*** DRAFT PERMIT ***

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PERMITTEE

Genesis Crude Oil, L.P.
919 Milam Street, Suite 2100
Houston, Texas 77002

Authorized Representative:
Ms. Kristi Unzicker
Manager, Environmental and Marine Compliance

Air Permit No. 1130160-005-AC
Permit Expires: 1-yr permit

Jay Station
Minor Source Air Construction Permit
Crude Oil Pipeline & Truck Unloading

This is the final air construction permit, which authorizes incorporation of the Jay tanker truck unloading station into the Jay pipeline station. These two adjacent facilities, currently operating under separate Federally Enforceable State Operating Permits (FESOP), will be combined, as is with no actual construction or increase of combined emissions, into one facility. The proposed work will be conducted at the Jay pipeline station, which is a crude petroleum storage and transfer facility (Standard Industrial Classification No. 4612). The facility is located at 5435 Oil Plant Road in Jay, Santa Rosa County. The UTM coordinates are Zone 16, 479.51 km East and 3425.74 km North; Latitude: 30° 59' 00" North and Longitude: 87° 13' 00" West. As noted in the Final Determination provided with this final permit, (no changes / only minor changes and clarifications) were made to the draft permit.

This final permit is organized by the following sections.

Section 1. General Information

Section 2. Administrative Requirements

Section 3. Emissions Unit Specific Conditions

Section 4. Appendices

Because of the technical nature of the project, the permit contains numerous acronyms and abbreviations, which are defined in Appendix A of Section 4 of this permit.

This air pollution construction permit is issued under the provisions of: Chapter 403 of the Florida Statutes (F.S.) and Chapters 62-4, 62-204, 62-210, 62-212, 62-296 and 62-297 of the Florida Administrative Code (F.A.C.). The permittee is authorized to conduct the proposed work in accordance with the conditions of this permit. This project is subject to the general preconstruction review requirements in Rule 62-212.300, F.A.C., and is not subject to the preconstruction review requirements for major stationary sources in Rule 62-212.400, F.A.C., for the Prevention of Significant Deterioration (PSD) of Air Quality.

Upon issuance of this final permit, any party to this order has the right to seek judicial review of it under Section 120.68 of the Florida Statutes by filing a notice of appeal under Rule 9.110 of the Florida Rules of Appellate Procedure with the clerk of the Department of Environmental Protection in the Office of General Counsel (Mail Station #35, 3900 Commonwealth Boulevard, Tallahassee, Florida, 32399-3000) and by filing a copy of the notice of appeal accompanied by the applicable filing fees with the appropriate District Court of Appeal. The notice must be filed within 30 days after this order is filed with the clerk of the Department.

Executed in Pensacola, Florida

(DRAFT)

_____ _____

Rick Bradburn, Air Program Administrator (Date)

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this Final Air Permit package (including the Final Determination and Final Permit) was sent by electronic mail (or a link to these documents made available electronically on a publicly accessible server) with received receipt requested before the close of business on _____ to the persons listed below.

Ms. Kristi Unzicker, Genesis Energy, LLC: Kristi.Unzicker@genlp.com
Ms. Kristina Casmire Genesis Energy, LLC: Kristina.Casmire@genlp.com
Mr. Lee Rogers, P.E., PPM Consulting, Inc.: Lee.Rogers@ppmco.com

Clerk Stamp

FILING AND ACKNOWLEDGMENT FILED, on this date, pursuant to Section 120.52(7), Florida Statutes, with the designated agency clerk, receipt of which is hereby acknowledged.

