



JAN 26 2015

Mr. Kenneth Bork
Freeport-McMoRan Oil & Gas LLC
1200 Discovery Drive, Suite 500
Bakersfield, CA 93309

**Re: Proposed Authority to Construct/Certificate of Conformity (Minor Mod)
District Facility # S-1372
Project # S-1143357**

Dear Mr. Bork:

Enclosed for your review is the District's analysis of an application for Authority to Construct for the facility identified above. You requested that a Certificate of Conformity with the procedural requirements of 40 CFR Part 70 be issued with this project. The modification consists of adding piping to connect the vapor recovery systems so that vapors can be rerouted between units S-1372-99 and S-1372-100 during emergencies or equipment maintenance.

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

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

Seyed Sadredin
Executive Director/Air Pollution Control Officer

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

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

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

JAN 26 2015

Mr. Kenneth Bork
Page 2

Thank you for your cooperation in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Arnaud Marjollet', is written over the typed name.

Arnaud Marjollet
Director of Permit Services

Enclosures

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

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 4201	Particulate Matter Concentration (12/17/92)
Rule 4311	Flares (6/18/09)
Rule 4401	Steam-Enhanced Crude Oil Production Wells
Rule 4407	In-Situ Combustion Well Vents
Rule 4801	Sulfur Compounds (12/17/92)
Rule 4801	Sulfur Compounds (12/17/92)
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 units associated with this project are located at the McKittrick, Lease (NE/4 Section 6, T30S, R22E) on the Cymric Oilfield within Freeport's Kern County Heavy Oil Western Stationary Source. The equipment is not located within 1,000 feet of the outer boundary of any K-12 school; therefore, pursuant to CH&SC 42301.6, California Health and Safety Code (School Notice), public notification is not required.

IV. Process Description

Steam is produced from steam generators or gas turbine cogeneration operations and injected into the heavy crude oil bearing strata via injection wells to enhance the oil extraction. Heat from the steam makes the heavy crude oil less viscous; therefore, easier to pump from the well. Oil is extracted from steam drive wells, which are dedicated oil extraction wells, and from cyclic wells, which are used to both inject steam and extract oil alternately (cyclically). Gasses are produced as a result of the steaming process, and include water vapor, CO₂, CO, H₂S, and hydrocarbons. These gasses are vented from the well casings to a vapor collection and control system.

In the vapor collection system, well casing vapors are compressed and separated into liquid and incondensable vapor fractions. The liquids are piped away for further processing in the oil treatment plants. The incondensable vapors are compressed and either injected into underground strata via injection wells approved by the state Division of Oil Gas and Geothermal Resources (DOGGR) or incinerated by a standby flare.

This modification is to connect the vapor collection system of both units in order to allow vapors to be routed between the vapor collection systems on units S-1372 -99 and S-1372-100 for disposal during emergencies, and equipment maintenance.

V. Equipment Listing

Pre-Project Equipment Description:

- S-1372-99-8: TEOR OPERATION INCLUDING 132 STEAM ENHANCED WELLS, WELL VENT VAPOR RECOVERY SYSTEM, SLUG CATCHER, SCRUBBERS, HEAT EXCHANGER, COMPRESSORS, PUMPS, STANDBY FLARE, SULFA CHECK SYSTEM, & VAPOR PIPING TO UNIT S-1372-26 (MCKITTRICK FEE/HOYT LEASE)
- S-1372-100-30: TEOR OPERATION WITH WELL CASING COLLECTION SYSTEM SERVING 633 STEAM ENHANCED WELLS WITH 3-PHASE SEPARATORS, STANDBY FLARE, SLUG CATCHER, SCRUBBERS, HEAT EXCHANGERS, COMPRESSORS, PUMPS, SULFA CHECK AND LIQUID SULFUR REMOVAL SYSTEMS (GAMBLE/MCKITTRICK FRONT)

Proposed Modification:

- S-1372-99-8: MODIFICATION OF TEOR OPERATION INCLUDING 132 STEAM ENHANCED WELLS, WELL VENT VAPOR RECOVERY SYSTEM, SLUG CATCHER, SCRUBBERS, HEAT EXCHANGER, COMPRESSORS, PUMPS, STANDBY FLARE, SULFA CHECK SYSTEM, & VAPOR PIPING TO UNIT S-1372-26 (MCKITTRICK FEE/HOYT LEASE): CONNECT WELL VENT VAPOR RECOVERY SYSTEM TO WELL CASING COLLECTION SYSTEM LISTED ON PERMIT S-1372-100
- S-1372-100-30: MODIFICATION OF TEOR OPERATION WITH WELL CASING COLLECTION SYSTEM SERVING 633 STEAM ENHANCED WELLS WITH 3-PHASE SEPARATORS, STANDBY FLARE, SLUG CATCHER, SCRUBBERS, HEAT EXCHANGERS, COMPRESSORS, PUMPS, SULFA CHECK AND LIQUID SULFUR REMOVAL SYSTEMS (GAMBLE/MCKITTRICK FRONT): CONNECT WELL CASING COLLECTION SYSTEM TO WELL VENT VAPOR RECOVERY SYSTEM LISTED ON PERMIT S-1372-99

Post Project Equipment Description:

- S-1372-99-8: TEOR OPERATION INCLUDING 132 STEAM ENHANCED WELLS, WELL VENT VAPOR RECOVERY SYSTEM AND VAPOR PIPING TO UNIT S-1372-100, SLUG CATCHER, SCRUBBERS, HEAT EXCHANGER, COMPRESSORS, PUMPS, STANDBY FLARE, SULFA CHECK SYSTEM, & VAPOR PIPING TO UNIT S-1372-26 (MCKITTRICK FEE/HOYT LEASE)
- S-1372-100-30: TEOR OPERATION WITH WELL CASING COLLECTION SYSTEM WITH VAPOR PIPING TO UNIT S-1372-99 SERVING 633 STEAM ENHANCED WELLS WITH 3-PHASE SEPARATORS, STANDBY FLARE, SLUG CATCHER, SCRUBBERS, HEAT EXCHANGERS, COMPRESSORS, PUMPS, SULFA CHECK AND LIQUID SULFUR REMOVAL SYSTEMS (GAMBLE/MCKITTRICK FRONT)

VI. Emission Control Technology Evaluation

Volatile organic compounds (VOCs) are emitted from the well casing collection and control systems. VOC emissions from the well casing collection system and the associated vapor control system are controlled with 99% efficiency, in accordance with District Rule 4401. The vapor collection system includes the well casing gas piping network, compressors, pumps, liquid/gas separators and heat exchangers. The vapor control consists of either disposal of collected VOCs by incineration with the standby flare or injection back into the ground through DOGGR-approved wells.

VII. General Calculations

This project does not meet the criteria for a Rule 2201 Modification, as defined in Section 3.26, and is not subject to the requirements of Rule 2201. Therefore, formal calculations for Rule 2201 are not necessary and no further discussion is required.

VIII. Compliance

Rule 2201 New and Modified Stationary Source Review Rule

This modification will not result in a change in emissions or process throughput. In addition, both units are currently equipped vapor control systems with 99% control efficiency. Therefore per Category No.20 of District FYI-111 (Dated 5/31/05) (see Appendix F) the proposed modification does not constitute an NSR modification to units S-1372-99 or S-1372-100 provided the vapor control systems can continue to meet their respective control efficiency requirements. Therefore, this project is not subject to the requirements of District Rule 2201. No further discussion is required.

Rule 2410 Prevention of Significant Deterioration

This modification will not result in a change in emissions or process throughput, and is exempt from the requirements of Rule 2201. This project does not result in a new PSD major source or PSD major modification. No further discussion is required.

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/minor modification application.

Rule 4101 Visible Emissions

Rule 4101 states that no air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity.

As long as the equipment is properly maintained and operated, compliance with visible emissions limits is expected under normal operating conditions.

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.

As demonstrated above, there are no increases in emissions associated with this project, therefore a health risk assessment is not necessary and no further risk analysis is required.

Discussion of T-BACT

BACT for toxic emission control (T-BACT) is required if the cancer risk exceeds one in one million. As demonstrated above, T-BACT is not required for this project because the HRA indicates that the risk is not above the District's thresholds for triggering T-BACT requirements; therefore, compliance with the District's Risk Management Policy is expected.

Rule 4311 Flares

The purpose of this rule is to limit the emissions of volatile organic compounds (VOC), oxides of nitrogen (NO_x), and sulfur oxides (SO_x) from the operation of flares. The units modified in this project are currently in compliance with the requirements of this rule. Continued compliance is expected.

Rule 4401 Steam-Enhanced Crude Oil Production Wells

The purpose of this rule is to limit the Volatile Organic Compound (VOC) emissions from steam-enhanced crude oil production wells. The units modified in this project are currently in compliance with the requirements of this rule. Continued compliance is expected.

Rule 4407 In-Situ Combustion Well Vents

The purpose of this rule is to implement federally enforceable emission limitations for insitu combustion well vents. The units modified in this project are currently in compliance with the requirements of this rule. Continued compliance is expected.

Rule 4801 Sulfur Compounds

The purpose of this rule is to limit the emissions of sulfur compounds. A maximum concentration and test method are specified. The units modified in this project are currently in compliance with the requirements of this rule. Continued 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 ATC S-1372-99-9 & S-1372-100-31 subject to the permit conditions on the attached draft ATC in **Appendix A**.

X. Billing Information

Annual Permit Fees			
Permit Number	Fee Schedule	Fee Description	Annual Fee
S-1372-99-9	3020-09-A	132 wells	\$1,232.88
S-1372-100-31	3020-09-A	633 wells	\$5,912.22

Appendixes

- A: Draft ATC
- B: Current PTO(s)
- C: Quarterly Net Emissions Change
- D: Emission Profile(s)
- E: Compliance Certification
- F: District FYI-111

**APPENDIX A:
Draft ATC**

San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1372-99-9

LEGAL OWNER OR OPERATOR: FREEPORT-MC MORAN OIL & GAS
MAILING ADDRESS: 1200 DISCOVERY DR - STE 500
BAKERSFIELD, CA 93309

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
CA

SECTION: 06 **TOWNSHIP:** 30S **RANGE:** 22E

EQUIPMENT DESCRIPTION:

MODIFICATION OF TEOR OPERATION INCLUDING 132 STEAM ENHANCED WELLS, WELL VENT VAPOR RECOVERY SYSTEM, SLUG CATCHER, SCRUBBERS, HEAT EXCHANGER, COMPRESSORS, PUMPS, STANDBY FLARE, SULFA CHECK SYSTEM, & VAPOR PIPING TO UNIT S-1372-26 (MCKITTRICK FEE/HOYT LEASE): CONNECT WELL CASING VENT SYSTEMS S-1372-99 AND S-1372-100

CONDITIONS

1. {1830} This Authority to Construct serves as a written certificate of conformity with the procedural requirements of 40 CFR 70.7 and 70.8 and with the compliance requirements of 40 CFR 70.6(c). [District Rule 2201] Federally Enforceable Through Title V Permit
2. {1831} Prior to operating with modifications authorized by this Authority to Construct, the facility shall submit an application to modify the Title V permit with an administrative amendment in accordance with District Rule 2520 Section 5.3.4. [District Rule 2520, 5.3.4] Federally Enforceable Through Title V Permit
3. Leaks shall be inspected and repaired as specified in Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
4. Collected condensate shall be discharged into production pipeline. [District NSR Rule] Federally Enforceable Through Title V Permit
5. Liquids collected in drip pot on noncondensable piping going to steam generator S-1372-26 shall be returned to condensate collection vessel. [District NSR Rule] Federally Enforceable Through Title V Permit
6. Standby flare shall only be used to incinerate TEOR vapors when steam generator S-1372-26 is inoperative. [District NSR Rule] 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

