

**DEPARTMENT OF ENVIRONMENTAL CONSERVATION**  
**AIR QUALITY CONTROL MINOR PERMIT**

**Permit No.:** AQ0696MSS03

**Date:** Final– September 30, 2009

**Revises Conditions 3 and 10 of Permit No. AQ0696MSS02, Revision 1**

The Alaska Department of Environmental Conservation (Department), under the authority of AS 46.14 and 18 AAC 50, issues Air Quality Control Minor Permit No. AQ0696MSS03 to the Permittee listed below.

**Permittee:** Pacific Energy Resources, Ltd.  
310 K Street, Suite 700  
Anchorage, AK 99501

**Owner/Operator:** Same as Permittee

**Stationary Source:** Osprey Platform

**Location:** Latitude 60° 41' 46.3"N, Longitude 151° 40' 10.2"W

**Physical Address:** West Foreland, Cook Inlet, Alaska

**Permit Contact:** J.R. Wilcox (907) 868-2139

**Project:** Revise fuel gas H<sub>2</sub>S limit

This minor permit is issued under 18 AAC 50.508(6) to revise or rescind terms and conditions of a Title I permit issued under 18 AAC 50. This permit satisfies the obligation of the Permittee to obtain a minor permit under these provisions.

The Permittee shall continue to limit the H<sub>2</sub>S fuel gas concentration as specified in Table 2 of Operating/Construction Permit 696TVP01, Revision 1 as amended through Operating Permit AQ0696TVP01, Revision 2 until the Department issues a revised Title V operating permit. After the Department issues the Title V operating permit revision, this permit authorizes the Permittee to operate under the terms and conditions of this permit, and as described in the original permit application and subsequent application supplements listed in Section 5 except as otherwise specified in this permit.



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John F. Kuterbach  
Manager, Air Permits Program

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**Section 1      *Permit Administration:***

1. Minor Permit No. AQ0696MSS02, Revision 1 remains in effect except as revised in Minor Permit No. AQ0696MSS03.

## **Section 2 Assessable Emissions:**

### **Fee Requirements:**

- 1.** Condition 1 of Operating/Construction Permit No. 696TVP01, Revision 1 dated January 11, 2008 and Condition 10 of Minor Permit No. AQ0696MSS02, Revision 1 dated March 20, 2008 are rescinded and replaced with Condition 2
- 2. Assessable Emissions.** The Permittee shall pay to the Department annual emission fees based on the Osprey Platform's assessable emissions as determined by the Department under 18 AAC 50.410. The assessable emission fee rate is set out in 18 AAC 50.410. The Department will assess fees per ton of each air pollutant that the Osprey Platform emits or has the potential to emit in quantities greater than 10 tons per year (tpy). The quantity for which fees will be assessed is the lesser of:
  - 2.1** the Osprey Platform's assessable potential to emit of 285 tpy; or
  - 2.2** the Osprey Platform's projected annual rate of emissions that will occur from July 1 to the following June 30, based upon actual annual emissions emitted during the most recent calendar year or another 12 month period approved in writing by the Department, when demonstrated by:
    - a.** an enforceable test method described in 18 AAC 50.220;
    - b.** material balance calculations;
    - c.** emission factors from EPA's publication AP-42, Vol. I, adopted by reference in 18 AAC 50.035; or
    - d.** other methods and calculations approved by the Department.

### **Section 3      Revisions to Minor Permit AQ0696MSS02, Revision 1:**

#### Ambient Air Quality Standards and Increment Protection:

3. Condition 3 of Minor Permit No. AQ0696MSS02, Revision 1 dated March 20, 2008 is rescinded and replaced with Condition 4.

#### 4. Sulfur Dioxide Requirements:

4.1 Limit the fuel sulfur content of the liquid fuels burned at the Osprey Platform to no greater than 0.25 percent by weight.

4.2 Limit the Hydrogen Sulfide (H<sub>2</sub>S) content of the gaseous fuels burned at the source to no greater than 993 parts per million volume (ppmv).

4.3 Monitor, record and report compliance with the liquid fuel sulfur limit and the fuel gas H<sub>2</sub>S limit as described in Permit No. AQ0696TVP01.

#### **Section 4      *Terms to make Permit Enforceable:***

5. The Permittee must comply with each permit term and condition. Noncompliance with a permit term or condition constitutes a violation of AS 46.14, 18 AAC 50, and, except for those terms or conditions designated in the permit as not federally enforceable, the Clean Air Act, and is grounds for
  - 5.1 an enforcement action; or
  - 5.2 permit termination, revocation and reissuance, or modification in accordance with AS 46.14.280.
6. It is not a defense in an enforcement action to claim that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with a permit term or condition.
7. Each permit term and condition is independent of the permit as a whole and remains valid regardless of a challenge to any other part of the permit.
8. The permit may be modified, reopened, revoked and reissued, or terminated for cause. A request by the Permittee for modification, revocation and reissuance, or termination or a notification of planned changes or anticipated noncompliance does not stay any permit condition.
9. The permit does not convey any property rights of any sort, nor any exclusive privilege
10. The Permittee shall allow the Department or an inspector authorized by the Department, upon presentation of credentials and at reasonable times with the consent of the owner or operator to
  - 10.1 enter upon the premises where an emission unit subject to the permit is located or where records required by the permit are kept;
  - 10.2 have access to and copy any records required by the permit;
  - 10.3 inspect any stationary source, equipment, practices, or operations regulated by or referenced in the permit; and
  - 10.4 sample or monitor substances or parameters to assure compliance with the permit or other applicable requirements.

## **Section 5      *Permit Documentation:***

- August 4, 2008**      Minor permit application submitted by Pacific Energy for the Osprey Platform.
- September 4, 2008**      Letter from Sally Ryan of Department to J.R. Wilcox of Pacific Energy stating minor permit application is incomplete.
- October 9, 2008**      Letter from Joe Kilchrist of Pacific Energy to Sally Ryan of Department disagreeing with minor permit application incompleteness decision.
- December 17, 2008**      Ambient analysis submitted by Pacific Energy in support of minor permit application.
- April 2, 2009**      Email from Patrick Dunn of Department to Al Trbovich of Hoefler Consulting requesting a revised ambient analysis.
- May 15, 2009**      Email from Al Trbovich of Hoefler Consulting to Patrick Dunn containing revised ambient analysis.
- July 20, 2009**      Email from Patrick Dunn of Department to Al Trbovich of Hoefler Consulting requesting documentation on platform dimensions and flare height.
- July 22, 2009**      Email from Isaac Bertschi of Hoefler Consulting to Patrick Dunn of Department containing platform and flare height documentation.
- July 22, 2009**      Email from Patrick Dunn of Department to Isaac Bertschi of Hoefler Consulting regarding equivalent flare height and diameter.
- July 23, 2009**      Email from Isaac Bertschi of Hoefler Consulting to Patrick Dunn of Department containing revised ambient analysis.