_____ _____

(Clerk) (Date)

FACILITY AND PROJECT DESCRIPTION

Existing Facility

The existing Jay pipeline station consists of three external floating roof tanks, 2138, 2139 and 2154, with capacities of 30,000 barrels (1,260,000 gallons), 30,000 barrels and 150,000 barrels (6,300,000 gallons), respectively; and a pump station, miscellaneous piping, valves, flanges and controls. The main storage tank, 2154, is an external floating roof tank with a secondary seal. The facility receives crude oil from gathering lines that originate at tanker truck unloading stations. Crude oil is pumped into holding tanks and then is pumped into an outbound pipeline. Inbound crude oil is normally placed in tank 2154 and pumped from this tank into the outbound pipeline. The facility's maximum throughput is 1,700 barrels (71,400 gallons) per hour inbound from the gathering lines (tanker truck unloading stations), and 2,200 barrels (92,400 gallons) per hour outbound from the pump station into the pipeline. Backup tanks 2138 and 2139 are used when problems arise and additional storage is needed.

These storage tanks were constructed in 1972 and therefore are exempt from 40 CFR 60, subpart K – "Standards of Performance for Storage Vessels for Petroleum Liquids for Which Construction, Reconstruction, or Modification Commenced After June 11, 1973, and Prior to May 19, 1978.

Pre-Project Potential Emissions: Estimated volatile organic compounds (VOC) emissions for the existing Jay pipeline station.

VOC Emissions Sources	Potential Emissions (Tons/yr)
Pipeline Station (Tanks 2138, 2139, & 2154)	22.72
Fugitive Sources	5.09
Total	**27.81**

The existing facility consists of the following emission unit.

Facility ID No. 1130160	
ID No.	**Emissions Unit Description**
001	Pipeline Station (Tanks 2138, 2139 and 2154)

Please reference the Permit No., Facility ID No., and appropriate Emissions Unit(s) ID No(s). on all correspondence, test report submittals, applications, etc.

Proposed Project

This project incorporates the Jay tanker truck unloading station, Facility ID No. 1130159, into the Jay pipeline station, Facility ID No. 1130160. The Jay tanker truck unloading station consists of one fixed roof storage tank 7599 with associated piping and pumps to transfer crude oil from tanker trucks, through a gathering line, to storage tanks at the Jay pipeline station. The proposed project will combine these adjacent facilities as is with no actual construction or increase of combined emissions. No changes will be made to the Jay pipeline station facility by this permit.

Storage tank 7599 is exempt from 40 CFR 60, subpart Kb - Standards of Performance for Volatile Organic Liquid Storage Vessels (Including Petroleum Liquid Storage Vessels) for Which Construction, Reconstruction, or Modification Commenced After July 23, 1984, because its capacity is limited to 464.07 barrels (73.78 m^3 or 19,491 gallons) which is less than the threshold capacity of 471.735 barrels (75 m^3 or 19,812.9 gallons). [40 CFR 60.110b(a)]

During the tanker truck unloading process, both the unloading pump (600 barrels per hour) and the injection pump (350 barrels per hour) are to be operating to give an effective storage tank input rate of 250 barrels per hour. The maximum daily throughput for the truck unloading station is 8,400 barrels (3,066,000 barrels,

equivalent to 128,772,000 gallons) per year), limited by the injection pump capacity (350 bbls/hr X 24 hrs = 8,400 bbls). The maximum tanker truck unloading time per day is 14 hours (8,400 bbls / 600 bbls/hr = 14 hrs), and the effective maximum storage tank throughput is 3,500 barrels per day, limited by the effective storage tank input rate of 250 barrels per hour (250 bbls/hr X 14 hrs = 3,500 bbls). The effective net annual throughput limit for storage tank 7599, used in emissions calculations is 1,277,500 barrels (53,655,000 gallons) quantity of crude oil passing through the storage tank.

Potential VOC emissions estimates are based on an annual throughput limit of 1,277,500 barrels, Tanks program 4.09d, emission factors from AP-42 and EPA protocol for equipment leak estimates.

VOC Emissions Sources	Potential Emissions (Tons/yr)
Tanker Truck Unloading Station (Tank 7599)	43.51
Fugitive Sources	0.58
Total	**44.09**

Based on the permit application received May 29, 2012, this project will add the following emission unit.

Facility ID No. 1130160	
EU ID No.	**Emissions Unit Description**
002	Tanker Truck Unloading Station (Tank 7599, Fixed-Roof, from previous Facility ID No. 11301599)

Post-Project Potential Emissions for the combined facility, Jay Station (tons per year) and PSD Applicability.

