

TITLE V PERMIT TO OPERATE

Chevron USA Inc. – Midway Sunset Oilfield

**STAFF REPORT**

APPLICATION NUMBERS 4274, 5149

October 31, 2010

## I. Background

This report is to evaluate applications 4274 and 5149 for a Title V operating permit for the Chevron Midway Sunset Oilfield. Application 4274 is the Title V permit application and application 5149 is to permit an existing condensate collection tank.

The Chevron Midway Sunset operation is an existing oilfield that straddles the San Luis Obispo and Kern County lines. The entire oilfield contains thousands of producing oil wells, storage tanks, and gas processing facilities. The portion of the oilfield that extends into San Luis Obispo County consists of 38 oil wells, 2 crude oil tanks, and a portion of a gas gathering systems.

If evaluated for only the emissions in San Luis Obispo County, Chevron Midway Sunset would be exempt from needing a Title V operating permit, as potential emissions in San Luis Obispo County are well below the 100 ton per year major source threshold. The Chevron Midway Sunset emissions in the San Joaquin Air District, however, are 128 tons per year. The EPA has determined that emissions from a single source must be aggregated across jurisdictional boundary lines. This finding was made in 1998 when the US EPA ruled that the jurisdictional boundary between the South Coast Air Quality Management District and the San Diego Air Pollution Control District did not separate Camp Pendleton Marine Corp Base into two facilities. Rather, the EPA considered the entire military base to be a single facility and required that emissions be aggregated across the county line for Title V purposes. EPA went on to indicate that Title V permits should be issued by each agency based on their individual major source thresholds. Based upon this ruling, Chevron Midway Sunset already has a Title V operating permit from the SJVAPCD and has applied for a Title V operating permit with SLO APCD as well.

The condensate tank, application 5149, is an existing piece of equipment that was inadvertently left off the original operating permit application list of equipment. The condensate tank was originally located in an area that was also part of a dry creek bed and was at risk of flooding. Chevron moved the condensate tank from the dry creek bed, to a less flash-flood prone area located on higher ground and away from the dry creek bed. Since the condensate tank was an existing piece of equipment and was only relocated a short distance, there was no increase in emissions.

The administrative requirements that apply to this permit issuance are:

- issue within 18 months of completeness (Rule 216.H.1.b.4)
- 45 day EPA review period (Rule 216.H.5)
- 30 day public comment period (Rule 216.J.1.b.6)
- affected states notification (Rule 216.J.2.c.1)

**II. Compliance with Rule 216:** A section-by-section evaluation of compliance with all pertinent requirements of this rule follows. Requirements are listed by rule section and are shown in normal text. This evaluation's comments are shown in bold text.

**B. Applicability. Chevron Midway Sunset is subject to the requirement to obtain a Title V permit because their potential to emit when aggregated across the**

**SLOCo/KernCo line is 128 tpy NOx, which exceeds SLOCo's major source threshold of 100 tpy.**

E. Requirements - Application Contents

1. Required Information for a Part 70 Permit. A complete application for a Part 70 permit shall contain all the information necessary for the APCO to determine compliance with all applicable requirements. The information shall, to the extent possible, be submitted on standard application forms available from the District. **Application 4274 was submitted on September 26, 2006 on Title V application forms. The application was found to be incomplete on November 17, 2006. Additional information to complete the application was submitted by the applicant, and the application was found to be complete on 10/7/09.**
4. Supplementary Information: Supplementary information, Chevron Midway Sunset emission inventory for SJVAPCD, was requested on April 6, 2010 and was received on April 9, 2010.
5. Certification by Responsible Official. Any Part 70 permit application shall be certified by a responsible official. The certification shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete. **Warner Williams, who is the responsible official for Chevron Midway Sunset, certified the application to be true, accurate, and correct.**

F. Requirements - Permit Content

1. Each Part 70 permit shall include the following elements:
  - a. Conditions that will assure compliance with all applicable requirements, including conditions establishing emission limitations and standards for all applicable requirements. **All applicable requirements are included in the proposed permit.**
    - 1) With the exception of acid rain program requirements, where any two or more applicable requirements are mutually exclusive, the more stringent shall be incorporated as a permit condition and the other(s) shall be referenced. **No requirements were streamlined.**
  - b. The term of the Part 70 permit. **See condition 21.**
  - c. Conditions establishing all applicable emissions monitoring and analysis procedures, emissions test methods or continuous monitoring equipment required under all applicable requirements (**see condition 32**); and related recordkeeping and reporting requirements (**see condition 36**).
    - 3) Records of required monitoring information that include the following: (**see condition 35**)
      - i. The date, place as defined in the permit, and time of sampling or measurements;
      - ii. The date(s) analyses were performed;
      - iii. The company or entity that performed the analyses;
      - iv. The analytical techniques or methods used;
      - v. The results of such analyses; and
      - vi. The operating conditions as existing at the time of sampling or measurement.

- 4) All applicable records shall be maintained for a period of at least 5 years. **See condition 38.**
- 5) All applicable reports shall be submitted every 6 months and shall be certified by a responsible official. **See condition 42.**
  - i. All instances of deviations from permit requirements must be clearly identified. **See condition 42.**
- e. A severability clause to ensure the continued validity of the various Part 70 permit requirements in the event of a challenge to any portions of the Part 70 permit. **See condition 19.**
- f. A statement that the permittee must comply with all conditions of the Part 70 permit and that any permit noncompliance constitutes a violation of the CAA and is grounds for enforcement action; for permit termination, revocation and reissuance, or modification; or for denial of a permit renewal application. **See condition 23.**
- g. A statement that the need for a permittee to halt or reduce activity shall not be a defense in an enforcement action. **See condition 24.**
- h. A statement that the Part 70 permit may be modified, revoked, reopened, and reissued, or terminated for cause. **See condition 25.**
- i. A statement that the Part 70 permit does not convey any property rights of any sort, or any exclusive privilege. **See condition 26.**
- j. A statement that the permittee shall furnish (information) to the permitting authority.... **See condition 27.**
- k. A condition requiring the permittee pay fees due to the District consistent with all applicable fee schedules. **See conditions 22 and 44.**
- l. A provision stating that no permit revision shall be required, under any approved economic incentives, marketable permits, emissions trading and other similar programs or processes for changes that are provided for in the permit. **See condition 17.**
- m. Applicable conditions for all reasonably anticipated operating scenarios identified by the source in its Part 70 permit application. **Chevron Midway Sunset has not requested any alternative operating scenarios.**
- n. Applicable conditions for allowing trading under a voluntary emission cap accepted by the permittee to the extent that the applicable requirements provide for such trading without a case-by-case approval of each emissions trade. **Chevron Midway Sunset has not requested an emission cap.**
- o. Prompt reporting of deviations from permit requirements, including those attributable to upset conditions as defined in the permit, the probable cause of such deviations, and the corrective actions or preventive measures taken. **See condition 40.**
- p. For any condition based on a federally-enforceable requirement, references that specify the origin and authority for each condition, and identify any difference in form as compared to such federally-enforceable requirement. **See convention A.1.**
2. Each Part 70 permit shall include the following compliance requirements:
  - a. Inspection and entry requirements that require that the permittee shall allow the District to perform the following.... **See condition 28.**

