



San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT

JUN 21 2012

Gerardo C. Rios, Chief
Permits Office
Air Division
U.S. EPA - Region IX
75 Hawthorne St
San Francisco, CA 94105

Re: **Proposed Authority to Construct / Certificate of Conformity (Minor Mod)**
District Facility # S-1547
Project # 1121804

Dear Mr. Rios:

Enclosed for your review is the District's engineering evaluation of an application for Authority to Construct for Aera Energy, located in NW Section 35, Township 12N, Range 24W in Aera's Midway Sunset Field in Kern County, which has been issued a Title V permit. Aera Energy is requesting that a Certificate of Conformity, with the procedural requirements of 40 CFR Part 70, be issued with this project. Aera proposes to designate steam generator S-1547-778 as a compliant dormant emissions unit.

Enclosed is the engineering evaluation of this application, a copy of the current Title V permit, and proposed Authority to Construct # S-1547-778-22 with Certificate of Conformity. After demonstrating compliance with the Authority to Construct, the conditions will be incorporated into the facility's Title V permit through an administrative amendment.

Please submit your written comments on this project within the 45-day comment period that begins on the date you receive this letter. If you have any questions, please contact Mr. Leonard Scandura, Permit Services Manager, at (661) 392-5500.

Thank you for your cooperation in this matter.

Sincerely,



David Warner
Director of Permit Services

Enclosures
cc: Steve Roeder, Permit Services

Northern Region
4800 Enterprise Way
Modesto, CA 95356-8718
Tel: (209) 557-6400 FAX: (209) 557-6475

Central Region (Main Office)
1990 E. Gettysburg Avenue
Fresno, CA 93726-0244
Tel: (559) 230-6000 FAX: (559) 230-6061
www.valleyair.org

Southern Region
34946 Flyover Court
Bakersfield, CA 93308-9725
Tel: (661) 392-5500 FAX: (661) 392-5585



San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT

JUN 21 2012

Robert Beebout
Aera Energy, LLC
PO Box 11164
Bakersfield, CA 93389-1164

**Re: Proposed Authority to Construct / Certificate of Conformity (Minor Mod)
District Facility # S-1547
Project # 1121804**

Dear Mr. Beebout:

Enclosed for your review is the District's engineering evaluation of an application for Authority to Construct for Aera Energy, located in NW Section 35, Township 12N, Range 24W in Aera's Midway Sunset Field in Kern County, which has been issued a Title V permit. Aera Energy is requesting that a Certificate of Conformity, with the procedural requirements of 40 CFR Part 70, be issued with this project. Aera proposes to designate Steam generator S-1547-778 as a compliant dormant emissions unit.

After addressing any EPA comments made during the 45-day comment period, the Authority to Construct will be issued to the facility with a Certificate of Conformity. Prior to operating with modifications authorized by the Authority to Construct, the facility must submit an application to modify the Title V permit as an administrative amendment, in accordance with District Rule 2520, Section 11.5.

If you have any questions, please contact Mr. Leonard Scandura, Permit Services Manager, at (661) 392-5500.

Thank you for your cooperation in this matter.

Sincerely,

David Warner
Director of Permit Services

Enclosures
cc: Steve Roeder, Permit Services

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San Joaquin Valley Air Pollution Control District Dormant Emissions Unit

Facility Name: Aera Energy, LLC Date: June 11, 2012
Mailing Address: PO Box 11164 Engineer: Steve Roeder
Bakersfield, CA 93389-1164 Lead Engineer: Rich Karrs
Contact Person: Robert Beebout
Telephone: (661) 665-3212
Application #: S-1547-778-22
Project #: S-1121804
Complete: June 5, 2012

RWK

6.14.12

I. Proposal

Aera Energy, LLC (Aera) is requesting an Authority to Construct (ATC) to designate a 62.5 MMBtu/hr steam generator as a compliant dormant emissions unit (DEU). The applicant proposes to disconnect the fuel line to ensure that the equipment does not operate while dormant.

Pursuant to District GEAR Policy, this application is administrative and not subject to District Rule 2201, *New and Modified Stationary Source Review Rule*.

