

LEGAL NOTICE

and

Preliminary Determination for an Air Quality Permit for

Oxy USA Inc - Midcontinent Unit

Oxy USA Inc - Midcontinent Unit, PO Box 27757, Houston, TX has submitted an air quality permit application to the Air Quality Bureau (AQB), New Mexico Environment Department (NMED) for an air quality permit modify Indian Basin Gas Plant. The application file has been assigned Permit No. PSD0295-M8 and TEMPO Agency Interest ID No. 197. The exact location of the facility is at latitude 32 degrees, 27 minutes, 50.03 seconds and longitude -104 degrees, 34 minutes, 26.82 seconds. To aid in locating this facility, the approximate location is 15 miles west of Carlsbad, NM in Eddy County.

The proposed modification will (1) Permanently shut down sulfur recovery unit tail gas incinerator (ES-01) and remove from permit; (2) Reduce permit allowable emission rates for several natural gas turbines to reflect more realistic operating parameters; (3) Install new inlet separator (slug catcher) to separate any free liquids that may be carried with the gas during normal operation or pipeline pigging; (4) Replace existing high efficiency scrubber (compressor suction scrubber) with a thicker wall unit to accommodate design pressure rating; (5) Update projected condensate and water production volumes and revise emissions calculations, reducing permitted emissions from condensate/water tanks and loading operations accordingly; (6) Revise permit representation for ES-17 turbine compressor to reflect its change in service from residue gas to inlet gas service, consistent with the Title V permit representation; and (7) Update representations for fugitive emissions from piping components.

Total air pollutant emissions to the atmosphere are estimated to be approximately Nitrogen Oxides (NO_x) at 345.4 (-112.4) tons per year (tpy); Carbon Monoxide (CO) at 183.9 (-202.4) tpy; Volatile Organic Compounds (VOC) at 104.8 (-17.2) tpy; Sulfur Dioxide (SO₂) at 83.8 (-1099.4) tpy; Total Suspended Particulate Matter (TSP) at 10.5 (-1.5) tpy; Particulate Matter 10 microns or less (PM₁₀) at 10.5 (-1.5) tpy; Particulate Matter 2.5 microns or less (PM_{2.5}) at 10.5 (-1.5) 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, TSP, H₂S, and PM₁₀.

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, 35, 37 61, 70, 71, 72, 73, 74, and 75; and 40 CFR 60 Subparts A, GG, and KKK; and the New Mexico Air Quality Control Act. Therefore, the preliminary intent of NMED is to issue the air quality permit on or before January 15, 2015. This source is a PSD major source according to 20.2.74 NMAC. This revision is a minor revision to a major source; it is not subject to 20.2.74 NMAC, PSD.

To ensure compliance with state and federal air regulations, the permit is expected to include conditions that limit the emissions, hours of operation, and 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 406 N. Guadalupe Ste 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 Joseph Kimbrell, 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 Joseph Kimbrell at 505-476-4347. 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.