San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT

HEALTHY AIR LIVING™

JUL 29 2015

Mr. Steve Fisher
All American Oil & Gas Inc
PO Box 10207
Bakersfield, CA 93389

Re: Proposed Authority to Construct/Certificate of Conformity (Minor Mod)
District Facility # S-7858
Project # 1153232

Dear Mr. Fisher:

Enclosed for your review is the District's analysis of an application for Authorities to Construct for the facility identified above. You requested that Certificates of Conformity with the procedural requirements of 40 CFR Part 70 be issued with this project. The project authorizes connection of an existing feed water tank to vapor control system S-7858-5.

After addressing all comments made during the 45-day EPA comment period, the District intends to issue the Authorities to Construct with Certificates of Conformity. Prior to operating with modifications authorized by the Authorities 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,

Arnaud Marjollet
Director of Permit Services

Enclosures

cc: Gerardo C. Rios, EPA (w/enclosure) via email

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San Joaquin Valley Air Pollution Control District
Authority to Construct Application Review
3,000 bbl feed water tank connected to existing vapor control system

Facility Name:	All American Oil & Gas Inc	Date:	July 23, 2015
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Application #(s):	S-7858-5-4 and '-23-0		
Project #:	1153232		
Deemed Complete:	July 17, 2015		

I. Proposal

All American Oil & Gas Inc (AAO&G) has requested Authority to Construct (ATC) permits for the connection of an existing permit exempt feed water tank (ATC S-7858-23-0) to an existing vapor control system (S-7858-5). The feed water tank is currently permit exempt. Vapor control will provide corrosion protection.

Applicant has also requested that the S-7858-5 permit be revised to list the tanks sharing the vapor control system i.e. tanks '-4, '-6, '-7, '-8, '-9, '-10, '-11, '-12, '-13, and '-23.

Note that the gas processed by S-7858-5, including vapors from the existing tank are expected to contain less than 10% VOCs by weight and therefore according to District policy SSP 2015 fugitive emissions are not assessed. The proposed ATCs S-7858-5-4 and '-23-0 include conditions requiring periodic monitoring and record keeping verifying the gas VOC content is 10% or less by weight.

Disposition of Outstanding ATCs
Current PTO S-7858-5-3 is included in **Attachment I**.

AAO&G received their Title V Permit on October 31, 2014. This modification can be classified as a Title V minor modification pursuant to Rule 2520, and can be processed with a Certificate of Conformity (COC). Since the facility has specifically requested that this project be processed in that manner, the 45-day EPA comment period will be satisfied prior to the issuance of the Authority to Construct. AAO&G must apply to administratively amend their Title V permit.

II. Applicable Rules

Rule 2201	New and Modified Stationary Source Review Rule (4/21/11)
Rule 2410	Prevention of Significant Deterioration (6/16/11)
Rule 2520	Federally Mandated Operating Permits (6/21/01)
Rule 4001	New Source Performance Standards (4/14/99)
Rule 4101	Visible Emissions (2/17/05)
Rule 4102	Nuisance (12/17/92)
Rule 4623	Storage of Organic Liquids (5/19/05)
CH&SC 41700	Health Risk Assessment
CH&SC 42301.6	School Notice

Public Resources Code 21000-21177: California Environmental Quality Act (CEQA)
California Code of Regulations, Title 14, Division 6, Chapter 3, Sections 15000-15387: CEQA Guidelines

III. Project Location

The tanks are located within AAO&G's heavy oil central stationary source at NE Section 6, T29S, R28E (Nukern Lease). The equipment is not located within 1,000 feet of the outer boundary of a K-12 school. Therefore, the public notification requirement of California Health and Safety Code 42301.6 is not applicable to this project.

A project location map is included in **Attachment II**.

IV. Process Description

Steam generators or cogeneration plants are used to provide high quality steam for injection into heavy crude oil production zones. The heat added by the steam reduces the viscosity of the crude oil making it easier to produce.

Crude oil production tank batteries receive produced fluids from enhanced oil recovery operations. These facilities separate the produced water from the crude oil prior to shipment. Produced water is piped to a permitted disposal well or produced water tank and the dehydrated oil is pumped into a sales line for delivery to a refining operation. A slop oil tank is used to collect sand dumps from the FWKO vessel and the discharge of the sample drains from the storage tanks.

Produced vapors may be collected and used as fuel for combustion equipment, combusted in a waste gas flare, or injected into a permitted disposal well. Non-condensable vapors with a high H_2S content must be treated in a sulfur removal system prior to reaching the combustion source or they must be injected into a permitted disposal well.

Proposed Modifications

An existing 3000 bbl fixed-roof feed water tank (ATC S-7858-23-0) will be connected to existing vapor control system S-7858-5 for corrosion purposes.

V. Equipment Listing

Pre-Project Equipment Description:

PTO S-7858-5-3: 1,500 BBL FIXED ROOF WASH TANK (T-100) SERVED BY A VAPOR RECOVERY SYSTEM INCLUDING ONE COMPRESSOR SKID AND ONE ADDITIONAL COMPRESSOR SKID SHARED WITH THE VAPOR CONTROL SYSTEM LISTED ON TEOR PERMIT S-7858-3 (NUKERN LEASE)

Proposed Modification:

ATC S-7858-5-4: MODIFICATION OF 1,500 BBL FIXED ROOF WASH TANK (T-100) SERVED BY A VAPOR RECOVERY SYSTEM INCLUDING ONE COMPRESSOR SKID AND ONE ADDITIONAL COMPRESSOR SKID SHARED WITH THE VAPOR CONTROL SYSTEM LISTED ON TEOR PERMIT S-7858-3 (NUKERN LEASE): CONNECT TANK S-7858-23 TO VAPOR CONTROL SYSTEM AND SPECIFY THAT TANKS '-4, '-6, '-7, '-8, '-9, '-10, '-11, '-12, '-13, AND '-23 SHARE THE VAPOR CONTROL SYSTEM

Post Project Equipment Description:

PTO S-7858-5-4: 1,500 BBL FIXED ROOF WASH TANK (T-100) SERVED BY A VAPOR RECOVERY SYSTEM INCLUDING ONE COMPRESSOR SKID AND ONE ADDITIONAL COMPRESSOR SKID SHARED WITH VAPOR CONTROL SYSTEM SERVING TANKS '-4, '-6, '-7, '-8, '-9, '-10, '-11, '-12, '-13, AND '-23 AND LISTED ON TEOR PERMIT S-7858-3 (NUKERN LEASE)

PTO S-7858-23-0: 3,000 BBL FIXED ROOF FEEDWATER TANK SERVED BY VAPOR CONTROL SYSTEM LISTED ON S-7858-5

VI. Emission Control Technology Evaluation

The authorized tank '-23 and existing vapor control system '-5 are required to be leak free by permit condition with an expected vapor control efficiency of 99%.

VII. General Calculations

A. Assumptions

- Facility operates 24 hr/day, 365 days/yr.
- All new components in this project handle only vapors with less than 10% by weight VOCs (gas analysis in **Attachment III**) which, according to District Policy SSP-2015, are not included in emissions calculations.
- According to District FYI -111 Category 11, connection of tank S-7858-23 to the '-5 vapor control system is not a NSR modification (of '-5). Therefore the change to '-5 is not subject to Rule 2201 (NSR analysis) and calculations are not required.

B. Emission Factors

The VOC content of the vapor control gas is less than 10% by weight, and therefore, pursuant to District Policy SSP-2015, the VOC emissions factor for S-7858-5 and '-23 is zero.

C. Calculations

1. Pre-Project Potential to Emit (PE1)

Since this is a new emissions unit, PE1 = 0 for all pollutants.

2. Post Project Potential to Emit (PE2)

The potential to emit for this unit is summarized in the following table:

Post Project Potential to Emit (PE2)		
Permit Unit	Daily VOC Emissions (lb/day)	Annual VOC Emissions (lb/year)
'-5	0.0	0
'-23	0.0	0

Emissions profiles are included in **Attachment IV**.

