



**NAVAJO NATION  
ENVIRONMENTAL PROTECTION AGENCY  
Navajo Nation Operating Permit Program  
Rt. 112 North, Building F004-051  
P.O. Box 529, Fort Defiance, AZ 86504**



**Detailed Information**

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**Permitting Authority: Navajo Nation Environmental Protection Agency (“NNEPA”)**

**County:** Navajo                      **State:** Arizona                      **AFS Plant ID:** 04-017-NAV01

**Facility:** Peabody Western Coal Company – Black Mesa Complex

**Document Type:** DRAFT STATEMENT OF BASIS

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**PART 71 FEDERAL OPERATING PERMIT  
DRAFT STATEMENT OF BASIS**

**Peabody Western Coal Company  
Black Mesa Complex**

**Permit No. NN-OP 08-010**

**1. Facility Information**

**a. Permittee**

Peabody Western Coal Company – Black Mesa Complex  
20 miles SSW of Kayenta, Arizona

**Mailing Address:**

P.O. Box 650  
Kayenta, Arizona 86033

**Parent Company Name:**

Peabody Holding Company, LLC

**Parent Company Mailing Address:**

701 Market Street  
St. Louis, Missouri 63101-1826

**b. Contact Information**

**Facility Contact:** Gary Wendt, Manager – Environmental  
Phone: (928) 677-5130  
Facsimile: (928) 677-5083

**Responsible Official:** Kemal Williamson, President  
Phone: (314) 342-7586

**c. Description of Operations, Products**

The Black Mesa Complex (the “Complex”) consists of two contiguous surface coal mines, the Black Mesa Mine and the Kayenta Mine; coal preparation and sampling facilities at the Black Mesa Mine; coal processing and overland conveyor systems at the Kayenta Mine; and various petroleum and other storage tanks. NNEPA views the Complex as a single source under the Clean Air Act. Surface coal mining is the primary activity of the source, and the coal preparation plant serves as a support facility for the two mines.

**d. History**

Peabody Energy has operated or is operating two surface coal mining operations on lands leased from the Navajo Nation and the Hopi Tribe. The Black Mesa Mine began operations in 1970, followed by the Kayenta Mine in 1973. The Black Mesa mining operation supplied approximately 5.0 million tons of coal to the Mohave Generating Station near Laughlin, Nevada from 1970 until December 2005, when the Black Mesa mining operation ceased delivering coal due to the suspension of operations at the Mohave Generating Station. The Kayenta mining operation produces approximately 8.5 million tons of coal per year exclusively for use at the Navajo Generating Station near Page, Arizona. The construction of the Black Mesa coal mine operation predated the United States Environmental Protection Agency’s (“USEPA”) preconstruction permit regulation, the prevention of significant deterioration (“PSD”) permit program. Therefore, this facility has not been required to obtain a preconstruction permit. The initial coal preparation facilities at the Kayenta mining operation were constructed prior to 1973, also predating the applicability of the PSD permit program. Therefore, this source has not been required to obtain a preconstruction permit.

The original emission units at the Complex, constructed from 1968 to 1973, include most of the facilities at the N-8 coal processing area, the west overland conveyor system from N-8 to the silos, the preparation plant at the Black Mesa Mine, and the silos. The source was modified in 1983 to add a bulldozing operation, Belt #3A, Belts #11 and 12, and a stockpile to the N-8 coal processing area. In 1984, the source was modified to add processing area J-28 at the Kayenta Mine, and again in 1986 to add a screen (BMS), a secondary crusher (BMSC), a gasoline storage tank (K08ST), and a coal sampling system (BMSSC) at the Black Mesa Mine. In 1991, the Kayenta Mine was modified to include a new processing area (N-11), a bulldozing operation (K-3), a truck hopper and conveyer belt system (#18, 15, 16, and 32) in the N-8 processing area, a stockpile, and a gasoline storage tank (K01ST).

The initial Title V permit for this source was issued by USEPA on September 23, 2003. The Title V permit was reopened under 40 CFR 71.7(f) on October 23, 2003, when the source claimed that it could not comply with all the terms and conditions

in the final permit. These conditions included the ability to comply with Method 9 observations, visible emission notations, and water spray inspections at various emission units. The source also requested that USEPA include conditions in the permit to limit the potential to emit (PTE) of PM-10. EPA reopened the permit to evaluate Peabody Western Coal Company's claims, and the permit was finalized on June 1, 2004. This Title V, Part 71, renewal permit application was submitted on October 29, 2008.

