb/MMscf fuel	Avg. lbs/hr	Total tons/yr	Source of Factor
CRITERIA	NOx	100	0.048	0.210	AP-42, Table 1.4-1 (7/98)
	CO	84	0.040	0.175	AP-42, Table 1.4-1 (7/98)
	PM_{10}	7.6	0.004	0.018	AP-42, Table 1.4-2 (7/98)
	SO_2	0.938	0.000	0.000	AP-42, Table 1.4-2 (7/98)-Adjusted [1]
	VOC	5.5	0.003	0.013	AP-42, Table 1.4-2 (7/98)
HAZARDOUS AIR POLLUTANTS	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
	Formaldehyde	0.075	0.000	0.000	AP-42, Table 1.4-3 (7/98)
	Benzene	0.002	0.000	0.000	AP-42, Table 1.4-3 (7/98)
	Toluene	3.40E-03	0.000	0.000	AP-42, Table 1.4-3 (7/98)
	Ethylbenzene	N/A	0.000	0.000	No emission factor
	Xylenes	N/A	0.000	0.000	No emission factor
	Total Hazardous Air Pollutants (HAP's)		**0.001**	**0.004**	
OTHER	Methane	2.3	0.001	0.004	AP-42, Table 1.4-2 (7/98)
	Ethane	3.1	0.001	0.004	AP-42, Table 1.4-3 (7/98)
	Non-toxic VOC (Heptane+)		0.002	0.009	= 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 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:	8	each
Gas Vent Rate:	0.2	SCFH
Annual Operation:	8760	hr/yr
Total Gas Vented:	1.60	SCFH
Emissions:	0.078	lb/hr gas (total gas stream)
	683.28	lb/year gas
	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			
		Total methane/ethane			0.067	0.291
		Total Non-Toxic VOCs			0.009	0.043
		Total toxics (HAP's)			0.000	0.000
		Total VOCs (includes toxics/HAP's)			0.009	0.043

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

Environmental Safety Solutions, Inc.

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

RE: 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 re-applied 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

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.

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.

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

Sincerely,

Kimberly Morales

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

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 ENFORCEMENT ACTION CONCERNING AZIMUTH ENERGY, LLC RN104618269	§ § § § §	**BEFORE THE TEXAS COMMISSION ON 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.

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:

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

with a copy to:

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.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

_____
For the Commission

_____ _____
For the Executive Director Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity, if any, indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that my failure to comply with the Ordering Provisions, if any, in this order and/or my failure to timely pay the penalty amount, may result in:

- A negative impact on my compliance history;
- Greater scrutiny of any permit applications submitted by me;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions against me;
- Automatic referral to the Attorney General's Office of any future enforcement actions against me; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

_____ _____
Signature Date

_____ _____
Name (Printed or typed) Title
Authorized Representative of
Azimuth Energy, LLC

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.

Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002) *PCW Revision May 19, 2005*

TCEQ

DATES						
Assigned	11-Jul-2005					
PCW	23-Aug-2005	Screening	22-Jul-2005	EPA Due	03-Apr-2006	

RESPONDENT/FACILITY INFORMATION

Respondent	Azimuth Energy, LLC		
Reg. Ent. Ref. No.	RN104618269		
Facility/Site Region	12-Houston	Major/Minor Source	Minor Source

CASE INFORMATION

Enf./Case ID No.	26211	No. of Violations	1
Docket No.	2005-1272-AIR-E	Order Type	1660
Media Program(s)	Air Quality	Enf. Coordinator	Kimberly Morales
Multi-Media		EC's Team	Enforcement Team 6
Admin. Penalty $ Limit	Minimum $0	Maximum	$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) *Subtotal 1* $1,000

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History 0% Enhancement *Subtotals 2, 3, & 7* $0

Notes: No penalty enhancement or reduction due to average performer classification.

Culpability No 0% Enhancement *Subtotal 4* $0

Notes: The respondent does not meet the culpability criteria.

Good Faith Effort to Comply 0% Reduction *Subtotal 5* $0

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	x	*(mark with a small x)*

Notes: The respondent is not yet in compliance.