3. Pre-Project Stationary Source Potential to Emit (SSPE1)

Pursuant to Section 4.9 of District Rule 2201, the Pre-Project Stationary Source Potential to Emit (SSPE1) is the Potential to Emit (PE) from all units with valid Authorities to Construct (ATC) or Permits to Operate (PTO) at the Stationary Source and the quantity of emission reduction credits (ERC) which have been banked since September 19, 1991 for Actual Emissions Reductions that have occurred at the source, and which have not been used on-site. No ERCs have been banked from this source.

Applicant has provided a calculation of SSPE1 (see **Attachment V**) which is summarized below:

Pre-Project Stationary Source Potential to Emit [SSPE1] (lb/year)					
	NO_X	SO_X	PM_{10}	CO	VOC
Pre-Project SSPE (SSPE1)	87,138	11,291	61,496	303,055	63,509

4. Post Project Stationary Source Potential to Emit (SSPE2)

Pursuant to Section 4.10 of District Rule 2201, the Post Project Stationary Source Potential to Emit (SSPE2) is the Potential to Emit (PE) from all units with valid Authorities to Construct (ATC) or Permits to Operate (PTO) at the Stationary Source and the quantity of emission reduction credits (ERC) which have been banked since

September 19, 1991 for Actual Emissions Reductions that have occurred at the source, and which have not been used on-site.

There is no change to the PE of any unit at the facility. Therefore the SSPE2 = SSPE1.

Post Project Stationary Source Potential to Emit [SSPE2] (lb/year)					
	NO_X	SO_X	PM_{10}	CO	VOC
Post Project SSPE (SSPE2)	87,138	11,291	61,496	303,055	63,509

5. Major Source Determination

Rule 2201 Major Source Determination:

Pursuant to District Rule 2201, a Major Source is a stationary source with a SSPE2 equal to or exceeding one or more of the following threshold values. For the purposes of determining major source status the following shall not be included:

- any ERCs associated with the stationary source
- Emissions from non-road IC engines (i.e. IC engines at a particular site at the facility for less than 12 months)
- Fugitive emissions, except for the specific source categories specified in 40 CFR 51.165

Rule 2201 Major Source Determination (lb/year)					
	NO_X	SO_X	PM_{10}	CO	VOC
Facility emissions pre-project	87,138	11,291	61,496	303,055	63,509
Facility emissions – post project	87,138	11,291	61,496	303,055	63,509
Major Source Threshold	20,000	140,000	140,000	200,000	20,000
Major Source?	Yes	No	No	Yes	Yes

As seen in the table above, the facility is an existing Major Source for NO_X, CO, and VOC only and will remain a major source for only these pollutants as a result of this project.

Rule 2410 Major Source Determination:

The facility or the equipment evaluated under this project is not listed as one of the categories specified in 40 CFR 52.21 (b)(1)(i). Therefore the following PSD Major Source thresholds are applicable.

The facility or the equipment evaluated under this project is not listed as one of the categories specified in 40 CFR 52.21 (b)(1)(iii). Therefore the PSD Major Source threshold is 250 tpy for any regulated NSR pollutant.

PSD Major Source Determination (tons/year)						
	NO2	VOC	SO2	CO	PM*	PM10
Estimated Facility PE before Project Increase	43.6	31.8	5.6	151.5	30.7	30.7
PSD Major Source Thresholds	250	250	250	250	250	250
PSD Major Source ? (Y/N)	N	N	N	N	N	N

As shown in the preceding table, the facility is not an existing major source for PSD for at least one pollutant. Therefore the facility is not an existing major source for PSD.

6. Baseline Emissions (BE)

The BE calculation (in lbs/year) is performed pollutant-by-pollutant for each unit within the project, to calculate the QNEC and if applicable, to determine the amount of offsets required.

Pursuant to Section 3.7 of District Rule 2201, BE = Pre-project Potential to Emit for:

- Any unit located at a non-Major Source,
- Any Highly-Utilized Emissions Unit, located at a Major Source,
- Any Fully-Offset Emissions Unit, located at a Major Source, or
- Any Clean Emissions Unit, located at a Major Source.

otherwise,

BE = Historic Actual Emissions (HAE), calculated pursuant to District Rule 2201.

Since the proposed tank is a new emissions unit, BE = PE1 = 0 for all pollutants.

7. SB 288 Major Modification

SB 288 Major Modification is defined in 40 CFR Part 51.165 as "any physical change in or change in the method of operation of a major stationary source that would result in a significant net emissions increase of any pollutant subject to regulation under the Act."

Since this source is not included in the 28 specific source categories specified in 40 CFR 51.165, the increase in fugitive emissions are not included in the SB 288 Major Modification calculation. Therefore, this project does not constitute an SB 288 Major Modification.

8. Federal Major Modification

District Rule 2201 states that a Federal Major Modification is the same as a "Major Modification" as defined in 40 CFR 51.165 and part D of Title I of the CAA.

Since this source is not included in the 28 specific source categories specified in 40 CFR 51.165, the increase in fugitive emissions are not included in the SB 288 Major

Modification calculation. Therefore, this project does not constitute a Federal Major Modification.

9. Rule 2410 – Prevention of Significant Deterioration (PSD) Applicability Determination

Rule 2410 applies to any pollutant regulated under the Clean Air Act, except those for which the District has been classified nonattainment. The pollutants which must be addressed in the PSD applicability determination for sources located in the SJV and which are emitted in this project are: (See 52.21 (b) (23) definition of significant)

I. Project Emissions Increase - New Major Source Determination

The post-project potentials to emit from all new and modified units are compared to the PSD major source thresholds to determine if the project constitutes a new major source subject to PSD requirements.

The facility or the equipment evaluated under this project is not listed as one of the categories specified in 40 CFR 52.21 (b)(1)(i). The PSD Major Source threshold is 250 tpy for any regulated NSR pollutant.

PSD Major Source Determination: Potential to Emit (tons/year)						
	NO2	VOC	SO2	CO	PM	PM10
Total PE from New and Modified Units	0	0	0	0	0	0
PSD Major Source threshold	250	250	250	250	250	250
New PSD Major Source?	N	N	N	N	N	N

10. Quarterly Net Emissions Change (QNEC)

The QNEC is calculated solely to establish emissions that are used to complete the District's PAS emissions profile screen. VOC emissions from the new tank '-23 are zero and therefore QNEC = 0.

VIII. Compliance

Rule 2201 New and Modified Stationary Source Review Rule

A. Best Available Control Technology (BACT)

1. BACT Applicability

BACT requirements are triggered on a pollutant-by-pollutant basis and on an emissions unit-by-emissions unit basis. Unless specifically exempted by Rule 2201, BACT shall be required for the following actions*:

a. Any new emissions unit with a potential to emit exceeding two pounds per day,
b. The relocation from one Stationary Source to another of an existing emissions unit with a potential to emit exceeding two pounds per day,
c. Modifications to an existing emissions unit with a valid Permit to Operate resulting in an AIPE exceeding two pounds per day, and/or
d. Any new or modified emissions unit, in a stationary source project, which results in an SB 288 Major Modification or a Federal Major Modification, as defined by the rule.

*Except for CO emissions from a new or modified emissions unit at a Stationary Source with an SSPE2 of less than 200,000 pounds per year of CO.

a. New emissions units – PE > 2 lb/day

As seen in Section VII.C.2 of this evaluation, the applicant is proposing to authorize a feed water tank with a PE less than 2 lb/day for VOCs. Therefore BACT for new units with PE > 2 lb/day purposes is not triggered.

b. Relocation of emissions units – PE > 2 lb/day

As discussed in Section I above, there are no emissions units being relocated from one stationary source to another; therefore BACT is not triggered.

c. Modification of emissions units – AIPE > 2 lb/day

As discussed in Section I above, there are no units being modified associated with this project. Therefore BACT is not triggered.

d. SB 288/Federal Major Modification

As discussed in Section VII.C.7 above, this project does not constitute an SB 288 and/or Federal Major Modification for any pollutant. Therefore BACT is not triggered for any pollutant.