Arnaud Marjolle, Director of Permit Services

S-1372-99-9 : Jan 8 2015 8:02AM -- JONESW : Joint Inspection NOT Required

7. Noncondensable vapors from this well vent vapor control system shall be incinerated in steam generator S-1372-26, standby flare or routed to unit S-1372-100. [District NSR Rule] Federally Enforceable Through Title V Permit
8. Fugitive VOC emissions from vapor collection and control system shall not exceed 93.9 lb/day. [District NSR Rule] Federally Enforceable Through Title V Permit
9. Sulfur compounds (as SO₂) emissions from incineration of TEOR vapors shall not exceed 2.56 lb/hr. [District NSR Rule] Federally Enforceable Through Title V Permit
10. Permittee shall maintain accurate records of well casing vapor total sulfur concentration (periodic sampling of no less than once per quarter), daily volume of casing vapor incinerated, and calculated daily SO₂ emissions. [District Rule 1070 and 2520, 9.3.2] Federally Enforceable Through Title V Permit
11. Permittee shall maintain with the permit a current listing of all steam enhanced wells connected to the casing vent control system and shall make such listing readily available for District inspection upon request. [District Rule 1070 and 2520, 9.3.2] Federally Enforceable Through Title V Permit
12. The following test method shall be used for fuel gas sulfur content - ASTM D3246 or double GC for H₂S and mercaptans. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
13. Compliance with sulfur emission limit shall be verified by daily fuel consumption and quarterly fuel sulfur content, and such records shall be available for District inspection for five years. [District Rule 1070 and 2520, 9.4.2] Federally Enforceable Through Title V Permit
14. The flare in this permit shall be inspected every two weeks while in operation for visible emissions. If visible emissions are observed, corrective action shall be taken. If visible emissions continue, an EPA method 9 test shall be conducted within 72 hours. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
15. The flare shall be operated according to the manufacturer's specifications, a copy of which shall be maintained on site. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
16. Flare shall comply with all of the applicable requirements of Rule 4311. [District Rule 4311] Federally Enforceable Through Title V Permit
17. The flame shall be present at all times when combustible gases are vented through the flare. [District Rule 4311, 5.2] Federally Enforceable Through Title V Permit
18. The flare outlet shall be equipped with an automatic ignition system, or, shall operate with a pilot flame present at all times when combustible gases are vented through the flare, except during purge periods for automatic-ignition equipped flares. [District Rule 4311, 5.3] Federally Enforceable Through Title V Permit
19. Except for flares equipped with a flow-sensing ignition system, a heat sensing device such as a thermocouple, ultraviolet beam sensor, infrared sensor, or an equivalent device, capable of continuously detecting at least one pilot flame or the flare flame is present shall be installed and operated. [District Rule 4311, 5.4] Federally Enforceable Through Title V Permit
20. Flares using flow-sensing automatic ignition systems and not using a continuous flame pilot shall use purge gas for purging. [District Rule 4311, 5.5] Federally Enforceable Through Title V Permit
21. Open flares (air-assisted, steam-assisted, or non-assisted) in which the flare gas pressure is less than 5 psig shall be operated in such a manner that meets the provisions of 40 CFR 60.18. [District Rule 4311, 5.6] Federally Enforceable Through Title V Permit
22. Flaring is prohibited unless it is consistent with an approved flare minimization plan (FMP), pursuant to Rule 4311, Section 6.5, and all commitments listed in that plan have been met. This standard shall not apply if the APCO determines that the flaring is caused by an emergency as defined by Section 3.7 and is necessary to prevent an accident, hazard or release of vent gas directly to the atmosphere [District Rule 4311, 5.8] Federally Enforceable Through Title V Permit

DRAFT

CONDITIONS CONTINUE ON NEXT PAGE

23. The operator of a flare subject to flare minimization requirements pursuant to Section 5.8 shall monitor the vent gas flow to the flare with a flow measuring device or other parameters as specified in the Permit to Operate. The operator shall maintain records pursuant to Section 6.1.7. Flares that the operator can verify, based on permit conditions, are not capable of producing reportable flare events pursuant to Section 6.2.2 shall not be required to monitor vent gas flow to the flare. [District Rule 4311, 5.10] Federally Enforceable Through Title V Permit
24. The following records shall be maintained, retained on-site for a minimum of five years, and made available to the APCO, ARB, and EPA upon request: 1) A copy of the compliance determination conducted pursuant to Section 6.4.1, 2) For flares used during an emergency, record of the duration of flare operation, amount of gas burned, and the nature of the emergency situation, 3) A copy of the approved flare minimization plan pursuant to Section 6.5, 4) On and after July 1, 2012, where applicable, a copy of annual reports submitted to the APCO pursuant to Section 6.2, and 5) Where applicable, monitoring data collected pursuant to Sections 5.10. [District Rule 4311, 6.1] Federally Enforceable Through Title V Permit
25. The operator of a flare subject to flare minimization plans pursuant to Section 5.8 of Rule 4311 shall notify the APCO of an unplanned flaring event within 24 hours after the start of the next business day or within 24 hours of their discovery, whichever occurs first. The notification shall include the flare source identification, the start date and time, and the end date and time. [District Rule 4311, 6.2.1] Federally Enforceable Through Title V Permit
26. Effective on and after July 1, 2012, and annually thereafter, the operator of a flare subject to flare minimization plans pursuant to Section 5.8 shall submit an annual report to the APCO that summarizes all Reportable Flaring Events as defined in Section 3.0 that occurred during the previous 12 month period. The report shall be submitted within 30 days following the end of the twelve month period of the previous year. The report shall include, but is not limited to all of the following: 1) The results of an investigation to determine the primary cause and contributing factors of the flaring event; 2) Any prevention measures considered or implemented to prevent recurrence together with a justification for rejecting any measures that were considered but not implemented; 3) If appropriate, an explanation of why the flaring was an emergency and necessary to prevent accident, hazard or release of vent gas to the atmosphere, or where, due to a regulatory mandate to vent a flare, it cannot be recovered, treated and used as a fuel gas at the facility; and 4) The date, time, and duration of the flaring event. [District Rule 4311, 6.2.2] Federally Enforceable Through Title V Permit
27. Effective on and after July 1, 2012, and annually thereafter, the operator of a flare subject to flare monitoring requirements pursuant to Rule 4311, Sections 5.10, 6.6, 6.7, 6.8, 6.9, and 6.10, as appropriate, shall submit an annual report to the APCO within 30 days following the end of each 12 month period. The report shall include the following: 1) The total volumetric flow of vent gas in standard cubic feet for each day, 2) Hydrogen sulfide content, methane content, and hydrocarbon content of vent gas composition pursuant to Section 6.6, 3) If vent gas composition is monitored by a continuous analyzer or analyzers pursuant to Section 5.11, average total hydrocarbon content by volume, average methane content by volume, and depending upon the analytical method used pursuant to Section 6.3.4, total reduced sulfur content by volume or hydrogen sulfide content by volume of vent gas flared for each hour of the month, 4) If the flow monitor used pursuant to Section 5.10 measures molecular weight, the average molecular weight for each hour of each month, 5) For any pilot and purge gas used, the type of gas used, the volumetric flow for each day and for each month, and the means used to determine flow, 6) Flare monitoring system downtime periods, including dates and times, 7) For each day and for each month provide calculated sulfur dioxide emissions, and 8) A flow verification report for each flare subject to this rule. The flow verification report shall include flow verification testing pursuant to Section 6.3.5. [District Rule 4311, 6.2.3] Federally Enforceable Through Title V Permit
28. Total hydrocarbon content and methane content of vent gas shall be determined using ASTM Method D 1945-96, ASTM Method UOP 539-97, EPA Method 18, or EPA Method 25A or 25B. Hydrogen sulfide content of vent gas shall be determined using ASTM Method D 1945-96, ASTM Method UOP 539-97, ASTM Method D 4084-94, or ASTM Method D 4810-88. [District Rule 4311, 6.3.4] Federally Enforceable Through Title V Permit
29. Upon request, the operator of flares that are subject to Section 5.6 shall make available to the APCO the compliance determination records that demonstrate compliance with the provisions of 40 CFR 60.18, (c)(3) through (c)(5). [District Rule 4311, 6.4.1] Federally Enforceable Through Title V Permit
30. During the time any steam-enhanced crude oil production well is undergoing service or repair while the well is not producing, it shall be exempt from the emission control requirements of District Rule 4401. [District Rule 4401, 4.1] Federally Enforceable Through Title V Permit

DRAFT
CONDITIONS CONTINUE ON NEXT PAGE

31. The inspection requirements of Section 5.4.1 through Section 5.4.7 of Rule 4401 shall not apply to components exclusively handling gas/vapor or liquid with a VOC content of ten percent by weight (10%) or less, as determined by the test methods in Section 6.3.4 of Rule 4401. [District Rule 4401, 4.7] Federally Enforceable Through Title V Permit
32. Gas and liquid leaks are as defined in Section 3.20 of Rule 4401. [District Rule 4401, 3.20] Federally Enforceable Through Title V Permit
33. An operator shall not operate a steam-enhanced crude oil production well unless the operator complies with either of the following requirements: The steam-enhanced crude oil production well vent is closed and the front line production equipment downstream of the wells that carry produced fluids (crude oil or mixture of crude oil and water) is connected to a VOC collection and control system as defined in Section 3.0 of Rule 4401, the well vent may be temporarily opened during periods of attended service or repair of the well provided such activity is done as expeditiously as possible with minimal spillage of material and VOC emissions to the atmosphere, or the steam-enhanced crude oil production well vent is open and the well vent is connected to a VOC collection and control system as defined in Section 3.0 of Rule 4401. [District Rule 4401, 5.1.1 and 5.1.2] Federally Enforceable Through Title V Permit
34. An operator shall be in violation of this rule if any District inspection demonstrates or if any operator inspection conducted pursuant to Section 5.4 of Rule 4401 demonstrates the existence of an open-ended line or a valve located at the end of the line that is not sealed with a blind flange, plug, cap, or a second closed valve that is not closed at all times, except during attended operations as defined by Section 5.2.2.1 of Rule 4401 requiring process fluid flow through the open-ended lines, a component with a major liquid leak, or a component with a gas leak greater than 50,000 ppmv. [District Rule 4401, 5.2.2] Federally Enforceable Through Title V Permit
35. An operator shall be in violation of this rule if any District inspection demonstrates or if any operator inspection conducted pursuant to Section 5.4 of Rule 4401 demonstrates the existence of any combination of components with minor liquid leaks, minor gas leaks, or a gas leaks greater than 10,000 ppmv up to 50,000 ppmv that totals more than number of leaks allowed by Table 2 of Rule 4401. [District Rule 4401, 5.2.2] Federally Enforceable Through Title V Permit
36. An operator shall not use any component with a leak as defined in Section 3.0 of Rule 4401, or that is found to be in violation of the provisions of Section 5.2.2 of Rule 4401. However, components that were found leaking may be used provided such leaking components have been identified with a tag for repair, are repaired, or awaiting re-inspection after being repaired within the applicable time frame specified in Section 5.5 of Rule 4401. [District Rule 4401, 5.3.1] Federally Enforceable Through Title V Permit
37. Each hatch shall be closed at all times except during sampling or adding of process material through the hatch, or during attended repair, replacement, or maintenance operations, provided such activities are done as expeditiously as possible with minimal spillage of material and VOC emissions to the atmosphere. [District Rule 4401, 5.3.2] Federally Enforceable Through Title V Permit
38. An operator shall comply with the requirements of Section 6.7 of Rule 4401 if there is any change in the description of major components or critical components. [District Rule 4401, 5.3.3] Federally Enforceable Through Title V Permit
39. Except for pipes and unsafe-to-monitor components, an operator shall inspect all other components pursuant to the requirements of Section 6.3.3 of Rule 4401 at least once every year. [District Rule 4401, 5.4.1] Federally Enforceable Through Title V Permit
40. An operator shall visually inspect all pipes at least once every year. Any visual inspection of pipes that indicates a leak that cannot be immediately repaired to meet the leak standards of this rule shall be inspected within 24 hours after detecting the leak. If a leak is found, the leak shall be repaired as soon as practicable but not later than the time frame specified in Table 3 of Rule 4401. [District Rule 4401, 5.4.2] Federally Enforceable Through Title V Permit