Aera has a Title V Operating Permit. This modification can be classified as a Title V minor modification pursuant to Rule 2520, Section 3.20, and can be processed with a Certificate of Conformity (COC). The facility has requested that this project be processed in that manner.

Since the facility has specifically requested that this project be processed with a COC, the 45-day EPA comment period will be satisfied prior to the issuance of the ATC, and the facility must apply to administratively amend their Title V Operating Permit to include the requirements of the ATC issued with this project.

II. Applicable Rules

Rule 1070 Inspections (12/17/92)
Rule 2010 Permits Required (12/17/92)
Rule 2080 Conditional Approval (12/17/92)
Rule 2520 Federally Mandated Operating Permits (6/21/01)

III. Project Location

The project is located in NW Section 35, Township 12N, Range 24W in Aera's Midway Sunset Field in Kern County.

IV. Process Description

The steam generator generates steam for injection into oil bearing strata to make oil easier to pump, and also burns vapor recovery gas.

V. Equipment Listing

Pre-Project Equipment Description

S-1547-778-11: 62.5 MMBTU/HR NATURAL GAS/VAPOR RECOVERY GAS FIRED STEAM GENERATOR WITH A GIDEON MODEL MGW-63R1 LOW NOX BURNER, FLUE GAS RECIRCULATION AND PIPING FROM TEOR WELL VENT VAPOR RECOVERY SYSTEM S-1547-819, MOCO (#506) (SOUTH MIDWAY)

Proposed Modification

S-1547-778-22: MODIFICATION OF 62.5 MMBTU/HR NATURAL GAS/VAPOR RECOVERY GAS FIRED STEAM GENERATOR WITH A GIDEON MODEL MGW-63R1 LOW NOX BURNER, FLUE GAS RECIRCULATION AND PIPING FROM TEOR WELL VENT VAPOR RECOVERY SYSTEM S-1547-819, MOCO (#506) (SOUTH MIDWAY): DESIGNATE AS A NON-COMPLIANT DORMANT EMISSIONS UNIT

Post-Project Equipment Description

S-1547-778-22: 62.5 MMBTU/HR NATURAL GAS/VAPOR RECOVERY GAS FIRED STEAM GENERATOR WITH A GIDEON MODEL MGW-63R1 LOW NOX BURNER, FLUE GAS RECIRCULATION AND PIPING FROM TEOR WELL VENT VAPOR RECOVERY SYSTEM S-1547-819, MOCO (#506) (SOUTH MIDWAY)

VI. Emission Control Technology Evaluation

There are no proposed physical changes to the equipment or any change in permitted emissions. Therefore there is no need to evaluate the emission control technology.

VII. General Calculations

Since this project is not subject to Rule 2201, calculations are not required.

VIII. Compliance

- {1830} This Authority to Construct serves as a written certificate of conformity with the procedural requirements of 40 CFR 70.7 and 70.8 and with the compliance requirements of 40 CFR 70.6(c). [District Rule 2520] Y
- {1831} Prior to operating with modifications authorized by this Authority to Construct, the permittee shall submit an application to modify the Title V permit with an administrative amendment in accordance with District Rule 2520 Section 5.3.4. [District Rule 2520, 5.3.4] Y

While the equipment is dormant, the established source testing will not be required. Whenever the operator designates the equipment as active, the established source testing requirements will resume.

Nothing in this evaluation shall be construed to shield a unit that has operated out of compliance with any District, state or federal requirements. A unit designated as a DEU is subject to enforcement action for any and all violations.

The following conditions are listed on the permit to ensure compliance.