B. Offsets

1. Offset Applicability

Pursuant to Section 4.5.3, offset requirements shall be triggered on a pollutant by pollutant basis and shall be required if the Post Project Stationary Source Potential to Emit (SSPE2) equals to or exceeds the offset threshold levels in Table 4-1 of Rule 2201.

The following table compares the post-project facility-wide annual emissions in order to determine if offsets will be required for this project.

Offset Determination (lb/year)					
	NO_X	SO_X	PM_{10}	CO	VOC
Post Project SSPE (SSPE2)	87,138	11,291	61,496	303,055	63,509
Offset Threshold	20,000	54,750	29,200	200,000	20,000
Offset calculations required?	Yes	No	Yes	Yes	Yes

2. Quantity of Offsets Required

As seen above, the SSPE2 is greater than the offset thresholds for NO_X, PM_{10}, CO, and VOC; therefore offset calculations will be required. However PE2 emissions for these air contaminants are zero. Therefore, offsets are not required.

C. Public Notification

1. Applicability

Public noticing is required for:
a. New Major Sources, Federal Major Modifications, and SB 288 Major Modifications,
b. Any new emissions unit with a Potential to Emit greater than 100 pounds during any one day for any one pollutant,
c. Any project which results in the offset thresholds being surpassed, and/or
d. Any project with an SSIPE of greater than 20,000 lb/year for any pollutant.

a. New Major Sources, Federal Major Modifications, and SB 288 Major Modifications

New Major Sources are new facilities, which are also Major Sources. Since this is not a new facility, public noticing is not required for this project for New Major Source purposes.

As demonstrated in VII.C.7, this project does not constitute an SB 288 or Federal Major Modification; therefore, public noticing for SB 288 or Federal Major Modification purposes is not required.

b. PE > 100 lb/day

The PE2 for this new unit is compared to the daily PE Public Notice thresholds in the following table:

PE > 100 lb/day Public Notice Thresholds			
Pollutant	PE2 (lb/day)	Public Notice Threshold	Public Notice Triggered?
NO_X	0.0	100 lb/day	No
SO_X	0.0	100 lb/day	No
PM_{10}	0.0	100 lb/day	No
CO	0.0	100 lb/day	No
VOC	0.0	100 lb/day	No

Therefore, public noticing for PE > 100 lb/day purposes is not required.

c. Offset Threshold

The SSPE1 and SSPE2 are compared to the offset thresholds in the following table.

Offset Thresholds				
Pollutant	SSPE1 (lb/year)	SSPE2 (lb/year)	Offset Threshold	Public Notice Required?
NO_X	87,138	87,138	20,000 lb/year	No
SO_X	11,291	11,291	54,750 lb/year	No
PM_{10}	61,496	61,496	29,200 lb/year	No
CO	303,055	303,055	200,000 lb/year	No
VOC	63,509	63,509	20,000 lb/year	No

As detailed above, there were no thresholds surpassed with this project; therefore public noticing is not required for offset purposes.

d. SSIPE > 20,000 lb/year

Public notification is required for any permitting action that results in a SSIPE of more than 20,000 lb/year of any affected pollutant. According to District policy, the SSIPE = SSPE2 – SSPE1. The SSIPE is compared to the SSIPE Public Notice thresholds in the following table.

SSIPE Public Notice Thresholds					
Pollutant	SSPE2 (lb/year)	SSPE1 (lb/year)	SSIPE (lb/year)	SSIPE Public Notice Threshold	Public Notice Required?
NO_x	87,138	87,138	0	20,000 lb/year	No
SO_x	11,291	11,291	0	20,000 lb/year	No
PM_{10}	61,496	61,496	0	20,000 lb/year	No
CO	303,055	303,055	0	20,000 lb/year	No
VOC	63,509	63,509	0	20,000 lb/year	No

As demonstrated in the preceding table, the SSIPEs for all pollutants were less than 20,000 lb/year; therefore public noticing for SSIPE purposes is not required.

2. Public Notice Action

As discussed above, public noticing is not required for this project.

D. Daily Emission Limits (DELs)

DELs and other enforceable conditions are required by Rule 2201 to restrict a unit's maximum daily emissions, to a level at or below the emissions associated with the maximum design capacity. The DEL must be contained in the latest ATC and contained in or enforced by the latest PTO and enforceable, in a practicable manner, on a daily basis. DELs are also required to enforce the applicability of BACT.

Proposed Rule 2201 (DEL) Conditions:

Maximum VOC content of vapor in the tank vapor control system shall not exceed 10% by weight. [District Rule 2201]

E. Compliance Assurance

1. Source Testing

No source testing is required for Rule 2201.

2. Monitoring

Applicant will be required to test the VOC content of vapor recovery gas on a quarterly basis as stated in the following condition:

Operator shall conduct quarterly gas sampling for gas exiting the separator pressure vessel to qualify for exemption from fugitive component counts for components handling fluids with VOC content equal to or less than 10% by weight. If gas samples are equal to or less than 10% VOC by weight for 8 consecutive quarterly samplings, sampling frequency shall only be required annually. [District Rule 2201] Y

3. Recordkeeping

Recordkeeping is required to demonstrate compliance with the offset, public notification and daily emission limit requirements of Rule 2201. The following condition(s) are listed on the permit to operate:

All records required to be maintained by this permit shall be maintained for a period of at least five years and shall be made readily available for District inspection upon request. [District Rule 1070] Y

4. Reporting

No reporting is required to demonstrate compliance with Rule 2201.

Rule 2520 Federally Mandated Operating Permits

This facility is subject to this Rule, and has received their Title V Operating Permit. The proposed modification is a Minor Modification to the Title V Permit.

In accordance with Rule 2520, these modifications:

1. Do not violate requirements of any applicable federally enforceable local or federal requirement;
2. Do not relax monitoring, reporting, or recordkeeping requirements in the permit and are not significant changes in existing monitoring permit terms or conditions;
3. Do not require or change a case-by-case determination of an emission limitation or other standard, or a source-specific determination for temporary sources of ambient impacts, or a visibility or increment analysis;
4. Do not seek to establish or change a permit term or condition for which there is no corresponding underlying applicable requirement and that the source has assumed to avoid an applicable requirement to which the source would otherwise be subject. Such terms and conditions include:
   a. A federally enforceable emission cap assumed to avoid classification as a modification under any provisions of Title I of the Federal Clean Air Act; and
   b. An alternative emissions limit approved pursuant to regulations promulgated under section 112(i)(5) of the Federal Clean Air Act; and
5. Are not Title I modifications as defined in District Rule 2520 or modifications as defined in section 111 or 112 of the Federal Clean Air Act; and
6. Do not seek to consolidate overlapping applicable requirements.

As discussed above, the facility has applied for a Certificate of Conformity (COC). Therefore, the facility must apply to modify their Title V permit with an administrative amendment, prior to operating with the proposed modifications. Continued compliance with this rule is expected. The facility may construct/operate under the ATC upon submittal of the Title V administrative amendment application. The Title V Compliance Certification form is included in **Attachment VI**.

Rule 4001 New Source Performance Standards

This rule incorporates the New Source Performance Standards from 40 CFR Part 60. 40 CFR Part 60, Subparts, K, Ka, Kb, and OOOO and could potentially apply to the storage tanks located at this facility.

40 CFR Part 60, Subparts, K, Ka, and Kb could potentially apply to the storage tanks located at this facility. However, pursuant to 40 CFR 60.110 (b), 60.110(a) (b), and 60.110(b) (b), these subparts do not apply to storage vessels less than 10,000 bbl, used for petroleum or condensate, that is stored, processed, and/or treated at a drilling and production facility prior to custody transfer.