Pollutant	Existing Potential Emissions Facility ID No. 1130160, EU 001	Post-Project Potential Emissions, Including EU 002 From Facility ID No. 1130159	Project Potential Emission Increase	PSD Major Threshold	Subject to PSD?
CO	0	0	0	250	No
NO_x	0	0	0	250	No
PM/ PM_{10}	0	0	0	250	No
$0SO_2$	0	0	0	250	No
VOC	27.81	71.90	44.09	250	No

This facility is not a major stationary source with respect to PSD because potential emissions of each pollutant from the project do not reach or exceed the PSD major stationary source threshold of 250 TPY for this type of facility and it is not one of the 28 PSD-major facility categories. Therefore, this project is subject only to the general preconstruction review requirements of Rule 62-212.300, F.A.C.

The requirement of this facility to submit an annual operating report (AOR) by reason of its FESOP was dropped due to emissions being consistently well below any major category; letter dated June 22, 1999.

The air construction permit application states in Section II, Subsection C., Facility Supplemental Information, that fixed-roof storage tank 7599 will be removed at some point in the future. If and when this tank is removed, potential emissions for Emissions Unit 002 will change significantly and may require a Non-Title V permit revision.

FACILITY REGULATORY CLASSIFICATION

- The facility is not a major source of hazardous air pollutants (HAP).
- The facility has no units subject to the acid rain provisions of the Clean Air Act (CAA).
- The facility is not a Title V major source of air pollution in accordance with Chapter 213, F.A.C.
- The facility is not a major stationary source in accordance with Rule 62-212.400(PSD), F.A.C.

SECTION 2. ADMINISTRATIVE REQUIREMENTS (DRAFT)

1. Permitting Authority: The permitting authority for this project is the Northwest District Air Resource Management Program, Florida Department of Environmental Protection (Department). The District's mailing address is 160 W. Government Street, Suite 308, Pensacola, Florida 32502-5740. All documents related to applications for permits to operate an emissions unit shall be submitted to the District Office.

2. Compliance Authority: All documents related to compliance activities such as reports, tests, and notifications shall be submitted to the District Office at the above address or nwdair@dep.state.fl.us.

3. Appendices: The following Appendices are attached as part of this permit:

    a. Appendix A. Citation Formats and Glossary of Common Terms;

    b. Appendix B. General Conditions;

    c. Appendix C. Common Conditions.

4. Applicable Regulations, Forms and Application Procedures: Unless otherwise specified in this permit, the construction and operation of the subject emissions units shall be in accordance with the capacities and specifications stated in the application. The facility is subject to all applicable provisions of: Chapter 403, F.S.; and Chapters 62-4, 62-204, 62-210, 62-212, 62-296 and 62-297, F.A.C. Issuance of this permit does not relieve the permittee from compliance with any applicable federal, state, or local permitting or regulations.

5. Asbestos. This permit does not authorize any demolition or renovation of the facility or its parts or components which involves asbestos removal. This permit does not constitute a waiver of any of the requirements of Chapter 62-257, F.A.C., and 40 CFR 61, Subpart M, National Emission Standard for Asbestos, adopted and incorporated by reference in Rule 62-204.800, F.A.C. Compliance with Chapter 62-257, F.A.C., and 40 CFR 61, Subpart M, Section 61.145, is required for any asbestos demolition or renovation at the source. [40 CFR 61; Rule 62-204.800, F.A.C.; and, Chapter 62-257, F.A.C.]

6. New or Additional Conditions: For good cause shown and after notice and an administrative hearing, if requested, the Department may require the permittee to conform to new or additional conditions. The Department shall allow the permittee a reasonable time to conform to the new or additional conditions, and on application of the permittee, the Department may grant additional time. [Rule 62-4.080, F.A.C.]