DRAFT

CONDITIONS CONTINUE ON NEXT PAGE

41. In addition to the inspections required by Section 5.4.1 of Rule 4401, an operator shall inspect for leaks all accessible operating pumps, compressors, and PRDs in service as follows: An operator shall audio-visually (by hearing and by sight) inspect for leaks all accessible operating pumps, compressors, and PRDs in service at least once each calendar week. Any audio-visual inspection of an accessible operating pump, compressor, and PRD performed by an operator that indicates a leak that cannot be immediately repaired to meet the leak standards of this rule shall be inspected not later than 24 hours after conducting the audio-visual inspection. If a leak is found, the leak shall be repaired as soon as practicable but not later than the time frame specified in Table 3 of Rule 4401. [District Rule 4401, 5.4.3] Federally Enforceable Through Title V Permit
42. In addition to the inspections required by Sections 5.4.1, 5.4.2 and 5.4.3 of Rule 4401, operator shall perform the following: initially inspect a PRD that releases to the atmosphere as soon as practicable but not later than 24 hours after the discovery of the release, re-inspect the PRD not earlier than 24 hours after the initial inspection but not later than 15 calendar days after the initial inspection, inspect all new, replaced, or repaired fittings, flanges, and threaded connections within 72 hours of placing the component in service. Except for PRDs subject to the requirements of Section 5.4.4.1 of Rule 4401, an operator shall inspect a component that has been repaired or replaced not later than 15 calendar days after the component was repaired or replaced. [District Rule 4401, 5.4.4] Federally Enforceable Through Title V Permit
43. An operator shall inspect all unsafe-to-monitor components during each turnaround. [District Rule 4401, 5.4.7] Federally Enforceable Through Title V Permit
44. District inspection in no way fulfills any of the mandatory inspection requirements that are placed upon operators and cannot be used or counted as an inspection required of an operator. [District Rule 4401, 5.4.8] Federally Enforceable Through Title V Permit
45. An operator shall affix a readily visible weatherproof tag to a leaking component upon detection of the leak and shall include the following information on the tag: date and time of leak detection, date and time of leak measurement, for a gaseous leak, the leak concentration in ppmv, for a liquid leak, whether it is a major liquid leak or a minor liquid leak, whether the component is an essential component, an unsafe-to monitor component, or a critical component. [District Rule 4401, 5.5.1] Federally Enforceable Through Title V Permit
46. An operator shall keep the tag affixed to the component until an operator has met all of the following conditions: repaired or replaced the leaking component, re-inspected the component using the test method in Section 6.3.3, and the component is found to be in compliance with the requirements of this rule. [District Rule 4401 5.5.2] Federally Enforceable Through Title V Permit
47. An operator shall minimize a component leak in order to stop or reduce leakage to the atmosphere immediately to the extent possible, but not later than one (1) hour after detection of the leak. [District Rule 4401, 5.5.3] Federally Enforceable Through Title V Permit
48. Except for leaking critical components or leaking essential components subject to the requirements of Section 5.5.7 of Rule 4401, if an operator has minimized a leak but the leak still exceeds the applicable leak limits as defined in Section 3.0 of Rule 4401, an operator shall comply with at least one of the following requirements as soon as practicable but not later than the time period specified in Table 3 of Rule 4401: Repair or replace the leaking component; or vent the leaking component to a VOC collection and control system as defined in Section 3.0 of Rule 4401, or remove the leaking component from operation. [District Rule 4401, 5.5.4] Federally Enforceable Through Title V Permit
49. The repair period in calendar days shall not exceed 14 days for minor gas leaks, 5 days for major gas leaks less than or equal to 50,000 ppmv, 2 days for gas leak greater than 50,000 ppmv, 3 days for minor liquid leaks, 2 days for major liquid leaks. [District Rule 4401, 5.5.4] Federally Enforceable Through Title V Permit
50. The leak rate measured after leak minimization has been performed shall be the leak rate used to determine the applicable repair period specified in Table 3 of Rule 4401. [District Rule 4401, 5.5.5] Federally Enforceable Through Title V Permit
51. The time of the initial leak detection shall be the start of the repair period specified in Table 3 of Rule 4401. [District Rule 4401, 5.5.6] Federally Enforceable Through Title V Permit

DRAFT
CONDITIONS CONTINUE ON NEXT PAGE

52. If the leaking component is an essential component or a critical component that cannot be immediately shut down for repairs, and if the leak has been minimized but the leak still exceeds the applicable leak standard of this rule, the operator shall repair or replace the essential component or critical component to eliminate the leak during the next process unit turnaround, but in no case later than one year from the date of the original leak detection, whichever comes earlier. [District Rule 4401, 5.5.7] Federally Enforceable Through Title V Permit
53. The operator of any steam-enhanced crude oil production well shall maintain records of the date and well identification where steam injection or well stimulation occurs. [District Rule 4401, 6.1.1] Federally Enforceable Through Title V Permit
54. An operator of any steam-enhanced crude oil production well shall keep source test records which demonstrate compliance with the control efficiency requirements of the VOC collection and control system as defined in Section 3.0 of Rule 4401. [District Rule 4401, 6.1.3] Federally Enforceable Through Title V Permit
55. Operator of any steam-enhanced crude oil production well shall keep an inspection log maintained pursuant to Section 6.4 of Rule 4401. [District Rule 4401, 6.1.4] Federally Enforceable Through Title V Permit
56. Records of each calibration of the portable hydrocarbon detection instrument utilized for inspecting components, including a copy of current calibration gas certification from the vendor of said calibration gas cylinder, the date of calibration, concentration of calibration gas, instrument reading of calibration gas before adjustment, instrument reading of calibration gas after adjustment, calibration gas expiration date, and calibration gas cylinder pressure at the time of calibration shall be maintained. [District Rule 4401, 6.1.5] Federally Enforceable Through Title V Permit
57. An operator shall maintain copies at the facility of the training records of the training program operated pursuant to Section 6.5 of Rule 4401. [District Rule 4401, 6.1.6] Federally Enforceable Through Title V Permit
58. Operator shall keep a copy of the APCO-approved Operator Management Plan at the facility. [District Rule 4401, 6.1.7] Federally Enforceable Through Title V Permit
59. Operator shall keep a list of all gauge tanks, as defined in Section 3.17 of Rule 4401. The list shall contain the size, identification number, the location of each gauge tank and specify whether the gauge tank is upstream of all front line production equipment. [District Rule 4401, 6.1.8] Federally Enforceable Through Title V Permit
60. The results of gauge tank TVP testing conducted pursuant to Section 6.2.3 shall be submitted to the APCO within 60 days after the completion of the testing. [District Rule 4401, 6.1.9] Federally Enforceable Through Title V Permit
61. An operator that discovers that a PRD has released shall record the date that the release was discovered, and the identity and location of the PRD that released. An operator shall submit such information recorded during the calendar year to the APCO no later than 60 days after the end of the calendar year. [District Rule 4401, 6.1.10] Federally Enforceable Through Title V Permit
62. An operator shall source test annually all vapor collection and control systems used to control emissions from steam-enhanced crude oil production well vents to determine the control efficiency of the device(s) used for destruction or removal of VOC. Compliance testing shall be performed annually by source testers certified by ARB. Testing shall be performed during June, July, August, or September of each year if the system's control efficiency is dependent upon ambient air temperature. A process system as defined in Section 3.30 of Rule 4401 is not subject to compliance source testing requirements. [District Rule 4401, 6.2.1] Federally Enforceable Through Title V Permit
63. If approved by EPA, ARB, and the APCO, an operator need not comply with the annual testing requirement of Section 6.2.1 if all uncondensed VOC emissions collected by a vapor collection are controlled by an internal combustion engine subject to Rule 4702, a combustion device subject to Rule 4320, 4307 or 4308, a flare subject to Rule 4311. [District Rule 4401, 6.2.2] Federally Enforceable Through Title V Permit
64. An operator shall comply with the following requirements for each gauge tank, as defined in Section 3.17 of Rule 4401: Conduct periodic TVP testing of each gauge tank at least once every 24 months during summer (July - September), and whenever there is a change in the source or type of produced fluid in the gauge tank. The TVP testing shall be conducted at the actual storage temperature of the produced fluid in the gauge tank using the applicable TVP test method specified in Section 6.4 of Rule 4623 (Storage of Organic Liquids). The operator shall submit the TVP testing results to the APCO as specified in Section 6.1.9 of Rule 4401. [District Rule 4401, 6.2.3] Federally Enforceable Through Title V Permit