- While dormant, the fuel line shall be physically disconnected from the unit. [District Rule 2080]
- {4560} While dormant, normal source testing shall not be required. [District Rule 2080]
- {4562} Permittee shall submit written notification to the District upon designating the unit as dormant or active. [District Rule 2080]
- {4563} Upon recommencing operation of this unit, normal source testing shall resume. [District Rule 2080]
- {4564} Any source testing required by this permit shall be performed within 60 days of recommencing operation of this unit, regardless of whether the unit remains active or is again designated as dormant. [District Rule 2080]
- {4565} Records of all dates and times that this unit is designated as dormant or active, and copies of all corresponding notices to the District, shall be maintained, retained for a period of at least five years, and made available for District inspection upon request. [District Rule 1070]

IX. California Environmental Quality Act (CEQA)

CEQA requires each public agency to adopt objectives, criteria, and specific procedures consistent with CEQA Statutes and the CEQA Guidelines for administering its responsibilities under CEQA, including the orderly evaluation of projects and preparation of environmental documents. The San Joaquin Valley Unified Air Pollution Control District (District) adopted its *Environmental Review Guidelines* (ERG) in 2001.

The basic purposes of CEQA are to:

- Inform governmental decision-makers and the public about the potential, significant environmental effects of proposed activities.
- Identify the ways that environmental damage can be avoided or significantly reduced.
- Prevent significant, avoidable damage to the environment by requiring changes in projects through the use of alternatives or mitigation measures when the governmental agency finds the changes to be feasible.
- Disclose to the public the reasons why a governmental agency approved the project in the manner the agency chose if significant environmental effects are involved.

Consistent with CEQA and CEQA Guidelines requirements, the District has adopted procedures and guidelines for implementing CEQA. The District's ERG establishes procedures for avoiding unnecessary delay during the District's permitting process while ensuring that significant environmental impacts are thoroughly and consistently addressed. The ERG includes policies and procedures to be followed when processing permits for projects that are exempt under CEQA.

The State Legislature granted a number of exemptions from CEQA, including projects that require only ministerial approval. Based upon analysis of its own laws and consideration of CEQA provisions, the District has identified a limited number of District permitting activities considered to be ministerial approvals. As set forth in §4.2.1 of the ERG, projects permitted consistent with the District's *Guidelines for Expedited Application Review (GEARs)* are standard application reviews in which little or no discretion is used in issuing ATC documents.

For the proposed project, the District performed an Engineering Evaluation (this document) and determined that the project qualifies for processing under the procedures set forth in the District's GEARs. Thus, as discussed above, this issuance of such ATC(s) is a ministerial approval for the District and is not subject to CEQA provisions.

X. Recommendation

Issue ATC S-1547-778-22 subject to the permit conditions listed on the attached draft ATC in Appendix C.

XI. Billing Information

Billing Schedule			
Permit Number	Fee Schedule	Fee Description	Fee Amount
S-1547-778-22	3020-02-H	62.5 MMBtu/hr	\$1,030

Appendixes

- A: Current PTO
- B. Compliance Certification Form
- C: Draft ATC

Appendix A
Current PTO

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-1547-778-11

EXPIRATION DATE: 05/31/2016

SECTION: NW35 **TOWNSHIP:** 12N **RANGE:** 24W

EQUIPMENT DESCRIPTION:

62.5 MMBTU/HR NATURAL GAS/VAPOR RECOVERY GAS FIRED STEAM GENERATOR WITH A GIDEON MODEL MGW-63R1 LOW NOX BURNER, FLUE GAS RECIRCULATION AND PIPING FROM TEOR WELL VENT VAPOR RECOVERY SYSTEM S-1547-819, MOCO (#506) (SOUTH MIDWAY)

PERMIT UNIT REQUIREMENTS

1. Copies of all fuel invoices showing quantity and delivery points of gas delivered and copies of quality terms of gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
2. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
3. When complying with SOx emission limits by testing of stack emissions, testing shall be performed not less than once every 12 months using EPA Method 6; or EPA Method 6B; or EPA Method 8; or ARB Methods 8 or 100; or, for units using gaseous fuel scrubbed for sulfur pre-combustion, a grab sample analysis by double GC for H2S and mercaptans performed in the laboratory and EPA Method 19 to calculate emissions. Gaseous fuel fired units demonstrating compliance on two consecutive annual source tests shall be tested not less than once every thirty-six months; however, annual source testing shall resume if any test fails to show compliance. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
4. If the unit is fired on noncertified gaseous fuel and compliance with SOx emission limits is achieved through fuel sulfur content limitations, the following test methods (or other approved methods listed in this permit) shall be used; H2S: ASTM D6228 or grab sample analysis by double GC for H2S and mercaptans performed in the laboratory; total sulfur: ASTM 1072, D3246, D4084 or D6228. [District Rules 4305, 6.2 and 4306, 6.2] Federally Enforceable Through Title V Permit
5. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rules 4305, 6.2 and 4306, 6.2] Federally Enforceable Through Title V Permit
6. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following requirements of SJVUAPCD Rules 4201 (Amended December 17, 1992), 4301 (Amended December 17, 1992), 4406 (Amended December 17, 1992, and Rule 4801 (Amended December 17, 1992). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
7. Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of 40 CFR 60, Subpart Dc (except 60.44c(g) and (h) and 60.48c). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