**e. Existing Approvals**

The source has been operating under Part 71 Operating Permit NN-OP 99-07, issued on September 23, 2003, and the following approvals:

- (a) Reopened Title V Permit, issued by NNEPA on June 1, 2004.
- (b) First Administrative Amendment, issued by NNEPA on February 13, 2007.

All conditions from previous approvals were incorporated into this Part 71 draft permit renewal, except for the following:

- (a) Diesel storage tanks BM11ST and BM12ST have been removed from this source.
- (b) The storage tanks K17ST and K18ST, included in the original Title V operating permit, were subject to recordkeeping requirements in 40 CFR Part 60, Subpart Kb. Effective October 15, 2003, however, revisions were made to the New Source Performance Standards ("NSPS") for Volatile Organic Liquid Storage Vessels, Subpart Kb. Under these revisions, tanks that have a capacity greater than or equal to 75 m<sup>3</sup> — but less than 151 m<sup>3</sup> — for storing a liquid with a maximum true vapor pressure less than 15.0 kPa are exempt from the provisions of 40 CFR Part 60 Subpart Kb. Therefore, these storage tanks are no longer subject to the requirements of NSPS, Subpart Kb, and the requirements for the storage tanks (Conditions II.B and II.D.1 of the reopened permit, issued on June 1, 2004) do not carry over to the Part 71 renewal permit.
- (c) Monitoring and Testing Requirements for the affected units under NSPS for Coal Preparation Plants Subpart Y:

The coal processing and conveying equipment, coal storage system, or coal transfer and loading system at this source are subject to NSPS, Subpart Y. This NSPS, however, does not include specific compliance monitoring requirements. Pursuant to Part 71, a Title V permit must contain periodic monitoring sufficient to show compliance with the emission limits listed in the permit. In order to demonstrate compliance

with the opacity limit in NSPS, Subpart Y, the permittee was required to comply with the following monitoring requirements in the reopened Title V permit, issued on June 1, 2004:

Condition Number in the Permit Issued on 06/01/04	Monitoring Requirements
II.C.1	Daily visible emission (VE) survey by certified EPA Method 9 personnel.
II.C.1	A 6-minute EPA Method 9 opacity observation within 24 hours if any VE reading is greater than 10%.
II.C.3	Monthly 6-minute EPA Method 9 opacity observations.
II.C.4	Weekly observation of all water sprays, except for the units listed in Condition II.C.5
II.C.5	Weekly observation of the water meters for the following units: primary crushers J28PC, screen J28S, truck and reclaim hoppers J28, primary crushers N11PC, and truck hopper N11.
II.C.6	Corrective action within 24 hours if any water spray is not operating as designed.

In the Part 71 renewal permit application submitted on October 29, 2008, the permittee stated that performing the monitoring and the corresponding recordkeeping requirements is extremely burdensome. The permittee proposed changes to be made to the monitoring requirements included in the renewal permit that were based on USEPA’s proposed revisions to NSPS for Nonmetallic Mineral Processing Plants, Subpart OOO. Specifically, the permittee proposed the following monitoring requirements for the NSPS, Subpart Y, affected units:

- Monthly inspections of water sprays for the affected units with water spray.
- Corrective action within 24 hours if any water spray is not operating as designed.
- Once per five (5)-year EPA Method 9 performance test for affected facilities with water carryover and/or partial or full enclosure.

NNEPA and USEPA Region 9 have reviewed the requests from the permittee and have determined that the proposed monitoring requirements are not sufficient. NNEPA and USEPA agreed to reduce the frequencies for the VE surveys and water spray inspections. The following revised monitoring requirements will be included in the Part 71 renewal permit application:

- Weekly VE survey, following EPA Method 22.

- Quarterly 6-minute EPA Method 9 opacity observation.
- Monthly inspections of water sprays. For the sprayers that cannot be safely inspected, the permittee may inspect flow meters monthly to determine whether the sprayers are operating properly.
- Corrective action within 24 hours if any water spray is not operating as designed.

The corresponding recordkeeping requirements will be revised accordingly.

