



State of Mississippi

AIR POLLUTION CONTROL PERMIT

Permit To Construct Air Emissions Equipment



THIS CERTIFIES

Tellus Operating Group LLC, Quail Tank Battery
Off Highway 501
Sylvarena, MS
Smith County

has been granted permission to construct air emissions equipment to comply with the emission limitations, monitoring requirements and other conditions set forth herein. This permit is issued in accordance with the provisions of the Mississippi Air and Water Pollution Control Law (Section 49-17-1 et. seq., Mississippi Code of 1972), and the regulations and standards adopted and promulgated thereunder.

Mississippi Environmental Quality Permit Board

Mississippi Department of Environmental Quality

Issued/Modified:

Expires:

Permit No. 2500-00092

Agency Interest # 70135

*** Draft Permit ***

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Permit To Construct Air Emissions Equipment

Tellus Operating Group LLC, Quail Tank Battery

Subject Item Inventory

Permit Number: 2500-00092

Activity ID No.: PER20160001

Subject Item Inventory:

| ID | Designation | Description |
|---------|-------------|--|
| AI70135 | 70135 | Oil and Gas Production |
| EQPT8 | AA-001 | 1.0 MMBtu/hr Field Gas Heater Treater |
| EQPT9 | AA-002 | 1.0 MMBtu/hr Field Gas Heater Treater |
| EQPT10 | AA-003 | 1.0 MMBtu/hr Field Gas Line Heater |
| EQPT11 | AA-004 | 1.0 MMBtu/hr Field Gas Line Heater |
| CONT1 | AA-005 | Flare (E-1) to control emissions from Separator(s), Heater Treaters, Truck Loading and Storage Tanks |
| EQPT6 | AA-006 | Truck Loading (E-5) |
| EQPT7 | AA-007 | Separator(s) |
| AREA1 | AA-008 | Fugitive Equipment Leaks (F-1) |
| EQPT1 | AA-009 | 16,800 Gallon Vertical Fixed Roof Crude Oil Condensate Storage Tank No. 1 |
| EQPT2 | AA-010 | 16,800 Gallon Vertical Fixed Roof Crude Oil Condensate Storage Tank No. 2 |
| EQPT3 | AA-011 | 16,800 Gallon Vertical Fixed Roof Crude Oil Condensate Storage Tank No. 3 |
| EQPT12 | AA-012 | 16,800 Gallon Vertical Fixed Roof Crude Oil Condensate Storage Tank No. 4 |
| EQPT13 | AA-013 | 16,800 Gallon Vertical Fixed Roof Crude Oil Condensate Storage Tank No. 5 |
| EQPT14 | AA-014 | 16,800 Gallon Vertical Fixed Roof Crude Oil Condensate Storage Tank No. 6 |
| EQPT4 | AA-015 | 16,800 Gallon Vertical Fixed Roof Oily Water Storage Tank |
| EQPT5 | AA-016 | 16,800 Gallon Vertical Fixed Roof Produced Water Storage Tank |

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Permit To Construct Air Emissions Equipment

Tellus Operating Group LLC, Quail Tank Battery

Subject Item Inventory

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Activity ID No.: PER20160001

Subject Item

Groups:

| ID | Description | Components |
|-------|---|--|
| GRPT1 | Crude Oil Condensate, Oily Water and Produced Water Storage Tanks | EQPT1 16,800 Gallon Vertical Fixed Roof Crude Oil Condensate Storage Tank No. 1 |
| | | EQPT2 16,800 Gallon Vertical Fixed Roof Crude Oil Condensate Storage Tank No. 2 |
| | | EQPT3 16,800 Gallon Vertical Fixed Roof Crude Oil Condensate Storage Tank No. 3 |
| | | EQPT12 16,800 Gallon Vertical Fixed Roof Crude Oil Condensate Storage Tank No. 4 |
| | | EQPT13 16,800 Gallon Vertical Fixed Roof Crude Oil Condensate Storage Tank No. 5 |
| | | EQPT14 16,800 Gallon Vertical Fixed Roof Crude Oil Condensate Storage Tank No. 6 |
| | | EQPT4 16,800 Gallon Vertical Fixed Roof Oily Water Storage Tank |
| | | EQPT5 16,800 Gallon Vertical Fixed Roof Produced Water Storage Tank |