Economic Benefit 0% Enhancement* *Subtotal 6* $0

**Capped at the Total EB $ Amount*

Total EB Amounts	$120
Approx. Cost of Compliance	$2,000

SUM OF SUBTOTALS 1-7 Final Subtotal $1,000

OTHER FACTORS AS JUSTICE MAY REQUIRE Adjustment $0

Reduces or enhances the Final Subtotal by the indicated percentage. *(Enter number only; e.g. -30 for -30%.)*

Notes:

Final Penalty Amount $1,000

STATUTORY LIMIT ADJUSTMENT Final Assessed Penalty $1,000

DEFERRAL 20% Reduction Adjustment -$200

Reduces the Final Assessed Penalty by the indicted percentage. *(Enter number only; e.g. 20 for 20% reduction.)*

Notes: Deferral offered for expedited settlement.

PAYABLE PENALTY $800

Screening Date 22-Jul-2005 **Docket No.** 2005-1272-AIR-E **PCW**

Respondent Azimuth Energy, LLC *Policy Revision 2 (September 2002)*

Case ID No. 26211 *PCW Revision May 19, 2005*

Reg. Ent. Reference No. RN104618269

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

Compliance History Worksheet

>> Compliance History *Site* Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action *(number of NOVs meeting criteria)*	0	0%
	Other written NOVs	0	0%
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 commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government *(number of judgements or consent decrees meeting criteria)*	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government *(number of counts)*	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 *(number of audits for which notices were*	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 *(number of audits for which violations were disclosed)*	0	0%
		Please Enter Yes or No	
Other	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%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 0%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History *Person* Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

No penalty enhancement or reduction due to average performer classification.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 0%

Screening Date 22-Jul-2005 **Docket No.** 2005-1272-AIR-E **PCW**

Respondent Azimuth Energy, LLC *Policy Revision 2 (September 2002)*

Case ID No. 26211 *PCW Revision May 19, 2005*

Reg. Ent. Reference No. RN104618269

Media [Statute] Air Quality

Enf. Coordinator Kimberly Morales

Violation Number 1

Primary Rule Cite(s)	30 Tex. Admin. Code § 116.110(a) and Tex. Health & Safety Code § 382.0518(a)
Secondary Rule Cite(s)	30 Tex. Health & Safety Code § 382.085(b)
Violation Description	Failure to obtain a New Source Review permit prior to beginning Plant operations.

Base Penalty $10,000

>> **Environmental, Property and Human Health Matrix**

	Harm		
Release	Major	Moderate	Minor
Actual			
Potential			

OR **Percent**

>> **Programmatic Matrix**

Falsification	Major	Moderate	Minor
	x		

Percent 10%

Matrix Notes: The respondent failed to comply with 100% of the rule requirements.

Adjustment -$9,000

Base Penalty Subtotal $1,000

Violation Events

Number of Violation Events 1

mark only one use a small x	
daily	
monthly	x
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty $1,000

One monthly event is recommended based on documentation of the violation during the June 24, 2005 investigation through the screening date of July 22, 2005.

Economic Benefit (EB) for this violation **Statutory Limit Test**

Estimated EB Amount $120 **Violation Final Penalty Total** $1,000

This violation Final Assessed Penalty (adjusted for limits) $1,000

Economic Benefit Worksheet

Respondent Azimuth Energy, LLC
Case ID No. 26211
Reg. Ent. Reference No. RN104618269
Media [Statute] Air Quality
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost (No commas or $)	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Delayed Costs							
Equipment				0.0	$0	$0	$0
Buildings				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0
Engineering/construction				0.0	$0	$0	$0
Land				0.0	$0	n/a	$0
Record Keeping System				0.0	$0	n/a	$0
Training/Sampling				0.0	$0	n/a	$0
Remediation/Disposal				0.0	$0	n/a	$0
Permit Costs	$2,000	24-Jun-2005	04-Sep-2006	1.2	$120	n/a	$120
Other (as needed)				0.0	$0	n/a	$0
Notes for DELAYED costs	Estimated cost to prepare and submit a New Source Review permit application. Date required is the investigation date. Final date is the projected date of compliance.						
Avoided Costs	ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)						
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	$0
Other (as needed)				0.0	$0	$0	$0
Notes for AVOIDED costs							

Approx. Cost of Compliance $2,000

TOTAL $120

Compliance History

Customer/Respondent/Owner-Operator:	CN602842973	Azimuth Energy, LLC	Classification: AVERAGE BY DEFAULT	Rating: 3.010
Regulated Entity:	RN104618269	CLEMENTS NO. 1 FACILITY	Classification: AVERAGE BY DEFAULT	Site Rating: 3.01
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
Name: 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
If 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

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

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.

