

LEGAL NOTICE
and
Preliminary Determination for an Air Quality Permit for
XTO Energy Inc

XTO Energy Inc, 22777 Springwood Village Parkway, W4.6B.344, Spring, TX has submitted an air quality permit application to the Air Quality Bureau (aqb), New Mexico Environment Department (NMED) for an air quality permit to construct Husky Gas Plant and Central Delivery Point. The application file has been assigned Permit No. PSD-8245 and TEMPO Agency Interest ID No. 38899. The exact location of the facility will be at latitude 32 degrees, 25 minutes, 21 seconds and longitude -103 degrees, 54 minutes, 5 seconds. To aid in locating this facility, the approximate location will be 14.3 miles northeast of Loving, NM, Eddy County. Driving directions: from Loving drive east on G Howard Rd for 1.5 miles, then left on Highway 387, drive 1.5 miles and turn right on NM 31, then drive 11.6 miles, turn right on Cimarron Rd., then drive 1.6 miles to the leased access road.

The proposed construction of this facility will be for a new gas processing plant and central delivery point with oil and natural gas liquids (NGL) stabilization. This facility will produce sales gas, Y-grade NGL, and various oil products. The intent is to build the facility in stages with full operating capacity of 1.5 billion cubic feet per day of natural gas; 200,000 barrels per day (BPD) of oil stabilization; and 190,000 BPD of NGL stabilization. The facility will be designed for three cryogenic processing trains and four cogeneration turbines to provide power and auxiliary heat.

Total air pollutant emissions to the atmosphere are estimated to be approximately: Nitrogen Oxides (NO_x) at 260 tons per year (tpy); Carbon Monoxide (CO) at 235 tpy; Volatile Organic Compounds (VOC) at 490 tpy; Sulfur Dioxide (SO₂) at 52 tpy; Particulate Matter (total) at 185 tpy, Particulate Matter 10 microns or less (PM₁₀) at 177 tpy, Particulate Matter 2.5 microns or less (PM_{2.5}) at 175 tpy, and greenhouse gas (CO₂e) at 2,700,000 tpy. These emission estimates could change slightly during the course of the Department's review of the application.

The NMED has conducted a preliminary review of the information submitted with the permit application. The preliminary review and applicant's analysis of ambient air quality impacts indicates that the facility's air emissions will meet the ambient air quality standards for NO_x, CO, SO₂, PM₁₀, and PM_{2.5}. A full review will evaluate the estimated emission rates for the pollutants listed above and the air quality analysis to determine compliance with the associated ambient air standards and requirements.

The NMED has also conducted a preliminary review of the volatile organic compound (VOC) information submitted by the permit applicant. VOCs are a pre-cursor to ozone. Pre-construction modeling for ozone involves "modeled emission rates for precursors" (MERPs). This is based on an EPA guidance document and is referred to as a Tier I demonstration tool for ozone and PM_{2.5} under the PSD permitting program. In addition, the NMED continues to monitor ambient ozone concentrations within the Permian Basin. A full review will evaluate the estimated emission rates and determine compliance with air quality regulations.

Based on the applicant's analysis, a preliminary determination is that this facility will comply with the requirements of Title 20, New Mexico Administrative Code (NMAC), Chapter 2, Parts 3, 7, 38, 61, 70, 72, 73, 74, 75, 77 and 82; 40 CFR 50; 40 CFR 60 Subparts A, Db, Dc, Kb, KKKK, and OOOOa; 40 CFR 63

Subparts A, DDDDD, and YYYY; 40 CFR 64; and the New Mexico Air Quality Control Act. Therefore, the preliminary intent of NMED is to issue the air quality permit on or before June 8, 2020. This source is a major source according to 20.2.74 NMAC, PSD. Based on the Department's initial review of the applicant's PSD increment modeling analysis, the facility is not expected to exceed the following PSD increments. For Class II PSD increment (percent followed by pollutant, then averaging period): 59% of NO₂ annual, 64% of PM₁₀ 24-hr, 37% of PM₁₀ annual, 89% of PM_{2.5} 24-hr, 46% of PM_{2.5} annual; and be below the significant impact levels (SILs) for SO₂ (high of 83% for 24-hr). For Class I PSD the source is expected to be below the SILs for NO₂, PM₁₀, and PM_{2.5} (high of 75% of PM_{2.5} 24-hr and low of 3% of PM₁₀ annual).

To ensure compliance with state and federal air regulations, the permit is expected to include conditions that limit the emissions; apply best available control technology (BACT); monitor alternative operating scenarios; monitor equipment operations, controls, and throughput; equipment testing requirements; maintenance requirements; and conditions that will require record keeping and reporting to the Department.

The permit application is available for review in electronic or hard copy at the Air Quality Bureau Office, 525 Camino de los Marquez Suite 1, Santa Fe, NM 87505-1816. To arrange viewing of this application contact Arianna Espinoza, at 505-476-4367 or arianna.espinoza@state.nm.us. The permit application is also available at the NMED Carlsbad Field Office, located at 406 N. Guadalupe, Suite C, Carlsbad, NM 88220 for public review.

All interested persons have thirty (30) days from the date this notice is published, to notify the Department in writing of their interest in the permit application. The written comments should refer to the company name, site name and Permit No. (or send a copy of this notice along with your comments). The written comments shall state the nature of the issues raised and how it relates to the requirements of applicable state and federal air quality regulations and the Clean Air Act. The written comments should be mailed to Jim Nellessen, New Mexico Environment Dept., Air Quality Bureau, Permit Section, 525 Camino de los Marquez Suite 1, Santa Fe, NM 87505-1816. If the Department Secretary determines that a public hearing is required due to significant public interest, all person shall have the opportunity to comment at the hearing.

The Department will notify all persons, who have provided written comments, as to when and where the Department's analysis may be reviewed. Although all written comments will be made part of the public record, any person who does not express interest in writing prior to the end of this first thirty (30) day period will not receive such notification.

If the Department receives written public comment prior to the end of the Department's thirty (30) day public notice, the Department's analysis will be made available for review for thirty (30) days at the NMED district or field office nearest to the source before the permit will be issued. Written comments on the analysis or permit application may be submitted to the Department during this second thirty (30) day period or at any time before the permit is issued or denied.

Questions or comments not intended to be part of the public record can be directed to Jim Nellessen at 505-476-4315. General information about air quality and the permitting process can be found at the Air Quality Bureau's web site. The regulation dealing with public participation in the permit review process is 20.2.72.206 NMAC. This regulation can be found in the "Permits" section of this web site. Este es un aviso de la oficina de Calidad del Aire del Departamento del Medio Ambiente de Nuevo México, acerca

de las emisiones producidas por un establecimiento en esta área. Si usted desea información en español, por favor comuníquese con esa oficina al teléfono 505-476-5557.

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