



January 30, 2020

SENT VIA CERTIFIED MAIL NO. 7017 0660 0000 0139 4721

Ethan Hinkley  
 Aka Energy Group, LLC  
 125 Mercado Street, Suite 201  
 Durango, CO 81301

Re: Self-Audit Review and Determination for Aka Energy Group, LLC  
 Case No. 2020-010  
 AIRS No. 123-0098

Dear Mr. Hinkley:

The Colorado Department of Public Health and Environment, Air Pollution Control Division (“Division”) received self-disclosures, submitted pursuant to § 25-1-114.5 C.R.S., from Aka Energy Group, LLC (“Aka”) on December 18, 2018 and January 4, 2019 (“Self-Audit Submission”). In its Self-Audit Submission, Aka identified several violations of air quality standards or requirements (“Violations”) for the Gilcrest Gas Plant, located at 13472 Weld County Road 40, Weld County, Colorado (“Facility”). The Facility is subject to the terms and conditions of the Colorado Construction Permit Number 07WE0881, Issuance 1 issued to Aka on June 16, 2014 (“Permit Number 07WE0881 Issuance 1”), Colorado Construction Permit Number 07WE0881, Issuance 2 issued to Aka on September 22, 2016 (“Permit Number 07WE0881 Issuance 2”), Colorado Construction Permit Number 07WE0881, Issuance 3 issued to Aka on June 5, 2018 (“Permit Number 07WE0881 Issuance 3”), Colorado Construction Permit Number 07WE0881, Issuance 4 issued to Aka on April 30, 2019 (“Permit Number 07WE0881 Issuance 4”), Colorado Air Quality Control Statutes, and Colorado Air Quality Control Commission (“AQCC”) Regulations.

The following equipment is relevant to the Self-Audit Submission:

AIRS Point	Facility Equipment ID	Description
001	C-1	One (1) Caterpillar, Model G3516LE, Serial Number WPW01963, natural gas-fired, turbo-charged, 4SLB reciprocating internal combustion engine, site rated at 1297 horsepower at 1400 RPM. This engine shall be equipped with



		an air-fuel ratio controller and a Non-Selective Catalytic Reduction (NSCR) system for the control of NOx, CO and VOC. This emission unit powers a natural gas compressor.
002	C-6	One (1) Waukesha Model F1197G, Serial Number 87655, natural gas-fired, four-cycle standard rich-burn reciprocating internal combustion engine, site rated at 166 horsepower. This engine is equipped with an air-fuel ratio controller and a Non-Selective Catalytic Reduction (NSCR) system for the control of NOx, CO and VOC. This emission unit powers a natural gas compressor.
003	C-7	One (1) Waukesha Model F1197G, Serial Number 1060271, natural gas-fired, four-cycle standard rich-burn reciprocating internal combustion engine, site rated at 166 horsepower. This engine is equipped with an air-fuel ratio controller and a Non-Selective Catalytic Reduction (NSCR) system for the control of NOx, CO and VOC. This emission unit powers a natural gas compressor.
005	C-3	One (1) White-Superior, Model 8G825, Serial Number 20220, natural gas-fired, four-cycle standard rich-burn reciprocating internal combustion engine, site rated at 708 horsepower. This engine is equipped with an air-fuel ratio controller and a Non-Selective Catalytic Reduction (NSCR) system for the control of NOx and CO and VOC. This emission unit is used for natural gas compression. This emission unit may be used interchangeably with point 033 and emission limits contained in this permit are combined for these points.
007	C-4	One (1) Waukesha, Model L5790GSI, Serial Number C13524/1, natural gas-fired, turbo-charged, 4SRB reciprocating internal combustion engine, site rated at 1215 horsepower at 1200 RPM. This engine shall be equipped with a non-selective catalytic reduction (NSCR) system and air-fuel ratio control. This emission unit is used for natural gas compression.
010	V-50	VOC emissions from plant blowdown vent
011	C-2	One (1) Waukesha, Model L7044GSI, Serial Number C-14656/1, natural gas-fired, turbo-charged, 4SRB reciprocating internal combustion engine, site rated at 1680 horsepower at 1200 RPM. This engine shall be equipped with a non-selective catalytic reduction (NSCR) system and air-fuel ratio control. This emission unit is used for natural gas compression.
014	Leaks (KKK)	Fugitive emissions from equipment leaks from existing emission components subject to NSPS subpart KKK.
016	C-5	One (1) Waukesha, Model L5790GSI, Serial Number C13525/1, natural gas-fired, turbo-charged, 4SRB reciprocating internal combustion engine, site rated at 1215 horsepower at 1200 RPM. This engine shall be equipped with a non-selective catalytic reduction (NSCR) system and air-



