



State of Mississippi



AIR POLLUTION CONTROL PERMIT

To Construct Air Emissions Equipment

**THIS CERTIFIES**

Premier Natural Resources II LLC, Section 26 Production Facility  
Shivers Booth Road  
Gwinville, MS  
Jefferson Davis 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**

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**Mississippi Department of Environmental Quality**

Issued/Modified: AUG 29 2012

Expires:

Permit No. 1340-00041

Agency Interest # 37016

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### Other Relevant Documents:

The federal regulations referenced in this permit may be found on-line at <http://ecfr.gpoaccess.gov/> and the State of Mississippi regulations may be found on-line at <http://www.mdeq.ms.state.us/> or a copy of the regulations may be obtained by contacting the Mississippi Department of Environmental Quality, Environmental Permitting Division, Post Office Box 2261, Jackson, Mississippi 39255, (601) 961-5171. The regulations referenced in this permit are shown below::

Mississippi Air Regulation APC-S-1, Air Emission Regulations for the Prevention, Abatement, and Control of Air Contaminants (Amended October 28, 2010)

Mississippi Air Regulations APC-S-2, Permit Regulations for the Construction and/or Operation of Air Emissions Equipment (Amended July 28, 2005)

40 CFR Part 63, Subpart HH - National Emission Standards for Hazardous Air Pollutants (NESHAP) for Oil and Gas Facilities for Area Sources.

40 CFR Part 63, Subpart ZZZZ, National Emission Standards for Hazardous Air Pollutants for Stationary Internal Combustion Engines

40 CFR Part 63, Subpart A, General Provisions of the National Emission Standards for Hazardous Air Pollutants

## To Construct Air Emissions Equipment

Premier Natural Resources II LLC, Section 26 Production Facility

Subject Item Inventory

Permit Number: I340-00041

Activity ID No.: PER20120001

### Subject Item Inventory:

ID	Designation	Description
AI37016	37016	Oil and Gas Field Production
AREA1	AA-003	Facility Connections (SEC26FAC)
AREA2	AA-005	Truck Loading (SEC26LOAD)
EQPT1	AA-001	0.5 MMBTU/hr Production Dehy Heater (SEC26DEHY)
EQPT2	AA-002	20.0 MMSCFD Glycol Dehydration Unit equipped with a BTEX Eliminator(SEC26GLYC)
EQPT8	AA-010	385 hp Natural Gas Fired Internal Combustion Engine (Facility Ref.: SEC26AJAX1)
EQPT10	AA-011	385 hp Natural Gas Fired Internal Combustion Engine (Facility Ref.: SEC26AJAX3)
EQPT12	AA-012	385 hp Natural Gas Fired Internal Combustion Engine (Facility Ref.: SEC26AJAX2)
EQPT13	AA-013	16,800 gallons Produced Water/Condensate Storage Tank

### Subject Item Groups:

ID	Description	Components
GRPT2	Compressor Engines	EQPT10 385 hp Natural Gas Fired Internal Combustion Engine (Facility Ref.: SEC26AJAX3)
		EQPT12 385 hp Natural Gas Fired Internal Combustion Engine (Facility Ref.: SEC26AJAX2)
		EQPT8 385 hp Natural Gas Fired Internal Combustion Engine (Facility Ref.: SEC26AJAX1)

### KEY

ACT = Activity

AREA = Area

CONT = Control Device

IA = Insignificant Activity

RPNT = Release Point

AI = Agency Interest

CAFO = Concentrated Animal Feeding Operation

EQPT = Equipment

MAFO = Animal Feeding Operation

TRMT = Treatment

**To Construct Air Emissions Equipment**

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**KEY**

TRMT = Treatment

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### AI0000037016 (37016) Oil and Gas Field Production:

#### Limitation Requirements:

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Condition No.	Parameter	Condition
L-1		<p>The permittee shall not cause or permit the emissions for any gas stream which contains hydrogen sulfide in excess of one grain per 100 standard cubic feet (gr/100 scf)</p> <p>Gas streams containing hydrogen sulfide in excess of one grain per 100 standard cubic feet shall be incinerated at a temperature of not less than 100 degree Fahrenheit for a period of not less than 0.5 seconds, or processed in such a manner which is equivalent to or more effective for the removal of hydrogen sulfide. [APC-S-1 4.2(b)]</p>
L-2		<p>For all combustion units operating at this facility, the permittee shall only combust natural gas with at least 70% methane (by volume) content or a gross calorific value between 950-1100 BTU/standard cubic foot and with 1 grain or less of total hydrogen sulfide per 100 standard cubic foot and sulfur oxide less than 500 ppm. [APC-S-2 II.B(10)]</p>
L-3		<p>Sulfur Dioxide Emissions from Processes:</p> <p>The permittee shall not permit the emissions of gas containing sulfur oxides (measured as sulfur dioxide) in excess of 500 ppm (volume) from any process equipment at this site. [APC-S-1 4.2(A)]</p>