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

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

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

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TCEQ Core Data Form

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.

SECTION I: General Information

1. Reason for Submission *Example: new wastewater permit; IHW registration; change in customer information; etc.*

Registration for Permit By Rule, Oil and Gas Facility 106.352

2. Attachments				Describe Any Attachments: *(ex: Title V Application, Waste Transporter Application, etc.)*
X	YES		NO	Calculations and supporting data for Air Standard Permit

3. Customer Reference Number-*if issued*			4. Regulated Entity Reference Number-*if issued*		
CN		*(9 digits)*	RN		*(9 digits)*

SECTION II: Customer Information

5. Customer Role *(Proposed or Actual)* **-- As It Relates to the Regulated Entity Listed on This Form**

Please check one of the following:		Owner		Operator	X	Owner and Operator
	Occupational Licensee		Volunteer Cleanup Applicant			Other
TCEQ Use Only			Superfund		PST	Respondent

6. General Customer Information

X	New Customer		Change to Customer Information
	Change in Regulated Entity Ownership		No Change *

*If No Change and Section I is complete, skip to Section III - Regulated Entity Information.

7. Type of Customer:					
	Individual		Sole Proprietorship - D.B.A.		
	Partnership	X	Corporation		Federal Government
	State Government		County Government		City Government
	Other Government		Other:		

8. Customer Name *(If an individual, please print last name first)*	*If new name, enter previous name:*
Azimuth Energy, L.L.C.	

9. Mailing Address:	511 16th Street			
	Suite 300			
	City	State	ZIP	ZIP + 4
	Denver	CO	80202	

10. Country Mailing Information *if outside USA*	11. E-Mail Address *if applicable*
	N/A

12. Telephone Number	13. Extension or Code	14. Fax Number *if applicable*
(303) 573-7011	N/A	(720) 946-2838

15. Federal Tax ID *(9 digits)*	16. State Franchise Tax ID Number *if applicable*	17. DUNS Number *if applicable (9 digits)*
14-1866875	11418668759	

18. Number of Employees										19. Independently Owned and Operated?			
	0-20		21-100	X	101-250		251-500		501 and higher	X	Yes		No

SECTION III: Regulated Entity Information

20. General Regulated Entity Information

X	New Regulated Entity		Change to Regulated Entity Information		No Change*

*If "No Change" and Section I is complete, skip to Section IV - Preparer Information.

Received

DEC 05 2005

Air Permits Applications

21. Regulated Entity Name *(If an individual, please print last name first)*				
Clement No. 1 Facility				
22. Street Address (No PO Boxes)				
	City	State	ZIP	ZIP + 4
23. Mailing Address	**Att: Troy Luquette**			
	2496 Martin Luther King Drive.			
	City	State	ZIP	ZIP + 4
	Orange	**TX**	**77630**	
24. E-Mail Address:	**N/A**			

25. Telephone Number	**26. Extension or Code**	**27. Fax Number *if applicable***
(409) 882-0402	**N/A**	**N/A**

28. Primary SIC Code (4 digits)	**29. Secondary SIC Code (4 digits)**	**30. Primary NAICS Code (5 or 6 digits)**	**31. Secondary NAICS Code (5 or 6 digits)**
1311	**N/A**	**211111**	**N/A**

32. What is the Primary Business of this entity? (Please do not repeat the SIC or NAICS description)

Oil and Natural Gas Production

Questions 33 - 37 address geographic location. Please refer to the instructions for applicability.

33. County **Chambers**

34. Description of Physical Location From the intersection of I-10 & state Hwy 124 in Winnie, TX, proceed South on Hwy. 124 for 3.0 miles to Main Street. Turn left on Main Street and proceed for 0.6 miles to Fifth Street. Turn left on Fifth Street and proceed for 0.1 of mile to the well location on the right.

35. Nearest City	**State TX**	**Nearest Zip**
Winnie	TX	77665

36. Latitude (N)			***37. Longitude (W)***		
Degrees	***Minutes***	***Seconds***	***Degrees***	***Minutes***	***Seconds***
29	**47**	**551**	**94**	**22**	**206**

38. TCEQ Programs In Which This Regulated Entity Participates *Not all programs have been listed. Please add to this list as needed. If you don't know or are unsure, please mark "Unknown".* If you know a permit or registration # for this entity, please write it below the program."