40 CFR Part 60, Subpart OOOO—Standards of Performance for Crude Oil and Natural Gas Production, Transmission and Distribution (constructed, reconstructed, or modified after 8/23/11) applies to single storage vessel, located in the oil and natural gas production

S-7858-23:

Rule 4623, Section 4.4 exempts tanks exclusively receiving and/or storing an organic liquid with a TVP less than 0.5 psia from all other requirements of the rule except for complying with the following provisions:

The purpose of this rule is to limit volatile organic compound (VOC) emissions from the storage of organic liquids. This rule applies to any tank with a design capacity of 1,100 gallons or greater used to store organic liquid.

Section 4.4 allows tanks exclusively receiving and/or storing an organic liquid with a TVP less than 0.5 psia to comply only with the following requirements of this rule:

- TVP and API Gravity Testing provisions pursuant to Section 6.2,
- Recordkeeping provisions pursuant to Section 6.3.6,
- Test Methods provisions pursuant to Section 6.4, and
- Compliance schedules pursuant to Section 7.2.

The following conditions will be listed on the permits to maintain this exemption:

> {2480} This tank (vessel) shall only store, place, or hold organic liquid with a true vapor pressure (TVP) of less than 0.5 psia under all storage conditions. [District Rule 4623]
>
> Permittee shall conduct true vapor pressure (TVP) testing of the organic liquid stored in this tank (vessel) at least once every 24 months during summer (July - September), and/or whenever there is a change in the source or type of organic liquid stored in this tank in order to maintain exemption from the rule. [District Rule 4623]

Rule 4623, Section 4.4 exempts tanks exclusively receiving and/or storing an organic liquid with a TVP less than 0.5 psia from all other requirements of the rule except for complying with the provisions of Section 6.2 (Testing) and Section 6.3.6 (Recordkeeping). These requirements are reflected by the following conditions:

Section 6.2 – Testing

Permittee shall conduct true vapor pressure (TVP) testing of the organic liquid stored in this tank at least once every 24 months during summer (July - September), and/or whenever there is a change in the source or type of organic liquid stored in this tank in order to maintain exemption from the rule. [District Rule 4623]

Section 6.3.6 – Recordkeeping

{2912} Permittee shall maintain records of TVP and API gravity testing at the facility to be made available for District inspection upon request. The records shall include the tank identification number, Permit to Operate number, type of stored organic liquid, TVP and API gravity of the organic liquid, test methods used, and a copy of the test results. [District Rules 4623]

The permittee shall keep accurate records of each organic liquid stored in the tank including TVP and API gravity. [District Rule 4623]

segment, natural gas processing segment or natural gas transmission and storage segment. The subject tanks are subject to this subpart. However, Subpart OOOO has no standards for tanks with annual VOC emissions less than 6 tons per year. Therefore, the subject tanks are not an affected facility and subpart OOOO does not apply.

Rule 4101 Visible Emissions

Rule 4101 states that no person shall discharge into the atmosphere emissions of any air contaminant aggregating more than 3 minutes in any hour which is as dark as or darker than Ringelmann 1 (or 20% opacity). As emissions from this equipment are made up of fugitive VOC emissions only, visible emissions are not expected to exceed Ringelmann 1 or 20% opacity.

Rule 4102 Nuisance

Rule 4102 prohibits discharge of air contaminants which could cause injury, detriment, nuisance or annoyance to the public. Public nuisance conditions are not expected as a result of these operations, provided the equipment is well maintained. Therefore, compliance with this rule is expected.

California Health & Safety Code 41700 (Health Risk Assessment)

District Policy APR 1905 – *Risk Management Policy for Permitting New and Modified Sources* specifies that for an increase in emissions associated with a proposed new source or modification, the District perform an analysis to determine the possible impact to the nearest resident or worksite.

An HRA is not required for a project with a total facility prioritization score of less than one. According to the Technical Services Memo for this project (**Attachment VII**), the total facility prioritization score including this project was less than one. Therefore, no further analysis was required and the project is approved without TBACT.

Rule 4623 Storage of Organic Liquids

This rule applies to any tank with a capacity of 1,100 gallons or greater in which any organic liquid is placed, held, or stored.

S-7858-5:

The tank is currently operating in compliance with the rule and connection of the feed water tank '-23 to the vapor control system is not expected to affect compliance status.

{2490} All records required to be maintained by this permit shall be maintained for a period of at least five years and shall be made readily available for District inspection upon request. [District Rules 2201 and 4623]

Section 6.4 – Test Methods

The following test methods are required:

{2482} The API gravity of crude oil or petroleum distillate shall be determined by using ASTM Method D 287 e1 "Standard Test Method for API Gravity of Crude Petroleum and Petroleum Products (Hydrometer Method). Sampling for API gravity shall be performed in accordance with ASTM Method D 4057 "Standard Practices for Manual Sampling of Petroleum and Petroleum Products." [District Rule 4623] N

{2483} For crude oil with an API gravity of 26 degrees or less, the TVP shall be determined using the latest version of the Lawrence Berkeley National Laboratory "test Method for Vapor pressure of Reactive Organic Compounds in Heavy Crude Oil Using Gas Chromatograph", as approved by ARB and EPA. [District Rule 4623] N

{2911} The TVP testing shall be conducted at actual storage temperature of the organic liquid in the tank. The permittee shall also conduct an API gravity test. [District Rules 4623] N

Compliance is expected.

California Health & Safety Code 42301.6 (School Notice)

The District has verified that this site is not located within 1,000 feet of a school. Therefore, pursuant to California Health and Safety Code 42301.6, a school notice is not required.

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 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; and
- 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.

The District performed an Engineering Evaluation (this document) for the proposed project and determined that all project specific emission unit(s) are exempt from Best Available Control Technology (BACT) requirements. Furthermore, the District has determined that potential emission increases would have a less than significant health impact on sensitive receptors.

issuance of permits for emissions units not subject to BACT requirements and with health impact less than significant is a matter of ensuring conformity with applicable District rules and regulations and does not require discretionary judgment or deliberation. Thus, the District concludes that this permitting action constitutes a ministerial approval. Section 21080 of the Public Resources Code exempts from the application of CEQA those projects over which a public agency exercises only ministerial approval. Therefore, the District finds that this project is exempt from the provisions of CEQA.

IX. Recommendation

Compliance with all applicable rules and regulations is expected. Issue ATCs S-7858-5-4 and '-23-0 subject to the permit conditions on the attached draft ATCs in **Attachment VIII.**

X. Billing Information

Annual Permit Fees			
ATC Number	Fee Schedule	Fee Description	Annual Fee
S-7858-5	3020-05-D	63,000 gallons	$194.00
S-7858-23	3020-05-E	126,000 gallons	$258.00

Attachments
I: Current PTO S-7858-5-4
II: Location Map
III: Gas Analysis
IV: Emissions Profile
V: SSPE1 Calculation
VI: Title V Compliance Certification Form
VII: HRA
VIII: Draft ATC

Attachment I
PTO S-7858-5-4

San Joaquin Valley
Air Pollution Control District

PERMIT UNIT: S-7858-5-3 **EXPIRATION DATE:** 07/31/2019

SECTION: NE6 **TOWNSHIP:** 29S **RANGE:** 28E

EQUIPMENT DESCRIPTION:
1,500 BBL FIXED ROOF WASH TANK (T-100) SERVED BY A VAPOR RECOVERY SYSTEM INCLUDING ONE COMPRESSOR SKID AND ONE ADDITIONAL COMPRESSOR SKID SHARED WITH THE VAPOR CONTROL SYSTEM LISTED ON TEOR PERMIT S-7858-3 (NUKERN LEASE)