- b. A schedule of compliance consistent with Subsection L.2. **See condition 18.**
      - d. A requirement that the permittee submit compliance certification pursuant to Subsection L.3. **See condition 42.**
    - 3. Federally-enforceable requirements. All conditions of the Part 70 permit shall be enforceable by the EPA and citizens under the CAA unless the conditions are specifically designated as not being federally-enforceable and, therefore, a District-only requirement. **See condition 14.**
  - H. Requirements - Timeframes for Applications, Review, and Reissuance
    - 1. Significant Part 70 Permit Actions
      - a. Timely Submission of Applications. Any stationary source required to obtain a Part 70 permit pursuant to Section B shall submit an application for such permit in the following manner:
        - 2) For any stationary source that becomes subject to the requirement to obtain a Part 70 permit, pursuant to Subsections B.2.c or B.3 after the effective date of this Rule, and provided the source was being operated within San Luis Obispo County prior to the date on which such source becomes subject to the requirement to obtain a Part 70 permit, an application for a Part 70 permit shall be submitted to the District by no later than twelve (12) months after such source becomes subject to such requirement. **Chevron Midway Sunset became subject to obtaining a Part 70 Permit on June 2, 2006 and an application was received on September 26, 2006.**
      - b. Completeness Determinations. The APCO shall provide written notice to an applicant regarding whether or not a Part 70 permit application is complete. Unless the APCO requests additional information or otherwise notifies the applicant that the application is incomplete within 60 calendar days after receipt of such application, the application shall be deemed complete. **Applications 4274 and 5149 were deemed complete following receipt of additional information on October 7, 2009.**
      - c. Action on Applications. The APCO shall take final action on each complete Part 70 permit application as follows:
        - 4) Except for applications listed pursuant to Subsections H.1.c.1 through 3, the APCO shall take final action on an application by no later than 18 months after the receipt of such complete application. **Final action on applications 4274 and 5149 are due by June 7, 2011.**
  - I. Requirements - Permit Term and Permit Reissuance
    - 1. All Part 70 permits shall be issued for a fixed term of 5 years from the date of issuance of the permit by the District. **See condition 21.**
  - J. Requirements - Notification
    - 1. Public Notification
      - a. The APCO shall publish a notice, as specified in Subsection J.1.b, of any preliminary decision to grant a Part 70 permit, if such granting would constitute a significant Part 70 permit action. **A public notice will be published will be published as required in accordance with Rule 216.**

- b. Any notice of a preliminary decision required to be published pursuant to Subsection J.1.a shall:
- 1) Be published in at least one (1) newspaper of general circulation in San Luis Obispo County, by no later than ten (10) calendar days after such preliminary decision. **Notices will be published in The Tribune, which is a newspaper of general circulation in the District in accordance with Rule 216.**
  - 2) Be provided to all persons on the Part 70 permit action notification list. This list shall include any persons that request to be on such list. **Martin Lundy of Chevron has requested to be on the Chevron Midway Sunset notification list and will be notified as required in Rule 216.**
  - 3) Be provided by other means as necessary to assure adequate notice to the affected public. **Nothing beyond the standard newspaper notice is warranted.**
  - 4) Include the following:
    - i. Information that identifies the source, and the name and address of the source.
    - ii. A brief description of the activity or activities involved in the Part 70 permit action.
    - iii. A brief description of any change in emissions involved in any significant Part 70 permit modification. **See attachment for text of public notice.**
  - 5) Include the location where the public may inspect the information required to be made available pursuant to Subsection J.1.c. **Location is included in the public notification.**
  - 6) Provide at least 30 calendar days from the date of publication for the public to submit written comments regarding such preliminary decision. **See attachment.**
  - 7) Provide a brief description of comment procedures including procedures by which the public may request a public hearing, if a hearing has not been scheduled. The APCO shall provide notice of any public hearing scheduled pursuant to this subsection at least 30 calendar days prior to such hearing. **Comment submittal and the request of a public hearing are included in the public notification. See attachment.**
- c. The APCO shall, by no later than the date of publication, make available for public inspection at the District office the information submitted by the applicant and the APCO's supporting analysis for any preliminary decision subject to the notification requirements of Subsection J.1.a. **Copies of the proposed permit and staff report will be made available at the District's office for 30 days beginning on the date of publication.**
- d. The APCO shall maintain records of those who comment and issues raised during the public participation process. **Records will be kept.**

- e. The APCO shall only consider comments regarding a preliminary decision to grant a Part 70 permit if the comments are germane to the applicable requirements implicated by the permit action in question. Comments will only be germane if they address whether the permit action in question is consistent with applicable requirements, requirements of this rule, or requirements of 40 CFR Part 70. In addition, comments that address a portion of a Part 70 permit that would not be affected by the permit action in question would not be germane. **Does not apply until comment period occurs.**