KEY

ACT = Activity

AREA = Area

CONT = Control Device

IA = Insignificant Activity

MAFO = Animal Feeding Operation

RPNT = Release Point

WDPT = Withdrawal Point

AI = Agency Interest

CAFO = Concentrated Animal Feeding Operation

EQPT = Equipment

IMPD = Impoundment

PCS = PCS

TRMT = Treatment

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Facility Requirements

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AI0000070135 (70135) Oil and Gas Production:

Limitation Requirements:

| Condition No. | Parameter | Condition |
|---------------|----------------|---|
| L-1 | Sulfur Dioxide | Sulfur Dioxide: The permittee shall limit sulfur dioxide (SO ₂) emissions to no more than 249 tons per 12 month rolling total. [11 Miss. Admin. Code Pt. 2, R. 2.2 .B(10)] |
| L-2 | Fuel Combusted | Fuel Combusted: For all combustion units operating at this facility, the permittee shall combust only produced natural gas or propane. [11 Miss. Admin. Code Pt. 2, R. 2.2 .B(10)] |
| L-3 | | The facility is subject to 40 CFR 60, Subpart OOOOa, New Source Performance Standards for Crude Oil and Natural Gas Production, Transmissions and Distribution. [40 CFR 60.Subpart OOOOa] |

Monitoring Requirements:

| Condition No. | Parameter | Condition |
|---------------|-----------|---|
| M-1 | | The permittee shall calculate the gas to oil ratio (GOR) from the production of crude oil and gas, annually. [11 Miss. Admin. Code Pt. 2, R. 2.2.B(11)] |
| M-2 | | The permittee shall conduct an annual produced field gas analysis, including hydrogen sulfide concentration, sulfur content, methane concentration (volume), gross heating value, molecular weight and speciated VOC constituents. The first produced field gas analysis shall be conducted no later than 60 days after certifying construction. Additionally, an updated produced field gas analysis must be conducted within 90 days from startup of any well that starts up after the most recent analysis. [11 Miss. Admin. Code Pt. 2, R. 2.2.B(11)] |

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AI0000070135 (70135) Oil and Gas Production:

Record-Keeping Requirements:

| Condition No. | Condition |
|---------------|--|
| R-1 | <p>The permittee shall keep the following records:</p> <ul style="list-style-type: none">(1) Monthly and rolling 12 month total for: produced crude oil (barrels), produced water (barrels), volume of gas flared (cubic feet/day), VOC and individual HAP and combined HAP emissions (lbs and tons), sulfur dioxide (SO₂) emissions (lbs and tons),(2) Results of all field gas analysis performed during the reporting period(3) Gas to Oil Ratio (GOR) annual value(4) log/record of weekly visible emission observation on the flare. <p>The permittee shall maintain a copy of this record on site for at least five years and shall make them available upon request by the Mississippi Department of Environmental Quality (MDEQ) personnel. [11 Miss. Admin. Code Pt. 2, R. 2.2.B(11)]</p> |
| R-2 | <p>The permittee shall develop a detailed report of all applicable requirements of 40 CFR 60, Subpart OOOOa including limitations, notifications, monitoring, testing, and recordkeeping no later than thirty (30) days from the certification of construction date. This applicability report shall be attached to the Permittee's copy of the permit and kept on-site and made available to MDEQ representative during an inspection of the facility. [40 CFR 60.Subpart OOOOa]</p> |

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AI0000070135 (70135) Oil and Gas Production:

Submittal/Action Requirements:

| Condition No. | Condition |
|---------------|---|
| S-1 | General Condition: The permittee shall submit certification of construction: Due within thirty (30) days of completion of construction or installation of an approved stationary source or prior to startup, whichever is earlier. The notification shall certify that construction or installation was performed in accordance with the approved plans and specifications. In the event there is any change in construction from the previously approved plans and specifications or permit, the permittee shall promptly notify MDEQ in writing. If MDEQ determines the changes are substantial, MDEQ may require the submission of a new application to construct with "as built" plans and specifications. Notwithstanding any provision herein to the contrary, the acceptance of an "as built" application shall not constitute a waiver of the right to seek compliance penalties pursuant to State Law. [11 Miss. Admin. Code Pt. 2, R. 2.5.D.] |
| S-2 | <p>The permittee shall report annually by January 31st for the preceding calendar year:</p> <p>(1) Monthly and rolling 12 month total for: produced crude oil (barrels), produced water (barrels), produced field gas (MMSCF), volume of gas flared (cubic feet/day), VOC and individual HAP and combined HAP (lbs and tons), sulfur dioxide (SO₂) emissions (lbs and tons), including sample calculations;</p> <p>(2) Results of all field gas analysis performed during the reporting period</p> <p>(3) Gas to Oil Ratio (GOR) annual value</p> <p>(4) date, start time and duration of any upsets or bypasses of control devices at the facility. If no bypasses or upsets have occurred, the facility should submit negative declarations;</p> <p>(5) results of all EPA Method 22 analysis conducted on the control flare. [11 Miss. Admin. Code Pt. 2, R. 2.2.B(11)]</p> |
| S-3 | Within fifteen (15) days of beginning actual construction, the permittee must notify DEQ in writing that construction has begun. [11 Miss. Admin.Code Pt. 2, R.2.5.C (2).] |
| S-4 | The permittee must notify DEQ in writing when construction does not begin within eighteen (18) months of issuance or if construction is suspended for eighteen (18) months or more. [11 Miss. Admin.Code Pt. 2, R.2.5.C(4).] |

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AI0000070135 (70135) Oil and Gas Production:

Narrative Requirements:

General Condition:

| Condition No. | Condition |
|---------------|---|
| T-1 | General Condition: The stationary source shall be designed and constructed so as to operate without causing a violation of any Applicable Rules and Regulations or this permit, without interfering with the attainment and maintenance of State and National Ambient Air Quality Standards, and such that the emission of air toxics does not result in an ambient concentration sufficient to adversely affect human health and well-being or unreasonably and adversely affect plant or animal life beyond the stationary source boundaries. [11 Miss. Admin.Code Pt. 2, R.2.5.A.] |
| T-2 | General Condition: Any activities not identified in the application are not authorized by this permit. [Miss. Code Ann. 49_17_29 1.b] |
| T-3 | General Condition: The necessary facilities shall be constructed so that solids removed in the course of control of air emissions may be disposed of in a manner such as to prevent the solids from becoming windborne and to prevent the materials from entering State waters without the proper environmental permits. [Miss. Code Ann. 49_17_29] |
| T-4 | General Condition: The air pollution control facilities shall be constructed such that diversion from or bypass of collection and control facilities is not needed except as provided for in Regulation 11 Miss. Admin. Code Pt.2, R. 1.10 "Air Emission Regulations for the Prevention, Abatement, and Control of Air Contaminants", Section 10. [11 Miss. Admin. Code Pt. 2, R. 1.10] |
| T-5 | General Condition: The permittee shall allow the Mississippi Environmental Quality Commission, the Mississippi Environmental Quality Permit Board, MDEQ staff and/or their authorized representatives, upon the presentation of credentials: a. To enter upon the permittee's premises where an air emission source is located or in which any records are required to be kept under the terms and conditions of this permit; and b. At reasonable times to have access to and copy any records required to be kept under the terms and conditions of this permit, to inspect any monitoring equipment or monitoring method required in this permit, and to sample any air emission. [Miss. Code Ann. 49_17_21] |
| T-6 | General Condition: After notice and opportunity for a hearing, this permit may be modified, suspended, or revoked in whole or in part during its term for good cause shown including, but not limited to, the following: a. Persistent violation of any terms or conditions of this permit; b. Obtaining this permit by misrepresentation or failure to disclose fully all relevant facts; or c. A change in any condition that requires either a temporary or permanent reduction or elimination of previously authorized air emissions. [11 Miss. Admin.Code Pt. 2, R.2.2.C.] |

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AI0000070135 (70135) Oil and Gas Production:

Narrative Requirements:

| Condition No. | Condition |
|---------------|--|
| T-7 | General Condition: Except for data determined to be confidential under the Mississippi Air & Water Pollution Control Law, all reports prepared in accordance with the terms of this permit shall be available for public inspection at the offices of the Mississippi Department of Environmental Quality Office of Pollution Control. [Miss. Code Ann. 49_17_39] |
| Condition No. | Condition |
| T-8 | General Condition: This permit is for air pollution control purposes only. [11 Miss. Admin.Code Pt. 2, R.2.1.D.] |
| T-9 | General Condition: The knowing submittal of a permit application with false information may serve as the basis for the Permit Board to void the permit issued pursuant thereto or subject the applicant to penalties for operating without a valid permit pursuant to State Law. [11 Miss. Admin.Code Pt. 2, R.2.2.B(5).] |
| T-10 | General Condition: It is the responsibility of the applicant/permittee to obtain all other approvals, permits, clearances, easements, agreements, etc., which may be required including, but not limited to, all required local government zoning approvals or permits. [11 Miss. Admin.Code Pt. 2, R.2.1.D(6).] |
| T-11 | General Condition: The issuance of a permit does not release the permittee from liability for constructing or operating air emissions equipment in violation of any applicable statute, rule, or regulation of state or federal environmental authorities. [11 Miss. Admin.Code Pt. 2, R.2.1.D(7).] |
| T-12 | General Condition: It shall not be a defense for a permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of the permit, unless halting or reducing activity would create an imminent and substantial endangerment threatening the public health and safety of the lives and property of the people of this state. [11 Miss. Admin.Code Pt. 2, R.2.2.B(15)(a).] |
| T-13 | General Condition: The permit and/or any part thereof may be modified, revoked, reopened, and reissued, or terminated for cause. Sufficient cause for a permit to be reopened shall exist when an air emissions stationary source becomes subject to Title V. The filing of a request by the permittee for a permit modification, revocation and reissuance, or termination, or of a notification of planned changes or anticipated noncompliance does not stay any permit condition. [11 Miss. Admin.Code Pt. 2, R.2.2.B(15)(b).] |
| T-14 | General Condition: The permit does not convey any property rights of any sort, or any exclusive privilege. [11 Miss. Admin.Code Pt. 2, R.2.2.B(15)(c).] |

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AI0000070135 (70135) Oil and Gas Production:

Narrative Requirements:

| Condition No. | Condition |
|---------------|---|
| T-15 | General Condition: The permittee shall furnish to the DEQ within a reasonable time any information the DEQ may request in writing to determine whether cause exists for modifying, revoking and reissuing, or terminating the permit or to determine compliance with the permit. Upon request, the permittee shall also furnish to the DEQ copies of records required to be kept by the permit or, for information claimed to be confidential, the permittee shall furnish such records to the DEQ along with a claim of confidentiality. The permittee may furnish such records directly to the Administrator along with a claim of confidentiality. [11 Miss. Admin.Code Pt. 2, R.2.2.B(15) (d).] |
| T-16 | General Condition: This permit shall not be transferred except upon approval of the Permit Board. [11 Miss. Admin.Code Pt. 2, R.2.16.B.] |
| T-17 | General Condition: The provisions of this permit are severable. If any provision of the permit, or the application of any provision of the permit to any circumstances, is challenged or held invalid, the validity of the remaining permit provisions and/or portions thereof or their application to other persons or sets of circumstances, shall not be affected thereby. [11 Miss. Admin.Code Pt. 2, R.1.1.D(7).] |
| T-18 | General Condition: The permit to construct will expire if construction does not begin within eighteen (18) months from the date of issuance or if construction is suspended for eighteen (18) months or more. [11 Miss. Admin.Code Pt. 2, R.2.5.C(1).] |
| T-19 | General Condition: A new stationary source issued a Permit to Construct cannot begin operation until certification of construction by the permittee. [11 Miss. Admin.Code Pt. 2, R.2.5.D(3).] |
| T-20 | General Condition: Except as prohibited in 11 Miss. Admin. Code Pt. 2,R. 2.5.D(7) after certification of construction by the permittee, the Permit to Construct shall be deemed to satisfy the requirement for a permit to operate until the date the application for issuance or modification of the Title V Permit or the application for issuance or modification of the State Permit to Operate, whichever is applicable, is due. This provision is not applicable to a source excluded from the requirement for a permit to operate as provided by 11 Miss. Admin. Code Pt. 2, R. 2.13.G. [11 Miss. Admin. Code Pt. 2, R. 2.5.D(4).] |
| T-21 | General Condition: Except as otherwise specified in 11 Miss. Admin. Code Pt. 2, R. 2.5.D(7), the application for issuance or modification of the State Permit to Operate or the Title V Permit, whichever is applicable, is due twelve (12) months after beginning operation or such earlier date or time as specified in the Permit to Construct. The Permit Board may specify an earlier date or time for submittal of the application. Beginning operation will be assumed to occur upon certification of construction, unless the permittee specifies differently in writing. [11 Miss. Admin. Code Pt. 2, R. 2.5.D(5).] |

