

LEGAL NOTICE

and

Preliminary Determination for an Air Quality Permit for

Murchison Oil and Gas Inc

Murchison Oil and Gas Inc, 4111 S. Tidwell Rd, Carlsbad, NM has submitted an air quality permit application to the Air Quality Bureau (AQB), New Mexico Environment Department (NMED) for an air quality permit to permit the existing Murchison Oil - Ogden St. No. 5A. The application file has been assigned Permit No. 7040 and TEMPO Agency Interest ID No. 37317. The exact location of the facility is at latitude 32 degrees, 9 minutes, 14.292 seconds and longitude -104 degrees, 15 minutes, 39.024 seconds, Datum: WGS84. To aid in locating this facility, the approximate location is 7 miles east southeast of Whites City, in Eddy County. From Whites City NM, head east on NM-7E toward Sands Dr. Turn left onto US-180/US-62 E and continue for 3.6 miles. Continue onto Means Rd. to destination in 10.4 miles.

The facility will consist of three (3) 500-barrel oil tanks, two (2) 500-barrel produced water tanks, one (1) separator heaters (not heated), one (1) flare, truck loading emissions and facility-wide fugitive emissions.

Total air pollutant emissions to the atmosphere are estimated to be approximately Nitrogen Oxides (NO_x) at 5.4 tons per year (tpy); Carbon Monoxide (CO) at 24.4 tpy; Volatile Organic Compounds (VOC) at 42.1 tpy; Sulfur Dioxide (SO₂) at 78.2 tpy; Hydrogen Sulfide (H₂S) at 1.8 tpy; Total Hazardous Air Pollutants (Total HAP) at 1.1 tpy; and green house gas (CO₂e) < 75,000 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 air quality standards for NO_x, CO, SO₂ and H₂S. VOCs are a pre-cursor to ozone and the NMED does not require an individual ozone ambient impact analysis for each application. To determine compliance with national ambient air quality standards for ozone, NMED uses air monitors to monitor ozone concentrations. A full review will evaluate the estimated emission rates for the pollutants listed in this public notice and determine compliance with ambient air quality requirements and standards.

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 61 and 72; 40 CFR 50; and the New Mexico Air Quality Control Act. Therefore, the preliminary intent of NMED is to issue the air quality permit on or before November 24, 2016. This source is a PSD minor source according to 20.2.74 NMAC.

To ensure compliance with state and federal air regulations, the permit is expected to include conditions that limit the emissions, production rate, 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, New Mexico. To arrange viewing of this application contact Teri Waldron, at 505-476-4355 or teri.waldron@state.nm.us. The permit application is also available at the NMED Carlsbad Office, located at 406N. 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, facility 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 Marvin Mascareñas, New Mexico Environment Dept., Air Quality Bureau, Permit Section, 525 Camino de los Marquez Suite 1, Santa Fe, NM 87505-1816.

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 before the end of this first thirty (30) day period will not receive such notification.

If the Department receives written public comment before 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 Marvin Mascareñas at 505-476-4351. 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 Agencia de Calidad de Aire del Departamento de Medio Ambiente de Nuevo México, acerca de las emisiones producidas por un establecimiento en esta área. Si usted desea información en español, por favor de comunicarse con la oficina de Calidad de Aire al teléfono 505-476-5557.