7. Modifications: The permittee shall notify the Compliance Authority upon commencement of construction. No new emissions unit shall be constructed and no existing emissions unit shall be modified without obtaining an air construction permit from the Department. Such permit shall be obtained prior to beginning construction or modification. [Rules 62-210.300(1) and 62-212.300(1)(a), F.A.C.]

8. Source Obligation:
    (a) At such time that a particular source or modification becomes a major stationary source or major modification (as these terms were defined at the time the source obtained the enforceable limitation) solely by virtue of a relaxation in any enforceable limitation which was established after August 7, 1980, on the capacity of the source or modification otherwise to emit a pollutant, such as a restriction on hours of operation, then the requirements of subsections 62-212.400(4) through (12), F.A.C., shall apply to the source or modification as though construction had not yet commenced on the source or modification.
    (b) At such time that a particular source or modification becomes a major stationary source or major modification (as these terms were defined at the time the source obtained the enforceable limitation) solely by exceeding its projected actual emissions, then the requirements of subsections 62-212.400(4) through (12), F.A.C., shall apply to the source or modification as though construction had not yet commenced on the source or modification. [Rule 62-212.400(12), F.A.C.]

A. Tanker Truck Unloading Station

This section of the permit addresses the following emissions unit.

ID No.	Emissions Unit Description
002	Tanker Truck Unloading Station (Tank 7599~~)~~, Fixed-Roof, from Jay tanker truck unloading station, Facility ID No. 11301599)

This emissions unit consists of one fixed roof crude oil storage tank 7599, with associated piping and pumps, which transfers crude oil from tanker trucks, through a gathering line, to storage tanks at the Jay pipeline station. The capacity of storage tank 7599 was 500 barrels (21,000 gallons) as originally constructed, but has been limited to 464.07 barrels (73.78 m^3 19,491 gallons) by overflow slots cut in at 23 feet. All overflow crude oil is captured and stored in 55 gallon drums within the tank's secondary containment area. The crude oil is said to have a worst-case Reid Vapor Pressure (RVP) of 5, which is equivalent to 3.82 psia or 26.34 kPa.

EQUIPMENT

1. Truck Unloading Station Crude Oil Tank 7599: The permittee is authorized to incorporate the Jay truck unloading station into the Jay pipeline station. Equipment being incorporated into the existing facility includes one fixed roof storage tank (tank 7599), one unloading pump, one injection pump and miscellaneous piping, valves, flanges and controls. [Application No. 1130160-005-AC]

PERFORMANCE RESTRICTIONS

2. Permitted Capacity: The maximum throughput of crude oil through the Tanker Truck Unloading Station shall not exceed 3,066,000 barrels per year. The maximum throughput of crude oil through the storage tank shall not exceed 1,277,500 barrels per year. While tanker trucks are being unloaded, crude oil is to be simultaneously transferred into the pipeline by running both the injection pump and the unloading pump. [Rule 62-210.200(PTE), F.A.C., and Permittee Request in Application No. 1130160-005-AC]

   {Permitting notes: The storage tank throughput is limited to 1,277,500 barrels *per year to prevent its emissions from exceeding 44.09 TPY. This limitation is accomplished by requiring both the pipeline injection pump and the truck unloading pump to be running when tanker trucks are being unloaded, giving an effective net annual storage tank throughput of less than* 1,277,500 barrels per year.*}*

3. Restricted Operation: The hours of operation of are not limited (8,760 hours per year). [Rules 62-4.070(3) and 62-210.200(PTE), F.A.C.]

EMISSIONS STANDARDS

4. Emissions Standards: VOC emissions for this emission unit are limited to 44.09 tons per year. [Rules 62-210.300(2), 62-4.160(2) and 62-4.070, F.A.C., and Application No. 1130160-005-AC]

RECORDS AND REPORTS

5. The permittee shall keep readily accessible records showing the capacity of the storage tank, the volatile organic liquid (VOL) stored and period of storage for the life of the tank. [Rule 62-4.070, F.A.C.]

6. The permittee shall maintain records for all crude oil throughput and stored quantities, and show the annual throughput and emissions for the emissions unit. [Rule 62-4.070, F.A.C.]