



State of Mississippi



AIR POLLUTION CONTROL PERMIT

Permit To Construct Air Emissions Equipment

THIS CERTIFIES

Gulf Pine Energy LP, Holliman 7-13
4525 Cal Kolola Road
Caledonia, MS
Lowndes 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: MAY 29 2015

Expires:

Permit No. 1680-00075

Agency Interest # 67002

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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, phone (601) 961-5171. The following regulations were referenced in this permit:

Mississippi Air Regulations 11 Miss. Admin. Code Pt. 2, Ch. 1, Air Emission Regulations for the Prevention, Abatement, and Control of Air Contaminants

Mississippi Air Regulations 11 Miss. Admin. Code Pt. 2, Ch. 2, Permit Regulations for the Construction and/or Operation of Air Emissions Equipment

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

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Subject Item Inventory

Permit Number:1680-00075

Activity ID No.: PER20140001

Subject Item Inventory:

| ID | Designation | Description |
|---------|-------------|---|
| AI67002 | | Crude Oil Production Facility |
| CONT2 | AA-001 | Control Flare |
| EQPT5 | AA-002 | Truck Loading (crude oil loading into trucks) |
| AREA2 | AA-003 | Fugitive Equipment Leaks |
| EQPT6 | AA-004 | Storage Tanks (6 crude oil tanks, 1 produced water tank and 1 empty tank, each with capacity of 16,800 gallons) |
| EQPT4 | AA-005 | Three (0.5 MMBtu/hr each) Vertical Heater Treaters |
| EQPT7 | AA-006 | 225 HP (1.9 MMBtu/hr) natural gas- fired, existing, spark ignition, four stroke, rich burn, stationary reciprocating internal combustion engine used as a compressor Engine |

KEY

ACT = Activity

AREA = Area

CONT = Control Device

IA = Insignificant Activity

MAFO = Animal Feeding Operation

RPNT = Release Point

AI = Agency Interest

CAFO = Concentrated Animal Feeding Operation

EQPT = Equipment

IMPD = Impoundment

PCS = PCS

TRMT = Treatment

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KEY

WDPT = Withdrawal Point

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AI0000067002 Crude Oil Production Facility:

Limitation Requirements:

| Condition No. | Parameter | Condition |
|---------------|-----------|---|
| L-1 | | Produced well gas not compressed back into the wells shall be routed to the control flare (AA-001). [11 Miss. Admin. Code Pt. 2, R. 2.2.B(10)] |
| L-2 | | All equipment located at the facility 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)] |
| L-3 | | The permittee shall not permit the emissions 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° fahrenheit 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-4 | | <p>Facility-Wide Emission Limitations</p> <p>The permittee shall limit hazardous air pollutant (HAP) emissions to no more than 9.9 tons/year (TPY) of any single HAP and to no more than 24.0 TPY of total combined HAPs on a 12 month rolling total period;</p> <p>The permittee shall limit volatile organic compounds (VOC) emissions to no more than 99.0 tons/year on a 12-month rolling total period. [11 Miss. Admin. Code Pt. 2, R. 2.2.B(10)]</p> |

Monitoring Requirements:

| Condition No. | Parameter | Condition |
|---------------|-----------|---|
| M-1 | | 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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AI0000067002 (continued):

Monitoring Requirements:

| Condition No. | Parameter | Condition |
|---------------|-----------|---|
| M-2 | | 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)] |

Record-Keeping Requirements:

| Condition No. | Condition |
|---------------|--|
| R-1 | <p>The permittee shall keep the following records:</p> <p>(1) Monthly and rolling 12 month total for: produced crude oil (barrels), produced water (barrels), volume of gas flared (cubic feet/day), percentage of each VOC and HAP by weight, density of each VOC and HAP, volatile organic compound (VOC) emissions (lbs and/or tons), total hazardous air pollutants (HAP) emissions (lbs and/or tons), and individual HAP emissions (lbs and/or tons)</p> <p>(2) Results of all field gas analysis performed during the reporting period</p> <p>(3) Gas to Oil Ratio (GOR) annual value . [11 Miss. Admin. Code Pt. 2, R. 2.2.B(11)]</p> |

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AI0000067002 (continued):