2. EPA Notification

c. Significant Part 70 Permit Actions

- 1) The APCO shall, by no later than the date of publication specified pursuant to Subsection J.1.b.1, provide to the EPA, affected states, and any person that requests such information a copy of any notification made pursuant to Subsection J.1.a, and the supporting data and analysis relating to any such preliminary decision. **Notification to EPA and affected states will occur via e-mail.**
- 3) The APCO shall provide written notification of the final decision to grant or deny a Part 70 permit to EPA, and any person and/or agency that submitted comments during the comment period. **This is the APCO's intent.**

L. Requirements - Compliance Provisions

- 2. Compliance Plans. A compliance plan must be submitted with any Part 70 permit application. The compliance plan shall contain all of the following information: **See application forms.**
  - a. A description of the compliance status of the source with respect to all federally-enforceable requirements.
  - b. For federally-enforceable requirements with which the source complies, the plan must state that the source will continue to comply.
  - c. For federally-enforceable requirements that will become effective during the Part 70 permit term, the plan must state that the source will comply with such requirements in a timely manner.
    - 1) A detailed schedule shall be included for compliance with any federally-enforceable requirement that includes a series of actions.
- 3. Compliance Certification. All permittees and applicants must submit certification of compliance with all applicable requirements and all Part 70 permit conditions. A compliance certification shall be submitted with any Part 70 permit application and annually, on the anniversary date of the Part 70 permit, or on a more frequent schedule if required by an applicable requirement or permit condition. **This application contained a compliance certification and the annual requirement appears in condition 42.**

4. Document Certification. Any Part 70 permit application and any document, including reports, schedule of compliance progress reports and compliance certifications, required by a Part 70 permit shall be certified by a responsible official. The certification shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete. **Supplemental information submitted by Chevron contained a certification document.**

6. Permit Shield

- a. Compliance with all of the conditions of a Part 70 permit shall be deemed compliance with any applicable requirements as of the date of issuance of the Part 70 permit, provided that the Part 70 permit application specifically requests such protection and one of the following conditions is satisfied:
  - 1) Such applicable requirements are included and specifically identified in the Part 70 permit. **None requested.**

**III. Periodic Monitoring.** If it is deemed necessary, the permit should include periodic monitoring conditions, to ensure compliance with all applicable federal requirements (reference Rule 216.F.1.a). This section of the evaluation will discuss requirements that do not contain explicit monitoring.

1. SIP Rule 401, Visible Emissions. This rule limits emissions to 40% opacity. If warranted, periodic monitoring could be accomplished through visible emission evaluations, fugitive emission from dirt roads, by certified observers.

2. SIP Rule 404.B, Sulfur Content of Fuels (condition II.A.1.d.3). This rule limits the sulfur content of liquid fuels to 0.5%. If warranted, periodic monitoring could be accomplished through continuous or periodic fuel sampling for sulfur content. Previous research of local fuel suppliers determined that 0.5% sulfur fuels are not even available on the market. The sulfur content of fuel allowed to be used in California today is 0.0015%. Therefore, no periodic monitoring is proposed.

#### **IV. Applicable District Rules and Requirements**

Rule 204, Requirements (New Source Review). RACT is required for <25 lb/day, BACT for >=25 lb/day, and offsets for >=25 tpy. Section 204.C.2 exempts projects from control technology & offsets if NEI is <200 lb/yr. Section D requires that the project's emissions not result in an exceedance of an ambient air quality standard. Section E requires certification of statewide compliance for facilities with PTE >=25 tpy. *This is an existing source and not subject to new source review.*

Rule 219, Toxics New Source Review. Applies to permitted sources that increase toxic emissions that result in >=1.0E-6 risk or >=0.10 HHI. *This permit is for an existing source, so the rule does not apply.*

Rule 302, Schedule of Fees. Establishes the fee amounts for application filing, permit issuance, permit renewal, and various other actions. Filing fees are credited toward subsequent permit action fees. *A filing fee was submitted with each application (4279&5149). Fee categories: 20(2), 32(1), 37(1), and 38(1).*

Rule 401, Visible Emissions. This rule limits visible emissions to 20% opacity.

Rule 402, Nuisance. No source of air pollution is allowed to create a public nuisance. *This remote location poses a minimal nuisance potential.*

Rule 404, Sulfur Compounds Emission Standards, Limitations and Prohibitions: The basic limitations are that sulfur compound discharges must not exceed 0.2% (2,000 ppm) calculated as sulfur dioxide and that the sulfur content of gaseous and liquid fuels not exceed 50 gr/100 scf or 0.5% respectfully. *The sulfur content of the field gas has been reported at less than 1ppm.*

17CCR93116, Portable Diesel IC Engine ATCM. Exhaust particulate controls are required for existing standby and prime use portable diesel engines. With the exception of Ag engines<sup>1</sup>, all engines must be either registered or permitted by 2006. With certain exceptions, all engines must meet either Tier 1, 2, or 3 emission standards by 2010. The exception is for emergency and low use (<80 hr/yr) portable engines, which may be used until two years after Tier 4 engines are available. Fleet requirements phase in lowering emission limits starting on 2013 and ultimately all portable diesel engines must meet a Tier 4 standard by 2020. CARB certified fuel must be used. *Any portable diesel powered equipment over 50 hp must meet the Portable Diesel Engine ATCM.*

**V. Emissions.** The emissions in the table below are from the annual emissions inventory submitted to both SLO APCD and SJVAPCD. The total NO<sub>x</sub> emissions for the Chevron Midway Sunset Oilfield in the combined SLO APCD+SJVAPCD operation are estimated to be 128 tpy.

Table 4 - Summary of Actual Emissions (tpy)

	NO <sub>x</sub>	VOC	CO	PM	SO <sub>x</sub>
SLO APCD	0.0	0.81	0.0	0.0	0.0
SJVAPCD	128.44	19.66	5.90	100.34	234.20
totals =	128.44	19.66	5.90	100.34	234.20

**VI. Inspection.** Compliance inspection number 12315 was conducted by David Whitney on February 2, 2010 of the engines to be permitted. Compliance was indicated.