#### Monitoring Requirements:

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Condition No.	Parameter	Condition
M-1		<p>The permittee shall conduct a semi-annual natural gas analysis including hydrogen sulfide content, sulfur content, methane content (volume), gross heating value, molecular weight and specific gravity. The first semi-annual natural gas analysis shall be conducted no later than 60 days after the permit issuance date. [APC-S-2 II.B(11)]</p>

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### AI0000037016 (continued):

#### Record-Keeping Requirements:

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Condition No.	Condition
R-1	The permittee shall submit an annual report, to the Mississippi Department of Environmental Quality, with results of semi-annual natural gas analysis required to show compliance with the sulfur oxide limitation, hydrogen sulfide limitation and methane or BTU content of the natural gas used as fuel. The first annual report is due before or on February 29, 2012. [APC-S-2 II.B(10)]

#### Submittal/Action Requirements:

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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. [APC-S-2 V.D]
S-2	Within fifteen (15) days of beginning actual construction, the permittee must notify DEQ in writing that construction has begun. [APC-S-2 V.C(2)]
S-3	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. [APC-S-2 V.C(3)]

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### AI0000037016 (continued):

#### 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. [APC-S-2 V.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 APC-S-1, "Air Emission Regulations for the Prevention, Abatement, and Control of Air Contaminants", Section 10. [APC-S-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. [APC-S-2 II.C]
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]

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### AI0000037016 (continued):

#### Narrative Requirements:

Condition No.	Condition
T-8	General Condition:This permit is for air pollution control purposes only. [APC-S-2 I.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. [APC-S-2 II.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. [APC-S-2 I.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. [APC-S-2 II.B(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. [APC-S-2 II.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. [APC-S-2 II.B(15)b]
T-14	General Condition: The permit does not convey any property rights of any sort, or any exclusive privilege. [APC-S-2 II.B(15)c]
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. [APC-S-2 II.B(15)d]
T-16	General Condition: This permit shall not be transferred except upon approval of the Permit Board. [APC-S-2 XVI.B]

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Premier Natural Resources II LLC, Section 26 Production Facility

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### AI0000037016 (continued):

#### Narrative Requirements:

Condition No.	Condition
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. [APC-S-2 I.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. [APC-S-2 V.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. [APC-S-2 V.D(3)]
T-20	General Condition: Except as prohibited in APC-S-2, Section V.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 APC-S-2, Section XIII.G. [APC-S-2 V.D(4)]
T-21	General Condition: Except as otherwise specified in APC-S-2, Section V.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. [APC-S-2 V.D(5)]
T-22	General Condition: Except as otherwise specified in APC-S-2, Section V.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. [APC-S-2 V.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. [APC-S-2 V.D(7)]

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Premier Natural Resources II LLC, Section 26 Production Facility

Facility Requirements

Permit Number:1340-00041

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### AI0000037016 (continued):

#### Narrative Requirements:

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Condition No.	Condition
T-24	<p>General Condition: Regarding compliance testing:</p> <p>(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.</p> <p>(b) Compliance testing will be performed at the expense of the permittee.</p> <p>(c) Each emission sampling and analysis report shall include but not be limited to the following:</p> <ol style="list-style-type: none"><li>1. detailed description of testing procedures;</li><li>2. sample calculation(s);</li><li>3. results; and</li><li>4. comparison of results to all Applicable Rules and Regulations and to emission limitations in the permit. [APC-S-2 VI.B(3, 4 and 6)]</li></ol>
T-25	<p>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. [APC-S-2 V.A(4)]</p>
T-26	<p>The permittee shall operate all air emission equipment at this facility as efficiently as possible to provide the maximum reduction of air contaminants. [APC-S-2 II.B(11)]</p>
T-27	<p>The permittee shall operate all air emission equipment at this facility as efficiently as possible to provide the maximum reduction of air contaminants. [APC-S-2 II.B(10)]</p>

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Permit Number:1340-00041

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**EQPT0000000001 (AA-001) 0.5 MMBTU/hr Production Dehy Heater (SEC26DEHY):**

Limitation Requirements:

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Condition No.	Parameter	Condition
L-1	Particulate Matter	Particulate Matter: Particulate matter emissions from the production dehy heater shall not exceed 0.6 pounds per million BTU per hour heat input. [APC-S-2 II.B(10)]
L-2	Opacity	Opacity: Emissions of opacity shall not exceed 40% as determined by EPA Reference Method 9, 40 CFR 60, Appendix A. [APC-S-1 3.1.a]

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### EQPT0000000002 (AA-002) 20.0 MMSCFD Glycol Dehydration Unit equipped with a BTEX Eliminator(SEC26GLYC):

#### Limitation Requirements:

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Condition No.	Parameter	Condition
L-1		<p>The facility is subject to and shall comply with all applicable requirements of the National Emission Standards for Hazardous Air Pollutants from Oil and Natural Gas Production Facilities in 40 CFR Part 63 Subpart HH and to the requirements in the General Provision - Subpart A shown in Table 2 to Subpart HH</p> <p>The permittee is exempt from the requirements of § 63.764 (c) (1) and (d) this subpart as long as the actual average emissions of benzene from the glycol dehydration unit process vent to the atmosphere are less than 1.0 tons per year (0.90 megagram/year) as determined by the procedures specified in §63.772(b)(2) . [40 CFR 63_SUBPART HH, 40 CFR 63.764(e)(1)ii]</p>
L-2		<p>The permittee shall only operate the glycol dehydration unit with the vapors routed to the reboiler firebox. [APC-S-2 II.B(10)]</p>