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AI0000070135 (70135) Oil and Gas Production:

Narrative Requirements:

| Condition No. | Condition |
|---------------|---|
| T-22 | General Condition: Except as otherwise specified in 11 Miss. Admin. Code Pt. 2, R. 2.5.D(7), upon submittal of a timely and complete application for issuance or modification of a State Permit to Operate or a Title V Permit, whichever is applicable, the applicant may continue to operate under the terms and conditions of the Permit to Construct and in compliance with the submitted application until the Permit Board issues, modifies, or denies the Permit to Operate. [11 Miss. Admin. Code Pt. 2, R. 2.5.D(6).] |
| T-23 | General Condition: For moderate modifications that require contemporaneous enforceable emissions reductions from more than one emission point in order to net out of PSD/NSR, the applicable Title V Permit to Operate or State Permit to Operate must be modified prior to beginning operation of the modified facilities. [11 Miss. Admin.Code Pt. 2, R.2.5.D(7).] |
| T-24 | General Condition: Regarding compliance testing: (a) The results of any emissions sampling and analysis shall be expressed both in units consistent with the standards set forth in any Applicable Rules and Regulations or this permit and in units of mass per time. (b) Compliance testing will be performed at the expense of the permittee. (c) Each emission sampling and analysis report shall include but not be limited to the following: 1. detailed description of testing procedures; 2. sample calculation(s); 3. results; and 4. comparison of results to all Applicable Rules and Regulations and to emission limitations in the permit. [11 Miss. Admin.Code Pt. 2, R.2.6.B(3),(4)&(6).] |
| T-25 | General Condition: The construction of the stationary source shall be performed in such a manner so as to reduce fugitive dust emissions from construction activities to a minimum. [11 Miss. Admin.Code Pt. 2, R.2.5.A(4).] |

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Facility Requirements

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EQPT0000000008 (AA-001) 1.0 MMBtu/hr Field Gas Heater Treater:

Limitation Requirements:

| Condition No. | Parameter | Condition |
|---------------|--------------------|---|
| L-1 | Particulate Matter | Particulate Matter: Particulate matter emissions from the heater treater burner stack shall not exceed 0.6 pounds per MMBtu/hour heat input. [11 Miss. Admin. Code Pt. 2, R. 1.3.D(1)a] |
| L-2 | Opacity | Opacity: The permittee shall not have emissions of opacity greater than or equal to 40% as determined by EPA Reference Method 9, 40 CFR 60, Appendix A. [11 Miss. Admin. Code Pt. 2, R. 1.3.A(1)] |
| L-3 | Sulfur Dioxide | Sulfur Dioxide: The maximum discharge of sulfur dioxide shall not exceed 4.8 pounds (measured as sulfur dioxide) per million BTU heat input. [11 Miss. Admin. Code Pt. 2, R. 1.4.A(1)] |
| L-4 | | The permittee shall only operate with the emissions routed to and controlled by the flare. [11 Miss. Admin. Code Pt. 2, R. 2.2.B(10)] |