**f. Permitted Emission Units and Control Equipment**

Unit ID	Unit Description	Maximum Capacity	Construction Date	Control Method
<b>J-28 Coal Processing Area at Kayenta Mine</b>				
J28D	Two (2) bulldozing operations	4,500 hrs/yr	1984-1986	N/A
J28	One (1) truck hopper	2,600 tons/hr*	1984-1986	Sprays and rain birds.
Belt #1-N and Belt #1-S	Two (2) conveyors, from the stockpile K-5 truck hopper to the primary crusher	2,600 tons/hr (each)	1984-1986	Enclosure and sprays.
J28	One (1) high sulfur reclaim hopper	2,600 tons/hr*	1984-1986	Sprays and rain birds.
Belt #8	One (1) conveyor, from the stockpiles K-6 and K-6A truck hopper to the crusher	2,600 tons/hr	1984-1986	Enclosure and sprays.
J28PC	Two (2) primary crushers	2,600 tons/hr*(each)	1984-1986	Enclosure and sprays.
Belt #2	One (1) conveyor, from the primary crusher to the screen	2,600 tons/hr	1984-1986	Enclosure and sprays.
J28S	One (1) double deck screen	2,600 tons/hr*	1984-1986	Enclosure and sprays.
J28SC	One (1) secondary crusher	500 tons/hr	1984-1986	Enclosure.
Belt #3 and Belt #4	Two (2) conveyors associated with the sample system crusher.	1.9 tons/hr* (each)	1984-1986	Enclosure and sprays.

<b>Unit ID</b>	<b>Unit Description</b>	<b>Maximum Capacity</b>	<b>Construction Date</b>	<b>Control Method</b>
J28SSC	One (1) sample system crusher	1.9 tons/hr	1984-1986	Enclosure.
Belt #5 and Belt #6	Two (2) conveyors, from the secondary crusher to the dome stockpile	2,600 tons/hr* (each)	1984-1986	Enclosure and sprays.
K-5, K-6, and K-6A	Three (3) stockpiles	8,900,000 tons/yr (combined)	1984-1986	N/A
	One (1) dome stockpile	8,900,000 tons/yr	1984-1986	Enclosure and sprays.
<b>N-11 Coal Processing Area at Kayenta Mine</b>				
N11D	One (1) bulldozing operation	1,500 hrs/yr	1991-1992	N/A
N11	One (1) truck hopper	1,800 tons/hr*	1991-1992	Sprays and rain birds.
Belt #34	One (1) conveyor, from the stockpile N-11 truck hopper to the primary crusher.	1,800 tons/hr	1991-1992	Enclosure and sprays.
N11PC	One (1) primary crusher	1,800 tons/hr*	1991-1992	Enclosure and sprays.
Belt #35	One (1) conveyor, from the primary crusher to the screen.	1,800 tons/hr	1991-1992	Enclosure and sprays.
N11S	One (1) single deck screen	1,800 tons/hr*	1991-1992	Enclosure and sprays.
Sample Belt	One (1) conveyor, from the screen to the sample system crusher	1,800 tons/hr	1991-1992	Enclosure and sprays.
N11SSC	One (1) sample system crusher	1.1 tons/hr	1991-1992	Enclosure.
Belt #36	One (1) conveyor from the sample system to transfer point	1,800 tons/hr	1991-1992	Enclosure and sprays.
N-11	Stockpile	4,000,000 tons/yr	1991-1992	N/A
<b>N-8 Coal Processing Area at Kayenta Mine</b>				

<b>Unit ID</b>	<b>Unit Description</b>	<b>Maximum Capacity</b>	<b>Construction Date</b>	<b>Control Method</b>
N8D	Three (3) bulldozing operations	22,285 hrs/yr (combined)	K-1 – 1970-1973 K-2 – 1983-1984 K-3 – 1991-1992	N/A
N8	One (1) truck hopper at stockpile K-2 (low sulfur)	2,600 tons/hr*	1970-1973	Sprays, rain birds, and chemical application.
Belt #3A	One (1) conveyor associated with the K-2 low sulfur truck hopper.	2,600 tons/hr	1983-1984	Enclosure.
Belt #11 and Belt #12	Two (2) conveyors to stockpile K-2	1,800 tons/hr (each)	1983-1984	Enclosure and sprays.
N8	One (1) truck hopper at stockpile K-3 (high sulfur)	2,600 tons/hr*	1991-1992	Sprays.
Belt #18	One (1) conveyor associated with the K-3 high sulfur truck hopper	2,600 tons/hr	1991-1992	Enclosure.
Belt #15 and Belt #16	Two (2) conveyors to stockpile K-3	2,600 tons/hr (each)	1991-1992	Enclosure.
Belt #4	One (1) conveyor, from stockpile K-1 to Belts #3 and 14	2,600 tons/hr	1970-1973	Enclosure.
Belt #3 and Belt #14	Two (2) conveyors to the transfer tower	2,600 tons/hr (each)	1970-1973	Enclosure.
Belt #27	One (1) conveyor, from stockpile K-1 to Belt #30	1,800 tons/hr	1970-1973	Enclosure.
Belt #28	One (1) conveyor, from Belts #3 and #14 to Belt #30 transfer point	1,800 tons/hr	1970-1973	Enclosure.
N8SSC	Sample system crusher	1.1 tons/hr	1978-1979	Enclosure, sprays, and chemical application.
Belt #31 and Belt #33	Two (2) conveyors associated with the screens	1,800 tons/hr (each)	1978-1979	Enclosure.