These terms and conditions are part of the Facility-wide Permit to Operate.

8. Steam generator shall be equipped with operational fuel gas and vapor recovery gas volumetric flow meters . [District Rule 2201] Federally Enforceable Through Title V Permit
9. Only natural gas or a combination of natural gas and TEOR well vent vapors from well vent vapor control system S-1547-819 shall be used as fuel in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
10. Maximum heat input to steam generator shall not exceed 1,440 MMBTU/day. [District Rule 2201] Federally Enforceable Through Title V Permit
11. Sulfur compound emissions (as SO₂) and PM₁₀ emissions from the combustion of well vent vapors from S-1547-819 in this steam generator and all other devices authorized to combust such vapors shall not exceed the limits established on S-1547-819. [District Rules 2201, 4201, 3.1 and 4301, 5.1, 5.2.1 and 5.2.3] Federally Enforceable Through Title V Permit
12. Permittee shall maintain daily records of quantity and higher heating value of natural gas and vapor recovery gas burned in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
13. Emission rates, except during startup, shutdown, and refractory curing from the combustion of natural gas, shall not exceed any of the following: PM₁₀: 0.005 lb/MMBTU or SO_x (as SO₂): 0.002 lb/MMBtu. [District Rule 2201] Federally Enforceable Through Title V Permit
14. Emission rates, except during startup, shutdown, and refractory curing shall not exceed any of the following: VOC: 0.003 lb/MMBtu, NO_x (as NO₂): 0.0146 lb/MMBtu or 12 ppmv @ 3% O₂, or CO: 0.030 lb/MMBtu or 40 ppmv @ 3% O₂. [District Rules 2201; 4305, 5.1 and 4306, 5.1] Federally Enforceable Through Title V Permit
15. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO₂; sulfur - 200 pounds of SO₂ per hour, or 2000 ppmv as SO₂, or 0.11 pounds sulfur (as S) per MMBtu on average-wide basis for all units in Rule 4406 plan; NO₂ - 140 pounds per hour or 0.14 pounds per MMBtu. [District Rules 4301, 5.2; 4405, 5.2; 4406, 4.2 and 4801, 3.1] Federally Enforceable Through Title V Permit
16. Emission rates shall not exceed any of the following: VOC: 4.3 lb/day, NO_x (as NO₂): 49.0 lb/day or 7994 lb/year, or CO: 43.2 lb/day [District Rule 2201] Federally Enforceable Through Title V Permit
17. Duration of startup and shutdown (as defined in Rule 4306) shall not exceed 2 hours each per occurrence. Refractory curing period is defined as a maintenance-based reduced-load period of time during which a unit is brought from a shutdown status to staged rates of firing for the sole purpose of curing new refractory lining of the unit, and shall not exceed 30 hours per occurrence. The operator shall maintain records of the duration of start-up, shutdown, and refractory curing periods. [District Rules 4305, 5.5 and 4306, 5.3] Federally Enforceable Through Title V Permit
18. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 5.4 and 4306, 5.4] Federally Enforceable Through Title V Permit
19. If either the NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of performing the notification and testing required by this condition. [District Rules 4305, 5.4 and 4306, 5.4] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE
These terms and conditions are part of the Facility-wide Permit to Operate.

20. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 5.5 and 4306, 5.5] Federally Enforceable Through Title V Permit
21. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 5.4 and 4306, 5.4] Federally Enforceable Through Title V Permit
22. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. No determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4306. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 5.5 and 4306, 5.5] Federally Enforceable Through Title V Permit
23. Whenever the unit is switched to operate with the flue gas recirculation (FGR) system in the closed position, compliance source testing for NO_x and CO shall be conducted within 60 days of cessation of FGR operation date unless source testing with FGR system in the closed position has occurred within the previous 12 months. [District Rule 1070] Federally Enforceable Through Title V Permit
24. Source testing to measure natural gas-combustion NO_x and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 6.3 and 4306, 6.3] Federally Enforceable Through Title V Permit
25. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 5.5 and 4306, 5.5] Federally Enforceable Through Title V Permit
26. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
27. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, NO_x (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SO_x (lb/MMBtu) - ARB Method 8 or 100 or EPA Method 6, 6B or 8 or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - ASTM D1072, D4468, D3246, D4084 or double GC for H₂S and mercaptans performed in laboratory, fuel gas hhv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rule 1081, 6.1; 4305, 6.2 and 4306, 6.2] Federally Enforceable Through Title V Permit
28. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 5.5 and 4306, 5.5] Federally Enforceable Through Title V Permit
29. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4.0; 4305, 6.1 and 4306, 6.1] Federally Enforceable Through Title V Permit
30. Formerly S-1511-135

These terms and conditions are part of the Facility-wide Permit to Operate.

Appendix B
Compliance Certification Form

**San Joaquin Valley
Unified Air Pollution Control District**

TITLE V COMPLIANCE CERTIFICATION FORM

I. TYPE OF PERMIT ACTION (Check appropriate box)

SIGNIFICANT PERMIT MODIFICATION ADMINISTRATIVE
 MINOR PERMIT MODIFICATION AMENDMENT

COMPANY NAME: Aera Energy LLC	FACILITY ID: S-1547
1. Type of Organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Sole Ownership <input type="checkbox"/> Government <input type="checkbox"/> Partnership <input type="checkbox"/> Utility	
2. Owner's Name: Aera Energy LLC	
3. Agent to the Owner: N/A	

II. COMPLIANCE CERTIFICATION (Read each statement carefully and initial all circles for confirmation):

- Based on information and belief formed after reasonable inquiry, the equipment identified in this application will continue to comply with the applicable federal requirement(s).
- Based on information and belief formed after reasonable inquiry, the equipment identified in this application will comply with applicable federal requirement(s) that will become effective during the permit term, on a timely basis.
- Corrected information will be provided to the District when I become aware that incorrect or incomplete information has been submitted.
- Based on information and belief formed after reasonable inquiry, information and statements in the submitted application package, including all accompanying reports, and required certifications are true accurate and complete.

I declare, under penalty of perjury under the laws of the state of California, that the forgoing is correct and true:



Signature of Responsible Official

5-29-12

Date

E.E. (Ed) Patterson

Name of Responsible Official (please print)

Process Supervisor

Title of Responsible Official (please print)

Appendix C
Draft ATC

San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1547-778-22

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

SECTION: NW35 **TOWNSHIP:** 12N **RANGE:** 24W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL GAS/VAPOR RECOVERY GAS FIRED STEAM GENERATOR WITH A GIDEON MODEL MGW-63R1 LOW NOX BURNER, FLUE GAS RECIRCULATION AND PIPING FROM TEOR WELL VENT VAPOR RECOVERY SYSTEM S-1547-819, MOCO (#506) (SOUTH MIDWAY): DESIGNATE AS A COMPLIANT DORMANT EMISSIONS UNIT

