

STATE OF MISSISSIPPI AIR POLLUTION CONTROL PERMIT

TO CONSTRUCT AIR EMISSIONS EQUIPMENT

THIS CERTIFIES THAT

Venture Oil and Gas Inc, Sims 6-10 Number 1 Production Facility
2558 Highway 528
Heidelberg, Mississippi
Jasper 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

AUTHORIZED SIGNATURE
MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL QUALITY

Issued: May 28, 2014

Modified: _____

Permit No.: 1300-00082

Draft/Proposed

SECTION 1

A. GENERAL CONDITIONS

1. This permit is for air pollution control purposes only.
(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.1.D.)

2. Any activities not identified in the application are not authorized by this permit.
(Ref.: Miss. Code Ann. 49-17-29 1.b)

3. 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.
(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(5).)

4. 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.
(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.1.D(6).)

5. 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.
(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(7).)

6. 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.
(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(15)(a).)

7. 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.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(15)(b).)

8. The permit does not convey any property rights of any sort, or any exclusive privilege.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(15)(c).)

9. 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.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(15)(d).)

10. Design and Construction Requirements: The stationary source shall be designed and constructed so as to operate without causing a violation of an Applicable Rules and Regulations, 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.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.5.A.)

11. Solids Removal: 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.

(Ref.: Miss. Code Ann. 49-17-29)

12. Diversion and Bypass of Air Pollution Controls: 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 11 Miss. Admin. Code Pt. 2, R. 1.10., "Air Emission Regulations for the Prevention, Abatement, and Control of Air Contaminants."

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 1.10.)

13. Fugitive Dust Emissions from Construction Activities: 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.
(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.5.A(4).)
14. Right of Entry: The permittee shall allow the Mississippi Department of Environmental Quality Office of Pollution Control and the Mississippi Environmental Quality Permit Board and/or their representatives upon 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 emissions.
- (Ref.: Miss. Code Ann. 49-17-21)
15. Permit Modification or Revocation: After notice and opportunity for a hearing, the Permit Board may modify the permit or revoke it in whole or in part for good cause shown including, but not limited to:
- a) Persistent violation of any of the 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 federal, state, or local laws or regulations that require either a temporary or permanent reduction or elimination of previously authorized air emission.
- (Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.C.)
16. Public Record and Confidential Information: 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.
(Ref.: Miss. Code Ann. 49-17-39)
17. Permit Transfer: This permit shall not be transferred except upon approval of the Permit Board.
(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.16.B.)

18. Severability: 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.
(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.1.D(7).)

19. Permit Expiration: 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.
(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.5.C(1).)

20. Certification of Construction: A new stationary source issued a Permit to Construct cannot begin operation until certification of construction by the permittee.
(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.5.D(3).)

21. Beginning Operation: Except as prohibited in Section 1, Condition 24 of this permit, 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.
(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.5.D(4).)

22. Application for a Permit to Operate: Except as otherwise specified in Section 1, Condition 24 of this permit, 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.
(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.5.D(5).)

23. Operating Under a Permit to Construct: Except as otherwise specified in Section 1, Condition 24 of this permit, 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.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.5.D(6).)

24. Application Requirements for a Permit to Operate for Moderate Modifications: 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.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.5.D(7).)

25. General Duty: All air emission equipment shall be operated as efficiently as possible to provide the maximum reduction of air contaminants.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(10).)

26. Deviation Reporting: Except as otherwise specified herein, the permittee shall report all deviations from permit requirements, including those attributable to upsets, the probable cause of such deviations, and any corrective actions or preventive measures taken. Said report shall be made within five (5) working days of the time the deviation began.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(10).)

27. Compliance Testing: 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.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.6.B(3), (4), and (6).)

B. GENERAL NOTIFICATION REQUIREMENTS

1. Within fifteen (15) days of beginning actual construction, the permittee must notify DEQ in writing that construction has begun.
(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.5.C(2).)

2. 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.
(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.5.C(3).)

3. Upon the completion of construction or installation of an approved stationary source or modification, and prior to commencing operation, the applicant shall notify the Permit Board that construction or installation was performed in accordance with the approved plans and specifications on file with the Permit Board.
(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.5.D(1) and (3).)

4. The Permit Board shall be promptly notified in writing of any change in construction from the previously approved plans and specifications or permit. If the Permit Board determines the changes are substantial, it 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.
(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.5.D(2).)

SECTION 2
EMISSION POINT DESCRIPTION

The permittee is authorized to construct and operate, upon certification of construction, air emissions equipment, as described in the following table.