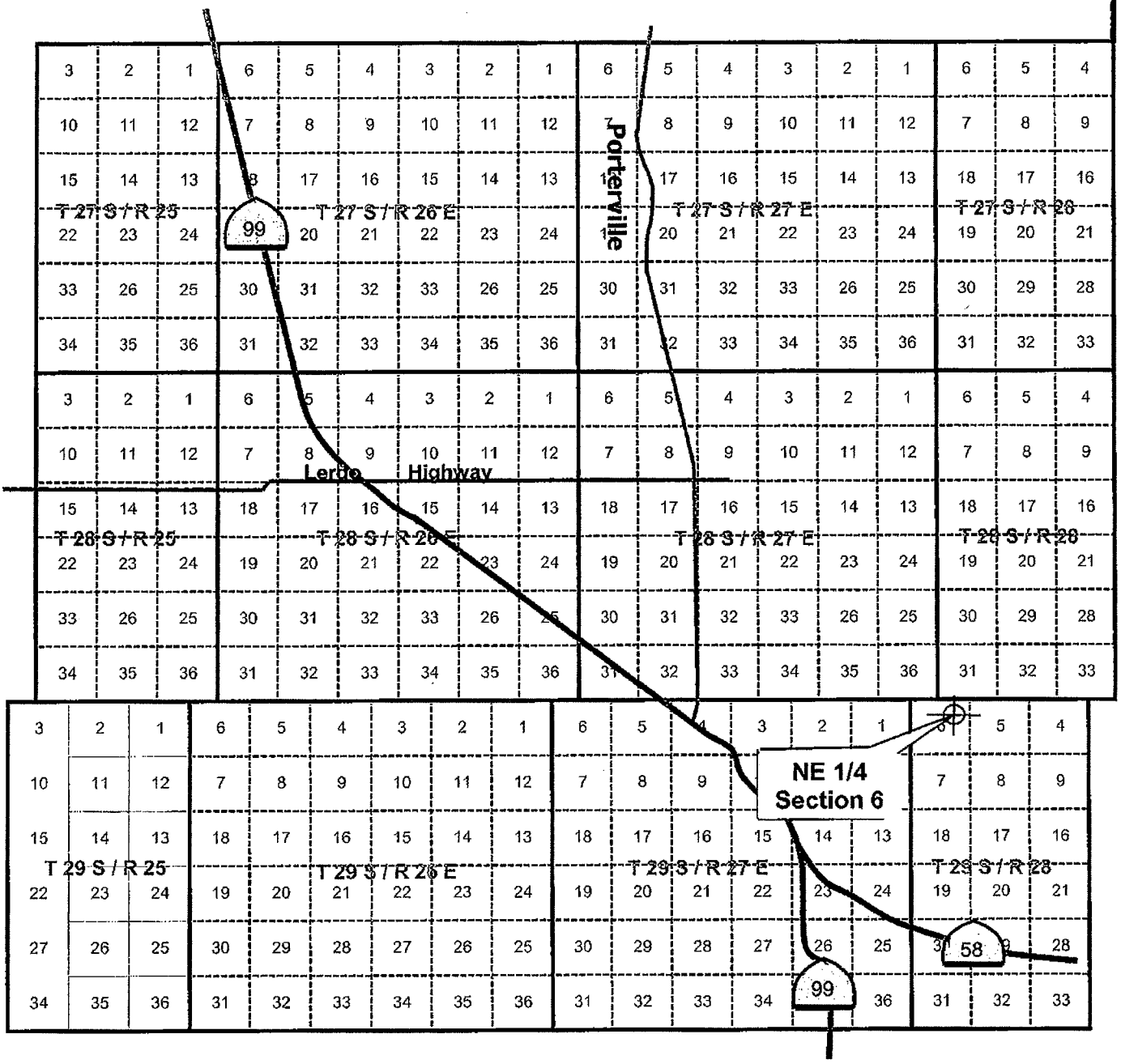
PERMIT UNIT REQUIREMENTS

1. The tank shall be equipped with a fixed roof with no holes or openings. [District Rule 2201] Federally Enforceable Through Title V Permit
2. This tank shall only store, place, or hold organic liquid with a true vapor pressure (TVP) of less than 0.5 psia under all storage conditions. [District Rule 4623] Federally Enforceable Through Title V Permit
3. The VOC content of tank recovery gas shall not exceed 10% by weight. [District Rule 2201] Federally Enforceable Through Title V Permit
4. All piping, valves, and fittings shall be constructed and maintained in a leak-free condition. [District Rule 2201] Federally Enforceable Through Title V Permit
5. A leak-free condition is defined as a condition without a gas leak. A gas leak is defined as a reading in excess of 10,000 ppmv, above background, as measured by a portable hydrocarbon detection instrument in accordance with the procedures specified in EPA Test Method 21. A reading in excess of 10,000 ppmv above background is a violation of this permit and Rule 4623 and shall be reported as a deviation. [District Rule 4623] Federally Enforceable Through Title V Permit
6. The tank shall be equipped with a vapor recovery system consisting of a closed vent system that collects all VOCs from the storage tank, and a VOC control device. The vapor recovery system shall be APCO-approved and maintained in leak-free condition. The VOC control device shall be either of the following: a vapor return or condensation system that connects to a gas pipeline distribution system, an approved VOC destruction device the reduces the inlet VOC emissions by at least 99% by weight as determined by the test method specified in Section 6.4.7, or vapors shall be injected into DOGGR approved wells. [District Rule 2201] Federally Enforceable Through Title V Permit
7. Operator shall conduct quarterly gas sampling for gas exiting the separator pressure vessel to qualify for exemption from fugitive component counts for components handling fluids with VOC content equal to or less than 10% by weight. If gas samples are equal to or less than 10% VOC by weight for 8 consecutive quarterly samplings, sampling frequency shall only be required annually. [District Rule 2201] Federally Enforceable Through Title V Permit
8. Permittee shall conduct true vapor pressure (TVP) testing of the organic liquid stored in this tank at least once every 24 months during summer (July - September), and/or whenever there is a change in the source or type of organic liquid stored in this tank in order to maintain exemption from the rule. [District Rule 4623] Federally Enforceable Through Title V Permit
9. Permittee shall submit the records of TVP and API gravity testing to the APCO within 45 days after the date of testing. The records shall include the tank identification number, Permit to Operate number, type of stored organic liquid, TVP and API gravity of the organic liquid, test methods used, and a copy of the test results. [District Rule 4623] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

10. The API gravity of crude oil or petroleum distillate shall be determined by using ASTM Method D 287 e1 "Standard Test Method for API Gravity of Crude Petroleum and Petroleum Products (Hydrometer Method). Sampling for API gravity shall be performed in accordance with ASTM Method D 4057 "Standard Practices for Manual Sampling of Petroleum and Petroleum Products." [District Rule 4623] Federally Enforceable Through Title V Permit
11. For crude oil with an API gravity of 26 degrees or less, the TVP shall be determined using the latest version of the Lawrence Berkeley National Laboratory "test Method for Vapor pressure of Reactive Organic Compounds in Heavy Crude Oil Using Gas Chromatograph", as approved by ARB and EPA. [District Rule 4623] Federally Enforceable Through Title V Permit
12. All records required to be maintained by this permit shall be maintained for a period of at least five years and shall be made readily available for District inspection upon request. [District Rule 1070] Federally Enforceable Through Title V Permit

Attachment II
Location Map



- N -	**All American Oil & Gas**	*Prepared by:*
	Nukern Lease	Insight Environmental Consultants
	NE 06, T29S, R28E	August 2010

Attachment III
Gas Analysis

PGT
Pacific Gas Technology
E-mail: pgtech@earthlink.net

4100 Burr St.
P.O. Box 80847
Bakersfield, CA 93380-0847
(661) 324-1317
(661) 324-2746

Attention: Ben Nelson
Insight Environmental
5500 Ming ave. ste. 140
Bakersfield, CA 93309