**VII. Public and Agency Comments.** A 30-day public comment period was held upon publication.

**VIII. Conclusion and Recommendation.** In conclusion, the proposed Title V permit has been found to satisfy all of the requirements of District Rule 216 and the District's Title V permit program. Therefore, it is recommended that this permit be issued as indicated.

Note that third party appeals of the Air Pollution Control Officer's decision to issue this Title V permit are governed by Health and Safety Code section 42302.1 and EPA has the right to reopen this permit at any time for cause under Rule 216.K.1.d.

David Whitney  
Engineer

Attachments:

- A - Application Submittals
- B - Public Notice
- C - Comment Letters

**Chevron Midway Sunset**

**Attachment A**

**Application 4274 and 5149 Submittals**



**Michael Jennings**  
Health, Environment, and  
Safety Manager

**San Joaquin Valley SBU**  
Chevron North America  
Exploration and Production  
P.O. Box 1392  
Bakersfield, CA 93302  
Tel 661 654 7038  
Fax 661 654 7133  
mbje@chevron.com

February 9, 2007

Mr. Gary Willey  
San Luis Obispo County APCD  
3433 Roberto Court  
San Luis Obispo, CA 93401

**RE: Notice of Incomplete Application for the Initial Title V Permit**

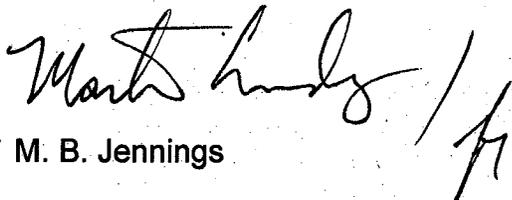
Dear Mr. Willey:

In response to your November 17, 2006 Notice of Incomplete Application letter, attached is the completed District Permit Application Form.

Additionally, please keep me informed of any EPA guidance that may impact the Initial Title V Permit application.

If you have any questions or require additional information please contact Mr. Martin Lundy of my staff at phone number (661) 654-7142, or Mr. John Ludwick, our HES Business Partner, at phone number (661) 654-7487 or after hours at cell phone number (661) 303-1393.

Sincerely,

A handwritten signature in black ink, appearing to read "M. B. Jennings". The signature is written in a cursive style and is positioned above the printed name "M. B. Jennings".

M. B. Jennings

Enclosures



## PERMIT APPLICATION FORM

(Application must be typewritten, computer generated, or hand printed in ink. Complete all pages of application.)

**IMPORTANT:** To assure that your application is complete include all of the following when submitting this application:

- \$100 Filing Fee (unless otherwise noted)    
  Completed Supplemental Forms    
  Signature on Application

1. Type of Application: (Existing Permit #: 353-4)

- |  |  |
|--|--|
| <input type="checkbox"/> Permit - New Equipment      | <input type="checkbox"/> Modify Permit Condition (\$ 50 fee) |
| <input type="checkbox"/> Permit - Existing Equipment | <input type="checkbox"/> Modify Authority to Construct       |
| <input checked="" type="checkbox"/> Modify Permit    | <input type="checkbox"/> Emissions Reduction Credits         |

2. Process Type: (A process specific supplemental permit form must be attached to complete this permit application.)

- |  |  |  |
|--|--|--|
| <input type="checkbox"/> Abrasive Blasting     | <input type="checkbox"/> Dry Cleaning    | <input type="checkbox"/> Organic Liquid Storage                    |
| <input type="checkbox"/> Concrete Processing   | <input type="checkbox"/> Fuel Combustion | <input type="checkbox"/> Surface Coating                           |
| <input type="checkbox"/> Degreasing Operations | <input type="checkbox"/> Fuel Dispensing | <input checked="" type="checkbox"/> General (Describe in 7. below) |

3. Facility Name: Chevron USA, Inc.  
 Facility Street Address P.O. Box 1392  
 City, State ZIP: Bakersfield, CA. 93302

4. Owner:

Contact Person: <u>Martin Lundy</u>	Work Phone: <u>661-654-7142</u>
Company Name: <u>Chevron USA, Inc.</u>	FAX: <u>661-654-7133</u>
Mailing Address: <u>P.O. Box 1392</u>	Cell Phone: <u>661-331-3627</u>
City, State ZIP: <u>Bakersfield, CA. 93302</u>	Email: <u>martin.lundy@chevron.com</u>

5. Other Contacts: (If contact is not the same as owner please use the attached APCD Permit Contacts form)

- |  |  |
|--|--|
| Facility Operations: <input checked="" type="checkbox"/> Same as Owner | Inspections: <input type="checkbox"/> Same as Owner                          |
| Billing: <input type="checkbox"/> Same as Owner                        | Legal/Enforcement Actions: <input checked="" type="checkbox"/> Same as Owner |

6. Nature of Business or Agency: (Include SIC code if known.)

1311

(CONTINUED ON NEXT PAGE)

(District Use Only)

Date Received Stamp	APCD Application	Auth. to Construct	Permit to Operate
<div style="border: 2px solid black; padding: 10px; width: fit-content; margin: auto;"> <p style="font-size: 24px; font-weight: bold; margin: 0;">RECEIVED</p> <p style="font-size: 18px; font-weight: bold; margin: 5px 0 0 0;">SEP 26 2006</p> <p style="font-size: 12px; margin: 5px 0 0 0;">AIR POLLUTION CONTROL DISTRICT COUNTY OF SAN LUIS OBISPO</p> </div>	Number: <u>4274</u>	Issuance Date:	Issuance Date:
	Fee: <u>100.00</u>	Fee:	Fee:
	Receipt No. <u>762894</u>	Receipt No.	Receipt No.
	Check No. <u>002460347</u>	Check No.	Check No.
	Ref. App. No.	Extended	Permit No.
Comments			Previous No.