		fuel ratio control. This emission unit is used for natural gas compression.
022	Loadout	Truck loadout of condensate. Emissions from the loadout are uncontrolled and are routed to the plant vent.
026	Leaks (0000)	Fugitive emissions from equipment leaks subject to NSPS subpart 0000.
033	C-3	One (1) Caterpillar, Model G3508B, Serial Number TBD, natural gas-fired, turbo-charged, 4SLB reciprocating internal combustion engine, site rated at 690 horsepower. This engine shall be equipped with an oxidation catalyst and air-fuel ratio control. This emission unit is used for natural gas compression. This emission unit may be used interchangeably with point 005 and emission limits contained in this permit are combined for these points.
035	EG	One (1) Ethylene Glycol (EG) natural gas dehydration unit (Make: TBD, Serial Number: TBD) with a design capacity of 20 MMscf per day. This emissions unit is equipped with one (1) (Make: TBD, Model: TBD) electric driven glycol pump and one (1) backup pump with a design capacity of 10 gallons per minute. This dehydration unit is equipped with a still vent, flash tank, and reboiler burner. Emissions from the still vent are routed to an air-cooled condenser, and then to the Thermal Oxidizer. Emissions from the flash tank are routed directly to the Thermal Oxidizer.
036	Leaks (0000a)	Fugitive emissions from equipment leaks subject to NSPS subpart 0000a.
034	G-1	Three (3) Caterpillar, Model G3516C, Serial Number: TBD, natural gas-fired, turbo-charged, 4SLB reciprocating internal combustion engine, site rated at 2088 horsepower each. These engines shall be equipped with oxidation catalysts and air-fuel ratio controllers. These emission units are used for electricity generation. Emission limits contained in this permit are combined for these points.
037	G-2	
038	G-3	

The matters pertaining to the Violations are summarized below.

1. Pursuant to Permit Number 07WE0881 Issuance 1, Condition 48 and Permit Number 07WE0881 Issuance 2, Condition 45, for AIRS Points 014 and 026, on an annual basis, the owner or operator shall complete an extended gas analysis of gas samples that are representative of volatile organic compounds (“VOC”) and hazardous air pollutants (“HAP”) that may be released as fugitive emissions. Aka failed to conduct the extended gas analysis for AIRS Points 014 and 026 in 2016, violating Permit Number 07WE0881 Issuance 1, Condition 48 and Permit Number 07WE0881 Issuance 2, Condition 45.
2. Pursuant to Permit Number 07WE0881 Issuance 3, Condition 13, emission points shall be operated and maintained with the control equipment as



listed in order to reduce emissions to less than or equal to the limits established in this permit. The AIRS Point 035 control equipment is listed in the permit as a thermal oxidizer, which matches Aka's November 22, 2017 APEN and permit application. However, Aka actually installed and uses an enclosed combustion device ("ECD") to control AIRS Point 035. On January 23, 2019, Aka submitted a revised APEN for AIRS Point 035 to change the control equipment to an ECD. On April 30, 2019, the Division issued Permit Number 07WE0881 Issuance 4, permitting the ECD to control AIRS Point 035. Aka failed to operate and maintain AIRS Point 035 with the control equipment listed in the permit from equipment startup on June 21, 2018 to modified permit issuance on April 30, 2019, violating Permit Number 07WE0881 Issuance 3, Condition 13.

3. Pursuant to Permit Number 07WE0881 Issuance 3, Condition 17, for AIRS Point 035, the lean glycol recirculation rate shall be recorded weekly in a log maintained on site and made available to the Division for inspection upon request. Aka began operating AIRS Point 035 on June 21, 2018, but did not begin recording the lean glycol recirculation rate weekly until November 21, 2018. Aka failed to record the lean glycol recirculation rate for AIRS Point 035 weekly from June 21, 2018 to November 21, 2018, violating Permit Number 07WE0881 Issuance 3, Condition 17.
4. Pursuant to Permit Number 07WE0881 Issuance 3, Condition 18, for AIRS Point 035, on a weekly basis, the owner or operator shall monitor and record operational values including chiller temperature and pressure, flash tank temperature and pressure, and wet gas inlet temperature and pressure. These records shall be maintained for a period of five years. Aka began operating AIRS Point 035 on June 21, 2018, but did not begin monitoring and recording the required operational values weekly until January 4, 2019. Aka failed to monitor and record the required operational values weekly for AIRS Point 035 from equipment startup on June 21, 2018 to January 4, 2019, violating Permit Number 07WE0881 Issuance 3, Condition 18.
5. Pursuant to Permit Number 07WE0881 Issuance 3, Condition 20, for AIRS Points 001, 002, 003, 005, 007, 010, 011, 014, 016, 022, 026, 033, 034, 035, 036, 037, 038, visible emissions shall not exceed twenty percent (20%) opacity during normal operation of the source. During periods of startup, process modification, or adjustment of control equipment visible emissions shall not exceed 30% opacity for more than six minutes in any sixty consecutive minutes. Emission control devices subject to Regulation 7, Sections XII.C.1.d or XVII.B.2.b shall have no visible emissions. Aka did not develop visible emissions logs and train operators until November 21, 2018. Aka failed to keep visible emissions logs and