#### Record-Keeping Requirements:

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Condition No.	Condition
R-1	<p>A schematic of the glycol dehydration unit indicating that the benzene emissions are routed to the glycol firebox must be maintained on-site and made available to the MDEQ personnel upon request. Records indicating that the facility meets the exemption in §63.764 (e)(1) shall be shall be maintained as required in §63.774(d)(1). [40 CFR 63_SUBPART HH.764(e)(1), APC-S-2 II.B(10)]</p>

**To Construct Air Emissions Equipment**

Premier Natural Resources II LLC, Section 26 Production Facility

Facility Requirements

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**EQPT0000000002 (continued):**

Narrative Requirements:

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Condition No.	Condition
T-1	The permittee is exempt from the requirements of § 63.764 (c) (1) and (d) this subpart as long as the actual average emissions of benzene from the glycol dehydration unit process vent to the atmosphere are less than 1.0 tons per year (0.90 megagram/year) as determined by the procedures specified in §63.772(b)(2).
	. [40 CFR 63_SUBPART HH.764(e)(1)]

## To Construct Air Emissions Equipment

Premier Natural Resources II LLC, Section 26 Production Facility

Facility Requirements

Permit Number:1340-00041

Activity ID No.: PER20120001

### GRPT000000002 (RICE) Compressor Engines:

#### Limitation Requirements:

Condition No.	Parameter	Condition
L-1	Particulate Matter	Particulate Matter: For emission points AA-010, AA-011 and AA-012, the permittee shall not cause particulate matter emissions to exceed 0.6 pounds per million BTU per hour heat input. [APC-S-1 3.4(a)1]
L-2	Opacity	Opacity: For emission points AA-010, AA-011 and AA-012, emissions of opacity shall not exceed 40%, as determined by EPA Reference Method 9, 40 CFR 60, Appendix A. [APC-S-1 3.1(a)]
L-3		For emission points AA-010, AA-011 and AA-012, the permittee is subject to and shall comply with all applicable requirements of 40 CFR Part 63, Subpart ZZZZ - National Emission Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines and 40 CFR Part 63, Appendix A - General Provisions. [40 CFR 63_Subpart ZZZZ]
L-4		For emission points AA-010, AA-011 and AA-012, the non-emergency, non-black start 2SLB stationary RICE with less than 500 hp rating, the permittee shall comply with the requirements of 40 CFR Part 63, Subpart ZZZZ by complying with all applicable requirements of 40 CFR Part 60, Subpart JJJJ. [40 CFR 63.6606, 40 CFR 63_Subpart ZZZZ.Table 2d]
L-5		Emission points AA-010, AA-011 and AA-012 are not subject to the requirements of 40 CFR Part 60, Subpart JJJJ since they are stationary spark ignition internal combustion engines commencing construction after June 12, 2006 and manufactured before July 1, 2008 with a maximum engine power less than 500 hp. [40 CFR 60_SUBPART JJJJ]

## GENERAL INFORMATION

Premier Natural Resources II LLC, Section 26 Production Facility  
Shivers Booth Road  
Gwinville, MS  
Jefferson Davis County

### Alternate/Historic Identifiers

ID	Alternate/Historic Name	User Group	Start Date	End Date
37016	Premier Natural Resources II, LLC	Official Site Name	7/31/2012	
134000041	EOG Resources Inc, Section 26 Production Facility	Air-Construction	10/20/2008	8/29/2012
2806500041	Prmr Natr'l Resources II LLC, Section 26	Air-AIRS AFS (MDEQ USE ONLY)	10/20/2008	
37016	EOG Resources, Inc.	Historic Site Name	3/14/2008	7/31/2012
134000041	Premier Natural Resources II LLC, Section 26 Production Facility	Air-Construction	8/29/2012	

**Basin:** Pearl River Basin

**Location Description:**

## GENERAL INFORMATION

**General Facility Description:** This facility is an oil and gas production facility, located.

**Relevant Documents:** The federal regulations referenced in this permit may be found on-line at <http://ecfr.gpoaccess.gov/> and the State of Mississippi regulations may be found on-line at <http://www.mdeq.ms.state.us/> or a copy of the regulations may be obtained by contacting the Mississippi Department of Environmental Quality, Environmental Permitting Division, Post Office Box 2261, Jackson, Mississippi 39255, (601) 961-5171. The regulations referenced in this permit are shown below::

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40 CFR Part 63, Subpart ZZZZ, National Emission Standards for Hazardous Air Pollutants for Stationary Internal Combustion Engines

40 CFR Part 63, Subpart A, General Provisions of the National Emission Standards for Hazardous Air Pollutants