	Animal Feeding Operation	X	Petroleum Storage Tank		Water Rights
	Title V - Air		Wastewater Permit		
	Industrial & Hazardous Waste		Water Districts		
	Municipal Solid Waste		Water Utilities		Unknown
X	New Source Review - Air		Licensing - TYPE(s)		

Section IV: Preparer Information

39. Name	**40. Title**
Gregory W. Cates	**Owner /Environmental Safety Solutions, Inc**

41. Telephone Number	**42. Extension or Code**	**43. Fax Number *if applicable***
(337) 254-4440	**N/A**	**(337) 254-9978**

44. E-mail Address: **essolutions@cox.net**

Texas Commission on Environmental Quality
Form PI-7-CERT
Certification and Registration for Permits by Rule

I. REGISTRANT INFORMATION

A. TCEQ Customer Reference Number: CN- | TCEQ Regulated Entity Number: RN-

Note: If no CN or RN number was entered above, please fill out the required Core Data Form, which will be available in Step II of the submittal process.

B. Company or Other Legal Customer Name: Azimuth Energy, L.L.C

Company Official Contact Name: Randy Judge — Title: Production Manager

Mailing Address: 511 16th Street, Suite 300

City: Denver — State: CO — Zip Code: 80202

Phone: (303) 537-7011 Ext 261 — Fax: (720) 946-2838 — E-mail: rjudge@AspectResources.com

C. Technical Contact Name: Gregory W. Cates — Title: Sr. Environmental Specialist

Company: Environmental Safety Solutions, Inc.

Mailing Address: 100 Agape Circle

City: Lafayette — State: LA — Zip Code: 70508

Phone: (337) 254-4440 — Fax: (337) 993-7859 — E-mail: essolutions@cox.net

D. Facility Location Information - Street Address:

If no street address, provide written driving directions to the site: *(attach description if additional space is needed)*

From the intersection of I-10 & Hwy 124 in Winnnie, 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.

City: Winnie — County: Chambers — Zip Code: 77665

II. FACILITY AND SITE INFORMATION

A. Name and Type of Facility: ☑ Permanent ☐ Portable

B. Permits by Rule (PBR) claimed under 30 TAC §106 *(List all):* §106.352 Oil and Ga §106. §106.

Are you claiming **historical standard exemption or PBR**? ☐ YES ☑ NO If "YES" enter effective date and Rule No.:

C. Are you registering a **grandfathered** facility? *If "YES," attach documentation of construction date* ☐ YES ☑ NO

D. Is there a previous **Standard Exemption or PBR** for the facility in this registration? *(Attach details regarding changes)* ☐ YES ☑ NO — If "YES," enter Registration No.: / If "YES," enter Rule No.:

E. Are there any **other facilities** at this **site** which are **authorized by an air Standard Exemption or PBR**? ☐ YES ☑ NO — If "YES," enter Registration No.: / If "YES," enter Rule No.:

F. Are there any **other air preconstruction permits** at this site? ☐ YES ☑ NO — If "YES," enter Permit Nos.:

G. Is this **site** required to obtain an air **federal operating permit**? ☐ YES ☑ NO — If "YES," enter Permit No.:

H. TCEQ Account Identification Number *(if known):*

III. FEE INFORMATION

To determine if a fee is required answer the following questions. If "YES," to question III. A., a fee is not required, skip to Section IV. If "NO" to answer III. A., then go to Section III. B. See Section VI for address to send fee or go to www2.tceq.state.tx.us/epay *to pay online*

A. Is this registration an update to a previously registered facility solely to establish a federally enforceable emission limit? ☐ YES ☑ NO

B. What is the fee amount? *If "YES," to any of the following three questions, a **$100 fee** is required. Otherwise, a **$450 fee** is required.*

Does this business have less than 100 employees? ☑ YES ☐ NO

Does this business have less than 1 million dollars in annual gross receipts? ☐ YES ☑ NO

Is this certification and registration submitted by a governmental entity with a population of less than 10,000? ☐ YES ☑ NO

C. Check/Money Order or Transaction Number (*Payable to TCEQ*): 1004

Company Name on Check: Environmental Safety Solutions, Inc. — Fee Amount: $900.00

IV. SELECTED FACILITY REVIEWS ONLY - TECHNICAL INFORMATION

Note: If claiming one of the following PBRs, complete this section, then skip to Section VI "Submitting Your Registration" below.