therefore failed to demonstrate compliance with the opacity requirements for AIRS Points 001, 002, 003, 005, 007, 010, 011, 014, 016, 022, 026, 033, 034, 035, 036, 037 and 038 from permit issuance on June 5, 2018 to November 21, 2018, violating Permit Number 07WE0881 Issuance 3, Condition 20.

6. Pursuant to Permit Number 07WE0881 Issuance 3, Condition 37, this source is subject to Regulation Number 7, § XII.H. The operator shall comply with all applicable requirements of § XII and, specifically, shall comply with the recordkeeping, monitoring, reporting and emission control requirements for glycol natural gas dehydrators.
  - a. Pursuant to AQCC Regulation Number 7, § XII.H.5.a, beginning January 1, 2017, owners or operators of glycol natural gas dehydrators subject to the control requirements of Sections XII.H.1. or XII.H.2. must check on a weekly basis that any condenser or air pollution control equipment used to control emissions of volatile organic compounds is operating properly, and document the date of each inspection; a description of any problems observed during the inspection of the condenser or air pollution control equipment; and a description and date of any corrective actions taken to address problems observed during the inspection of the condenser or air pollution control equipment.
  - b. Pursuant to AQCC Regulation Number 7, § XII.H.5.b, the owner or operator must check and document on a weekly basis that the pilot light on a combustion device is lit, that the valves for piping of gas to the pilot light are open, and visually check for the presence or absence of smoke.
  - c. Pursuant to AQCC Regulation Number 7, § XII.H.5.c, the owner or operator must document the maintenance of the condenser or air pollution control equipment, consistent with manufacturer specifications or good engineering and maintenance practices.
  - d. Pursuant to AQCC Regulation Number 7, § XII.H.5.d, the owner or operator must retain records for a period of five years and make these records available to the Division upon request.

Aka reported completing, but not documenting, the weekly control device inspections for AIRS Point 035 since equipment startup on June 21, 2018. Aka developed a weekly control device inspection log by November 21, 2018. Aka failed to document the weekly control device inspections for AIRS Point 035 from equipment startup on June 21, 2018 to November 21, 2018, violating Permit Number 07WE0881 Issuance 3, Condition 37 and AQCC Regulation Number 7, § XII.H.5.a-d.



7. Pursuant to Permit Number 07WE0881 Issuance 3, Condition 39, for AIRS Point 035, upon startup, the owner or operator shall follow the most recent operating and maintenance (“O&M”) plan and record keeping format approved by the Division, in order to demonstrate compliance on an ongoing basis with the requirements of this permit. The AIRS Point 035 O&M plan requires monitoring and recordkeeping for control devices, with requirements that vary depending on the type of equipment. The control equipment for AIRS Point 035 is listed in Permit Number 07WE0881 Issuance 3 as a thermal oxidizer (“TO”), however, Aka actually installed and uses an ECD instead of a TO to control AIRS Point 035. On April 30, 2019, the Division issued Permit Number 07WE0881 Issuance 4, permitting the ECD to control AIRS Point 035. Aka failed to follow the O&M plan for AIRS Point 035 from permit issuance on June 5, 2018 to April 30, 2019, violating Permit Number 07WE0881 Issuance 3, Condition 39.
8. Pursuant to Permit Number 07WE0881 Issuance 3, Condition 42, for AIRS Point 035, a source initial compliance test shall be conducted to measure the emission rate for VOC and hazardous air pollutants (HAPs: Benzene, Toluene, Xylenes, n-Hexane) in order to demonstrate compliance with a minimum destruction efficiency of 95% for VOCs. The test protocol must be in accordance with the requirements of the Air Pollution Control Division Compliance Test Manual and shall be submitted to the Division for review and approval at least thirty (30) days prior to testing. No compliance test shall be conducted without prior approval from the Division. The control equipment for AIRS Point 035 is listed in Permit Number 07WE0881 Issuance 3 as a TO, however, Aka actually installed and uses an ECD to control AIRS Point 035. On January 23, 2019, Aka submitted an APEN to the Division requesting to modify Permit Number 07WE0881 to correct the AIRS Point 035 control device to reflect the ECD. On April 30, 2019, the Division issued Permit Number 07WE0881 Issuance 4, removing Condition 42 and the initial compliance test requirement. Aka failed to conduct an initial compliance test for AIRS Point 035 from issuance of Permit Number 07WE0881 Issuance 3 on June 5, 2018 to issuance of Permit Number 07WE0881 Issuance 4 on April 30, 2019, violating Permit Number 07WE0881 Issuance 3, Condition 42.
9. Pursuant to Permit Number 07WE0881 Issuance 3, Condition 49.c, a revised Air Pollutant Emission Notice (“APEN”) shall be filed whenever new control equipment is installed, or whenever a different type of control equipment replaces an existing type of control equipment. The control equipment for AIRS Point 035 is listed in Permit Number 07WE0881 Issuance 3 as a TO, however, Aka actually installed and uses an ECD to control AIRS Point 035. On January 23, 2019, Aka submitted an