<b>Unit ID</b>	<b>Unit Description</b>	<b>Maximum Capacity</b>	<b>Construction Date</b>	<b>Control Method</b>
N8S	Two (2) single deck screens	1,800 tons/hr* (combined)	1978-1979	Enclosure and chemical application.
N8SC	Two (2) secondary crushers	600 tons/hr (each)	1978-1979	Enclosure and chemical application.
Belt #30 and Belt #32	Two (2) conveyors, from Belts #27 and #28 to the weigh bin	1,800 tons/hr each	Belt #30 – 1970-73 Belt #32 – 1991-92	Enclosure.
K-1, K2, and K-3	Stockpiles	8,900,000 tons/yr (combined)	K-1 – 1970-1973 K-2 – 1983-1984 K-3 – 1991-1992	N/A
<b>Overland Conveyor System at Kayenta Mine</b>				
OCTP20 (Belts #20 through #25)	Five (5) conveyors, from process area J-28 to process area N-8	1,800 tons/hr (each)	1983-1984	Enclosure and sprays.
OCTP21 (Belts #21, 21-A, #22, and #23)	Four (4) conveyors, from process area N-8 to the coal storage silos	1,800 tons/hr (each)	1970-1973	Enclosure and sprays.
SILO	Four (4) coal storage silos	1,800 tons/hr* (each)	1970-1973	Baghouse.
<b>Preparation Plant at Black Mesa Mine</b>				
BMD	Two (2) bulldozing operations	4,000 hrs/yr (combined)	1968-1970	N/A
BM	One (1) truck hopper	2,000 tons/hr*	1968-1970	Sprays.
CONV #2	One (1) conveyor, from the truck hopper to the primary crusher	2,000 tons/hr	1968-1970	Enclosure.
BMPC	One (1) primary crusher	2,000 tons/hr*	1968-1970	Enclosure and sprays.
BMS	One (1) screen	2,000 tons/hr	1986	Enclosure and sprays.
BMSC	One (1) secondary crusher	500 tons/hr	1986	Enclosure and sprays.

<b>Unit ID</b>	<b>Unit Description</b>	<b>Maximum Capacity</b>	<b>Construction Date</b>	<b>Control Method</b>
CONV #4 and CONV #5	Two (2) conveyors, from the primary crusher to live storage	2,000 tons/hr (each)	1968-1970	Enclosure.
CONV #3A and CONV #3B	Two (2) conveyors associated with the screen	2,000 tons/hr (each)	1986	Enclosure and sprays.
BMSSC	One (1) sample system crusher	1.1 tons/hr	1986	Enclosure.
BMTPSSC	Two (2) conveyors associated with the sample system crusher	25 tons/hr (each)	1986	Enclosure.
Dead storage	One (1) reclaim hopper	2,000 tons/hr	1968-1970	Sprays.
CONV #11	One (1) conveyor from the reclaim hopper	2,000 tons/hr	1968-1970	Enclosure.
CONV #7	One (1) conveyor from the live storage to the transfer tower	2,000 tons/hr	1968-1970	Enclosure.
CONV #8	One (1) conveyor between the transfer towers	2,000 tons/hr	1968-1970	Enclosure.
BMCTEC	One (1) computer test and evaluation (CT&E) sample system crusher	1.1 tons/hr	1968-1970	Enclosure.
CONV #9, CONV #9A, and CONV #10	Three (3) conveyors, from the main transfer tower to the pipeline	2,000 tons/hr	1968-1970	Enclosure.
B-1, B-2, B-2A, and B-3	Four (4) stockpiles	6,000,000 tons/yr (combined)	1968-1970	N/A
<b>Storage Tanks</b>				
K01ST	Gasoline storage tank	12,000 gal	1991	N/A
K08ST	Gasoline storage tank	12,000 gal	Approx 1986	N/A

\* Maximum capacity is limited to the listed value by an up- or downstream process or source.

**g. Unpermitted Emission Units and Control Equipment**

No unpermitted emission units were found to be operating at this source during this review process.

**h. New Emission Units and Control Equipment**

There are no new significant emissions units at this facility. The permittee installed two (2) insignificant 12,000 gallon diesel fuel storage tanks, identified as B14ST and B15ST, in 2008.

