

OCT 25 2001

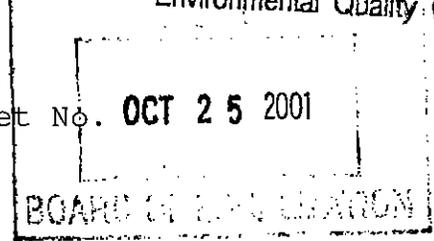
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**BEFORE THE ENVIRONMENTAL QUALITY COUNCIL
STATE OF WYOMING**

Terri A. Lorenzon, Director
Environmental Quality Council

In the Matter of the Appeal)
Of Permit MD-663,)
Patrick Draw Gas Plant)

Docket No. **OCT 25 2001**



PETITION FOR REVIEW

01-2601

Duke Energy Field Services, L.P. (Duke) petitions the Wyoming Environmental Quality Council (Council) to review Permit MD-663, issued on August 28, 2001 by the Department of Environmental Quality (DEQ), Air Quality Division (AQD) for Duke's Patrick Draw Gas Plant (Patrick Draw), located in Sweetwater County, Wyoming. In accordance with Chapter I, Section 3(c), Department of Environmental Quality Rules of Practice and Procedure, Duke provides the following in support of its petition for review:

1. The name and address of the petitioner is Duke Energy Field Services, L.P., 370 Seventeenth Street, Suite 900, Denver, CO 80202. Legal Counsel for Duke is Mary A. Throne, Hickey, Mackey, Evans and Walker, 1800 Carey Avenue, Suite 700, P.O. Box 467, Cheyenne, WY 82003-0467.

2. Under Wyo. Stat. § 35-11-112(a)(iv), the Council has the authority to conduct hearings in any case contesting a permit issued by the DEQ/AQD. Wyo. Stat. § 35-11-112(c)(iii) provides that the Council may order the modification of any permit.

3. Duke applied for MD-663 (Attachment A) for the purpose of replacing an existing 528 hp Superior 8G825 engine with an 800 hp Superior 8G825 engine at the Patrick Draw Gas Plant. As part of its review of the facility, the DEQ/AQD concluded in Condition No. 11 of MD-663 that Duke must "comply with all applicable requirements of 40 C.F.R. Part 63, Subpart HH," the Maximum Achievable Control Technology (MACT) for Hazardous Air Pollutants from Oil and Natural Gas Production Facilities. In its table of Patrick Draw Gas Plant Emissions, the DEQ/AQD determined that the facility emits 17.4 tons per year (tpy) of formaldehyde, a hazardous air pollutant (HAP), and thus is a major source of HAPs. Duke disputes the DEQ/AQD's conclusion that Patrick Draw is a major source of HAPs and therefore, appeals Condition No. 11 of Permit No. MD-663, as well as the DEQ/AQD's calculation of the facility's formaldehyde emissions.

4. It is Duke's position that DEQ/AQD used an emission factor for calculating formaldehyde emissions from its engines that over-estimates the facility's emissions. MD-663 states that the emissions are based on a formaldehyde emission rate of 0.06 g/hp-hr for all but one of the facility's engines. (Permit at 4, fn 1). The source of this rate is unknown. Duke uses emission factors from the United States Environmental Protection Agency's (EPA's) Speciate program to estimate the formaldehyde

emissions from its engines in Wyoming and in other states.

Using the Speciate factors, which are authorized by EPA, Duke's calculations indicate that Patrick Draw is not a major source of HAPs.

5. Duke and the DEQ/AQD are working to develop a protocol for testing the emissions from the Patrick Draw engines to provide site-specific data for the calculations of the formaldehyde emissions. Duke is committed to working with the agency to resolve this dispute through negotiations and as a result, is not requesting an immediate hearing or stay of the permit condition, at this time. However, Duke and the agency must resolve the issue prior to June 2002, the effective date for compliance with the Oil and Natural Gas MACT, 40 C.F.R. Part 63, Subpart HH, or Patrick Draw may become forever subject to the MACT requirements, regardless of the outcome of this appeal.

6. For the foregoing reasons, Duke respectfully requests that the EQC modify Permit No. MD-663 to remove Condition No. 11 and to determine that the Patrick Draw Gas Plant is not a major source of HAPs.

DATED this 25th day of October, 2001.

Mary A. Throne
Mary A. Throne
Hickey, Mackey, Evans & Walker
1800 Carey Avenue, Suite 700
P.O. Box 467
Cheyenne, WY 82001
(307) 634-1525

ATTORNEYS FOR DUKE ENERGY
FIELD SERVICES, L.P.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that, on this 25th day of October 2001, in accordance with the requirements of Chapter 1, Section 3(b) of the Department of Environmental Quality Rules of Practice and Procedure, this Petition for Review was served as follows:

Two copies were served upon the Chairman of the Environmental Quality Council, Herschler Building, Cheyenne, 1st Floor West, WY 82002, by registered mail, return receipt requested.

Two copies were served upon Dennis Hemmer, Director of the Department of Environmental Quality, Herschler Building, Cheyenne, WY 82002, by registered mail, return receipt requested.