Sampled:	9/16/2013
Submitted:	9/16/2013
Analyzed:	9/18/2013
Reported:	9/30/2013

Gas Analysis by Chromotography - ASTM D 3588/ASTM D 1945

Company: All American Oil & Gas
Location: Nukern facility
Description: TVR

Lab No.: 130917-4
Pressure
Temperature

Component	Mole %	Weight %	G/MCF
Oxygen	1.76	3.05	
Nitrogen	7.71	11.68	
Carbon Dioxide	2.60	6.20	
Methane	84.64	73.47	
Ethane	3.00	4.89	
Propane	0.22	0.53	0.061
iso-Butane	0.03	0.09	0.010
n-Butane	0.03	0.09	0.009
iso-Pentane	ND	0.00	0.000
n-Pentane	ND	0.00	0.000
Hexanes Plus	ND	0.00	0.000
Totals	**100.00**	**100.00**	**0.080**

Specific Volume, ft3/lb	20.53
Compressibility (Z) Factor	0.9980
Specifc Gravity, Calculated	0.6382
GROSS (H.H.V.)	
BTU/ft3 Dry	915.5
NET (L.H.V.)	
BTU/ft3 Dry	825.3

CHONS	**Weight %**
Carbon	61.184
Hydrogen	19.575
Oxygen	7.557
Nitrogen	11.684
Sulfur	0.000

F FACTOR @ 68 deg F, dscf/MMBTU	8673
F FACTOR @ 60 deg F, dscf/MMBTU	8543

		Mole %	Weight %
Total VOC's	=	**0.28**	**0.71**

Attachment IV
Emissions Profile

Application Emissions

Permit #: S-7858-5-4	**Last Updated**	
Facility: ALL AMERICAN OIL & GAS INC.	07/18/2015	EDGEHILR

Equipment Pre-Baselined: NO

	NOX	SOX	PM10	CO	VOC
Potential to Emit (lb/Yr):	0.0	0.0	0.0	0.0	0.0
Daily Emis. Limit (lb/Day)	0.0	0.0	0.0	0.0	0.0
Quarterly Net Emissions Change (lb/Qtr)					
Q1:	0.0	0.0	0.0	0.0	0.0
Q2:	0.0	0.0	0.0	0.0	0.0
Q3:	0.0	0.0	0.0	0.0	0.0
Q4:	0.0	0.0	0.0	0.0	0.0
Check if offsets are triggered but exemption applies	N	N	N	N	N
Offset Ratio					
Quarterly Offset Amounts (lb/Qtr)					
Q1:					
Q2:					
Q3:					
Q4:					

Application Emissions

Permit #: S-7858-23-0	**Last Updated**
Facility: ALL AMERICAN OIL & GAS INC.	07/18/2015 EDGEHILR

Equipment Pre-Baselined: NO

	NOX	SOX	PM10	CO	VOC
Potential to Emit (lb/Yr):	0.0	0.0	0.0	0.0	0.0
Daily Emis. Limit (lb/Day)	0.0	0.0	0.0	0.0	0.0
Quarterly Net Emissions Change (lb/Qtr)					
Q1:	0.0	0.0	0.0	0.0	0.0
Q2:	0.0	0.0	0.0	0.0	0.0
Q3:	0.0	0.0	0.0	0.0	0.0
Q4:	0.0	0.0	0.0	0.0	0.0
Check if offsets are triggered but exemption applies	N	N	N	N	N
Offset Ratio					
Quarterly Offset Amounts (lb/Qtr)					
Q1:					
Q2:					
Q3:					
Q4:					

Attachment V
SSPE1 Calculation

SSPE1 (lb/year)									
Permit Unit	Mod #	Permit Status	Equipment Description	NO_X	SO_X	PM_{10}	CO	VOC
S-724-1	6	PTO	Cogeneration System	65,514	2,803	49,582	248,211	47,129
S-724-2	5	PTO	52 Well TEOR Opertion	Permit Surrendered				
S-724-3	4	PTO	750 Bbl fixed roof petroleum storage tank	Permit Surrendered				
S-724-4	4	PTO	1000 Bbl fixed roof petroleum storage tank	Permit Surrendered				
S-724-4	5	ATC	1000 Bbl fixed roof petroleum storage tank with vapor control system, gas blanketing lines, and up to 2 Hirt incinerators, and vapor compressor with discharge to CVR system S-7858-3	Permit Surrendered				
S-724-5	4	PTO	1000 Bbl fixed roof petroleum storage tank	Permit Surrendered				
S-724-5	5	ATC	1000 Bbl fixed roof petroleum storage tank with vapor piping to vapor control listed on S-724-4	Permit Surrendered				
S-724-9	4	PTO	180 Bhp Emergency Generator	0	0	0	0	0
S-724-11	3	PTO	1000 Bbl fixed roof petroleum storage tank	Permit Surrendered				
S-724-19	3	PTO	1500 Bbl fixed roof petroleum storage tank	Permit Surrendered				
S-724-19	4	ATC	1500 Bbl wash tank with vapor piping to vapor control listed on S-724-4	Permit Surrendered				
S-724-42	3	PTO	16,000 GPM Counter Flow Cooling Tower	0	0	0	0	0
S-7858-1	1	PTO	85 MM Btu/hr Natural Gas Fired Steam Generator	6,307	2,122	3,723	13,711	4,095
S-7858-2	1	PTO	85 MM Btu/hr Natural Gas Fired Steam Generator	6,307	2,122	3,723	13,711	4,095
S-7858-3	2	PTO	TEOR Operation with up to 300 wells	0	0	0	0	0
S-7858-4	2	PTO	10' x 60' FWKO	0	0	0	0	0
S-7858-5	3	PTO	1,500 Bbl Wash Tank	0	0	0	0	0
S-7858-6	1	PTO	3,000 Bbl Shipping Tank	0	0	0	0	0
S-7858-7	1	PTO	3,000 Bbl Shipping Tank	0	0	0	0	0
S-7858-8	2	PTO	2,000 Bbl Waste Water Tank	0	0	0	0	0
S-7858-9	2	PTO	2,000 Bbl Waste Water Tank	0	0	0	0	0
S-7858-10	2	PTO	500 Bbl Drain Tank	0	0	0	0	0
S-7858-11	1	PTO	1,500 Bbl Raw Water Tank	0	0	0	0	0
S-7858-12	1	PTO	3,000 Bbl SG Feed Water Tank	0	0	0	0	0
S-7858-13	1	PTO	13' x 30' FWKO	0	0	0	0	0
S-7858-14	0	ATC	1,500 Bbl Capacity Wash Tank	0	0	0	0	0
S-7858-15	0	ATC	2,000 Bbl Capacity Stock Tank	0	0	0	0	0
S-7858-16	0	ATC	2,000 Bbl Capacity Stock Tank	0	0	0	0	0
S-7858-17	0	ATC	12' x 60' FWKO	0	0	0	0	0
S-7858-18	0	ATC	500 Bbl Drain Tank	0	0	0	0	0
S-7858-19	0	ATC	2,000 Bbl Capacity Produced Water Tank	0	0	0	0	0
S-7858-20	0	ATC	2,000 Bbl Capacity Produced Water Tank	0	0	0	0	0
S-7858-21	0	ATC	85 MM Btu/hr Natural Gas Fired Steam Generator	4,505	2,122	2,234	13,711	4,095
S-7858-22	0	ATC	85 MM Btu/hr Natural Gas Fired Steam Generator	4,505	2,122	2,234	13,711	4,095
			SSPE1 (lb/year)	87,138	11,291	61,496	303,055	63,509