DRAFT
CONDITIONS CONTINUE ON NEXT PAGE

65. The control efficiency of any VOC control device, measured and calculated as carbon, shall be determined by EPA Method 25, except when the outlet concentration must be below 50 ppm in order to meet the standard, in which case EPA Method 25a may be used. EPA Method 18 may be used in lieu of EPA Method 25 or EPA Method 25a provided the identity and approximate concentrations of the analytes/compounds in the sample gas stream are known before analysis with the gas chromatograph and the gas chromatograph is calibrated for each of those known analyte/compound to ensure that the VOC concentrations are neither under- or over-reported. [District Rule 4401, 6.3.1] Federally Enforceable Through Title V Permit
66. VOC content shall be analyzed by using the latest revision of ASTM Method E168, E169, or E260 as applicable. Analysis of halogenated exempt compounds shall be performed by using ARB Method 432. [District Rule 4401, 6.3.2] Federally Enforceable Through Title V Permit
67. Leak inspection, other than audio-visual, and measurements of gaseous leak concentrations shall be conducted according to EPA Method 21 using an appropriate portable hydrocarbon detection instrument calibrated with methane. The instrument shall be calibrated in accordance with the procedures specified in EPA Method 21 or the manufacturer's instruction, as appropriate, not more than 30 days prior to its use. The operator shall record the calibration date of the instrument. Where safety is a concern, such as measuring leaks from compressor seals or pump seals when the shaft is rotating, a person shall measure leaks by placing the instrument probe inlet at a distance of one (1) centimeter or less from the surface of the component interface. [District Rule 4401, 6.3.3] Federally Enforceable Through Title V Permit
68. The VOC content by weight percent (wt.%) shall be determined using American Society of Testing and Materials (ASTM) D1945 for gases and South Coast Air Quality Management District (SCAQMD) Method 304-91 or the latest revision of ASTM Method E168, E169 or E260 for liquids. [District Rule 4401, 6.3.4] Federally Enforceable Through Title V Permit
69. Operator shall maintain an inspection log in which an operator records, at a minimum, all of the following information for each inspection performed: The total number of components inspected, total number and percentage of leaking components found by component type, location, type, and name or description of each leaking component and description of any unit where the leaking component is found, date of leak detection and the method of leak detection. For gaseous leaks, the leak concentration in ppmv, and for liquid leaks record whether the leak is a major liquid leak or a minor liquid leak. the date of repair, replacement, or removal from operation of leaking components, identify and location of essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier, methods used to minimize the leak from essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier, the date of re-inspection and the leak concentration in ppmv after the component is repaired or is replaced, the inspector's name, business mailing address, and business telephone number, date and signature of the facility operator responsible for the inspection and repair program certifying the accuracy of the information recorded in the log. [District Rule 4401, 6.4] Federally Enforceable Through Title V Permit
70. Permittee shall establish and implement an employee training program for inspecting and repairing components and recordkeeping procedures, as necessary. [District Rule 4401, 6.5] Federally Enforceable Through Title V Permit
71. In accordance with the approved Operator Management Plan (OMP), permittee shall meet all applicable operating, leak standards, inspection and re-inspection, leak repair, record keeping, and notification requirements of Rule 4401. [District Rule 4401, 6.6] Federally Enforceable Through Title V Permit
72. By January 30 of each year, permittee shall submit to the APCO for approval, in writing, an annual report indicating any changes to the existing, approved OMP. [District Rule 4401, 6.7] Federally Enforceable Through Title V Permit
73. Compliance with permit conditions in the Title V permit shall be deemed in compliance with the following requirements: County Rule 108.1 (Kern). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
74. {1294} The crude oil production from wells associated with this permit unit shall not lie within 1000 feet of an air injection well used for in-situ combustion. [District Rule 4401, 2.0, 3.4, and 3.5] Federally Enforceable Through Title V Permit

DRAFT
CONDITIONS CONTINUE ON NEXT PAGE

75. The concentration of sulfur compounds in the exhaust from combustion equipment shall not exceed 0.2% by volume as measured on a dry basis over a 15 minute period. To demonstrate compliance with this requirement the operator shall do one of the following: fire the unit only on PUC or FERC regulated natural gas; or test the sulfur content of each fuel source and demonstrate the sulfur content does not exceed 3.3% by weight for gaseous fuels; or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 4801 and 2520, 9.4.2] Federally Enforceable Through Title V Permit
76. The requirements of SJVUAPCD Rule 4407 (Adopted 5/19/94) and SJVUAPCD Rule 4801 (Adopted 12/17/92) do not apply to the well vents. For Rule 4801 applicability, well vent emissions are fugitive emissions not considered to come from a point source. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

DRAFT

San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1372-100-31

LEGAL OWNER OR OPERATOR: FREEPORT-MC MORAN OIL & GAS
MAILING ADDRESS: 1200 DISCOVERY DR - STE 500
BAKERSFIELD, CA 93309

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
CA

SECTION: 06 **TOWNSHIP:** 30S **RANGE:** 22E

EQUIPMENT DESCRIPTION:

MODIFICATION OF TEOR OPERATION WITH WELL CASING COLLECTION SYSTEM SERVING 633 STEAM ENHANCED WELLS WITH 3-PHASE SEPARATORS, STANDBY FLARE, SLUG CATCHER, SCRUBBERS, HEAT EXCHANGERS, COMPRESSORS, PUMPS, SULFA CHECK AND LIQUID SULFUR REMOVAL SYSTEMS (GAMBLE/MCKITTRICK FRONT): CONNECT WELL CASING VENT SYSTEMS S-1372-99 AND S-1372-100

CONDITIONS

1. {1830} This Authority to Construct serves as a written certificate of conformity with the procedural requirements of 40 CFR 70.7 and 70.8 and with the compliance requirements of 40 CFR 70.6(c). [District Rule 2201] Federally Enforceable Through Title V Permit
2. {1831} Prior to operating with modifications authorized by this Authority to Construct, the facility shall submit an application to modify the Title V permit with an administrative amendment in accordance with District Rule 2520 Section 5.3.4. [District Rule 2520, 5.3.4] Federally Enforceable Through Title V Permit
3. Operation shall include the following equipment: 633 steam enhanced wells, well vent vapor collection system, standby flare, slug catchers, heat exchangers, compressors, pumps, vapor piping, dry fuel gas sulfur scrubbing system and liquid sulfur removal systems, tanks and 3-phase separators. [District Rule 2201] Federally Enforceable Through Title V Permit
4. Operation shall include vapor piping from devices S-1372-128, -412, and -99, S-1641-34, -35, -36, and -37 to vapor control system. [District Rule 2201] Federally Enforceable Through Title V Permit
5. At least one sulfur removal system shall be operated at all times. [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

Arnaud Marjollet, Director of Permit Services

S-1372-100-31 : Jan 14 2015 8:40AM -- JONESW : Joint Inspection NOT Required

6. There shall be no leaks exceeding 10,000 ppmv from fugitive emissions components associated with liquid sulfur removal system. [District Rule 2201] Federally Enforceable Through Title V Permit
7. Collected condensate shall be discharged into production pipeline. [District Rule 2201] Federally Enforceable Through Title V Permit
8. Flare S-1372-100 shall only be used to incinerate TEOR vapors when one or more of steam generators S-1372-1, -2 or -4 are not in operation. [District Rule 2201] Federally Enforceable Through Title V Permit
9. Flare shall only use PUC quality natural gas as auxiliary fuel. [District Rule 2201] Federally Enforceable Through Title V Permit
10. Flare shall be designed for smokeless operation, with no visible emissions in excess of 5% opacity. [District Rule 2201] Federally Enforceable Through Title V Permit
11. The flare shall be operated according to the manufacturer's specifications, a copy of which shall be maintained on site. [District Rule 2520] Federally Enforceable Through Title V Permit
12. The flare in this permit shall be inspected every two weeks while in operation for visible emissions. If visible emissions are observed, corrective action shall be taken. If visible emissions continue, an EPA method 9 test shall be conducted within 72 hours. [District Rule 2520] Federally Enforceable Through Title V Permit
13. Flare shall comply with all of the applicable requirements of Rule 4311. [District Rule 4311] Federally Enforceable Through Title V Permit
14. The flame shall be present at all times when combustible gases are vented through the flare. [District Rule 4311] Federally Enforceable Through Title V Permit
15. The flare outlet shall be equipped with an automatic ignition system, or, shall operate with a pilot flame present at all times when combustible gases are vented through the flare, except during purge periods for automatic-ignition equipped flares. [District Rule 4311] Federally Enforceable Through Title V Permit
16. Except for flares equipped with a flow-sensing ignition system, a heat sensing device such as a thermocouple, ultraviolet beam sensor, infrared sensor, or an equivalent device, capable of continuously detecting at least one pilot flame or the flare flame is present shall be installed and operated. [District Rule 4311] Federally Enforceable Through Title V Permit
17. Flares using flow-sensing automatic ignition systems and not using a continuous flame pilot shall use purge gas for purging. [District Rule 4311] Federally Enforceable Through Title V Permit
18. Open flares (air-assisted, steam-assisted, or non-assisted) in which the flare gas pressure is less than 5 psig shall be operated in such a manner that meets the provisions of 40 CFR 60.18. [District Rule 4311] Federally Enforceable Through Title V Permit
19. Flaring is prohibited unless it is consistent with an approved flare minimization plan (FMP), pursuant to Rule 4311, Section 6.5, and all commitments listed in that plan have been met. This standard shall not apply if the APCO determines that the flaring is caused by an emergency as defined by Section 3.7 and is necessary to prevent an accident, hazard or release of vent gas directly to the atmosphere [District Rule 4311] Federally Enforceable Through Title V Permit
20. The operator of a flare subject to flare minimization requirements pursuant to Section 5.8 shall monitor the vent gas flow to the flare with a flow measuring device or other parameters as specified in the Permit to Operate. The operator shall maintain records pursuant to Section 6.1.7. Flares that the operator can verify, based on permit conditions, are not capable of producing reportable flare events pursuant to Section 6.2.2 shall not be required to monitor vent gas flow to the flare. [District Rule 4311] Federally Enforceable Through Title V Permit
21. The following records shall be maintained, retained on-site for a minimum of five years, and made available to the APCO, ARB, and EPA upon request: 1) A copy of the compliance determination conducted pursuant to Section 6.4.1, 2) For flares used during an emergency, record of the duration of flare operation, amount of gas burned, and the nature of the emergency situation, 3) A copy of the approved flare minimization plan pursuant to Section 6.5, 4) On and after July 1, 2012, where applicable, a copy of annual reports submitted to the APCO pursuant to Section 6.2, and 5) Where applicable, monitoring data collected pursuant to Sections 5.10. [District Rule 4311] Federally Enforceable Through Title V Permit