Emission Point	Description
AA-002	Heater Treater Combo Unit (0.2 MMBtu/hr, field natural gas-fired) with combustion emissions released to the atmosphere, gas produced routed to the control flare (AA-003)
AA-003	Process Control Flare
AA-005	Oil Truck Loading
AA-006	16,800 Gallon Crude Oil Storage Tank with emissions routed to the control flare (AA-003)
AA-007	16,800 Gallon Crude Oil Storage Tank with emissions routed to the control flare (AA-003)
AA-008	21,000 Gallon Crude Oil Storage Tank with emissions routed to the control flare (AA-003)
AA-009	16,800 Gallon Produced Water Storage Tank with emissions routed to the control flare (AA-003)
AA-010	4,200 Gallon Fresh Water Storage Tank
AA-011	Misc. Chemical Tanks (4)
AA-012	Pump Engine (165 HP, natural gas-fired)

**SECTION 3
EMISSION LIMITATIONS AND STANDARDS**

Emission Point	Applicable Requirement	Condition Number(s)	Pollutant/Parameter	Limitation/Standard
Facility Wide	11 Miss. Admin. Code Pt. 2, R. 1.3.A.	3.1	Smoke	Opacity Shall not exceed 40%
	11 Miss. Admin. Code Pt. 2, R. 1.3.B.	3.2		
	11 Miss. Admin. Code Pt. 2, R. 1.4.B(2)	3.3	H ₂ S	Shall not exceed one grain per 100 scf
	11 Miss. Admin. Code Pt. 2, R. 2.2.B(10)	3.4	Fuel Requirement	Shall combust only natural gas or propane
AA-002	11 Miss. Admin. Code Pt. 2, R. 1.4.A(1)	3.5	SO ₂	Emissions shall not exceed 4.8 lbs/MMBtu
AA-002, AA-003, AA-012	11 Miss. Admin. Code Pt. 2, R. 1.3.D(1)(a)	3.6	PM (Filterable only)	Emissions shall not exceed 0.6 lbs/MMBtu
AA-002, AA-006 through AA-009	11 Miss. Admin. Code Pt. 2, R. 2.2.B(10)	3.7	VOC HAP	Route all produced gas to the flare for control
AA-012	40 CFR 63.6590, Subpart ZZZZ National Emissions Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines	3.8	VOC HAP	General applicability
	40 CFR 63.6605, Subpart ZZZZ	3.9		Initial Compliance
	11 Miss. Admin. Code Pt. 2, R. 2.2.B(10)	3.10		Fuel Requirement

- 3.1. For the entire facility, the permittee shall not cause, permit, or allow the emission of smoke from a point source into the open air from any manufacturing, industrial, commercial or waste disposal process which exceeds forty (40) percent opacity subject to the exceptions provided in (a) and (b).
- a) Startup operations may produce emissions which exceed 40% opacity for up to fifteen minutes per startup in any one hour and not to exceed three startups per stack in any twenty-four-hour period.
 - b) Emissions resulting from soot blowing operations shall be permitted provided such emissions do not exceed 60 percent opacity, and provided further that the aggregate

duration of such emissions during any twenty-four-hour period does not exceed ten minutes per billion BTU gross heating value of fuel in any one hour.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 1.3.A)

- 3.2. For the entire facility, except as otherwise specified or limited herein, the permittee shall not cause, allow, or permit the discharge into the ambient air from any point source or emissions, any air contaminant of such opacity as to obscure an observer's view to a degree in excess of 40% opacity, equivalent to that provided in Condition 3.1. This shall not apply to vision obscuration caused by uncombined water droplets.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 1.3.B)

- 3.3. For the entire facility, the permittee shall not permit the emission of any gas stream which contains hydrogen sulfide (H₂S) 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 no less than 1600 °F for a period of no less than 0.5 seconds or processed in such a manner which is equivalent to or more effective for the removal of hydrogen sulfide.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 1.4.B(2))

- 3.4. For the entire facility, the permittee shall only combust natural gas or propane in all combustion units operating at the facility.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(10))

- 3.5. For Emission Point AA-002, the permittee shall not discharge sulfur oxides from any fuel burning installation in which fuel is burned primarily to produce heat or power by indirect heat transfer in excess of 4.8 pounds per MMBTU heat input (measured as sulfur dioxide).

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 1.4.A(1))

- 3.6. For Emission Points AA-002, AA-003, and AA-012, the maximum permissible emission of ash and/or particulate matter from fossil fuel burning installations of less than 10 million BTU per hour heat input shall not exceed 0.6 pounds per million BTU per hour heat input.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 1.3.D(1)(a))

- 3.7. For Emissions Points AA-002 and AA-006 through AA-009, the permittee shall route all gaseous emissions to Emission Point AA-003 (the process flare) for control.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(10))

- 3.8. For Emission Point AA-012, the permittee is subject to and shall comply with all applicable conditions of National Emission Standards for Hazardous Air Pollutants for Stationary Internal Combustion Engines, 40 CFR 63, Subpart ZZZZ. This Emission Point is classified as an existing, non-emergency, Spark Ignition (SI), stationary, 4-Stroke, Rich Burn, Reciprocating Internal Combustion Engine (RICE) located at an area source of Hazardous Air Pollutants (HAPs).