Animal Feeding Operations §106.161 **Livestock Auction Facilities §106.162** **Saw Mills §106.223**
Grain Handling, Storage and Drying §106.283 **Auto Body Refinishing Facilities §106.436** **Air Curtain Incinerator §106.496**

A.	Is the **applicable PBR checklist** attached which shows the facility meets all **general** and **specific** requirements of the PBR(s) being claimed? *(If submitting electronically, click "YES")*	☐ 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:**		

V. TECHNICAL INFORMATION INCLUDING STATE AND FEDERAL REGULATORY REQUIREMENTS

Registrants must be in compliance with all applicable state and federal regulations and standards to claim a PBR.

A.	Is confidential information submitted and properly marked "CONFIDENTIAL" with this certification and registration?	☐ YES	☑ NO
B.	Is a process flow diagram or a process description attached?	☑ YES	☐ NO
C.	Are emissions data and calculations for this claim attached?	☑ YES	☐ NO
D.	Is information attached showing how the **general** requirements **(30 TAC § 106.4)** of the PBR is met for this certification and registration? ***(PBR checklists** may be used, but are optional)*	☑ YES	☐ NO

*Note: Please be reminded that if the facilities listed in this certification and registration are subject to the Mass Emissions Cap & Trade program under **30 TAC Chapter 101, Subchapter H, Division 3**, the owner/operator of these facilities must possess NO_x allowances equivalent to the actual NO_x emissions from these facilities.*

E.	Is information attached showing how the **specific PBR** requirements are met for this registration? ***(PBR checklists** may be used, but are optional)*	☑ YES	☐ NO
F.	Distance from this facility's emission release point to the nearest property line: **Enter in Feet:** 50		
	Distance from this facility's emission release point to the nearest off-property structure: **Enter in Feet:** >3000		

Note: In limited cases, a map or drawing of the site and surrounding land use may be requested during the technical review or at the request of the TCEQ Regional Office or local air pollution control program during an investigation.

VI. SIGNATURE FOR CERTIFICATION AND REGISTRATION

The signature below indicates that the Responsible Official has knowledge of the facts herein set forth and that the same are true, accurate, and complete to the best of my knowledge and belief. By this signature, the maximum emission rates listed on this certification reflect the maximum anticipated emissions due to the operation of this facility and all representations in this certification of emissions are conditions upon which the facilities and sources will operate. It is understood that it is unlawful to vary from these representations unless the certification is first revised. The signature certifies that to the best of the Responsible Official's knowledge and belief, the project will satisfy the conditions and limitations of the indicated exemption or permit by rule and the facility will operate in compliance with all regulations of the Texas Commission on Environmental Quality and with federal U.S. Environmental Protection Agency regulations governing air pollution. The signature below certifies that, based on information and belief formed after reasonable inquiry, the statements and information above and contained in the attached document(s) are true, accurate, and complete. ***If you have questions on how to fill out this form or about air quality permits. Please call 512/239-1250.*** *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, call 512/239-3282.*

SIGNATURE:	**DATE:** 7-24-05

VII. COPIES OF THE CERTIFICATION AND REGISTRATION - Copies **must** be sent as listed below. **Processing delays may occur if copies are not sent as noted.**

Who	*Where*	*What*
Permits Administrative Review (PAR) Section, TCEQ	**Regular, Certified, Priority Mail** MC 161, P.O. Box 13087, Austin, Texas 78711-3087 **Hand Delivery, Overnight Mail** MC 161, 12100 Park 35 Circle, Building F, First Floor, Room 1206, Austin, Texas 78753 OR **Facsimile** (512) 239-2123 (*do not follow fax with paper copies*)	Originals - Form PI-7, Core Data Form; all attachments
Revenue Section, TCEQ	**Regular, Certified, Priority Mail** MC 214, P.O. Box 13088, Austin, Texas 78711-3088 **Hand Delivery, Overnight Mail** MC 214, 12100 Park 35 Circle, Building A, Third Floor, Austin, Texas 78753	Original Money Order or Check Copy of Form PI-7 and Core Data Form
Appropriate TCEQ regional office	To find your regional office address, go to the TCEQ Web site at www.tceq.state.tx.us, or call (512) 239-1250	Copy of Form PI-7, Core Data Form, and all attachments
Appropriate local air pollution control program(s)	To find your local air pollution control programs go to the TCEQ, APD Web site at www.tceq.state.tx.us/nav/permits/air_permits.html, or call (512) 239-1250	Copy of Form PI-7, Core Data Form, and all attachments