**PERMIT APPLICATION FORM (continued)**

7. Description of Project and Process, or Explanation of Permit Modifications:

*Application for Initial Title V permit for PTO 353-4.*

8. Project Status:

Start Date: \_\_\_\_\_ Completion Date: \_\_\_\_\_

9. Additional Questions:

- a) Direction and straight line distance to nearest school: \_\_\_\_\_ feet. School Name: *Same as previous*
- b) Straight line distance to nearest residence: \_\_\_\_\_ feet *Same as previous*
- c) Straight line distance to nearest offsite workplace: \_\_\_\_\_ feet *Same as previous*
- d) Do you claim that any of data submitted with this application is a trade secret?  Yes  No
- e) Is this permit application a result of a district enforcement action?  Yes  No
- f) Is this project subject to California Environmental Quality Act (CEQA) review?  Yes  No  
If so supply: Agency: \_\_\_\_\_ Contact: \_\_\_\_\_
- g) Is the project approved by a city/county/other planning agency?  Yes  No
- h) Are you subject to the California's Air Toxics Hot Spots Program?  Yes  No
- i) Are you subject to a federal Part 70 permit? If so, attach appropriate Title V forms.  Yes  No
- j) Are toxic air contaminants emitted? If so, include an emission estimate in terms of maximum and average pounds per hour and annual total. Also, include a screening or formal risk assessment. (The District will perform a screening assessment upon request.)  Yes  No
- k) Plot plan and flow diagram included?  Yes
- l) Emission estimate included in terms of oxides of nitrogen (NOx), volatile organic compounds (VOC), carbon monoxide (CO), sulfur dioxide (SO2), and particulate matter less than ten microns (PM-10) in pounds per hour, pounds per day, and tons per year each?  Yes

I hereby certify that all information provided on this application, and its plans, attachments, and supplemental forms, is true and correct. I agree to pay any and all fees required by District rules for processing this application and for issuance of any Authority to Construct or Permit to Operate. If I abandon this project and withdraw my application, or should my application be disapproved, I agree that the obligation exists to compensate the District for time spent processing my application.

10. SIGNATURE: *Martin D. Lundy* 11. DATE: *2-9-07*  
 12. PRINT NAME: *Martin Lundy*  
 13. ORGANIZATION: *Chevron USA, Inc.*



**W. R. Fall**  
Health, Environment, and  
Safety Manager

**San Joaquin Valley BU**  
Chevron North America  
Exploration and Production  
P.O. Box 1392  
Bakersfield, CA 93302

July 16, 2009

Mr. Tim Fuhs  
San Luis Obispo County APCD  
3433 Roberto Court  
San Luis Obispo, CA 93401

**RE: Permit Application – Modify PTO 353-3 as Required by NOV # 2583**

Dear Mr. Fuhs:

Chevron U.S.A. Inc. (CUSA) is requesting to modify oil and gas production lease Permit to Operate (PTO) 353-3 by including a drain vessel at the site that was discovered during a recent inspection and documented in NOV # 2583.

Enclosed is an application to modify the PTO, and a check for \$132.00 to cover the cost of the application filing fees.

If you have any questions or require additional information please contact Mr. Martin Lundy at (661) 654-7142, or at mobile phone (661) 331-3627.

Sincerely,

A handwritten signature in black ink that reads "Martin Lundy" followed by a stylized flourish or initials.

W. R. Fall

Enclosures



## PERMIT APPLICATION FORM

*(Application must be typewritten, computer generated, or hand printed in ink. Complete all pages of application.)*

**IMPORTANT:** To assure that your application is complete include all of the following when submitting this application:

- \$132 Filing Fee                     
  Completed Supplemental Forms                     
  Signature on Application

Applications are evaluated on a cost recovery basis - the filing fee will be applied as a credit to the final amount due.

1. Type of Application: (Existing Permit #: 353-2 )

- |  |  |
|--|--|
| <input type="checkbox"/> Permit - New Equipment<br><input type="checkbox"/> Permit - Existing Equipment<br><input checked="" type="checkbox"/> Modify Permit | <input type="checkbox"/> Modify Permit Condition<br><input type="checkbox"/> Modify Authority to Construct<br><input type="checkbox"/> Emissions Reduction Credits |
|--|--|

2. Process Type: (A process specific supplemental permit form must be attached to complete this permit application.)

- |  |   |  |
|--|---|--|
| <input type="checkbox"/> Abrasive Blasting     | <input type="checkbox"/> Fuel Combustion            | <input checked="" type="checkbox"/> Organic Liquid Storage |
| <input type="checkbox"/> Concrete Processing   | <input type="checkbox"/> Fuel Dispensing            | <input type="checkbox"/> Surface Coating                   |
| <input type="checkbox"/> Degreasing Operations | <input type="checkbox"/> Internal Combustion Engine | <input type="checkbox"/> General (Describe in 7. below)    |
| <input type="checkbox"/> Dry Cleaning          |   |  |

3. Facility Name: Chevron U.S.A. Inc.

Facility Street Address \_\_\_\_\_

City, State ZIP: \_\_\_\_\_

Assessor Parcel Number (APN)  
if known:

4. Owner:

Contact Person:	<u>Martin Lundy</u>	Work:	<u>(661) 654-7142</u>
Company Name:	<u>Chevron U.S.A. Inc.</u>	FAX:	<u>(661) 654-7004</u>
Mailing Address:	<u>P. O. Box 1392</u>	Cell:	<u>(661) 331-3627</u>
City, State ZIP:	<u>Bakersfield, CA 93302</u>	Email:	<u>martin.lundy@chevron.com</u>

5. Other Contacts: (If contact is not the same as owner please attach the APCD Permit Contacts form with the information)

- |   |   |
|---|---|
| Facility Operations: <input type="checkbox"/> same as owner | Inspections: <input type="checkbox"/> same as owner               |
| Billing: <input checked="" type="checkbox"/> same as owner  | Legal/Enforcement Actions: <input type="checkbox"/> same as owner |

6. Nature of Business or Agency: (Include SIC code if known.)

Oil and Gas Production SIC 1311

(CONTINUED ON NEXT PAGE)

*(District Use Only)*

Date Received Stamp	APCD Application	Auth. to Construct	Permit to Operate
<p style="font-size: 2em; font-weight: bold;">RECEIVED</p> <p style="font-size: 1.2em;">JUL 20 2009</p> <p style="font-size: 0.8em;">AIR POLLUTION CONTROL DIST SAN LUIS OBISPO COUNTY</p>	Number: <u>5149</u>	Issuance Date:	Issuance Date:
	Fee: <u>132.00</u>	Fee:	Fee:
	Receipt No. <u>791513</u>	Receipt No.	Receipt No.
	Check No. <u>0025744522</u>	Check No.	Check No.
	Ref. App. No.	Extended	Permit No.
Comments			Previous No.