Narrative Requirements:

| Condition No. | Condition |
|---------------|---|
| T-1 | Such air emission equipment shall be operated as efficiently as possible to provide the maximum reduction of air contaminants. [11 Miss. Admin. Code Pt. 2, R. 2.2.B(10)] |

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EQPT0000000009 (AA-002) 1.0 MMBtu/hr Field Gas Heater Treater:

Limitation Requirements:

| Condition No. | Parameter | Condition |
|---------------|--------------------|---|
| L-1 | Particulate Matter | Particulate Matter: Particulate matter emissions from the heater treater burner stack shall not exceed 0.6 pounds per MMBtu/hour heat input. [11 Miss. Admin. Code Pt. 2, R. 1.3.D(1)a] |
| L-2 | Opacity | Opacity: The permittee shall not have emissions of opacity greater than or equal to 40% as determined by EPA Reference Method 9, 40 CFR 60, Appendix A. [11 Miss. Admin. Code Pt. 2, R. 1.3.A(1)] |
| L-3 | Sulfur Dioxide | Sulfur Dioxide: The maximum discharge of sulfur dioxide shall not exceed 4.8 pounds (measured as sulfur dioxide) per million BTU heat input. [11 Miss. Admin. Code Pt. 2, R. 1.4.A(1)] |
| L-4 | | The permittee shall only operate with the emissions routed to and controlled by the flare. [11 Miss. Admin. Code Pt. 2, R. 2.2.B(10)] |

Narrative Requirements:

| Condition No. | Condition |
|---------------|---|
| T-1 | Such air emission equipment shall be operated as efficiently as possible to provide the maximum reduction of air contaminants. [11 Miss. Admin. Code Pt. 2, R. 2.2.B(10)] |

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EQPT0000000010 (AA-003) 1.0 MMBtu/hr Field Gas Line Heater:

Limitation Requirements:

| Condition No. | Parameter | Condition |
|---------------|--------------------|---|
| L-1 | Particulate Matter | Particulate Matter: Particulate matter emissions from the heater shall not exceed 0.6 pounds per MMBtu/hour heat input. [11 Miss. Admin. Code Pt. 2, R. 1.3.D(1)a] |
| L-2 | Opacity | Opacity: The permittee shall not have emissions of opacity greater than or equal to 40% as determined by EPA Reference Method 9, 40 CFR 60, Appendix A. [11 Miss. Admin. Code Pt. 2, R. 1.3.A(1)] |
| L-3 | Sulfur Dioxide | Sulfur Dioxide: The maximum discharge of sulfur dioxide shall not exceed 4.8 pounds (measured as sulfur dioxide) per million BTU heat input. [11 Miss. Admin. Code Pt. 2, R. 1.4.A(1)] |

Narrative Requirements:

| Condition No. | Condition |
|---------------|--|
| T-1 | Such air emission equipment shall be operated as efficiently as possible to provide the maximum reduction of air contaminants. [11 Miss. Admin. Code Pt. 2, R. 2.2.B (10)] |

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EQPT0000000011 (AA-004) 1.0 MMBtu/hr Field Gas Line Heater:

Limitation Requirements:

| Condition No. | Parameter | Condition |
|---------------|--------------------|---|
| L-1 | Particulate Matter | Particulate Matter: Particulate matter emissions from the heater shall not exceed 0.6 pounds per MMBtu/hour heat input. [11 Miss. Admin. Code Pt. 2, R. 1.3.D(1)a] |
| L-2 | Opacity | Opacity: The permittee shall not have emissions of opacity greater than or equal to 40% as determined by EPA Reference Method 9, 40 CFR 60, Appendix A. [11 Miss. Admin. Code Pt. 2, R. 1.3.A(1)] |
| L-3 | Sulfur Dioxide | Sulfur Dioxide: The maximum discharge of sulfur dioxide shall not exceed 4.8 pounds (measured as sulfur dioxide) per million BTU heat input. [11 Miss. Admin. Code Pt. 2, R. 1.4.A(1)] |

Narrative Requirements:

| Condition No. | Condition |
|---------------|--|
| T-1 | Such air emission equipment shall be operated as efficiently as possible to provide the maximum reduction of air contaminants. [11 Miss. Admin. Code Pt. 2, R. 2.2.B (10)] |