Received
DEC 05 2005
Air Quality Applications

Clement No.1 Facility

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

Company Name: Azimuth Energy L.L.C. Checklist completed by: G Cates Date: 7-24-05

Facility Type: Oil and Gas Exemption(s) claimed: §106. 352

Project Description: New oil & Gas production Facility

(including equipment, materials, and brief process description)

List the maximum annual emission rates, in **TONS PER YEAR (TPY), for this project:**

CO : 2.054 NO_x: 2.098 PM : 0.053
SO_2: 0.004 VOCs: 10.098 Other: N/A

The following questions require 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
If "No", please contact the TNRCC NSRP Division 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 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): _____.

C. §106.4(b): Circumvention check

§106.4(b) states "No person shall circumvent by artificial limitations the requirements of §116.110 of this title (covering permitting)."
Circumvention by artificial limitations may include but is not limited to:

1. *dividing a complete project into separate segments to circumvent §106.4(a)(1) limits;*
2. *claiming feed or production rates below the physical capacity of the project's equipment in order to begin constructing facilities before a permit or permit amendment is approved for full scale operations, particularly when the unit will not be economically viable at less than permitted capacity;*
3. *claiming a limited chemical list in order to begin constructing facilities before a permit or permit amendment is approved for additional chemicals, particularly when the unit will not be economically viable until the additional chemicals are authorized.*

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

Yes ✓ No ___ 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): Emission limits check

Yes ✓ 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.
Forward all information needed to verify your exemption claim to the TNRCC.
If "No", please continue through the remaining applicable pages of the checklist.

Detailed §106.4 Requirements

F. §106.4(a)(1): Emission limits check continued....

1. Yes ✓ No ___ Are SO_x, PM, VOC, and other emissions shown above each less than 25 TPY?
2. 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. Yes ✓ No ___ Are total NO_x and CO emissions each less than 250 TPY?
2. 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

1. 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

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. 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

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.

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_x emissions, please complete the following

For this project only:

		VOC	NO_x
New allowable rate	+	_____	_____
Old actual rate**	-	_____	_____
Project Increase	=	_____	_____

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

K. VOCs

1. Yes ✓ No ___ The facility to be exempted has the potential for VOC emissions.
   If "No", continue to the NO_x questions (Section L) below
   If "Yes", please answer the following
2. Yes ___ No ✓ Are site-wide VOC emissions from all sources * greater than 25 TPY? (i.e. Is this site an existing major source?)
   If "No", continue to the NO_x questions below
   If "Yes", please complete the following :
3. Yes ___ No ✓ Is the project increase of VOCs greater than 5 TPY? (i.e. Does this action trigger netting?) *If*
   New Facility
   If "No", continue to the NO_x questions below
   If "Yes", please provide contemporaneous netting calculations (attach) and answer the following question
4. Yes ___ No ✓ Is the contemporaneous net increase of VOCs greater than 25 TPY? (i.e. Is this project a major modification?) *If "No", continue to the NO_x questions below*
   If "Yes", this project will be a major modification and an exemption may not be used. A Nonattainment permit review must be completed.

L. NO_x

1. Yes ✓ No ___ The facility to be exempted has the potential for NO_x emissions.
   If "No", continue to the PSD questions
   If "Yes", please answer the following

2. Yes ___ No ✓ Are site-wide NO_x emissions from all sources * greater than 25 TPY? (i.e. Is this site an existing major source?)
   If "No", continue to question 3
   If "Yes", please complete the following :
   A. Yes ___ No ✓ Is the project increase of NO_x greater than 5 TPY? (i.e. Does this action trigger netting?)
   If "No", continue to the PSD questions
   If "Yes", please provide contemporaneous netting calculations (attach) and answer the following question
   B. Yes ___ No ✓ Is the contemporaneous net increase of NO_x greater than 25 TPY? (i.e. Is this project a major modification?)
   If "No", continue to the PSD questions
   If "Yes", this project will be a major modification and an exemption may not be used. A Nonattainment permit review must be completed.