**i. Insignificant Activities**

This stationary source also includes the following insignificant activities as defined in 40 CFR 71.5(c)(11)(ii), which are emission units with the potential to emit of each criteria pollutant less than two (2) tons per year, and the potential to emit of a single listed Hazardous Air Pollutant (“HAP”) less than 0.5 tons per year or the respective *de minimis* level established under Section 112(g) of the Clean Air Act (“CAA”), whichever is less:

<b>Unit ID</b>	<b>Unit Description</b>	<b>Maximum Capacity (gal)</b>	<b>Date Installed</b>
K07ST	Diesel storage tank	12,000	1988
K17ST	Diesel storage tank	20,000	1992
K18ST	Diesel storage tank	20,000	1992
B14ST	Diesel storage tank	20,000	2008
B15ST	Diesel storage tank	12,000	2008
K02ST	Diesel storage tank	12,000	1995
K03ST	Diesel storage tank	10,000	1996
K06ST	Diesel storage tank	10,000	1994
K09ST	50W oil storage tank	5,000	1992
K10ST	30W oil storage tank	10,000	1992
K11ST	10W oil storage tank	10,000	1992
K12ST	15W40 oil storage tank	10,000	1992
K13ST	Used oil storage tank	10,000	1992
K14ST	Used oil storage tank	10,000	1992
K15ST	Antifreeze storage tank	7,000	1992
K16ST	Used antifreeze storage tank	7,000	1992
K19ST	Degreaser storage tank	5,000	1986
K20ST	Diesel storage tank	5,000	1986
K21ST	Grease storage tank	4,890	1986
K22ST	90W oil storage tank	< 500	2000
B10ST	Degreaser storage tank	5,000	1995
B13ST	Diesel storage tank	10,000	1995
B17ST	Grease storage tank	4,506	1995
J1ST	Diesel storage tank	40,000	before 1981
J2ST	Diesel storage tank	40,000	before 1981
J3ST	Diesel storage tank	45,000	before 1981
J4ST	Diesel storage tank	50,000	before 1981
J5ST	Diesel storage tank	50,000	before 1981

<b>Unit ID</b>	<b>Unit Description</b>	<b>Maximum Capacity (gal)</b>	<b>Date Installed</b>
J6ST	Diesel storage tank	5,000	before 1981
J7ST	Jet A storage tank	5,000	before 1981

**j. Enforcement Issues**

There are no known noncompliance issues that must be addressed in this permitting action. Therefore, the renewal permit can be proposed and issued.

The Title V permit renewal application was not received within six (6) to eighteen (18) months before the expiration date of the first Title V permit. NNEPA is reviewing this matter and is taking appropriate action.

**k. Emission Calculations**

See Appendix A of this document for detailed calculations (pages 1 through 10).

**l. Potential to Emit**

Potential to emit (PTE) is defined as the maximum capacity of a stationary source to emit any air pollutant (CAA criteria pollutants or HAPs) under its physical and operational design. Any physical or operational limitations on the maximum capacity of this source to emit an air pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored, or processed, may be treated as a part of its design if the limitation is enforceable by USEPA. Actual emissions are typically lower than PTE.

Process/facility	Potential to Emit (tons/year)						
	PM	PM-10	SO <sub>2</sub>	NO <sub>x</sub>	VOC	CO	HAPs
J-28 Coal Processing Area at Kayenta Mine	91.9	37.4	-	-	-	-	-
N-11 Coal Processing Area at Kayenta Mine	40.4	15.7	-	-	-	-	-
N-8 Coal Processing Area at Kayenta Mine	81.7	31.5	-	-	-	-	-
Overland Conveyor System at Kayenta Mine	9.98	3.26	-	-	-	-	-
Preparation Plant at Black Mesa Mine	69.0	27.0	-	-	-	-	-
Storage Piles	3.67	1.74	-	-	-	-	-
Dozing Operations	590	155	-	-	-	-	-
Gasoline Storage Tanks	-	-	-	-	8.77	-	0.66
Insignificant Activities*	-	-	-	-	5.00	-	Negligible
Total PTE of the Entire Source**	889	273	0	0	13.8	-	0.66
Title V Major Source Thresholds	N/A	100	100	100	100	100	10 for a single HAP and 25 for total HAPs

\* This is an estimate of the VOC and HAP emissions from the insignificant storage tanks.

\*\* Total PTE of the entire source includes fugitive emissions from dozing operations and storage piles, but does not include fugitive emissions from unpaved roads or from wind erosion of storage piles. The source did not provide PTE information for the unpaved roads or wind erosion calculations.

The PTE of PM-10 is equal to or greater than 100 tons per year. Therefore, this source is considered a major source under 40 CFR Part 71 (Federal Operating Permit Program).