**PERMIT APPLICATION FORM**  
**(continued)**

7. Description of Project and Process, or Explanation of Permit Modifications:

Install vessels and associated valves and piping to receive drains from compressor and piping to allow removal of collected liquids from vessel.

8. Project Status:

Start Date: \_\_\_\_\_ Completion Date: \_\_\_\_\_

9. Additional Questions:

- a. Direction and straight line distance to nearest school: ≈7900 feet School Name: Midway Elementary
- b. Straight line distance to nearest residence: ≈ 6600 feet
- c. Straight line distance to nearest offsite workplace: ≈ 4800 feet
- d. Do you claim that any of data submitted with this application is a trade secret?  Yes  No
- e. Is this permit application a result of a district enforcement action?  Yes  No
- f. Is this project subject to California Environmental Quality Act (CEQA) review?  Yes  No
- g. If so, supply: Agency: \_\_\_\_\_ Contact: \_\_\_\_\_
- h. Is the project approved by a city/county/other planning agency?  Yes  No
- i. Are you subject to the California's Air Toxics Hot Spots Program?  Yes  No
- j. Are you subject to a federal Part 70 permit? If so, attach appropriate Title V forms.  Yes  No
- k. Are toxic air contaminants emitted? If so, include an emission estimate in terms of maximum and average pounds per hour and annual total. Also, include a screening or formal risk assessment. (The District will perform a screening assessment upon request.)  Yes  No

I hereby certify that all information provided on this application, and its plans, attachments, and supplemental forms, is true and correct. I agree to pay any and all fees required by District rules for processing this application and for issuance of any Authority to Construct or Permit to Operate. If I abandon this project and withdraw my application, or should my application be disapproved, I agree that the obligation exists to compensate the District for time spent processing my application.

10. SIGNATURE:  11. DATE: 7/16/2009

12. PRINT NAME: Martin Lundy

13. ORGANIZATION: Chevron U.S.A. Inc.

**San Luis Obispo County Air Pollution Control District  
APCD Permit Contacts  
Permit 353-2**

**Facility Operations**

Mike Perez

Work: (661) 768-3463

FAX:

Cell: (661) 332-2536

Email: MikePerez@chevron.com

**Billing**

Martin Lundy

Work: (661) 654-7142

FAX: (661) 654-7004

Cell: (661) 331-3627

Email: Martin.Lundy@chevron.com

**Inspections**

David Moore

Work: (661) 768-3406

FAX: (661) 768-3305

Cell: (661) 978-4020

Email: drmoore@chevron.com

**Legal/Enforcement Actions:**

David Moore

Work: (661) 768-3406

FAX: (661) 768-3305

Cell: (661) 978-4020

Email: drmoore@chevron.com



**Warner Williams**  
Vice President

**San Joaquin Valley SBU**  
Chevron North America  
Exploration and Production  
P.O. Box 1392  
Bakersfield, CA 93302

September 21, 2006

Mr. Gary Willey  
San Luis Obispo County APCD  
3433 Roberto Court  
San Luis Obispo, CA 93401

**RE: Initial Title V Permit Application**

Dear Mr. Willey:

Chevron U.S.A. Inc. (CUSA) is applying for the initial Title V permit for our oil and gas production lease in Midway Sunset oilfield.

Completed Applicable Requirements Form, Compliance Plan and Certification Form, Permit Contacts Form, and the required \$100 filing fees are enclosed.

If you have any questions or require additional information please contact Mr. Martin Lundy of my staff at phone number (661) 654-7142, or Mr. John Ludwick, our HES Business Partner, at phone number (661) 654-7487 or after hours at cell phone number (661) 303-1393.

Sincerely,

A handwritten signature in black ink, appearing to read "Warner Williams", with a long horizontal line extending to the right.

Warner Williams

Enclosures

**San Luis Obispo County Air Pollution Control District  
Title V Applicable Requirements Form**

This form must be submitted with any application for an initial Part 70 permit, reissuance of an existing Part 70 permit, and any minor or significant Part 70 permit modification. Applications for a permit modification need only supply such information that is related to the proposed change. If alternative operating scenario(s) are requested, items 3 and 4 below must be completed for each scenario and a clear distinction drawn as to which requirement applies to which scenario.

1. Please indicate the reason for this application.
 

<input type="checkbox"/> Minor Part 70 Modification	<input type="checkbox"/> Significant Part 70 Modification
<input checked="" type="checkbox"/> Initial Part 70 Permit	<input type="checkbox"/> Reissuance of a Part 70 Permit
  
2. Total Facility Emissions. For an initial Part 70 permit, check one and supply the noted information. Fugitive emissions must be included in the same manner as stack emissions.
  - a. I declare that this facility is a major source, as defined by District Rule 216, and I wish to use the District's most recent emissions inventory as the estimate of my emissions.
  - b. I declare that this facility is not a major source, as defined by District Rule 216, and I wish to use the District's most recent emissions inventory as the estimate of my emissions.
  - c. Attached is a table of this facility's emission unit and total emissions of each regulated air pollutant, in units of tons per calendar year (tpy).
  