3. Yes ___ No ✓ For new or existing minor sources, are project increases greater than 25 TPY?
   If "No", continue to the PSD questions
   If "Yes", this project will be major in itself and an exemption may not be used. A Nonattainment permit review must be completed.

* *"all sources" and "site-wide" should include facilities which are permitted, exempted, or grandfathered, excluding this project*
** *Actual emission rates are based on the average emissions from all existing facilities affected by this exemption claim (project) for the previous 2 years*

§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

Named Sources

1. Yes___ No ✓ Is the SITE a named PSD source? (See list on page 2 of checklist)
   If "No", continue to the un-named source questions (#4) below
   If "Yes", please answer the following:
2. Yes___ No ✓ Prior to this action, are site-wide emissions of any NAAQS regulated pollutant (including fugitives) greater than 100 TPY? (i.e. Is this site an existing major source?)
   If "Yes", the site is a major source. Please answer questions #6-8 below (PSD "Significance")
   If "No", answer the next question
3. Yes___ No ✓ For any regulated NAAQS contaminant (except as noted above), will the project's increases be greater than 100 TPY? (i.e. Is this project major?)
   If "No", no further review is needed to complete the checklist for Chapter 106.
   If "Yes", the project is a major source and an exemption may not be used and a PSD Permit review must be completed to authorize the project.

Un-named Sources

4. Yes___ No ✓ Is the SITE an un-named PSD source? (See list on page 2 of checklist)
   If "No", the above questions regarding named sources should be completed
   If "Yes", please answer the following:
5. Yes___ No ✓ Prior to this action, are site-wide emissions of any NAAQS regulated pollutant (point sources only) greater than 250 TPY? (i.e. Is this site an existing major source?)
   If "Yes", the site is a major source. Please answer questions #6-8 below (PSD "Significance")
   If "No", no further review is required. Please send this checklist and all additional documentation to the TNRCC NSRP Division and the applicable Regional office.

6. **PSD "Significance" check:**
   If the existing site is a major source, Complete the following chart and attach calculations to determine the project's emission increases for all regulated NAAQS compounds (in TPY).

		NO_x	PM_{10}	CO	VOCs	SO_2	*Other:* _____	*Other:* _____
New allowable rate	+							
Old actual rate**	-							
Project Increase	=							

7. Yes___ No___ For any regulated NAAQS contaminant, will the project's increases be greater than the PSD 'significant' rates? (i.e. Does this action trigger netting?) (See list on page 2 of checklist)
   If "No", no further review is needed to complete the checklist for Chapter 106.
   If "Yes", PSD Applicability review and netting calculations must be completed (attach).
   These netting calculations should be used to answer the following:

8. Yes___ No___ For any regulated NAAQS contaminant, are the contemporaneous net increases greater than the PSD 'significant' rates? (i.e. Is this project a major modification?)
   If "No", no further review is needed to complete the checklist for Chapter 106. Please attach all netting calculations and documentation for review by TNRCC NSRP staff.
   If "Yes", the project is a major modification and an exemption may not be used.
   A PSD Permit review must be completed to authorize the project.

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

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 § 106.352 (30 TAC § 106.352) 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, checklist 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.

	Please check the most appropriate answer.	
	Check the type of facilities covered by this registration(check all that are applicable): ☑ oil or gas production facility ☐ carbon dioxide separation facility ☐ oil or gas pipeline facility	
	The facilities at the site include (check all that apply): ☑ one or more tanks ☑ separators ☐ sulfur recovery units ☐ free water knockouts ☐ gunbarrels ☐ heater treaters ☑ dehydration units ☐ gas sweetening and other gas conditioning facilities ☐ 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 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 ☐ NO
	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 ☐ NO

PRINT SUBMIT

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 [redacted] 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 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.

CHECK 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): *If an engine, go to Question 2. If turbine, go to Question 3.*	☐ engine ☐ 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 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 oxide (NO_x) emission 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

	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 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 emission 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
	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 ☐ Liquid Petroleum Gas ☐ Field Gas ☐ Liquid Fuel	☑ 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

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: Kim Morales 9/12/05

AIR/RN104618269-77495/E

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