SSPE2 (lb/year)									
Permit Unit	Mod #	Permit Status	Equipment Description	NO_X	SO_X	PM_{10}	CO	VOC
S-724-1	6	PTO	Cogeneration System	65,514	2,803	49,582	248,211	47,129
S-724-2	5	PTO	52 Well TEOR Opertion	Permit Surrendered				
S-724-3	4	PTO	750 Bbl fixed roof petroleum storage tank	Permit Surrendered				
S-724-4	4	PTO	1000 Bbl fixed roof petroleum storage tank	Permit Surrendered				
S-724-4	5	ATC	1000 Bbl fixed roof petroleum storage tank with vapor control system, gas blanketing lines, and up to 2 Hirt incinerators, and vapor compressor with discharge to CVR system S-7858-3	Permit Surrendered				
S-724-5	4	PTO	1000 Bbl fixed roof petroleum storage tank	Permit Surrendered				
S-724-5	5	ATC	1000 Bbl fixed roof petroleum storage tank with vapor piping to vapor control listed on S-724-4	Permit Surrendered				
S-724-9	4	PTO	180 Bhp Emergency Generator	0	0	0	0	0
S-724-11	3	PTO	1000 Bbl fixed roof petroleum storage tank	Permit Surrendered				
S-724-19	3	PTO	1500 Bbl fixed roof petroleum storage tank	Permit Surrendered				
S-724-19	4	ATC	1500 Bbl wash tank with vapor piping to vapor control listed on S-724-4	Permit Surrendered				
S-724-42	3	PTO	16,000 GPM Counter Flow Cooling Tower	0	0	0	0	0
S-7858-1	1	PTO	85 MM Btu/hr Natural Gas Fired Steam Generator	6,307	2,122	3,723	13,711	4,095
S-7858-2	1	PTO	85 MM Btu/hr Natural Gas Fired Steam Generator	6,307	2,122	3,723	13,711	4,095
S-7858-3	2	PTO	TEOR Operation with up to 300 wells	0	0	0	0	0
S-7858-4	2	PTO	10' x 60' FWKO	0	0	0	0	0
S-7858-5	4	Proposed	1,500 Bbl Wash Tank	0	0	0	0	0
S-7858-6	1	PTO	3,000 Bbl Shipping Tank	0	0	0	0	0
S-7858-7	1	PTO	3,000 Bbl Shipping Tank	0	0	0	0	0
S-7858-8	2	PTO	2,000 Bbl Waste Water Tank	0	0	0	0	0
S-7858-9	2	PTO	2,000 Bbl Waste Water Tank	0	0	0	0	0
S-7858-10	2	PTO	500 Bbl Drain Tank	0	0	0	0	0
S-7858-11	1	PTO	1,500 Bbl Raw Water Tank	0	0	0	0	0
S-7858-12	1	PTO	3,000 Bbl SG Feed Water Tank	0	0	0	0	0
S-7858-13	1	PTO	13' x 30' FWKO	0	0	0	0	0
S-7858-14	0	ATC	1,500 Bbl Capacity Wash Tank	0	0	0	0	0
S-7858-15	0	ATC	2,000 Bbl Capacity Stock Tank	0	0	0	0	0
S-7858-16	0	ATC	2,000 Bbl Capacity Stock Tank	0	0	0	0	0
S-7858-17	0	ATC	12' x 60' FWKO	0	0	0	0	0
S-7858-18	0	ATC	500 Bbl Drain Tank	0	0	0	0	0
S-7858-19	0	ATC	2,000 Bbl Capacity Produced Water Tank	0	0	0	0	0
S-7858-20	0	ATC	2,000 Bbl Capacity Produced Water Tank	0	0	0	0	0
S-7858-21	0	ATC	85 MM Btu/hr Natural Gas Fired Steam Generator	4,505	2,122	2,234	13,711	4,095
S-7858-22	0	ATC	85 MM Btu/hr Natural Gas Fired Steam Generator	4,505	2,122	2,234	13,711	4,095
S-7858-23	0	Proposed	3,000 Bbl Capacity Feed Water Tank	0	0	0	0	0
			SSPE2 (lb/year)	87,138	11,291	61,496	303,055	63,509

Attachment VI
Title V Compliance Certification Form

San Joaquin Valley
Unified Air Pollution Control District

TITLE V MODIFICATION - COMPLIANCE CERTIFICATION FORM

I. TYPE OF PERMIT ACTION (Check appropriate box)

☐ SIGNIFICANT PERMIT MODIFICATION ☐ ADMINISTRATIVE AMENDMENT

☒ MINOR PERMIT MODIFICATION

COMPANY NAME: **All American Oil & Gas Company**	FACILITY ID: **S – 7858**
1. Type of Organization: ☒ Corporation ☐ Sole Ownership ☐ Government ☐ Partnership ☐ Utility	
2. Owner's Name:	
3. Agent to the Owner:	

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

(SF) **Based on information and belief formed after reasonable inquiry, the source identified in this application will continue to comply with the applicable federal requirement(s).**

(SF) **Based on information and belief formed after reasonable inquiry, the source identified in this application will comply with applicable federal requirement(s) that will become effective during the permit term, on a timely basis.**

(SF) **Corrected information will be provided to the District when I become aware that incorrect or incomplete information has been submitted.**

(SF) **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:

Steven E. Fisher
Signature of Responsible Official

7/9/15
Date

Steven E. Fisher
Name of Responsible Official (please print)

Operations Manager
Title of Responsible Official (please print)

Permit feed water tank and connect to TVR.

Attachment VII
HRA

San Joaquin Valley Air Pollution Control District
Risk Management Review

To:	Richard Edgehill – Permit Services
From:	Leland Villalvazo – Technical Services
Date:	July 22, 2015
Facility Name:	All American Oil & Gas Inc.
Location:	Neukern Lease, NE Sec 6, T29S, R28E
Application #(s):	S-7858-5-4, 23-0
Project #:	S-1153232

A. RMR SUMMARY

RMR Summary				
Categories	**Storage Tank (Unit 23-0)**		**Project Totals**	**Facility Totals**
Prioritization Score	0.001		0.001	0.08
Acute Hazard Index	NA		NA	NA
Chronic Hazard Index	NA		NA	NA
Maximum Individual Cancer Risk (10^{-6})	NA		NA	NA
T-BACT Required?	**No**			
Special Permit Conditions?	**No**			

Proposed Permit Conditions

To ensure that human health risks will not exceed District allowable levels; the following permit conditions must be included for:

Unit # 23-0

No special conditions are required.

B. RMR REPORT

I. Project Description

Technical Services received a request on July 17, 2015, to perform a Risk Management Review for a proposed installation of a 3,000 BBL fixed roof storage tank control vapor recovery associated with unit 5-4.

II. Analysis

Toxic emissions for this proposed unit were calculated using District approve oil field fugitive emissions factors. In accordance with the District's *Risk Management Policy for Permitting New and Modified Sources* (APR 1905, May 28, 2015), risks from the proposed unit's toxic emissions were prioritized using the procedure in the 1990 CAPCOA Facility Prioritization Guidelines and incorporated in the District's HEARTs database. The prioritization score for this proposed unit was less than 1.0 (see RMR Summary Table). Therefore, no further analysis was necessary.

The following parameters were used for the review:

Analysis Parameters Unit 23-0			
Throughput (Lbs VOC /yr)	1.0	**Max Hours per Year**	8760
Closest Receptor (m)	152		

III. Conclusion

The prioritization score is less than 1.0. **In accordance with the District's Risk Management Policy, the project is approved without Toxic Best Available Control Technology (T-BACT).**

To ensure that human health risks will not exceed District allowable levels; the permit conditions listed on page 1 of this report must be included for this proposed unit.

These conclusions are based on the data provided by the applicant and the project engineer. Therefore, this analysis is valid only as long as the proposed data and parameters do not change.