DRAFT
CONDITIONS CONTINUE ON NEXT PAGE

22. The operator of a flare subject to flare minimization plans pursuant to Section 5.8 of Rule 4311 shall notify the APCO of an unplanned flaring event within 24 hours after the start of the next business day or within 24 hours of their discovery, which ever occurs first. The notification shall include the flare source identification, the start date and time, and the end date and time. [District Rule 4311] Federally Enforceable Through Title V Permit
23. Effective on and after July 1, 2012, and annually thereafter, the operator of a flare subject to flare minimization plans pursuant to Section 5.8 shall submit an annual report to the APCO that summarizes all Reportable Flaring Events as defined in Section 3.0 that occurred during the previous 12 month period. The report shall be submitted within 30 days following the end of the twelve month period of the previous year. The report shall include, but is not limited to all of the following: 1) The results of an investigation to determine the primary cause and contributing factors of the flaring event; 2) Any prevention measures considered or implemented to prevent recurrence together with a justification for rejecting any measures that were considered but not implemented; 3) If appropriate, an explanation of why the flaring was an emergency and necessary to prevent accident, hazard or release of vent gas to the atmosphere, or where, due to a regulatory mandate to vent a flare, it cannot be recovered, treated and used as a fuel gas at the facility; and 4) The date, time, and duration of the flaring event. [District Rule 4311] Federally Enforceable Through Title V Permit
24. Effective on and after July 1, 2012, and annually thereafter, the operator of a flare subject to flare monitoring requirements pursuant to Rule 4311, Sections 5.10, 6.6, 6.7, 6.8, 6.9, and 6.10, as appropriate, shall submit an annual report to the APCO within 30 days following the end of each 12 month period. The report shall include the following: 1) The total volumetric flow of vent gas in standard cubic feet for each day, 2) Hydrogen sulfide content, methane content, and hydrocarbon content of vent gas composition pursuant to Section 6.6, 3) If vent gas composition is monitored by a continuous analyzer or analyzers pursuant to Section 5.11, average total hydrocarbon content by volume, average methane content by volume, and depending upon the analytical method used pursuant to Section 6.3.4, total reduced sulfur content by volume or hydrogen sulfide content by volume of vent gas flared for each hour of the month, 4) If the flow monitor used pursuant to Section 5.10 measures molecular weight, the average molecular weight for each hour of each month, 5) For any pilot and purge gas used, the type of gas used, the volumetric flow for each day and for each month, and the means used to determine flow, 6) Flare monitoring system downtime periods, including dates and times, 7) For each day and for each month provide calculated sulfur dioxide emissions, and 8) A flow verification report for each flare subject to this rule. The flow verification report shall include flow verification testing pursuant to Section 6.3.5. [District Rule 4311] Federally Enforceable Through Title V Permit
25. Total hydrocarbon content and methane content of vent gas shall be determined using ASTM Method D 1945-96, ASTM Method UOP 539-97, EPA Method 18, or EPA Method 25A or 25B. Hydrogen sulfide content of vent gas shall be determined using ASTM Method D 1945-96, ASTM Method UOP 539-97, ASTM Method D 4084-94, or ASTM Method D 4810-88. [District Rule 4311] Federally Enforceable Through Title V Permit
26. Upon request, the operator of flares that are subject to Section 5.6 shall make available to the APCO the compliance determination records that demonstrate compliance with the provisions of 40 CFR 60.18, (c)(3) through (c)(5). [District Rule 4311] Federally Enforceable Through Title V Permit
27. Operator shall monitor vent gas composition using one of the five methods pursuant to Section 6.6.1 through Section 6.6.5, as appropriate. [District Rule 4311] Federally Enforceable Through Title V Permit
28. Operator shall monitor the volumetric flows of purge and pilot gases with flow measuring devices or other parameters as specified on the Permit to Operate so that volumetric flows of pilot and purge gas may be calculated based on pilot design and the parameters monitored. [District Rule 4311] Federally Enforceable Through Title V Permit
29. All of the general monitoring provisions of Section 6.9, as applicable, shall be met. [District Rule 4311] Federally Enforceable Through Title V Permit
30. Operator shall install and maintain equipment that records a real-time digital image of the flare and flame at a frame rate of no less than one frame per minute. The recorded image of the flare shall be of sufficient size, contrast, and resolution to be readily apparent in the overall image or frame. The image shall include an embedded date and time stamp. The equipment shall archive the images for each 24-hour period. In lieu of video monitoring the operator may use an alternative monitoring method that provides data to verify date, time, vent gas flow, and duration of flaring events. [District Rule 4311] Federally Enforceable Through Title V Permit
31. Vapors from this well vent vapor control system shall be incinerated in steam generators S-1372-1, -2, -4, -30, -32, -33, -127, -317, -334 or standby flare and/or injected into DOGGR approved gas injection wells. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

32. Total sulfur oxide (SOx as SO2) emissions shall not exceed 1,075.2 lb/day for the following steam generators: S-1372-1, -2, -4, '127, '317, and standby flare. [District Rule 2201] Federally Enforceable Through Title V Permit
33. Fugitive emissions from vapor collection and control system shall not exceed 239.6 lb VOC/day. [District Rule 2201] Federally Enforceable Through Title V Permit
34. There shall be no more than 30 gas leaks. [District Rule 2201] Federally Enforceable Through Title V Permit
35. Permittee shall maintain accurate records of well casing vapor H2S concentration (periodic sampling of no less than once per month), daily volume of casing vapor incinerated, and calculated daily SO2 emissions from S-1372-1, -2, and -4. [District Rules 1070 and 2520] Federally Enforceable Through Title V Permit
36. Permittee shall maintain with the permit a current listing of all steam enhanced wells connected to the casing vent control system and shall make such listing readily available for District inspection upon request. [District Rule 2201] Federally Enforceable Through Title V Permit
37. Permittee shall maintain accurate component count for TEOR operation according to CAPCOA's "California Implementation Guidelines for Estimating Mass Emissions of Fugitive Hydrocarbon Leaks at Petroleum Facilities," Table IV-2c (Feb 1999), Screening Value Range emission factors. Permittee shall update such records when new components are installed. [District Rule 2201] Federally Enforceable Through Title V Permit
38. The following test method shall be used for fuel gas sulfur content - ASTM D3246 or double GC for H2S and mercaptans. [District Rule 2520] Federally Enforceable Through Title V Permit
39. {1296} All required source testing shall conform to the compliance testing procedures described in District Rule 1081(as amended December 16, 1993). [District Rule 1081 and County Rules 108 (Kings), 108.1 (Fresno, Merced, San Joaquin, Tulare, Kern, and Stanislaus), and 110 (Madera)] Federally Enforceable Through Title V Permit
40. During the time any steam-enhanced crude oil production well is undergoing service or repair while the well is not producing, it shall be exempt from the emission control requirements of District Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
41. The inspection requirements of Section 5.4.1 through Section 5.4.7 of Rule 4401 shall not apply to components exclusively handling gas/vapor or liquid with a VOC content of ten percent by weight (10%) or less, as determined by the test methods in Section 6.3.4 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
42. Gas and liquid leaks are as defined in Section 3.20 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
43. An operator shall not operate a steam-enhanced crude oil production well unless the operator complies with either of the following requirements: The steam-enhanced crude oil production well vent is closed and the front line production equipment downstream of the wells that carry produced fluids (crude oil or mixture of crude oil and water) is connected to a VOC collection and control system as defined in Section 3.0 of Rule 4401, the well vent may be temporarily opened during periods of attended service or repair of the well provided such activity is done as expeditiously as possible with minimal spillage of material and VOC emissions to the atmosphere, or the steam-enhanced crude oil production well vent is open and the well vent is connected to a VOC collection and control system as defined in Section 3.0 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
44. An operator shall be in violation of this rule if any District inspection demonstrates or if any operator inspection conducted pursuant to Section 5.4 of Rule 4401 demonstrates the existence of an open-ended line or a valve located at the end of the line that is not sealed with a blind flange, plug, cap, or a second closed valve that is not closed at all times, except during attended operations as defined by Section 5.2.2.1 of Rule 4401 requiring process fluid flow through the open-ended lines, a component with a major liquid leak, or a component with a gas leak greater than 50,000 ppmv. [District Rule 4401] Federally Enforceable Through Title V Permit
45. An operator shall be in violation of this rule if any District inspection demonstrates or if any operator inspection conducted pursuant to Section 5.4 of Rule 4401 demonstrates the existence of any combination of components with minor liquid leaks, minor gas leaks, or a gas leaks greater than 10,000 ppmv up to 50,000 ppmv that totals more than number of leaks allowed by Table 2 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit

DRAFT

CONDITIONS CONTINUE ON NEXT PAGE

46. An operator shall not use any component with a leak as defined in Section 3.0 of Rule 4401, or that is found to be in violation of the provisions of Section 5.2.2 of Rule 4401. However, components that were found leaking may be used provided such leaking components have been identified with a tag for repair, are repaired, or awaiting re-inspection after being repaired within the applicable time frame specified in Section 5.5 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
47. Each hatch shall be closed at all times except during sampling or adding of process material through the hatch, or during attended repair, replacement, or maintenance operations, provided such activities are done as expeditiously as possible with minimal spillage of material and VOC emissions to the atmosphere. [District Rule 4401] Federally Enforceable Through Title V Permit
48. An operator shall comply with the requirements of Section 6.7 of Rule 4401 if there is any change in the description of major components or critical components. [District Rule 4401] Federally Enforceable Through Title V Permit
49. Except for pipes and unsafe-to-monitor components, an operator shall inspect all other components pursuant to the requirements of Section 6.3.3 of Rule 4401 at least once every year. [District Rule 4401] Federally Enforceable Through Title V Permit
50. An operator shall visually inspect all pipes at least once every year. Any visual inspection of pipes that indicates a leak that cannot be immediately repaired to meet the leak standards of this rule shall be inspected within 24 hours after detecting the leak. If a leak is found, the leak shall be repaired as soon as practicable but not later than the time frame specified in Table 3 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
51. In addition to the inspections required by Section 5.4.1 of Rule 4401, an operator shall inspect for leaks all accessible operating pumps, compressors, and PRDs in service as follows: An operator shall audio-visually (by hearing and by sight) inspect for leaks all accessible operating pumps, compressors, and PRDs in service at least once each calendar week. Any audio-visual inspection of an accessible operating pump, compressor, and PRD performed by an operator that indicates a leak that cannot be immediately repaired to meet the leak standards of this rule shall be inspected not later than 24 hours after conducting the audio-visual inspection. If a leak is found, the leak shall be repaired as soon as practicable but not later than the time frame specified in Table 3 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
52. In addition to the inspections required by Sections 5.4.1, 5.4.2 and 5.4.3 of Rule 4401, operator shall perform the following: initially inspect a PRD that releases to the atmosphere as soon as practicable but not later than 24 hours after the discovery of the release, re-inspect the PRD not earlier than 24 hours after the initial inspection but not later than 15 calendar days after the initial inspection, inspect all new, replaced, or repaired fittings, flanges, and threaded connections within 72 hours of placing the component in service. Except for PRDs subject to the requirements of Section 5.4.4.1 of Rule 4401, an operator shall inspect a component that has been repaired or replaced not later than 15 calendar days after the component was repaired or replaced. [District Rule 4401] Federally Enforceable Through Title V Permit
53. An operator shall inspect all unsafe-to-monitor components during each turnaround. [District Rule 4401] Federally Enforceable Through Title V Permit
54. District inspection in no way fulfills any of the mandatory inspection requirements that are placed upon operators and cannot be used or counted as an inspection required of an operator. [District Rule 4401] Federally Enforceable Through Title V Permit
55. An operator shall affix a readily visible weatherproof tag to a leaking component upon detection of the leak and shall include the following information on the tag: date and time of leak detection, date and time of leak measurement, for a gaseous leak, the leak concentration in ppmv, for a liquid leak, whether it is a major liquid leak or a minor liquid leak, whether the component is an essential component, an unsafe-to monitor component, or a critical component. [District Rule 4401] Federally Enforceable Through Title V Permit
56. An operator shall keep the tag affixed to the component until an operator has met all of the following conditions: repaired or replaced the leaking component, re-inspected the component using the test method in Section 6.3.3, and the component is found to be in compliance with the requirements of this rule. [District Rule 4401] Federally Enforceable Through Title V Permit