APEN reporting the ECD as the AIRS Point 035 control device. Aka failed to submit a revised APEN when a different type of control equipment was installed, violating Permit Number 07WE0881 Issuance 3, Condition 49.c.

10. Pursuant to AQCC Regulation Number 7, § XVII.B.3.a, beginning January 1, 2015, each open-ended valve or line at well production facilities and natural gas compressor stations must be equipped with a cap, blind flange, plug, or a second valve that seals the open end at all times except during operations requiring process fluid flow through the open-ended valve or line. Aka discovered open-ended valves or lines at the Facility during an LDAR re-tagging project starting on May 3, 2018. All open-ended valves or lines were plugged or capped by September 6, 2018. Aka failed to seal the open end of all valves or lines at the Facility until September 6, 2018, violating AQCC Regulation Number 7, § XVII.B.3.a.
11. Pursuant to AQCC Regulation Number 7, § XVII.C.1.d, beginning May 1, 2014, or the applicable compliance date in Section XVII.C.1.b.(i), whichever comes later, owners or operators of storage tanks subject to Section XVII.C.1. must conduct audio, visual, olfactory (“AVO”) and additional visual inspections of the storage tank and any associated equipment (e.g. separator, air pollution control equipment, or other pressure reducing equipment) at the same frequency as liquids are loaded out from the storage tank. Pursuant to Permit Number 07WE0881 Issuance 1, Condition 38 and Permit Number 07WE0881 Issuance 2, Condition 39, the owner or operator shall follow the most recent O&M plan and record keeping format approved by the Division, in order to demonstrate compliance on an ongoing basis with the requirements of this permit. Aka’s O&M plan for AIRS Points 014 and 026, dated April 1, 2014, requires a monthly recorded walk-through by plant or company personnel with visual, auditory and olfactory leak detection. Aka reported completing, but not documenting, the required AVO inspections for fugitive emissions associated with AIRS Points 014, 026 and 036 until November 21, 2018. Aka failed to demonstrate compliance with the required AVO inspection frequency from May 1, 2014 to November 21, 2018, violating AQCC Regulation Number 7, § XVII.C.1.d.
12. Pursuant to Subpart VV § 60.482-10(f)(1)(i)-(ii), owners or operators of closed-vent systems and control devices used to comply with provisions of this subpart shall, for each closed-vent system, conduct an initial inspection according to the procedures in §60.485(b); and conduct annual visual inspections for visible, audible, or olfactory indications of leaks. Aka began operating the closed-vent system associated with AIRS Point 035 on November 15, 2017. Twenty components at AIRS Point 035



required initial and annual inspections, but Aka failed to conduct the inspections until September 6, 2018, violating Subpart VV § 60.482-10(f)(1)(i)-(ii).