3. Applicable Requirements With Emission Limitations. For each applicable requirement that includes an emission limitation, provide the following information. As appropriate, include the name of pollutant and units of measure. Attach additional lists/sheets as necessary.
  - See attachment for the information requested below.
  - a. Describe the applicable requirement and why it is applicable. There are no applicable requirements with emission limits.
  - b. The applicable requirement citation is N/A and emission limitation is N/A.
  - c. Emission unit(s) subject to the applicable requirement. N/A
  - d. Each emission unit(s) emission rate is N/A tpy of N/A (pollutant). In terms the applicable reference test method, each unit(s) emission rate is N/A and the test method is N/A.
  - e. Example calculations and the information used to determine emissions, for example: fuels, fuel use, raw materials, production rates, and operating schedules. N/A
  - f. Describe the applicable air pollution control equipment, work practice standards, and constraints on source operations that limit emissions. N/A
  - g. Other information required by the applicable requirement (including information related to stack height limitations). N/A

4. Applicable Requirements Without Emission Limitations. For each applicable requirement that does not include an emission limitation, provide the following information. Attach additional lists/sheets as necessary.
- See attachment for the information requested below.
- a. Describe the applicable requirement and why it is applicable. \_\_\_\_\_.
  - b. The applicable requirement citation is \_\_\_\_\_.
  - c. Emission unit(s) subject to the applicable requirement. \_\_\_\_\_.
  - d. Other information required by the applicable requirement. \_\_\_\_\_.
5. Proposed Exemption. Provide an explanation of any proposed exemptions from otherwise applicable requirements. There are no proposed exemption.
- See attachment for the requested information.
6. Insignificant Activities. For initial issuance or reissuance applications, provide a list of all emissions units that are designated insignificant activities because of size or production rate.
- See attachment for the information requested below.
- a. Describe the equipment. There are no insignificant activities.
  - b. Provide the basis for identification as an insignificant activity (Rule 201 citation). \_\_\_\_\_.
7. I certify that, based on information and belief formed after reasonable inquiry, the statement and information in this document and supplements are true, accurate, and complete.

Signature of Responsible Official  Date Sept 20, 2006

**San Luis Obispo County Air Pollution Control District  
Title V Compliance Plan and Certification Form**

This form must be submitted with any application for an initial Part 70 permit, reissuance of an existing Part 70 permit, and for any minor or significant Part 70 permit modification. Applications for a permit modification need only supply such information that is related to the proposed change.

1. Applicable Requirements. For each applicable requirement, provide the following information. Attach additional lists/sheets as necessary.

See attachment for the information requested below.

a. Identify the applicable requirement, its citation, and the emission unit to which it applies.

b. Indicate compliance status:  yes  future effective  no (*attach compliance schedule*).

c. Describe the methods to be used to determine compliance. Attach a Compliance Assurance Monitoring (CAM) plan in accordance with 40CFR64, if applicable.

- 1) monitoring: \_\_\_\_\_
- 2) recordkeeping: \_\_\_\_\_
- 3) reporting: \_\_\_\_\_
- 4) test methods: \_\_\_\_\_

d. Propose a schedule for compliance certification submission during the permit term (no less frequently than annually). \_\_\_\_\_

e. Describe the compliance status with any applicable enhanced monitoring and compliance certification requirements of §114(a)(3) of the Clean Air Act. \_\_\_\_\_

f. If this source is required to prepare a risk management plan pursuant to §112(r) of the Clean Air Act, indicate the date that it was submitted to the County Environmental Health Department or include a compliance schedule for the submittal of such a plan. \_\_\_\_\_

2. Compliance certification. Please check the applicable statements.

I certify that, based on information and belief formed after reasonable inquiry, the statement and information in this document and supplements are true, accurate, and complete; also,

a. If this application is for a minor Part 70 modification, that the modification meets the criteria for use of the minor Part 70 permit modification procedures; and that I have attached:

a suggested draft Part 70 permit that complies with the provisions of Rule 216.F;

b. This source will continue to comply with the applicable federal requirement(s) with which this source is in compliance as identified above or in the attachment;

c. This source will comply with the future-effective applicable federal requirement(s) as identified above or in the attachment, on a timely basis (*attach a compliance schedule for any requirement that includes a series of actions*);

d. This source is not in compliance with the applicable federal requirement(s), as identified above or in the attachment, and that I have attached:

a compliance plan schedule, and

a schedule for progress report submissions at no less than 6 month intervals.

Signature of Responsible Official  Date Sept 20, 2006



## APCD PERMIT CONTACTS

Use this form to add, or modify, the contact information associated with your permit application or an existing permit. This form may not be used as the sole document for ownership change.

For existing permit(s) indicate which permit number(s) is affected: 353-3

Every permit requires contacts in several categories. The contact categories are:

- Owner – Permit Holder
- Facility – Facility Operations or Engineering
- Billing – Accounts Payable Processing
- Inspection – Access/Escort for Inspection

The permit holder/owner is assumed to be the contact in all of the above categories unless the District is otherwise informed.

For Facility and Inspection contacts make sure the telephone number information is current and valid.

In the Owner category use this form to make only minor changes: phone numbers, email, etc. Use the Change of Ownership/Name/Address form for ownership changes.

You may provide additional contact information, such as cell phones, FAX numbers, or email, as you desire.

### OWNER

Contact Person	<u>Martin Lundy</u>	Work Phone:	<u>661-654-7142</u>
Company Name	<u>Chevron USA, Inc.</u>	FAX:	<u>661-654-7133</u>
Address	<u>P.O. Box 1392</u>	Cell Phone:	<u>661-331-3627</u>
City, State, Zip:	<u>Bakersfield, CA. 93302</u>	Email:	<u>martin.lundy@chevron.com</u>

### FACILITY

Contact Person	<u>Martin Lundy</u>	Work Phone:	<u>661-654-7142</u>
Company Name	<u>Chevron USA, Inc.</u>	FAX:	<u>661-654-7133</u>
Address	<u>P.O. Box 1392</u>	Cell Phone:	<u>661-331-3627</u>
City, State, Zip:	<u>Bakersfield, CA. 93302</u>	Email:	<u>martin.lundy@chevron.com</u>

### BILLING

Contact Person	<u>Kristy Rapley</u>	Work Phone:	<u>661-654-7148</u>
Company Name	<u>Chevron USA, Inc.</u>	FAX:	<u>661-654-7133</u>
Address	<u>P.O. Box 1392</u>	Cell Phone:	<u></u>
City, State, Zip:	<u>Bakersfield, CA. 93302</u>	Email:	<u>Kristy.Rapley@chevron.com</u>

### INSPECTION

Contact Person	<u>Dave Moore</u>	Work Phone:	<u>661-768-3406</u>
Company Name	<u>Chevron USA, Inc.</u>	FAX:	<u>661-768-3305</u>
Address	<u>P.O. Box 1392</u>	Cell Phone:	<u>661-978-4020</u>
City, State, Zip:	<u>Bakersfield, CA. 93302</u>	Email:	<u>drmoore@chevron.com</u>

## Permit to Operate 353-3

### Equipment Description:

Oil and gas production lease with the following equipment:

- a. gas gathering system with one (1) electric powered compressor, designated C-2, connected to the larger central system located in Kern County (Section 36, T31/S/R22E).
- b. thirty-eight (38) electrically driven oil wells connected to the gas gathering system.
- c. thirty (30) electrically driven oil wells closed to the atmosphere.
- d. one (1) 500 bbl crude oil storage tank, designated 2FC29.
- e. Section 2 Government Lease with the following: one (1) 200 bbl horizontal crude oil tank.
- f. associated piping, fittings and valves.