IV. Attachments

A. RMR request from the project engineer
B. Additional information from the applicant/project engineer
C. Toxic emissions summary
D. Prioritization score
E. Facility Summary

Attachment VII
Draft ATC

San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

DRAFT

PERMIT NO: S-7858-5-4 **ISSUANCE DATE:** DRAFT

LEGAL OWNER OR OPERATOR: ALL AMERICAN OIL & GAS INC.
MAILING ADDRESS: P O BOX 10207
C/O ENTERPRISE DRILLING
BAKERSFIELD, CA 93389

LOCATION: HEAVY OIL CENTRAL
SEC 6, T29S, R28E
CA

SECTION: NE6 **TOWNSHIP:** 29S **RANGE:** 28E

EQUIPMENT DESCRIPTION:
MODIFICATION OF 1,500 BBL FIXED ROOF WASH TANK (T-100) SERVED BY A VAPOR RECOVERY SYSTEM INCLUDING ONE COMPRESSOR SKID AND ONE ADDITIONAL COMPRESSOR SKID SHARED WITH THE VAPOR CONTROL SYSTEM LISTED ON TEOR PERMIT S-7858-3 (NUKERN LEASE): CONNECT TANK S-7858-23 TO VAPOR CONTROL SYSTEM AND SPECIFY THAT TANKS '-4, '-6, '-7, '-8, '-9, '-10, '-11, '-12, '-13, AND '-23 SHARE THE VAPOR CONTROL SYSTEM

CONDITIONS

1. ATC shall be implemented concurrently with ATC S-7858-23-0. [District Rule 2201] Federally Enforceable Through Title V Permit
2. {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
3. {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
4. The tank shall be equipped with a fixed roof with no holes or openings. [District Rule 2201] Federally Enforceable Through Title V Permit
5. This tank shall only store, place, or hold organic liquid with a true vapor pressure (TVP) of less than 0.5 psia under all storage conditions. [District Rule 4623] 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

Arnaud Marjollet, Director of Permit Services

Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308 • (661) 392-5500 • Fax (661) 392-5585

6. The VOC content of tank recovery gas shall not exceed 10% by weight. [District Rule 2201] Federally Enforceable Through Title V Permit

7. All piping, valves, and fittings shall be constructed and maintained in a leak-free condition. [District Rule 2201] Federally Enforceable Through Title V Permit

8. A leak-free condition is defined as a condition without a gas leak. A gas leak is defined as a reading in excess of 10,000 ppmv, above background, as measured by a portable hydrocarbon detection instrument in accordance with the procedures specified in EPA Test Method 21. A reading in excess of 10,000 ppmv above background is a violation of this permit and Rule 4623 and shall be reported as a deviation. [District Rule 4623] Federally Enforceable Through Title V Permit

9. The tank shall be equipped with a vapor recovery system consisting of a closed vent system that collects all VOCs from the storage tank, and a VOC control device. The vapor recovery system shall be APCO-approved and maintained in leak-free condition. The VOC control device shall be either of the following: a vapor return or condensation system that connects to a gas pipeline distribution system, an approved VOC destruction device the reduces the inlet VOC emissions by at least 99% by weight as determined by the test method specified in Section 6.4.7, or vapors shall be injected into DOGGR approved wells. [District Rule 2201] Federally Enforceable Through Title V Permit

10. Operator shall conduct quarterly gas sampling for gas exiting the separator pressure vessel to qualify for exemption from fugitive component counts for components handling fluids with VOC content equal to or less than 10% by weight. If gas samples are equal to or less than 10% VOC by weight for 8 consecutive quarterly samplings, sampling frequency shall only be required annually. [District Rule 2201] Federally Enforceable Through Title V Permit

11. Permittee shall conduct true vapor pressure (TVP) testing of the organic liquid stored in this tank at least once every 24 months during summer (July - September), and/or whenever there is a change in the source or type of organic liquid stored in this tank in order to maintain exemption from the rule. [District Rule 4623] Federally Enforceable Through Title V Permit

12. Permittee shall submit the records of TVP and API gravity testing to the APCO within 45 days after the date of testing. The records shall include the tank identification number, Permit to Operate number, type of stored organic liquid, TVP and API gravity of the organic liquid, test methods used, and a copy of the test results. [District Rule 4623] Federally Enforceable Through Title V Permit

13. The API gravity of crude oil or petroleum distillate shall be determined by using ASTM Method D 287 e1 "Standard Test Method for API Gravity of Crude Petroleum and Petroleum Products (Hydrometer Method). Sampling for API gravity shall be performed in accordance with ASTM Method D 4057 "Standard Practices for Manual Sampling of Petroleum and Petroleum Products." [District Rule 4623] Federally Enforceable Through Title V Permit

14. For crude oil with an API gravity of 26 degrees or less, the TVP shall be determined using the latest version of the Lawrence Berkeley National Laboratory "test Method for Vapor pressure of Reactive Organic Compounds in Heavy Crude Oil Using Gas Chromatograph", as approved by ARB and EPA. [District Rule 4623] Federally Enforceable Through Title V Permit

15. All records required to be maintained by this permit shall be maintained for a period of at least five years and shall be made readily available for District inspection upon request. [District Rule 1070] Federally Enforceable Through Title V Permit

DRAFT

San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

DRAFT

PERMIT NO: S-7858-23-0 **ISSUANCE DATE:** DRAFT

LEGAL OWNER OR OPERATOR: ALL AMERICAN OIL & GAS INC.
MAILING ADDRESS: P O BOX 10207
C/O ENTERPRISE DRILLING
BAKERSFIELD, CA 93389

LOCATION: HEAVY OIL CENTRAL
SEC 6, T29S, R28E
CA

SECTION: NE 6 **TOWNSHIP:** 29S **RANGE:** 28E

EQUIPMENT DESCRIPTION:
3000 BBL FIXED ROOF STORAGE TANK SERVED BY VAPOR CONTROL SYSTEM LISTED ON S-7858-5 (NUKERN LEASE)

CONDITIONS

1. ATC shall be implemented concurrently with ATC S-7858-5-4. [District Rule 2201] Federally Enforceable Through Title V Permit
2. {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
3. {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
4. The tank shall be equipped with a fixed roof with no holes or openings. [District Rule 2201] Federally Enforceable Through Title V Permit
5. The VOC content of tank recovery gas shall not exceed 10% by weight. [District Rule 2201] 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

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Arnaud Marjollet, Director of Permit Services
S-7858-23-0 : Jul 23 2015 9:16AM – EDGEHILR : Joint Inspection NOT Required

6. Operator shall conduct quarterly gas sampling for gas exiting the separator pressure vessel to qualify for exemption from fugitive component counts for components handling fluids with VOC content equal to or less than 10% by weight. If gas samples are equal to or less than 10% VOC by weight for 8 consecutive quarterly samplings, sampling frequency shall only be required annually. [District Rule 2201] Federally Enforceable Through Title V Permit
7. All piping, valves, and fittings shall be constructed and maintained in a leak-free condition. [District Rule 2201] Federally Enforceable Through Title V Permit
8. This tank shall only store, place, or hold organic liquid with a true vapor pressure (TVP) of less than 0.5 psia under all storage conditions. [District Rule 4623] Federally Enforceable Through Title V Permit
9. The tank shall be equipped with a vapor recovery system consisting of a closed vent system that collects all VOCs from the storage tank, and a VOC control device. The vapor recovery system shall be APCO-approved and maintained in leak-free condition. The VOC control device shall be either of the following: a vapor return or condensation system that connects to a gas pipeline distribution system, an approved VOC destruction device the reduces the inlet VOC emissions by at least 99% by weight as determined by the test method specified in Section 6.4.7, or vapors shall be injected into DOGGR approved wells. [District Rule 2201] Federally Enforceable Through Title V Permit
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11. Permittee shall maintain records of TVP and API gravity testing at the facility to be made available for District inspection upon request. The records shall include the tank identification number, Permit to Operate number, type of stored organic liquid, TVP and API gravity of the organic liquid, test methods used, and a copy of the test results. [District Rule 4623] Federally Enforceable Through Title V Permit
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