(Ref.: 40 CFR 63.6590(a)(1)(iii))

- 3.9. For Emission Point AA-012, the permittee shall be in compliance with the operating limitations and other applicable requirements of this permit at all times. The permittee shall operate and maintain any affected source, including associated air pollution control equipment and monitoring equipment, in a manner consistent with safe and good air pollution control practices for minimizing emissions. The general duty to minimize emissions does not require the permittee to make any further efforts to reduce emissions if levels required by Subpart ZZZZ have been achieved.

(Ref.: 40 CFR 63.6605)

- 3.10. For Emission Point AA-012, the permittee shall combust only natural gas or propane fuel.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(10))

**SECTION 4
WORK PRACTICES**

Emission Point	Applicable Requirement	Condition Number(s)	Pollutant/Parameter	Work Practice
Facility Wide	11 Miss. Admin. Code Pt. 2, R. 2.2.B(10)	4.1	VOC HAP	Operate all equipment as efficiently as possible and perform routine maintenance
AA-012	40 CFR 63.6603(a), Subpart ZZZZ Table 2d to Subpart ZZZZ of part 63	4.2	HAP	Operational Requirement
	40 CFR 63.6625(e)(8), Subpart ZZZZ	4.3		
	40 CFR 63.6625(h), Subpart ZZZZ	4.4		

4.1. For the entire facility, in order to minimize the emissions of air pollutants, the permittee shall operate all air emissions equipment as efficiently as possible. Furthermore, the permittee shall perform routine maintenance on all air emissions equipment such that the equipment may be operated in an efficient manner.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 2.2.B(10))

4.2. For Emission Point AA-012, except during periods of startups, the permittee shall comply with the following requirements:

- a) Change oil and filter every 1,440 hours of operation or annually, whichever comes first;
- b) Inspect spark plugs every 1,440 hours of operation or annually, whichever comes first, and replace as necessary; and
- c) Inspect all hoses and belts every 1,440 hours of operation or annually, whichever comes first, and replace as necessary.

(Ref.: 40 CFR 63.6603(a), and Table 2d to subpart ZZZZ section 10)

4.3. For Emission Point AA-012, the permittee shall operate and maintain each stationary RICE according to the manufacturer's emission-related written instructions or develop a maintenance plan, which shall provide to the extent practicable for the maintenance and operation of the engine in a manner consistent with good air pollution control practice for minimizing emissions.

(Ref.: 40 CFR 63.6625(e)(8))

- 4.4. For Emission Point AA-012, the permittee shall minimize the engines time spent idle during startup and minimize the engine's startup time to a period needed for appropriate and safe loading of the engine, not to exceed 30 minutes.

(Ref.: 40 CFR 63.6625(h))

**SECTION 5
MONITORING AND RECORDKEEPING REQUIREMENTS**

Emission Point	Applicable Requirement	Condition Number(s)	Pollutant/Parameter	Monitoring/Recordkeeping Requirement
AA-012	40 CFR 63.6655((a),(d),(e)), Subpart ZZZZ	5.1	HAP	Recordkeeping
	40 CFR 63.6660, Subpart ZZZZ	5.2		Recordkeeping

5.1. For Emission Point AA-012, the permittee shall keep the records listed below:

- a) A copy of each notification and report submitted by the permittee that comply with Subpart ZZZZ, including all documentation supporting any Initial Notification or Notification of Compliance Status that is submitted, according to the requirement in 40 CFR 63.10(b)(2)(xiv).
- b) Records of the occurrence and duration of each malfunction of operation (i.e., process equipment) or the air pollution control and monitoring equipment.
- c) Records of performance tests and performance evaluations as required in 40 CFR 63.10(b)(2)(viii).
- d) Records of all required maintenance performed on the air pollution control and monitoring equipment.
- e) Records of actions taken during periods of malfunction to minimize emissions in accordance with Condition 3.9, including corrective actions to restore malfunctioning process and air pollution control and monitoring equipment to its normal or usual manner of operation.
- f) The permittee shall keep the records required in Condition 4.2 to show continuous compliance with each emission and operating limitation.
- g) The permittee shall keep records of the maintenance conducted on the existing stationary RICE in order to demonstrate that Emission Point AA-012 was operated and maintained according to the maintenance plan.

(Ref.: 40 CFR 63.6655a(a), (d), (e))

5.2. For Emission Point AA-012, records shall be kept in a form suitable and readily available for expeditious review. Each record shall be kept readily accessible in hard copy or electronic form for at least 5 years after the date of each occurrence, measurement, maintenance, corrective action, report, or record, according to 40 CFR 63.10(b)(1).

(Ref.: 40 CFR 63.6660)

SECTION 6
REPORTING REQUIREMENTS

Emission Point	Applicable Requirement	Condition Number(s)	Reporting Requirement
<i>This Section Has Been Intentionally Left Blank</i>			