13. Pursuant to Subpart VV § 60.486(c)(5)-(7), when each leak is detected as specified in §§ 60.482-2, 60.482-3, 60.482-7, 60.482-8, and 60.483-2, the following information shall be recorded in a log and shall be kept for 2 years in a readily accessible location: “repair delayed” and the reason for the delay if a leak is not repaired within 15 calendar days after discovery of the leak; the signature of the owner or operator (or designate) whose decision it was that repair could not be effected without a process shutdown; and the expected date of successful repair of the leak if a leak is not repaired within 15 days. For components associated with AIRS Point 014, Aka did not consistently include in its delay of repair (“DOR”) records the reasons a component was placed on DOR and the date the component was placed on DOR, and did not consistently provide estimated repair dates. By October 31, 2018, Aka provided additional training to plant staff and began additional checks of DOR records. Aka failed to consistently record and maintain DOR information for components associated with AIRS Point 014 until October 31, 2018, violating Subpart VV § 60.486(c)(5)-(7).
14. Pursuant to Subpart VV § 60.486(e)(1), the following information pertaining to all equipment subject to the requirements in §§ 60.482-1 to 60.482-10 shall be recorded in a log that is kept in a readily accessible location: a list of identification numbers for equipment subject to the requirements of this subpart. Aka did not properly tag and identify all components associated with AIRS Point 014 as follows: some components in the LDAR program were incorrectly listed as non-VOC service; stream compositions were incorrect; and the Facility was not correctly separated into process units. By October 31, 2018, Aka completed a review of the LDAR system, and completed all re-tagging of the LDAR components. Aka failed to properly identify and maintain a list of equipment associated with AIRS Point 014 subject to the requirements of Subpart VV until October 31, 2018, violating Subpart VV § 60.486(e)(1).
15. Pursuant to Subpart VV § 60.482-7(a)(1), each valve shall be monitored monthly to detect leaks by the methods specified in §60.485(b) and shall comply with paragraphs (b) through (e) of this section. Aka did not properly tag and identify all LDAR components associated with AIRS Point 014 until October 31, 2018. For the untagged valves, Aka did not complete the monthly monitoring until October 31, 2018. By October 31, 2018, Aka completed the required monitoring for all valves associated with AIRS Point 014. Aka failed to complete the monthly monitoring for



certain valves associated with AIRS Point 014 until October 31, 2018, violating Subpart VV § 60.482-7(a)(1)

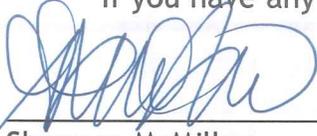
16. Pursuant to Subpart VV § 60.482-7(a)(2)(i), a valve that begins operation in gas/vapor service or light liquid service after the initial startup date for the process unit must be monitored for the first time within 30 days after the end of its startup period to ensure proper installation. Aka did not properly tag and identify all LDAR components associated with AIRS Point 014 until October 31, 2018. For the untagged valves, Aka did not complete the initial monitoring within 30 days after the end of the startup period. By October 31, 2018, Aka completed the required monitoring for all valves associated with AIRS Point 014. Aka failed to complete initial monitoring for certain valves associated with AIRS Point 014 until October 31, 2018, violating Subpart VV § 60.482-7(a)(2)(i).
17. Pursuant to Subpart VV § 60.482-2(a)(2), each pump in light liquid service shall be checked by visual inspection each calendar week for indications of liquids dripping from the pump seal, except as provided in §60.482-1(f). Aka did not maintain records of the weekly visual inspections until November 21, 2018 for the following pumps associated with AIRS Point 014: 2519-PS, P-10A, P-10B, P-20A, P-20B, P-255, P-30A, P-30B, P-4, P-5, P-6, P-73A, P-73B, P-74A, and P-74B. Aka failed to demonstrate that weekly visual inspections were completed for the above-listed pumps associated with AIRS Point 014 until November 21, 2018, violating Subpart VV § 60.482-2(a)(2).
18. Pursuant to Subpart VV § 60.482-2(a)(1), each pump in light liquid service shall be monitored monthly to detect leaks by the methods specified in §60.485(b). Aka incorrectly identified the following pumps associated with AIRS Point 014 as exempt from the monthly monitoring requirement: 2519-PS, P-10A, P-10B, P-20A, P-20B, P-255, P-30A, P-30B, P-4, P-5, P-6, P-73A, P-73B, P-74A, and P-74B, and did not begin monthly monitoring for the listed pumps until October 31, 2018. Aka failed to complete monthly monitoring for the above-listed pumps associated with AIRS Point 014 until October 31, 2018, violating Subpart VV § 60.482-2(a)(1).

Based upon the Division's consideration of the Self-Audit Submission and related information, the Division has determined the Self-Audit Submission meets the requirements of voluntary self-disclosure, as provided in § 25-1-114.5, C.R.S. In light of the steps taken above, the Division deems the issues identified in the Self-Audit Submission resolved. Therefore, the Division will close Case Number 2020-010, and the Division will not pursue any enforcement action on the specific issues identified above.



The Division's determination is based on the facts presented in the Self-Audit Submission and the Division's subsequent investigation, for purposes of informally resolving the matters at issue. This resolution does not bind the Division with respect to any future immunity requests received from Aka or other parties.

If you have any questions, please contact me at 303-692-3259.



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Compliance and Enforcement Program Manager

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