CONDITIONS

1. {1830} This Authority to Construct serves as a written certificate of conformity with the procedural requirements of 40 CFR 70.7 and 70.8 and with the compliance requirements of 40 CFR 70.6(c). [District Rule 2201] Federally Enforceable Through Title V Permit
2. {1831} Prior to operating with modifications authorized by this Authority to Construct, the facility shall submit an application to modify the Title V permit with an administrative amendment in accordance with District Rule 2520 Section 5.3.4. [District Rule 2520, 5.3.4] Federally Enforceable Through Title V Permit
3. While dormant, the fuel line shall be physically disconnected from the unit. [District Rule 2080] Federally Enforceable Through Title V Permit
4. While dormant, normal source testing shall not be required. [District Rule 2080] Federally Enforceable Through Title V Permit
5. Permittee shall submit written notification to the District upon designating the unit as dormant or active. [District Rule 2080] Federally Enforceable Through Title V Permit
6. Upon recommencing operation of this unit, normal source testing shall resume. [District Rule 2080] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (661) 392-5500 WHEN CONSTRUCTION IS COMPLETED AND PRIOR TO OPERATING THE EQUIPMENT OR MODIFICATIONS AUTHORIZED BY THIS AUTHORITY TO CONSTRUCT. This is NOT a PERMIT TO OPERATE. Approval or denial of a PERMIT TO OPERATE will be made after an inspection to verify that the equipment has been constructed in accordance with the approved plans, specifications and conditions of this Authority to Construct, and to determine if the equipment can be operated in compliance with all Rules and Regulations of the San Joaquin Valley Unified Air Pollution Control District. Unless construction has commenced pursuant to Rule 2050, this Authority to Construct shall expire and application shall be cancelled two years from the date of issuance. The applicant is responsible for complying with all laws, ordinances and regulations of all other governmental agencies which may pertain to the above equipment.

Seyed Sadredin, Executive Director APCO

DRAFT

DAVID WARNER, Director of Permit Services

S-1547-778-22 : Jun 20 2012 3:55PM - ROEDERS : Joint Inspection NOT Required

7. Any source testing required by this permit shall be performed within 60 days of recommencing operation of this unit, regardless of whether the unit remains active or is again designated as dormant. [District Rule 2080] Federally Enforceable Through Title V Permit
8. Records of all dates and times that this unit is designated as dormant or active, and copies of all corresponding notices to the District, shall be maintained, retained for a period of at least five years, and made available for District inspection upon request. [District Rule 1070] Federally Enforceable Through Title V Permit
9. Copies of all fuel invoices showing quantity and delivery points of gas delivered and copies of quality terms of gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
10. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
11. When complying with SOx emission limits by testing of stack emissions, testing shall be performed not less than once every 12 months using EPA Method 6; or EPA Method 6B; or EPA Method 8; or ARB Methods 8 or 100; or, for units using gaseous fuel scrubbed for sulfur pre-combustion, a grab sample analysis by double GC for H₂S and mercaptans performed in the laboratory and EPA Method 19 to calculate emissions. Gaseous fuel fired units demonstrating compliance on two consecutive annual source tests shall be tested not less than once every thirty-six months; however, annual source testing shall resume if any test fails to show compliance. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
12. If the unit is fired on noncertified gaseous fuel and compliance with SOx emission limits is achieved through fuel sulfur content limitations, the following test methods (or other approved methods listed in this permit) shall be used; H₂S: ASTM D6228 or grab sample analysis by double GC for H₂S and mercaptans performed in the laboratory; total sulfur: ASTM 1072, D3246, D4084 or D6228. [District Rules 4305, 6.2 and 4306, 6.2] Federally Enforceable Through Title V Permit
13. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rules 4305, 6.2 and 4306, 6.2] Federally Enforceable Through Title V Permit
14. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following requirements of SJVUAPCD Rules 4201 (Amended December 17, 1992), 4301 (Amended December 17, 1992), 4406 (Amended December 17, 1992, and Rule 4801 (Amended December 17, 1992). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
15. {565} Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of 40 CFR 60, Subpart Dc (except 60.44c(g) and (h) and 60.48c). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
16. Steam generator shall be equipped with operational fuel gas and vapor recovery gas volumetric flow meters. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Only natural gas or a combination of natural gas and TEOR well vent vapors from well vent vapor control system S-1547-819 shall be used as fuel in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
18. Maximum heat input to steam generator shall not exceed 1,440 MMBTU/day. [District Rule 2201] Federally Enforceable Through Title V Permit
19. Sulfur compound emissions (as SO₂) and PM₁₀ emissions from the combustion of well vent vapors from S-1547-819 in this steam generator and all other devices authorized to combust such vapors shall not exceed the limits established on S-1547-819. [District Rules 2201, 4201, 3.1 and 4301, 5.1, 5.2.1 and 5.2.3] Federally Enforceable Through Title V Permit