**m. Actual Emissions**

The following table shows the actual emissions from the source. This information reflects the 2007 emission inventory data submitted by the permittee.

Pollutant	Actual Emissions* (tons/year)
PM	Not Reported
PM-10	1,396
SO <sub>2</sub>	-
VOC	8.8
NO <sub>x</sub>	-
Total HAPs	0.7

\* The actual emissions reported in the emission inventory include all actual fugitive emissions from this source, including unpaved roads and wind erosion.

## 2. Navajo Tribal Information

### a. General

The reservation of the Navajo Nation is one of the largest Indian reservations in the United States, covering more than 27,000 square miles in three states: Arizona, Utah, and New Mexico. The Navajo Nation currently is home to more than 260,000 people. Industries on the reservation include oil and natural gas production, coal mining, electric generation and distribution, and tourism.

### b. Local air quality and attainment status

All areas of the Navajo Nation are currently designated as attainment or unclassifiable for all pollutants for which a National Ambient Air Quality Standard (NAAQS) has been established.

## 3. Prevention of Significant Deterioration (PSD) Applicability

This existing source does not fall into one of the 28 source categories defined in 40 CFR 52.21(b)(1)(iii). Because NSPS, Subpart Y, applies to coal preparation plants, however, and went into effect on August 7, 1980, fugitive emissions from this source are counted toward the determination of PSD applicability. The actual PM and PM-10 emissions, including fugitive emissions, are greater than 250 tons per year. Therefore, the source is an existing PSD major source.

The initial construction of this source in the 1970s predated PSD applicability. Therefore, the construction of this source was not subject to the PSD program. The initial coal preparation facilities at the Kayenta mining operation were constructed prior to 1973. The original emission units, constructed from 1968 to 1973, include most of the facilities at the N-8 coal processing area, the west overland conveyor system from N-8 to the silos, the preparation plant at the Black Mesa Mine, and the silos. The Source was modified in 1983 to add one (1) bulldozing operation, Belt #3A, Belts #11 and 12, and a stockpile to the N-8 coal processing area. In 1984, the Source was modified to add processing area J-28 at the Kayenta Mine, and again in 1986 to add a screen (BMS), a secondary crusher (BMSC), a gasoline storage tank (K08ST), and coal sampling system (BMSSC) at the Black Mesa Mine. In 1991, the Kayenta Mine was modified to include a new processing

area (N-11), a bulldozing operation (K-3), a truck hopper and conveyer belt system (#18, 15, 16, and 32) in the N-8 processing area, a stockpile, and a gasoline storage tank (K01ST).

In reviewing these modifications for the Title V Operating Permit issued on September 23, 2003 and reopened on June 1, 2004, USEPA Region 9 determined the following:

“The Black Mesa Mine began operations in 1970, followed by the Kayenta Mine in 1973. No air quality permits have ever been issued to the facility since, at the time of its initial construction, EPA did not have construction permit regulations in place. Although this facility has been grandfathered from New Source Review construction permitting, future modifications could trigger new applicable requirements.”

**4. Federal Rule Applicability**

**a. New Source Performance Standard (for Coal Preparation Plants, Subpart Y (40 CFR 60.250 - .254):**

This coal mine consists of coal preparation plants which were constructed after October 24, 1974 and have a maximum coal processing rate greater than two hundred (200) tons/day. Therefore, the coal processing and conveying equipment, coal storage systems, and coal transfer and loading systems at this source are subject to the requirements of NSPS, Subpart Y. The affected units under this subpart are listed in the table below:

<b>Emission Points/Units</b>	<b>Description</b>
<b>J-28 Coal Processing Area at Kayenta Mine</b>	
J28PC	Two (2) Primary Crushers
J28S	One (1) Screen (Double Deck)
J28SC	One (1) Secondary Crusher
J28SSC	One (1) Sample System Crusher
Belt #1-N Belt #1-8 Belt #8 Belts #2-6	Eight (8) Conveyors
J28TP	Transfer Points (all transfers)
<b>N-11 Coal Processing Area at Kayenta Mine</b>	
N11PC	One (1) Primary Crusher
N11S	One (1) Screen (Single Deck)
N11SSC	One (1) Sample System Crusher

