



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**

**REGION VIII**

**999 18th STREET - SUITE 500  
DENVER, COLORADO 80202-2466**

December 9, 1999

Ref: 8P-AR

Lee Ann Elsom  
Environmental Coordinator  
Citation Oil & Gas Corporation  
P.O. Box 690688  
Houston, TX 77269-0688

Dear Ms. Elsom,

This letter is in response to your letter dated October 18, 1999 requesting clarification of the Title V applicability to the Walker Hollow Unit. The Walker Hollow Unit is an oil and gas production field located on the Uintah and Ouray Indian Reservation. It occupies an approximate 12 miles radius of land and consists of oil and gas wells, pumps, line heaters, dehydration equipment, combustion equipment, and tank batteries.

In the Code of Federal Regulations at 40 CFR 71.2 the definition of "major source" states, in part:

"Major source means any stationary source (or any group of stationary sources that are located on one or more contiguous or adjacent properties and are under common control of the same person (or persons under common control)), belonging to a single major industrial grouping....."

We interpret this to mean that each tank battery with its associated emitting units (e.g. wells, pumps, line heaters, dehydration equipment, combustion equipment, tanks, etc...) comprises a "group of stationary sources" and would be considered a single source for purposes of determining Title V applicability.

With this interpretation in mind, the additional information you provided to us in your letter, further telephone conversations, and facsimiles received on November 8, 1999 and November 9, 1999, we have determined that Citation Oil & Gas Corporation has four sources (tank batteries with their associated emitting units) located within the exterior boundaries of the Uintah and Ouray Indian Reservation in Northeast Utah. The enclosure to this letter illustrates the sources with their associated emitting units.

In addition, we have completed our evaluation of the potential emissions described in the enclosure to your letter dated October 18, 1999 for each of the tank batteries at the Walker Hollow Unit (also in the enclosure). It is our determination that none of the tank batteries are major sources as defined under the Federal Operating Permit regulations (40 CFR 71). As long as the total potential emissions from all the pollutant emitting units at each tank battery of any

pollutant remains below 100 tons per year and any hazardous air pollutant remains below 10 tons per year individually or 25 tons per year in aggregate, these sources will be considered minor sources under the Federal Operating Permit regulations.

This determination is based on the 1996 and 1997 emissions information contained in your letter and more recent information provided in your facsimiles. We recommend that you verify the correct status of the sources located on the Walker Hollow Field by conducting testing of the potential emissions from representative equipment and keeping records of changes and modifications to insure that the sources continue to operate as minor sources under the Federal Operating Permit regulations.

We hope that this has clarified for you our understanding of the regulations as they pertain to Citation Oil & Gas Corporation's Walker Hollow Field. If you have any further questions, please feel free to contact Kathleen Paser of my Technical Assistance staff at 303-312-6526.

Sincerely,

Richard R. Long, Director  
Air and Radiation Program

Enclosure

cc: Elaine Willie, Environmental Coordinator, Ute Indian Tribe  
Ed Kurip, Director AQM, Ute Indian Tribe