### Conditions:

1. This equipment shall be installed, operated and maintained in accordance with the manufacturer's recommendations and the information presented in the application under which this permit was granted.
2. If the Air Pollution Control Officer (APCO) determines that the operation of this equipment is causing a public nuisance, the operator/owner shall take immediate action and permanently eliminate the nuisance.
3. The APCO shall be notified in writing before any changes are made to operating procedures, equipment, or materials used which have the potential to increase the emission of any air contaminant.
4. The Inspection and Maintenance Plan as approved by the APCO, shall be adhered to in accordance with provisions of Section D, of District Rule 417 (Control of Fugitive Emissions of Volatile Organic Compounds). Leakage records and inspection logs shall be made available to the District upon request.
5. The gas gathering system shall be maintained and operated at all times.
6. Tanks shall only store, place or hold liquid with a true vapor pressure (TVP) of less than 0.5 psia at all storage conditions.
7. When crude oil is introduced and stored in the tanks, the TVP of the crude oil shall be tested within 60 days of introduction of the crude oil and at least once every 24 months thereafter during summer (July - September), unless no additional crude oil is introduced to the tank since the previous TVP test.
8. 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.
9. Well cellars are prohibited on active wells.

## Permit to Operate 353-3

Cond. #	Reason for Applicable requirement	Rule citation	Applicable emission units	Other info. Required	Compliance status	Schedule for compliance certification	Compliance status with §14(a)(3)	Risk plan for §12(f)
1.	Rule 202	202	All equipment	None	Compliant	Annual	Not required	Not required
2.	Rule 402	402	All equipment	None	Compliant	Annual	Not required	Not required
3.	Rule 202	202	All equipment	None	Compliant	Annual	Not required	Not required
4.	Rule 417	417	Gas gathering system	None	Compliant	Annual	Not required	Not required
5.	Rule 417	417	Gas gathering system	None	Compliant	Annual	Not required	Not required
6.	Rule 425	425	All tanks	None	Compliant	Annual	Not required	Not required
7.	Rule 425	425	All tanks	None	Compliant	Annual	Not required	Not required
8.	Rule 425	425	All tanks	None	Compliant	Annual	Not required	Not required
9.	Rule 419	419	All wells	None	Compliant	Annual	Not required	Not required

Cond. #	Compliance determination
1.	No monitoring, recordkeeping, reporting, or test methods are required to determine compliance with this condition.
2.	No monitoring, recordkeeping, reporting, or test methods are required to determine compliance with this condition.
3.	Chevron will report any modifications which have the potential to increase the emission of any air contaminant.
4.	Chevron will perform an inspection and maintenance program for the gas gathering system and maintain records of inspection and leaks.
5.	Chevron will perform an inspection and maintenance program to ensure the gas gathering system is maintained and operated at all times.
6.	This condition limits the TVP limit of the tanks and will be tested periodically per condition 7 using the test method in condition 8.
7.	This condition list the periodic testing requirement for the TVP limit on condition 6.
8.	This condition list the test method for the TVP limit on condition 6.
9.	No monitoring, recordkeeping, reporting, or test methods are required to determine compliance with this condition.

**Chevron Midway Sunset, Applications 4274 and 5159**

**Attachment B**

**Public Notice**

Pursuant to Rule 216, Federal Part 70 Permits, of the San Luis Obispo County Air Pollution Control District Rules and Regulations, the Air Pollution Control Officer (APCO) has made a preliminary decision to grant a Federal Clean Air Act Title V permit for the Chevron Midway Sunset Oilfield. This facility is located at 26251 Highway 33, Fellows, California. The proposed action will update the previous version of the permit; no increase in emissions is involved.

Written public comments regarding the preliminary decision are requested by the District for a period of 30 days after publication of this notice and comments will receive due consideration before final action is taken. A public hearing to receive comment on this proposed decision has not been scheduled, but one may be requested by writing to the APCO.

The District is also providing the U.S. Environmental Protection Agency (USEPA) with a 45-day review and objection period for this proposed decision. If the USEPA does not object in writing, any person may petition the USEPA Administrator within 60 days after the expiration of the Administrator's 45-day review period to make such objection. Any such petition shall be based only on objections to the permit that were raised with reasonable specificity during the public comment period unless the petitioner demonstrates that it was impractical to raise such objections within such period or unless the grounds for such objection arose after such period.

The Application Numbers 4274, 5149 and the District's Staff Report, which sets forth the legal and factual basis of the proposed permit, are available for inspection weekdays between 8:00 a.m.-12 noon and 1:00-5:00 p.m. at the District's office, 3433 Roberto Court, San Luis Obispo, California. The District contact person for this proposed permit is David Whitney: 805-781-5912 or [dwhitney@co.slo.ca.us](mailto:dwhitney@co.slo.ca.us). Written comments on the proposed decision or a request for public hearing may be mailed to:

Larry R. Allen, Air Pollution Control Officer  
Air Pollution Control District  
3433 Roberto Court  
San Luis Obispo, California 93401-7126

Date: \_\_\_\_\_

JULIE L. RODEWALD  
COUNTY CLERK-RECORDER

\_\_\_\_\_  
DEPUTY CLERK-RECORDER

**Chevron Midway Sunset, Applications 4274 and 5149**

**Attachment C**

**Comment Letters**