DRAFT
CONDITIONS CONTINUE ON NEXT PAGE

57. An operator shall minimize a component leak in order to stop or reduce leakage to the atmosphere immediately to the extent possible, but not later than one (1) hour after detection of the leak. [District Rule 4401] Federally Enforceable Through Title V Permit
58. Except for leaking critical components or leaking essential components subject to the requirements of Section 5.5.7 of Rule 4401, if an operator has minimized a leak but the leak still exceeds the applicable leak limits as defined in Section 3.0 of Rule 4401, an operator shall comply with at least one of the following requirements as soon as practicable but not later than the time period specified in Table 3 of Rule 4401: Repair or replace the leaking component; or vent the leaking component to a VOC collection and control system as defined in Section 3.0 of Rule 4401, or remove the leaking component from operation. [District Rule 4401] Federally Enforceable Through Title V Permit
59. The repair period in calendar days shall not exceed 14 days for minor gas leaks, 5 days for major gas leaks less than or equal to 50,000 ppmv, 2 days for gas leak greater than 50,000 ppmv, 3 days for minor liquid leaks, 2 days for major liquid leaks. [District Rule 4401] Federally Enforceable Through Title V Permit
60. The leak rate measured after leak minimization has been performed shall be the leak rate used to determine the applicable repair period specified in Table 3 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
61. The time of the initial leak detection shall be the start of the repair period specified in Table 3 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
62. If the leaking component is an essential component or a critical component that cannot be immediately shut down for repairs, and if the leak has been minimized but the leak still exceeds the applicable leak standard of this rule, the operator shall repair or replace the essential component or critical component to eliminate the leak during the next process unit turnaround, but in no case later than one year from the date of the original leak detection, whichever comes earlier. [District Rule 4401] Federally Enforceable Through Title V Permit
63. The operator of any steam-enhanced crude oil production well shall maintain records of the date and well identification where steam injection or well stimulation occurs. [District Rule 4401] Federally Enforceable Through Title V Permit
64. An operator of any steam-enhanced crude oil production well shall keep source test records which demonstrate compliance with the control efficiency requirements of the VOC collection and control system as defined in Section 3.0 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
65. Operator of any steam-enhanced crude oil production well shall keep an inspection log maintained pursuant to Section 6.4 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
66. Records of each calibration of the portable hydrocarbon detection instrument utilized for inspecting components, including a copy of current calibration gas certification from the vendor of said calibration gas cylinder, the date of calibration, concentration of calibration gas, instrument reading of calibration gas before adjustment, instrument reading of calibration gas after adjustment, calibration gas expiration date, and calibration gas cylinder pressure at the time of calibration shall be maintained. [District Rule 4401] Federally Enforceable Through Title V Permit
67. An operator shall maintain copies at the facility of the training records of the training program operated pursuant to Section 6.5 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
68. Operator shall keep a copy of the APCO-approved Operator Management Plan at the facility. [District Rule 4401] Federally Enforceable Through Title V Permit
69. Operator shall keep a list of all gauge tanks, as defined in Section 3.17 of Rule 4401. The list shall contain the size, identification number, the location of each gauge tank and specify whether the gauge tank is upstream of all front line production equipment. [District Rule 4401] Federally Enforceable Through Title V Permit
70. The results of gauge tank TVP testing conducted pursuant to Section 6.2.3 shall be submitted to the APCO within 60 days after the completion of the testing. [District Rule 4401] Federally Enforceable Through Title V Permit
71. An operator that discovers that a PRD has released shall record the date that the release was discovered, and the identity and location of the PRD that released. An operator shall submit such information recorded during the calendar year to the APCO no later than 60 days after the end of the calendar year. [District Rule 4401] Federally Enforceable Through Title V Permit

DRAFT

CONDITIONS CONTINUE ON NEXT PAGE

72. An operator shall source test annually all vapor collection and control systems used to control emissions from steam-enhanced crude oil production well vents to determine the control efficiency of the device(s) used for destruction or removal of VOC. Compliance testing shall be performed annually by source testers certified by ARB. Testing shall be performed during June, July, August, or September of each year if the system's control efficiency is dependent upon ambient air temperature. A process system as defined in Section 3.30 of Rule 4401 is not subject to compliance source testing requirements. [District Rule 4401] Federally Enforceable Through Title V Permit
73. If approved by EPA, ARB, and the APCO, an operator need not comply with the annual testing requirement of Section 6.2.1 if all uncondensed VOC emissions collected by a vapor collection are controlled by an internal combustion engine subject to Rule 4702, a combustion device subject to Rule 4320, 4307 or 4308, a flare subject to Rule 4311. [District Rule 4401] Federally Enforceable Through Title V Permit
74. An operator shall comply with the following requirements for each gauge tank, as defined in Section 3.17 of Rule 4401: Conduct periodic TVP testing of each gauge tank at least once every 24 months during summer (July - September), and whenever there is a change in the source or type of produced fluid in the gauge tank. The TVP testing shall be conducted at the actual storage temperature of the produced fluid in the gauge tank using the applicable TVP test method specified in Section 6.4 of Rule 4623 (Storage of Organic Liquids). The operator shall submit the TVP testing results to the APCO as specified in Section 6.1.9 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
75. The control efficiency of any VOC control device, measured and calculated as carbon, shall be determined by EPA Method 25, except when the outlet concentration must be below 50 ppm in order to meet the standard, in which case EPA Method 25a may be used. EPA Method 18 may be used in lieu of EPA Method 25 or EPA Method 25a provided the identity and approximate concentrations of the analytes/compounds in the sample gas stream are known before analysis with the gas chromatograph and the gas chromatograph is calibrated for each of those known analyte/compound to ensure that the VOC concentrations are neither under- or over-reported. [District Rule 4401] Federally Enforceable Through Title V Permit
76. VOC content shall be analyzed by using the latest revision of ASTM Method E168, E169, or E260 as applicable. Analysis of halogenated exempt compounds shall be performed by using ARB Method 432. [District Rule 4401] Federally Enforceable Through Title V Permit
77. Leak inspection, other than audio-visual, and measurements of gaseous leak concentrations shall be conducted according to EPA Method 21 using an appropriate portable hydrocarbon detection instrument calibrated with methane. The instrument shall be calibrated in accordance with the procedures specified in EPA Method 21 or the manufacturer's instruction, as appropriate, not more than 30 days prior to its use. The operator shall record the calibration date of the instrument. Where safety is a concern, such as measuring leaks from compressor seals or pump seals when the shaft is rotating, a person shall measure leaks by placing the instrument probe inlet at a distance of one (1) centimeter or less from the surface of the component interface. [District Rule 4401] Federally Enforceable Through Title V Permit
78. The VOC content by weight percent (wt.%) shall be determined using American Society of Testing and Materials (ASTM) D1945 for gases and South Coast Air Quality Management District (SCAQMD) Method 304-91 or the latest revision of ASTM Method E168, E169 or E260 for liquids. [District Rule 4401] Federally Enforceable Through Title V Permit

DRAFT
CONDITIONS CONTINUE ON NEXT PAGE

79. Operator shall maintain an inspection log in which an operator records, at a minimum, all of the following information for each inspection performed: The total number of components inspected, total number and percentage of leaking components found by component type, location, type, and name or description of each leaking component and description of any unit where the leaking component is found, date of leak detection and the method of leak detection. For gaseous leaks, the leak concentration in ppmv, and for liquid leaks record whether the leak is a major liquid leak or a minor liquid leak. the date of repair, replacement, or removal from operation of leaking components, identify and location of essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier, methods used to minimize the leak from essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier, the date of re-inspection and the leak concentration in ppmv after the component is repaired or is replaced, the inspector's name, business mailing address, and business telephone number, date and signature of the facility operator responsible for the inspection and repair program certifying the accuracy of the information recorded in the log. [District Rule 4401] Federally Enforceable Through Title V Permit
80. Permittee shall establish and implement an employee training program for inspecting and repairing components and recordkeeping procedures, as necessary. [District Rule 4401] Federally Enforceable Through Title V Permit
81. In accordance with the approved Operator Management Plan (OMP), permittee shall meet all applicable operating, leak standards, inspection and re-inspection, leak repair, record keeping, and notification requirements of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
82. By January 30 of each year, permittee shall submit to the APCO for approval, in writing, an annual report indicating any changes to the existing, approved OMP. [District Rule 4401] Federally Enforceable Through Title V Permit
83. The crude oil production from wells associated with this permit unit shall not lie within 1000 feet of an air injection well used for in-situ combustion. [District Rule 4407] Federally Enforceable Through Title V Permit
84. The concentration of sulfur compounds in the exhaust from combustion equipment shall not exceed 0.2% by volume as measured on a dry basis over a 15 minute period. To demonstrate compliance with this requirement the operator shall do one of the following: fire the unit only on PUC or FERC regulated natural gas; or test the sulfur content of each fuel source and demonstrate the sulfur content does not exceed 3.3% by weight for gaseous fuels; or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 4801 and 2520] Federally Enforceable Through Title V Permit
85. The requirements of SJVUAPCD Rule 4407 (Adopted 5/19/94) and SJVUAPCD Rule 4801 (Adopted 12/17/92) do not apply to the well vents. For Rule 4801 applicability, well vent emissions are fugitive emissions not considered to come from a point source. A permit shield is granted from these requirements. [District Rule 2520] Federally Enforceable Through Title V Permit

DRAFT

**APPENDIX B:
Current PTO(s)**

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-1372-99-8

EXPIRATION DATE: 05/31/2016

SECTION: 06 **TOWNSHIP:** 30S **RANGE:** 22E

EQUIPMENT DESCRIPTION:

TEOR OPERATION INCLUDING 132 STEAM ENHANCED WELLS, WELL VENT VAPOR RECOVERY SYSTEM, SLUG CATCHER, SCRUBBERS, HEAT EXCHANGER, COMPRESSORS, PUMPS, STANDBY FLARE, SULFA CHECK SYSTEM, & VAPOR PIPING TO UNIT S-1372-26 (MCKITTRICK FEE/HOYT LEASE)

PERMIT UNIT REQUIREMENTS

1. Leaks shall be inspected and repaired as specified in Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
2. Collected condensate shall be discharged into production pipeline. [District NSR Rule] Federally Enforceable Through Title V Permit
3. Liquids collected in drip pot on noncondensable piping going to steam generator S-1372-26 shall be returned to condensate collection vessel. [District NSR Rule] Federally Enforceable Through Title V Permit
4. Standby flare shall only be used to incinerate TEOR vapors when steam generator S-1372-26 is inoperative. [District NSR Rule] Federally Enforceable Through Title V Permit
5. Noncondensable vapors from this well vent vapor control system shall be incinerated in steam generator S-1372-26 or standby flare. [District NSR Rule] Federally Enforceable Through Title V Permit
6. Fugitive VOC emissions from vapor collection and control system shall not exceed 93.9 lb/day. [District NSR Rule] Federally Enforceable Through Title V Permit
7. Sulfur compounds (as SO₂) emissions from incineration of TEOR vapors shall not exceed 2.56 lb/hr. [District NSR Rule] Federally Enforceable Through Title V Permit
8. Permittee shall maintain accurate records of well casing vapor total sulfur concentration (periodic sampling of no less than once per quarter), daily volume of casing vapor incinerated, and calculated daily SO₂ emissions. [District Rule 1070 and 2520, 9.3.2] Federally Enforceable Through Title V Permit
9. Permittee shall maintain with the permit a current listing of all steam enhanced wells connected to the casing vent control system and shall make such listing readily available for District inspection upon request. [District Rule 1070 and 2520, 9.3.2] Federally Enforceable Through Title V Permit
10. The following test method shall be used for fuel gas sulfur content - ASTM D3246 or double GC for H₂S and mercaptans. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
11. Compliance with sulfur emission limit shall be verified by daily fuel consumption and quarterly fuel sulfur content, and such records shall be available for District inspection for five years. [District Rule 1070 and 2520, 9.4.2] Federally Enforceable Through Title V Permit
12. The flare in this permit shall be inspected every two weeks while in operation for visible emissions. If visible emissions are observed, corrective action shall be taken. If visible emissions continue, an EPA method 9 test shall be conducted within 72 hours. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit

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

13. The flare shall be operated according to the manufacturer's specifications, a copy of which shall be maintained on site. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
14. Flare shall comply with all of the applicable requirements of Rule 4311. [District Rule 4311] Federally Enforceable Through Title V Permit
15. The flame shall be present at all times when combustible gases are vented through the flare. [District Rule 4311, 5.2] Federally Enforceable Through Title V Permit
16. The flare outlet shall be equipped with an automatic ignition system, or, shall operate with a pilot flame present at all times when combustible gases are vented through the flare, except during purge periods for automatic-ignition equipped flares. [District Rule 4311, 5.3] Federally Enforceable Through Title V Permit
17. Except for flares equipped with a flow-sensing ignition system, a heat sensing device such as a thermocouple, ultraviolet beam sensor, infrared sensor, or an equivalent device, capable of continuously detecting at least one pilot flame or the flare flame is present shall be installed and operated. [District Rule 4311, 5.4] Federally Enforceable Through Title V Permit
18. Flares using flow-sensing automatic ignition systems and not using a continuous flame pilot shall use purge gas for purging. [District Rule 4311, 5.5] Federally Enforceable Through Title V Permit
19. Open flares (air-assisted, steam-assisted, or non-assisted) in which the flare gas pressure is less than 5 psig shall be operated in such a manner that meets the provisions of 40 CFR 60.18. [District Rule 4311, 5.6] Federally Enforceable Through Title V Permit
20. Flaring is prohibited unless it is consistent with an approved flare minimization plan (FMP), pursuant to Rule 4311, Section 6.5, and all commitments listed in that plan have been met. This standard shall not apply if the APCO determines that the flaring is caused by an emergency as defined by Section 3.7 and is necessary to prevent an accident, hazard or release of vent gas directly to the atmosphere [District Rule 4311, 5.8] Federally Enforceable Through Title V Permit
21. The operator of a flare subject to flare minimization requirements pursuant to Section 5.8 shall monitor the vent gas flow to the flare with a flow measuring device or other parameters as specified in the Permit to Operate. The operator shall maintain records pursuant to Section 6.1.7. Flares that the operator can verify, based on permit conditions, are not capable of producing reportable flare events pursuant to Section 6.2.2 shall not be required to monitor vent gas flow to the flare. [District Rule 4311, 5.10] Federally Enforceable Through Title V Permit
22. The following records shall be maintained, retained on-site for a minimum of five years, and made available to the APCO, ARB, and EPA upon request: 1) A copy of the compliance determination conducted pursuant to Section 6.4.1, 2) For flares used during an emergency, record of the duration of flare operation, amount of gas burned, and the nature of the emergency situation, 3) A copy of the approved flare minimization plan pursuant to Section 6.5, 4) On and after July 1, 2012, where applicable, a copy of annual reports submitted to the APCO pursuant to Section 6.2, and 5) Where applicable, monitoring data collected pursuant to Sections 5.10. [District Rule 4311, 6.1] Federally Enforceable Through Title V Permit
23. The operator of a flare subject to flare minimization plans pursuant to Section 5.8 of Rule 4311 shall notify the APCO of an unplanned flaring event within 24 hours after the start of the next business day or within 24 hours of their discovery, whichever occurs first. The notification shall include the flare source identification, the start date and time, and the end date and time. [District Rule 4311, 6.2.1] Federally Enforceable Through Title V Permit

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

24. Effective on and after July 1, 2012, and annually thereafter, the operator of a flare subject to flare minimization plans pursuant to Section 5.8 shall submit an annual report to the APCO that summarizes all Reportable Flaring Events as defined in Section 3.0 that occurred during the previous 12 month period. The report shall be submitted within 30 days following the end of the twelve month period of the previous year. The report shall include, but is not limited to all of the following: 1) The results of an investigation to determine the primary cause and contributing factors of the flaring event; 2) Any prevention measures considered or implemented to prevent recurrence together with a justification for rejecting any measures that were considered but not implemented; 3) If appropriate, an explanation of why the flaring was an emergency and necessary to prevent accident, hazard or release of vent gas to the atmosphere, or where, due to a regulatory mandate to vent a flare, it cannot be recovered, treated and used as a fuel gas at the facility; and 4) The date, time, and duration of the flaring event. [District Rule 4311, 6.2.2] Federally Enforceable Through Title V Permit
25. Effective on and after July 1, 2012, and annually thereafter, the operator of a flare subject to flare monitoring requirements pursuant to Rule 4311, Sections 5.10, 6.6, 6.7, 6.8, 6.9, and 6.10, as appropriate, shall submit an annual report to the APCO within 30 days following the end of each 12 month period. The report shall include the following: 1) The total volumetric flow of vent gas in standard cubic feet for each day, 2) Hydrogen sulfide content, methane content, and hydrocarbon content of vent gas composition pursuant to Section 6.6, 3) If vent gas composition is monitored by a continuous analyzer or analyzers pursuant to Section 5.11, average total hydrocarbon content by volume, average methane content by volume, and depending upon the analytical method used pursuant to Section 6.3.4, total reduced sulfur content by volume or hydrogen sulfide content by volume of vent gas flared for each hour of the month, 4) If the flow monitor used pursuant to Section 5.10 measures molecular weight, the average molecular weight for each hour of each month, 5) For any pilot and purge gas used, the type of gas used, the volumetric flow for each day and for each month, and the means used to determine flow, 6) Flare monitoring system downtime periods, including dates and times, 7) For each day and for each month provide calculated sulfur dioxide emissions, and 8) A flow verification report for each flare subject to this rule. The flow verification report shall include flow verification testing pursuant to Section 6.3.5. [District Rule 4311, 6.2.3] Federally Enforceable Through Title V Permit
26. Total hydrocarbon content and methane content of vent gas shall be determined using ASTM Method D 1945-96, ASTM Method UOP 539-97, EPA Method 18, or EPA Method 25A or 25B. Hydrogen sulfide content of vent gas shall be determined using ASTM Method D 1945-96, ASTM Method UOP 539-97, ASTM Method D 4084-94, or ASTM Method D 4810-88. [District Rule 4311, 6.3.4] Federally Enforceable Through Title V Permit
27. Upon request, the operator of flares that are subject to Section 5.6 shall make available to the APCO the compliance determination records that demonstrate compliance with the provisions of 40 CFR 60.18, (c)(3) through (c)(5). [District Rule 4311, 6.4.1] Federally Enforceable Through Title V Permit
28. During the time any steam-enhanced crude oil production well is undergoing service or repair while the well is not producing, it shall be exempt from the emission control requirements of District Rule 4401. [District Rule 4401, 4.1] Federally Enforceable Through Title V Permit
29. The inspection requirements of Section 5.4.1 through Section 5.4.7 of Rule 4401 shall not apply to components exclusively handling gas/vapor or liquid with a VOC content of ten percent by weight (10%) or less, as determined by the test methods in Section 6.3.4 of Rule 4401. [District Rule 4401, 4.7] Federally Enforceable Through Title V Permit
30. Gas and liquid leaks are as defined in Section 3.20 of Rule 4401. [District Rule 4401, 3.20] Federally Enforceable Through Title V Permit
31. An operator shall not operate a steam-enhanced crude oil production well unless the operator complies with either of the following requirements: The steam-enhanced crude oil production well vent is closed and the front line production equipment downstream of the wells that carry produced fluids (crude oil or mixture of crude oil and water) is connected to a VOC collection and control system as defined in Section 3.0 of Rule 4401, the well vent may be temporarily opened during periods of attended service or repair of the well provided such activity is done as expeditiously as possible with minimal spillage of material and VOC emissions to the atmosphere, or the steam-enhanced crude oil production well vent is open and the well vent is connected to a VOC collection and control system as defined in Section 3.0 of Rule 4401. [District Rule 4401, 5.1.1 and 5.1.2] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

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

32. An operator shall be in violation of this rule if any District inspection demonstrates or if any operator inspection conducted pursuant to Section 5.4 of Rule 4401 demonstrates the existence of an open-ended line or a valve located at the end of the line that is not sealed with a blind flange, plug, cap, or a second closed valve that is not closed at all times, except during attended operations as defined by Section 5.2.2.1 of Rule 4401 requiring process fluid flow through the open-ended lines, a component with a major liquid leak, or a component with a gas leak greater than 50,000 ppmv. [District Rule 4401, 5.2.2] Federally Enforceable Through Title V Permit
33. An operator shall be in violation of this rule if any District inspection demonstrates or if any operator inspection conducted pursuant to Section 5.4 of Rule 4401 demonstrates the existence of any combination of components with minor liquid leaks, minor gas leaks, or a gas leaks greater than 10,000 ppmv up to 50,000 ppmv that totals more than number of leaks allowed by Table 2 of Rule 4401. [District Rule 4401, 5.2.2] Federally Enforceable Through Title V Permit
34. An operator shall not use any component with a leak as defined in Section 3.0 of Rule 4401, or that is found to be in violation of the provisions of Section 5.2.2 of Rule 4401. However, components that were found leaking may be used provided such leaking components have been identified with a tag for repair, are repaired, or awaiting re-inspection after being repaired within the applicable time frame specified in Section 5.5 of Rule 4401. [District Rule 4401, 5.3.1] Federally Enforceable Through Title V Permit
35. Each hatch shall be closed at all times except during sampling or adding of process material through the hatch, or during attended repair, replacement, or maintenance operations, provided such activities are done as expeditiously as possible with minimal spillage of material and VOC emissions to the atmosphere. [District Rule 4401, 5.3.2] Federally Enforceable Through Title V Permit
36. An operator shall comply with the requirements of Section 6.7 of Rule 4401 if there is any change in the description of major components or critical components. [District Rule 4401, 5.3.3] Federally Enforceable Through Title V Permit
37. Except for pipes and unsafe-to-monitor components, an operator shall inspect all other components pursuant to the requirements of Section 6.3.3 of Rule 4401 at least once every year. [District Rule 4401, 5.4.1] Federally Enforceable Through Title V Permit
38. An operator shall visually inspect all pipes at least once every year. Any visual inspection of pipes that indicates a leak that cannot be immediately repaired to meet the leak standards of this rule shall be inspected within 24 hours after detecting the leak. If a leak is found, the leak shall be repaired as soon as practicable but not later than the time frame specified in Table 3 of Rule 4401. [District Rule 4401, 5.4.2] Federally Enforceable Through Title V Permit
39. In addition to the inspections required by Section 5.4.1 of Rule 4401, an operator shall inspect for leaks all accessible operating pumps, compressors, and PRDs in service as follows: An operator shall audio-visually (by hearing and by sight) inspect for leaks all accessible operating pumps, compressors, and PRDs in service at least once each calendar week. Any audio-visual inspection of an accessible operating pump, compressor, and PRD performed by an operator that indicates a leak that cannot be immediately repaired to meet the leak standards of this rule shall be inspected not later than 24 hours after conducting the audio-visual inspection. If a leak is found, the leak shall be repaired as soon as practicable but not later than the time frame specified in Table 3 of Rule 4401. [District Rule 4401, 5.4.3] Federally Enforceable Through Title V Permit
40. In addition to the inspections required by Sections 5.4.1, 5.4.2 and 5.4.3 of Rule 4401, operator shall perform the following: initially inspect a PRD that releases to the atmosphere as soon as practicable but not later than 24 hours after the discovery of the release, re-inspect the PRD not earlier than 24 hours after the initial inspection but not later than 15 calendar days after the initial inspection, inspect all new, replaced, or repaired fittings, flanges, and threaded connections within 72 hours of placing the component in service. Except for PRDs subject to the requirements of Section 5.4.4.1 of Rule 4401, an operator shall inspect a component that has been repaired or replaced not later than 15 calendar days after the component was repaired or replaced. [District Rule 4401, 5.4.4] Federally Enforceable Through Title V Permit
41. An operator shall inspect all unsafe-to-monitor components during each turnaround. [District Rule 4401, 5.4.7] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