Submittal/Action Requirements:

| Condition No. | Condition |
|---------------|--|
| S-1 | <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), percentage of each VOC and HAP by weight, density of each VOC and HAP, volatile organic compound (VOC) emissions (lbs and/or tons), total hazardous air pollutants (HAP) emissions (lbs and/or tons), and individual HAP emissions (lbs and/or 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 . [11 Miss. Admin. Code Pt. 2, R. 2.2.B(11)]</p> |
| S-2 | <p>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.]</p> |
| S-3 | <p>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).]</p> |
| S-4 | <p>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).]</p> |

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AI0000067002 (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. [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.] |
| 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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AI0000067002 (continued):

Narrative Requirements:

| 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).] |
| 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.] |

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AI0000067002 (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. [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 APC-S-2, Section XIII.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).] |
| 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).] |

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AI0000067002 (continued):

Narrative Requirements:

| 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">1. detailed description of testing procedures;2. sample calculation(s);3. results; and4. 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 | <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. [11 Miss. Admin.Code Pt. 2, R.2.5.A(4).]</p> |

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CONT0000000002 (AA-001) Control Flare:

Limitation Requirements:

| Condition No. | Parameter | Condition |
|---------------|-----------|--|
| L-1 | | <p>The maximum permissible emission of ash and /or particulate matter from fossil fuel burning installations equal to or greater than 10 million BTU per hour heat input but less than 10,000 million BTU per hour heat input shall not exceed an emission rate as determined by the relationship</p> $E = 0.8808 * I^{-0.1667}$ <p>Where E is the emission rate in pounds per million BTU per hour heat input and I is the heat input in millions of BTU per hour. [11 Miss. Admin. Code Pt. 2, R. 1.3.D(1)b]</p> |
| L-2 | | Flares shall be operated at all times when emission may be vented to them. [11 Miss. Admin. Code Pt. 2, R. 2.2.B(10)] |
| L-3 | | Flares shall be operated and maintained in conformance with their design and manufacturer's recommendations. [11 Miss. Admin. Code Pt. 2, R. 2.2.B(10)] |
| L-4 | | Flares shall be designed and operated with no visible emissions as determined by EPA Method 22, except for periods not to exceed a total of 5 minutes during any consecutive two (2) hours. [11 Miss. Admin. Code Pt. 2, R. 2.2.B(10)] |
| L-5 | | 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)] |
| L-6 | | Flares shall only be used with the net heating value of the gas being combusted is 300 Btu/scf or greater if the flare is steam-assisted or air-assisted; or with the net heating value of the gas being combusted being 200 Btu/scf or greater if the flare is non-assisted. [11 Miss. Admin. Code Pt. 2, R. 2.2.B(10)] |

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CONT0000000002 (continued):

Monitoring Requirements:

| Condition No. | Parameter | Condition |
|---------------|-----------|--|
| M-1 | | The permittee shall monitor the presence of the flare pilot flame or auto ignitor 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 visually observe the flare for a minimum of five (5) minutes during operation using EPA method 22, weekly. If smoking is observed, corrective actions 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 emissions limitation. [11 Miss. Admin. Code Pt. 2, R. 2.2.B(11)] |
| 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. [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 control practices to minimize emissions and shall make said record available upon request. [11 Miss. Admin. Code Pt. 2, R. 2.2.B(11)] |
| R-2 | The permittee shall maintain a record and/or log documenting all visual observation/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 actions were taken. [11 Miss. Admin. Code Pt. 2, Ch. 8. 2.2.B(11)] |

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CONT0000000002 (continued):

Record-Keeping Requirements:

| Condition No. | Condition |
|------------------|---|
| R-3 | The permittee shall maintain a record and/or log documenting all visual observation/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 actions were taken. [11 Miss. Admin. Code Pt. 2, R. 2.2.B(11)] |
| R-4 | The permittee shall keep a record of monitoring conducted to ensure the flare is operated and maintained in conformance with its design. [11 Miss. Admin. Code Pt. 2, R. 2.2.B(11)] |

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EQPT0000000005 (AA-002) Truck Loading (crude oil loading into trucks):

Limitation Requirements:

| Condition No. | Parameter | Condition |
|---------------|-----------|--|
| L-1 | | The truck loading operation 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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AREA0000000002 (AA-003) Fugitive Equipment Leaks:

Limitation Requirements:

| Condition No. | Parameter | Condition |
|------------------|-----------|---|
| L-1 | | Equipment shall be operated as efficiently as possible to minimize emissions from equipment leaks. [11 Miss. Admin. Code Pt. 2, R. 2.2.B(10)] |