<b>Emission Points/Units</b>	<b>Description</b>
Belts #34-26	Three (3) Conveyors
N11TP	Transfer Points (all transfers)
<b>N-8 Coal Processing Area at Kayenta Mine</b>	
N8S	Two (2) Single Deck Screens
N8SC	Two (2) Secondary Crushers
N8SSC	One (1) Sample System Crusher
Belt#3A Belt #11 Belt #12 Belts #14-16 Belt #18 Belt #27 Belt #28 Belt #30-33	Thirteen (13) Conveyors
N8TP	Transfer Points (at K-2 and K-3 stockpile and screen/sample systems)
<b>Overland Conveyor System</b>	
OCTP20 and OCTP21	Transfer Points
<b>Preparation Plant at Black Mesa Mine</b>	
BMS	One (1) Screen
BMPC	One (1) Primary Crusher
BMSC	One (1) Secondary Crusher
CONV#2	One (1) Conveyor
BMTPS	Transfer Points (at screen and secondary crusher)
BMSSC	One (1) Sample System Crusher
CONV#4 CONV#5 CONV #3A CONV#3B	Four (4) Conveyors
BMTPSSC	Two (2) Conveyors for the Sample System Crusher
CONV#11 CONV#7 CONV#8	Three (3) Conveyors for Reclaim and Transfer
BMCTEC	One (1) CT&E Sample System Crusher

Emission Points/Units	Description
CONV#9 CONV#9A CONV#10	Three (3) Conveyors

Currently, there are no thermal dryers or pneumatic coal-cleaning equipment at the coal preparation plants at this source. Pursuant to 40 CFR 60.252(c), opacity of the emissions from any coal processing and conveying equipment, coal storage system, or coal transfer and loading system shall not exceed twenty percent (20%).

The affected emission units under this NSPS are not controlled by venturi scrubbers. Therefore, there are no specific monitoring requirements for the affected units. Pursuant to 40 CFR 71.6(a)(3)(i), however, a Part 71 permit shall include periodic monitoring requirements to ensure compliance with the emission limit listed in the permit. NNEPA has determined the following are the proper monitoring requirements for the affected units subject to NSPS, Subpart Y:

- (a) Performing weekly visible emission surveys following EPA Method 22.
- (b) Performing 6-minute EPA Method 9 opacity observations quarterly.
- (c) Inspecting water sprays monthly. If the water sprays cannot be safely inspected, the permittee may inspect the water meter or meters for these sprays instead. These units include: the inlet and outlet of emission point N11PC, the truck hopper portion of emission point N11TP, the north and south outlets of emission point J28PC, the truck hopper and high sulfur reclaim hopper portions of emission point J28TP, and emission point J28S.
- (d) Implementing corrective action within 24 hours if any water spray is not operating as designed.

**b. New Source Performance Standard for Volatile Organic Liquid Storage Vessels for which Construction, Reconstruction, or Modification Commenced after July 23, 1984, Subpart Kb (40 CFR 60.110b - .117b):**

Storage tanks K01ST, K07ST, K08ST, B14ST, and B15ST have maximum capacities less than seventy-five (75) cubic meters (19,813 gallons). Therefore, pursuant to 40 CFR 60.110b(a), these tanks are not subject to the requirements of NSPS, Subpart Kb. Diesel storage tanks K17ST and K18ST have maximum capacities greater than 75 cubic meters and less than 151 cubic meters, but diesel has a maximum vapor pressure less than 15.0 kPa. Therefore, pursuant to 40 CFR 60.110b(b), tanks K17ST and K18ST are not subject to the requirements of NSPS Subpart Kb.

**c. Continuous Assurance Monitoring (CAM) (40 CFR Part 64):**

There is no emission unit at this source that is subject to an emission limitation or standard for the regulated pollutant. Therefore, there is no pollutant-specific emission unit, as defined in 40 CFR 64.1, at this source, and the requirements of CAM are not applicable.

**d. National Emission Standard for Asbestos (40 CFR Part 61, Subpart M):**

The permittee is subject to the requirements of the National Emission Standard for Asbestos. The applicable requirements are specified in the permit document.

**e. Protection of Stratospheric Ozone (40 CFR Part 82):**

The permittee is subject to the requirements of 40 CFR Part 82. The applicable requirements are specified in the permit document.

**f. Chemical Accident Prevention Provisions (40 CFR Part 68)**

This program requires sources who use or store regulated substances above a certain threshold to develop plans to prevent accidental releases. The permittee currently has no regulated substances above the threshold quantities in this rule and therefore is not subject to the requirement to develop and submit a risk management plan. This requirement is included in the permit because Peabody Western Coal Company has an ongoing responsibility to submit a risk management plan should a substance at the Black Mesa Complex exceed the threshold amount. Including this term in the permit minimizes the need to reopen the permit if the permittee becomes subject to the requirement to submit a risk management plan.