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CONT0000000001 (AA-005) Flare (E-1) to control emissions from Separator(s), Heater Treaters, Truck Loading and Storage Tanks:

Limitation Requirements:

| Condition No. | Parameter | Condition |
|---------------|------------------|--|
| L-1 | Hydrogen sulfide | Hydrogen sulfide: The permittee shall not permit the emission of any gas stream which contains hydrogen sulfide in excess of one grain per 100 standard cubic feet. Gas streams containing hydrogen sulfide in excess of one grain per 100 standard cubic feet shall be incinerated at temperatures of not less than 1600 degrees F for a period of not less than 0.5 seconds, or processed in such manner which is equivalent to or more effective for the removal of hydrogen sulfide. [11 Miss. Admin. Code Pt. 2, R. 1.4.B(2)] |
| L-2 | Opacity | Opacity: The permittee shall operate the flare with no visible emissions as determined by EPA Reference Method 22, except for periods not to exceed a total of five (5) minutes during any consecutive two (2) hours. [11 Miss. Admin. Code Pt. 2, R. 2.2.B(10)] |
| L-3 | | The net heating value of the gas being combusted shall be 300 Btu/scf or greater if the flare is steam assisted or air assisted, or net heating value of the gas being combusted shall be 200 Btu/scf if the flare is non-assisted. [11 Miss. Admin. Code Pt. 2, R. 2.2.B(10)] |
| L-4 | | The permittee shall maintain a flare pilot flame, auto ignitor, or any other equivalent device at all times when emissions are routed to the flare. [11 Miss. Admin. Code Pt. 2, R. 2.2.B(10)] |

Monitoring Requirements:

| Condition No. | Parameter | Condition |
|---------------|-----------|---|
| M-1 | | The permittee shall monitor the presence of the flare pilot flame by one of the following methods: using a thermo-couple or any other equivalent device to detect the presence of a flame; or visually observe the presence of the flare flame daily. [11 Miss. Admin. Code Pt. 2, R. 2.2.B(11)] |
| M-2 | | The permittee shall visual observe the flare flame for a minimum of five (5) minutes during operations weekly. If smoke is observed, corrective action must be taken. The permittee shall perform a follow-up visual observation for a period of two (2) hours using EPA Method 22 immediately after corrections are made to demonstrate compliance with the visible emission limitations. [11 Miss. Admin. Code Pt. 2, R. 2.2.B(11)] |

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CONT0000000001 (AA-005) Flare (E-1) to control emissions from Separator(s), Heater Treaters, Truck Loading and Storage Tanks:

Monitoring Requirements:

| Condition No. | Parameter | Condition |
|---------------|-----------|---|
| M-3 | | The net heating value of the gas being combusted may be determined by the annual field gas analysis. Analysis must demonstrate that the heat content of the flare gas is 300 Btu/scf or greater if the flare is steam-assisted; or the net heating value of the gas being combusted is 200 Btu/scf or greater if the flare is non-assisted. [11 Miss. Admin. Code Pt. 2, R. 2.2.B (11)] |
| M-4 | | The permittee shall measure the volume of gas combusted in the flare and shall utilize mass balance emission calculations to calculate the volume of gas combusted by the flare. [11 Miss. Admin. Code Pt. 2, R. 2.2.B(11)] |

Record-Keeping Requirements:

| Condition No. | Condition |
|---------------|--|
| R-1 | The permittee shall keep records of all maintenance performed on the flare in order to operate the flare in a manner consistent with good air pollution practices to minimize emissions and make said records available on request. [11 Miss. Admin. Code Pt. 2, R. 2.2.B(11)] |
| R-2 | The permittee shall record on a log sheet anytime the facility is operating without a flame present and the corrective action taken. [11 Miss. Admin. Code Pt. 2, R. 2.2.B (11)] |
| R-3 | The permittee shall keep a record of the net heating value and volume of the gas stream combusted in the flare. [11 Miss. Admin. Code Pt. 2, R. 2.2.B(11)] |
| R-4 | Flare emissions shall be calculated monthly and determined for each 12-month rolling total as tons/year. The permittee shall maintain a copy of this record at local field office for at least five years and shall make them available upon request by the Mississippi Department of Environmental Quality (MDEQ) personnel. [11 Miss. Admin. Code Pt. 2, R. 2.2.B(11)] |
| R-5 | The permittee shall maintain a record and/or log documenting all visual observations/test, the nature and cause of any visible emissions, any corrective action(s) taken to prevent or minimize the emissions, the date and time when visible observations were conducted and the date and time when corrective action was taken. [11 Miss. Admin. Code Pt. 2, R. 2.2.B(11)] |