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EQPT0000000006 (AA-004) Storage Tanks (6 crude oil tanks, 1 produced water tank and 1 empty tank, each with capacity of 16,800 gallons):

Limitation Requirements:

| Condition No. | Parameter | Condition |
|---------------|-----------|--|
| L-1 | | The crude oil and produced water storage tanks 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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EQPT0000000004 (AA-005) Three (0.5 MMBtu/hr each) Vertical Heater Treaters :

Limitation Requirements:

| Condition No. | Parameter | Condition |
|---------------|-----------|--|
| L-1 | | For the heater treaters, 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. [11 Miss. Admin. Code Pt. 2, R. 1.3.D(1)a] |
| L-2 | | Emissions of opacity shall be less than or equal to 40%, as determined by EPA Reference Method 9, 40 CFR Part 60, Appendix A. [11 Miss. Admin. Code Pt. 2, R. 1.3.A(1)] |
| L-3 | | 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 (measured as sulfur dioxide) per million BTU heat input. [11 Miss. Admin. Code Pt. 2, R. 1.4.A(1)] |

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EQPT0000000007 (AA-006) 225 HP (1.9 MMBtu/hr) natural gas- fired, existing, spark ignition, four stroke, rich burn, stationary reciprocating internal combustion engine used as a compressor Engine:

Limitation Requirements:

| Condition No. | Parameter | Condition |
|---------------|-----------|--|
| L-1 | | For the stationary reciprocating internal combustion engine, the permittee shall combust only natural gas. [11 Miss. Admin. Code Pt. 2, R. 2.2.B(10)] |
| L-2 | | For this stationary reciprocating internal combustion engine, 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. [11 Miss. Admin. Code Pt. 2, R. 1.3.D(1)a] |
| L-3 | | Emissions of opacity shall be less than or equal to 40%, as determined by EPA Reference Method 9, 40 CFR Part 60, Appendix A. [11 Miss. Admin. Code Pt. 2, R. 1.3.A(1)] |
| L-4 | | General Provisions The permittee is subject to and shall comply with all applicable requirements of the General Provisions, 40 CFR 63, Subpart A (except the permittee does not have to comply with the following: §63.7(b) and (c), §63.8 (e),(f)(4) & (f)(6) and §63.9 (b) through(e), (g) and (h)). [40 CFR 63.6645(a)(5), 40 CFR 63.6665, 40 CFR 63.Table 8] |
| L-5 | | 40 CFR Part 63, Subpart ZZZZ applicability For the existing four stroke rich burn (4SRB) reciprocating internal combustion engine (RICE) with a site rating of less than 500 hp, located at an area source of hazardous air pollutants (HAPs), the permittee is subject to and shall comply with all applicable requirements of the National Emission Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines, 40 CFR 63, Subpart ZZZZ. [40 CFR 63.6585, 40 CFR 63.6590(a)(1)iii] |

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EQPT0000000007 (continued):

Limitation Requirements:

| Condition No. | Parameter | Condition |
|---------------|-----------|--|
| L-6 | | <p>Emission Limitations/Management Practices</p> <p>The permittee shall comply with the following emission limitation and management practices:</p> <ul style="list-style-type: none">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; andc. Inspect all hoses and belts every 1,440 hours of operation or annually, whichever comes first, and replace as necessary. [40 CFR 63.6603(Table 2d)] |
| L-7 | | <p>The permittee shall minimize the engine's time spent at 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, after which time the emission standards applicable to all times other than startup in Table 2d of 40 CFR 63, Subpart ZZZZ apply. [40 CFR 63.6625(h)]</p> |

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EQPT0000000007 (continued):

Limitation Requirements:

| Condition No. | Parameter | Condition |
|---------------|-----------|---|
| L-8 | | <p>The permittee has the option of complying with the work, operation or management practices in this permit by utilizing an oil analysis program in order to extend the specified oil change requirement in Table 2d of 40 CFR 63, Subpart ZZZZ. The oil analysis must be performed at the same frequency specified for changing the oil in Table 2d of 40 CFR 63, Subpart ZZZZ. The analysis program must at a minimum analyze the following three parameters: Total Acid Number, viscosity, and percent water content.</p> <p>The condemning limits for these parameters are as follows:</p> <ul style="list-style-type: none">• total Acid Number increases by more than 3.0 milligrams of potassium hydroxide (KOH) per gram from Total Acid Number of the oil when new• viscosity of the oil has changed by more than 20 percent from the viscosity of the oil when new; or,• percent water content (by volume) is greater than 0.5. <p>If all of these condemning limits are not exceeded, the permittee is not required to change the oil. If any of the limits are exceeded, the permittee must change the oil within 2 business days of receiving the results of the analysis; if the engine is not in operation when the results of the analysis are received, the permittee must change the oil within 2 business days or before commencing operation, whichever is later. The permittee must keep records of the parameters that are analyzed as part of the program, the results of the analysis, and the oil changes for the engine. The analysis program must be part of the maintenance plan for the engine. [40 CFR 63.6625(j)]</p> |
| L-9 | | <p>The permittee shall comply with the continuous compliance requirements, as specified below (according to § 63.6605):</p> <p>(a) The permittee shall be in compliance with the applicable emission limitations and operating limitations in 40 CFR 63, subpart ZZZZ at all times.</p> <p>(b) At all times the permittee shall operate and maintain the affected source, including associated air pollution control equipment and monitoring equipment, in a manner consistent with safety and good air pollution control practices for minimizing emissions. [40 CFR 63.6605]</p> |

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Gulf Pine Energy LP, Holliman 7-13

Facility Requirements

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EQPT0000000007 (continued):

Monitoring Requirements:

| Condition No. | Parameter | Condition |
|---------------|-----------|---|
| M-1 | | <p>The permittee shall comply with monitoring, installation, collection, operation and maintenance requirements as specified below:</p> <p>The permittee shall operate and maintain the stationary RICE and after-treatment control device (if any) according to the manufacturer's emission-related written instructions or develop a maintenance plan which must 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 . [40 CFR 63.6625(e)]</p> |
| M-2 | | <p>The permittee shall comply with the continuous compliance requirements, as specified below:</p> <p>The permittee shall demonstrate compliance with the emission limitations and management practices by operating and maintaining the stationary RICE according to the manufacturer's emission-related operation and maintenance instructions or by developing and following your own maintenance plan which must 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. [40 CFR 63.6605]</p> |

Record-Keeping Requirements:

| Condition No. | Condition |
|---------------|---|
| R-1 | <p>Recordkeeping</p> <p>The permittee shall keep all applicable records as specified in §63.6655</p> <p>The permittee shall keep an electronic log with an hour meter on the engine. [40 CFR 63.6655]</p> |

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EQPT0000000007 (continued):

Submittal/Action Requirements:

| Condition No. | Condition |
|------------------|---|
| S-1 | The permittee shall report each instance in which the engine was not in compliance with the operating limitations listed above or any of the applicable requirements in Table 8 of Subpart ZZZZ . [40 CFR 63_Subpart ZZZZ.Table 8] |

GENERAL INFORMATION

Gulf Pine Energy LP, Holliman 7-13
4525 Cal Kolola Road
Caledonia, MS
Lowndes County

Alternate/Historic Identifiers

| ID | Alternate/Historic Name | User Group | Start Date | End Date |
|------------|--|--------------------------|------------|-----------|
| 67002 | Gulf Pine Energy, LP | Official Site Name | 1/13/2015 | |
| 168000075 | Dixie Energy (US), Inc., Holliman 7-13 | Air-Title V Fee Customer | 3/1/2013 | 5/29/2015 |
| 67002 | Dixie Energy (US), Inc. | Historic Site Name | 11/19/2014 | 1/13/2015 |
| 2808700075 | Gulf Pine Energy, LP, Holliman 7-13 | Air-AIRS AFS | 1/16/2015 | |
| 168000075 | Gulf Pine Energy LP, Holliman 7-13 | Air-Construction | 5/29/2015 | |

Basin: Tombigbee River Basin

Location Description:

GENERAL INFORMATION

General Facility Description: This facility is an oil and gas production facility with Standard Industrial Classification Code of 1311

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, phone (601) 961-5171. The following regulations were referenced in this permit:

Mississippi Air Regulations 11 Miss. Admin. Code Pt. 2, Ch. 1, Air Emission Regulations for the Prevention, Abatement, and Control of Air Contaminants

Mississippi Air Regulations 11 Miss. Admin. Code Pt. 2, Ch. 2, Permit Regulations for the Construction and/or Operation of Air Emissions Equipment

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