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20. Permittee shall maintain daily records of quantity and higher heating value of natural gas and vapor recovery gas burned in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
21. Emission rates, except during startup, shutdown, and refractory curing from the combustion of natural gas, shall not exceed any of the following: PM10: 0.005 lb/MMBTU or SO_x (as SO₂): 0.002 lb/MMBTU. [District Rule 2201] Federally Enforceable Through Title V Permit
22. Emission rates, except during startup, shutdown, and refractory curing shall not exceed any of the following: VOC: 0.003 lb/MMBTU, NO_x (as NO₂): 0.0146 lb/MMBTU or 12 ppmv @ 3% O₂, or CO: 0.030 lb/MMBTU or 40 ppmv @ 3% O₂. [District Rules 2201; 4305, 5.1 and 4306, 5.1] Federally Enforceable Through Title V Permit
23. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO₂; sulfur - 200 pounds of SO₂ per hour, or 2000 ppmv as SO₂, or 0.11 pounds sulfur (as S) per MMBTU on average-wide basis for all units in Rule 4406 plan; NO₂ - 140 pounds per hour or 0.14 pounds per MMBTU. [District Rules 4301, 5.2; 4405, 5.2; 4406, 4.2 and 4801, 3.1] Federally Enforceable Through Title V Permit
24. Emission rates shall not exceed any of the following: VOC: 4.3 lb/day, NO_x (as NO₂): 49.0 lb/day or 7994 lb/year, or CO: 43.2 lb/day [District Rule 2201] Federally Enforceable Through Title V Permit
25. Duration of startup and shutdown (as defined in Rule 4306) shall not exceed 2 hours each per occurrence. Refractory curing period is defined as a maintenance-based reduced-load period of time during which a unit is brought from a shutdown status to staged rates of firing for the sole purpose of curing new refractory lining of the unit, and shall not exceed 30 hours per occurrence. The operator shall maintain records of the duration of start-up, shutdown, and refractory curing periods. [District Rules 4305, 5.5 and 4306, 5.3] Federally Enforceable Through Title V Permit
26. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 5.4 and 4306, 5.4] Federally Enforceable Through Title V Permit
27. If either the NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of performing the notification and testing required by this condition. [District Rules 4305, 5.4 and 4306, 5.4] Federally Enforceable Through Title V Permit
28. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 5.5 and 4306, 5.5] Federally Enforceable Through Title V Permit
29. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 5.4 and 4306, 5.4] Federally Enforceable Through Title V Permit

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30. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. No determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4306. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 5.5 and 4306, 5.5] Federally Enforceable Through Title V Permit
31. Whenever the unit is switched to operate with the flue gas recirculation (FGR) system in the closed position, compliance source testing for NO_x and CO shall be conducted within 60 days of cessation of FGR operation date unless source testing with FGR system in the closed position has occurred within the previous 12 months. [District Rule 1070] Federally Enforceable Through Title V Permit
32. Source testing to measure natural gas-combustion NO_x and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 6.3 and 4306, 6.3] Federally Enforceable Through Title V Permit
33. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 5.5 and 4306, 5.5] Federally Enforceable Through Title V Permit
34. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
35. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, NO_x (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SO_x (lb/MMBtu) - ARB Method 8 or 100 or EPA Method 6, 6B or 8 or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - ASTM D1072, D4468, D3246, D4084 or double GC for H₂S and mercaptans performed in laboratory, fuel gas hhv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rule 1081, 6.1; 4305, 6.2 and 4306, 6.2] Federally Enforceable Through Title V Permit
36. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 5.5 and 4306, 5.5] Federally Enforceable Through Title V Permit
37. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4.0; 4305, 6.1 and 4306, 6.1] Federally Enforceable Through Title V Permit
38. Formerly S-1511-135

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