Permit To Construct Air Emissions Equipment

Tellus Operating Group LLC, Quail Tank Battery

Facility Requirements

Permit Number: 2500-00092

Activity ID No.:PER20160001

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EQPT0000000006 (AA-006) Truck Loading (E-5):

Limitation Requirements:

| Condition No. | Parameter | Condition |
|---------------|-----------|---|
| L-1 | | The permittee shall only operate with the emissions routed to and controlled by the flare. [11 Miss. Admin. Code Pt. 2, R. 2.2.B(10)] |

Narrative Requirements:

| Condition No. | Condition |
|---------------|--|
| T-1 | Such air emission equipment shall be operated as efficiently as possible to provide the maximum reduction of air contaminants. [11 Miss. Admin. Code Pt. 2, R. 2.2.B (10)] |

Permit To Construct Air Emissions Equipment

Tellus Operating Group LLC, Quail Tank Battery

Facility Requirements

Permit Number: 2500-00092

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EQPT0000000007 (AA-007) Separator(s):

Limitation Requirements:

| Condition No. | Parameter | Condition |
|---------------|-----------|---|
| L-1 | | The permittee shall only operate with the emissions routed to and controlled by the flare. [11 Miss. Admin. Code Pt. 2, R. 2.2.B(10)] |

Narrative Requirements:

| Condition No. | Condition |
|---------------|--|
| T-1 | Such air emission equipment shall be operated as efficiently as possible to provide the maximum reduction of air contaminants. [11 Miss. Admin. Code Pt. 2, R. 2.2.B (10)] |

Permit To Construct Air Emissions Equipment

Tellus Operating Group LLC, Quail Tank Battery

Facility Requirements

Permit Number: 2500-00092

Activity ID No.:PER20160001

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AREA0000000001 (AA-008) Fugitive Equipment Leaks (F-1):

Narrative Requirements:

| Condition No. | Condition |
|---------------|--|
| T-1 | Such air emission equipment shall be operated as efficiently as possible to provide the maximum reduction of air contaminants. [11 Miss. Admin. Code Pt. 2, R. 2.2.B (10)] |

Permit To Construct Air Emissions Equipment

Tellus Operating Group LLC, Quail Tank Battery

Facility Requirements

Permit Number: 2500-00092

Activity ID No.:PER20160001

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GRPT0000000001 (AT-001) Crude Oil Condensate, Oily Water and Produced Water Storage Tanks:

Limitation Requirements:

| Condition No. | Parameter | Condition |
|---------------|-----------|---|
| L-1 | | The permittee shall only operate with the emissions routed to and controlled by the flare. [11 Miss. Admin. Code Pt. 2, R. 2.2.B(10)] |

Narrative Requirements:

| Condition No. | Condition |
|---------------|--|
| T-1 | Such air emission equipment shall be operated as efficiently as possible to provide the maximum reduction of air contaminants. [11 Miss. Admin. Code Pt. 2, R. 2.2.B (10)] |

GENERAL INFORMATION

Tellus Operating Group LLC, Quail Tank Battery
Off Highway 501
Sylvarena, MS
Smith County

Alternate/Historic Identifiers

| ID | Alternate/Historic Name | User Group | Start Date | End Date |
|-------|--|--------------------|------------|------------|
| 70135 | Tellus Operating Group, LLC, Quail Tank Battery | Official Site Name | 12/06/2016 | |
| 70135 | Tellus Operating Group LLC, Quail 1-2-1 Tank Battery | Historic Site Name | 07/08/2016 | 12/06/2016 |

Basin: Pascagoula River Basin