**Summary of Applicable Federal Requirements**

<b>Federal Air Quality Requirement</b>	<b>Current or Future Requirement</b>
NSPS for Coal Preparation Plants, Subpart Y (40 CFR Part 60)	Current
National Emission Standard for Asbestos (40 CFR Part 61, Subpart M)	Current
Protection of Stratospheric Ozone (40 CFR Part 82)	Current

**5. Endangered Species Act**

Pursuant to Section 7 of the Endangered Species Act, 16 U.S.C. § 1536, and its implementing regulations at 50 CFR Part 402, USEPA is required to ensure that any action authorized, funded, or carried out by USEPA is not likely to jeopardize the continued existence of any federally-listed endangered species or threatened species, or result in the destruction or adverse modification of such species' designated critical habitat. NNEPA is issuing this federal Part 71 permit pursuant to a delegation from

USEPA. This permit, however, does not authorize the construction of new emission units or emission increases from existing units, nor does it authorize any other physical modifications to the facility or its operations. Therefore, NNEPA and USEPA have concluded that the issuance of this permit will have no effect on listed species or their critical habitat.

## **6. Use of All Credible Evidence**

Determinations of deviations, continuous or intermittent compliance status, or violations of the permit are not limited to the testing or monitoring methods required by the underlying regulations or the conditions of this permit; other credible evidence (including any evidence admissible under the Federal Rules of Evidence) must be considered by the source, NNEPA, and USEPA in such determinations.

## **7. NNEPA Authority**

Authority to administer the Part 71 Permit Program was delegated to the Navajo Nation EPA by USEPA Region 9 in part on October 13, 2004, and in whole on March 21, 2006.

## **8. Public Participation**

### **a. Public Notice**

As mandated in 40 CFR 71.11(a)(5) and in the Navajo Nation Air Quality Control Program Operating Permit Regulations (“NNOPR”) Subpart IV § 403(A), all draft operating permits shall be publicly noticed and made available for public comment. The scope, content, and timing of public notice for permit actions are described in 40 CFR 71.11(d) and NNOPR Subpart IV § 403(B) – (D) .

There is a 30 -day public comment period for actions pertaining to a draft permit. Public notice will be given for this draft permit by mailing a copy of the notice to the permit applicant, USEPA Region 9, and the affected state (Arizona). A copy of the notice will also be provided to all persons who submitted a written request to be included on the mailing list to the following individual:

Charlene Nelson (Program Supervisor)  
Navajo Air Quality Control Program  
Operating Permit Program Section  
P.O. Box 529  
Fort Defiance, AZ 86504

E-mail: [charlenenelson@navajo.org](mailto:charlenenelson@navajo.org)

Public notice will be published in a daily or weekly newspaper of general circulation in the area affected by this source.

**b. Opportunity for Comment**

Members of the public may review a copy of the draft permit prepared by NNEPA, this statement of basis for the draft permit, and the application by Peabody Western Coal Company and all supporting materials, at:

Navajo Nation Air Quality Control Program  
Route 112 North, Bldg No. F004-51  
Fort Defiance, AZ 86504

Copies of the draft permit and this statement of basis can also be obtained free of charge from NNEPA's website:

[www.navajonationepa.org/opp/permits.html](http://www.navajonationepa.org/opp/permits.html)

or by contacting Charlene Nelson at the NNAQCP address listed above or by telephone at (928) 729-4247. All documents will be available for review at the NNAQCP office indicated above during regular business hours.

If you have comments on the draft permit, you must submit them during the 30-day public comment period. All significant comments received during the public comment period and all significant comments made at any public hearing will be considered in arriving at a final decision on the permit. The final permit is a public record which can be obtained by request. A statement of reasons for changes made to the draft permit and Responses to Comments received will be sent to persons who commented on the draft permit.

If you believe that any condition of the draft permit is inappropriate, you must raise all reasonably ascertainable issues and submit all arguments supporting your position by the end of the comment period. Any supporting documents must be included in full and may not be incorporated by reference, unless they are already part of the administrative record for this permit or consist of tribal, state or federal statutes or regulations, or other generally available reference materials.

**c. Opportunity to Request a Hearing**

A person may submit a written request for a public hearing to Charlene Nelson, at the address listed in Section 8(a) above, stating the nature of the issues to be raised at the public hearing. NNEPA will hold a public hearing if it finds there is a significant degree of public interest in the draft operating permit. If a public hearing is scheduled, NNEPA will provide public notice of the hearing, and any person may submit oral or written statements and data concerning the draft permit.

**d. Mailing List**

If you would like to be added to our mailing list to be informed of future actions on this or other Clean Air Act permits issued on the Navajo Nation, please send your name and address to Charlene Nelson at the address listed in Section 8(a) above.