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

42. District inspection in no way fulfills any of the mandatory inspection requirements that are placed upon operators and cannot be used or counted as an inspection required of an operator. [District Rule 4401, 5.4.8] Federally Enforceable Through Title V Permit
43. An operator shall affix a readily visible weatherproof tag to a leaking component upon detection of the leak and shall include the following information on the tag: date and time of leak detection, date and time of leak measurement, for a gaseous leak, the leak concentration in ppmv, for a liquid leak, whether it is a major liquid leak or a minor liquid leak, whether the component is an essential component, an unsafe-to monitor component, or a critical component. [District Rule 4401, 5.5.1] Federally Enforceable Through Title V Permit
44. An operator shall keep the tag affixed to the component until an operator has met all of the following conditions: repaired or replaced the leaking component, re-inspected the component using the test method in Section 6.3.3, and the component is found to be in compliance with the requirements of this rule. [District Rule 4401 5.5.2] Federally Enforceable Through Title V Permit
45. An operator shall minimize a component leak in order to stop or reduce leakage to the atmosphere immediately to the extent possible, but not later than one (1) hour after detection of the leak. [District Rule 4401, 5.5.3] Federally Enforceable Through Title V Permit
46. Except for leaking critical components or leaking essential components subject to the requirements of Section 5.5.7 of Rule 4401, if an operator has minimized a leak but the leak still exceeds the applicable leak limits as defined in Section 3.0 of Rule 4401, an operator shall comply with at least one of the following requirements as soon as practicable but not later than the time period specified in Table 3 of Rule 4401: Repair or replace the leaking component; or vent the leaking component to a VOC collection and control system as defined in Section 3.0 of Rule 4401, or remove the leaking component from operation. [District Rule 4401, 5.5.4] Federally Enforceable Through Title V Permit
47. The repair period in calendar days shall not exceed 14 days for minor gas leaks, 5 days for major gas leaks less than or equal to 50,000 ppmv, 2 days for gas leak greater than 50,000 ppmv, 3 days for minor liquid leaks, 2 days for major liquid leaks. [District Rule 4401, 5.5.4] Federally Enforceable Through Title V Permit
48. The leak rate measured after leak minimization has been performed shall be the leak rate used to determine the applicable repair period specified in Table 3 of Rule 4401. [District Rule 4401, 5.5.5] Federally Enforceable Through Title V Permit
49. The time of the initial leak detection shall be the start of the repair period specified in Table 3 of Rule 4401. [District Rule 4401, 5.5.6] Federally Enforceable Through Title V Permit
50. If the leaking component is an essential component or a critical component that cannot be immediately shut down for repairs, and if the leak has been minimized but the leak still exceeds the applicable leak standard of this rule, the operator shall repair or replace the essential component or critical component to eliminate the leak during the next process unit turnaround, but in no case later than one year from the date of the original leak detection, whichever comes earlier. [District Rule 4401, 5.5.7] Federally Enforceable Through Title V Permit
51. The operator of any steam-enhanced crude oil production well shall maintain records of the date and well identification where steam injection or well stimulation occurs. [District Rule 4401, 6.1.1] Federally Enforceable Through Title V Permit
52. An operator of any steam-enhanced crude oil production well shall keep source test records which demonstrate compliance with the control efficiency requirements of the VOC collection and control system as defined in Section 3.0 of Rule 4401. [District Rule 4401, 6.1.3] Federally Enforceable Through Title V Permit
53. Operator of any steam-enhanced crude oil production well shall keep an inspection log maintained pursuant to Section 6.4 of Rule 4401. [District Rule 4401, 6.1.4] Federally Enforceable Through Title V Permit
54. Records of each calibration of the portable hydrocarbon detection instrument utilized for inspecting components, including a copy of current calibration gas certification from the vendor of said calibration gas cylinder, the date of calibration, concentration of calibration gas, instrument reading of calibration gas before adjustment, instrument reading of calibration gas after adjustment, calibration gas expiration date, and calibration gas cylinder pressure at the time of calibration shall be maintained. [District Rule 4401, 6.1.5] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

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

55. An operator shall maintain copies at the facility of the training records of the training program operated pursuant to Section 6.5 of Rule 4401. [District Rule 4401, 6.1.6] Federally Enforceable Through Title V Permit
56. Operator shall keep a copy of the APCO-approved Operator Management Plan at the facility. [District Rule 4401, 6.1.7] Federally Enforceable Through Title V Permit
57. Operator shall keep a list of all gauge tanks, as defined in Section 3.17 of Rule 4401. The list shall contain the size, identification number, the location of each gauge tank and specify whether the gauge tank is upstream of all front line production equipment. [District Rule 4401, 6.1.8] Federally Enforceable Through Title V Permit
58. The results of gauge tank TVP testing conducted pursuant to Section 6.2.3 shall be submitted to the APCO within 60 days after the completion of the testing. [District Rule 4401, 6.1.9] Federally Enforceable Through Title V Permit
59. An operator that discovers that a PRD has released shall record the date that the release was discovered, and the identity and location of the PRD that released. An operator shall submit such information recorded during the calendar year to the APCO no later than 60 days after the end of the calendar year. [District Rule 4401, 6.1.10] Federally Enforceable Through Title V Permit
60. An operator shall source test annually all vapor collection and control systems used to control emissions from steam-enhanced crude oil production well vents to determine the control efficiency of the device(s) used for destruction or removal of VOC. Compliance testing shall be performed annually by source testers certified by ARB. Testing shall be performed during June, July, August, or September of each year if the system's control efficiency is dependent upon ambient air temperature. A process system as defined in Section 3.30 of Rule 4401 is not subject to compliance source testing requirements. [District Rule 4401, 6.2.1] Federally Enforceable Through Title V Permit
61. If approved by EPA, ARB, and the APCO, an operator need not comply with the annual testing requirement of Section 6.2.1 if all uncondensed VOC emissions collected by a vapor collection are controlled by an internal combustion engine subject to Rule 4702, a combustion device subject to Rule 4320, 4307 or 4308, a flare subject to Rule 4311. [District Rule 4401, 6.2.2] Federally Enforceable Through Title V Permit
62. An operator shall comply with the following requirements for each gauge tank, as defined in Section 3.17 of Rule 4401: Conduct periodic TVP testing of each gauge tank at least once every 24 months during summer (July - September), and whenever there is a change in the source or type of produced fluid in the gauge tank. The TVP testing shall be conducted at the actual storage temperature of the produced fluid in the gauge tank using the applicable TVP test method specified in Section 6.4 of Rule 4623 (Storage of Organic Liquids). The operator shall submit the TVP testing results to the APCO as specified in Section 6.1.9 of Rule 4401. [District Rule 4401, 6.2.3] Federally Enforceable Through Title V Permit
63. The control efficiency of any VOC control device, measured and calculated as carbon, shall be determined by EPA Method 25, except when the outlet concentration must be below 50 ppm in order to meet the standard, in which case EPA Method 25a may be used. EPA Method 18 may be used in lieu of EPA Method 25 or EPA Method 25a provided the identity and approximate concentrations of the analytes/compounds in the sample gas stream are known before analysis with the gas chromatograph and the gas chromatograph is calibrated for each of those known analyte/compound to ensure that the VOC concentrations are neither under- or over-reported. [District Rule 4401, 6.3.1] Federally Enforceable Through Title V Permit
64. VOC content shall be analyzed by using the latest revision of ASTM Method E168, E169, or E260 as applicable. Analysis of halogenated exempt compounds shall be performed by using ARB Method 432. [District Rule 4401, 6.3.2] Federally Enforceable Through Title V Permit
65. Leak inspection, other than audio-visual, and measurements of gaseous leak concentrations shall be conducted according to EPA Method 21 using an appropriate portable hydrocarbon detection instrument calibrated with methane. The instrument shall be calibrated in accordance with the procedures specified in EPA Method 21 or the manufacturer's instruction, as appropriate, not more than 30 days prior to its use. The operator shall record the calibration date of the instrument. Where safety is a concern, such as measuring leaks from compressor seals or pump seals when the shaft is rotating, a person shall measure leaks by placing the instrument probe inlet at a distance of one (1) centimeter or less from the surface of the component interface. [District Rule 4401, 6.3.3] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

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

66. The VOC content by weight percent (wt.%) shall be determined using American Society of Testing and Materials (ASTM) D1945 for gases and South Coast Air Quality Management District (SCAQMD) Method 304-91 or the latest revision of ASTM Method E168, E169 or E260 for liquids. [District Rule 4401, 6.3.4] Federally Enforceable Through Title V Permit
67. Operator shall maintain an inspection log in which an operator records, at a minimum, all of the following information for each inspection performed: The total number of components inspected, total number and percentage of leaking components found by component type, location, type, and name or description of each leaking component and description of any unit where the leaking component is found, date of leak detection and the method of leak detection. For gaseous leaks, the leak concentration in ppmv, and for liquid leaks record whether the leak is a major liquid leak or a minor liquid leak. the date of repair, replacement, or removal from operation of leaking components, identify and location of essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier, methods used to minimize the leak from essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier, the date of re-inspection and the leak concentration in ppmv after the component is repaired or is replaced, the inspector's name, business mailing address, and business telephone number, date and signature of the facility operator responsible for the inspection and repair program certifying the accuracy of the information recorded in the log. [District Rule 4401, 6.4] Federally Enforceable Through Title V Permit
68. Permittee shall establish and implement an employee training program for inspecting and repairing components and recordkeeping procedures, as necessary. [District Rule 4401, 6.5] Federally Enforceable Through Title V Permit
69. In accordance with the approved Operator Management Plan (OMP), permittee shall meet all applicable operating, leak standards, inspection and re-inspection, leak repair, record keeping, and notification requirements of Rule 4401. [District Rule 4401, 6.6] Federally Enforceable Through Title V Permit
70. By January 30 of each year, permittee shall submit to the APCO for approval, in writing, an annual report indicating any changes to the existing, approved OMP. [District Rule 4401, 6.7] Federally Enforceable Through Title V Permit
71. Compliance with permit conditions in the Title V permit shall be deemed in compliance with the following requirements: County Rule 108.1 (Kern). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
72. The crude oil production from wells associated with this permit unit shall not lie within 1000 feet of an air injection well used for in-situ combustion. [District Rule 4407, 2.0, 3.4, and 3.5] Federally Enforceable Through Title V Permit
73. The concentration of sulfur compounds in the exhaust from combustion equipment shall not exceed 0.2% by volume as measured on a dry basis over a 15 minute period. To demonstrate compliance with this requirement the operator shall do one of the following: fire the unit only on PUC or FERC regulated natural gas; or test the sulfur content of each fuel source and demonstrate the sulfur content does not exceed 3.3% by weight for gaseous fuels; or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 4801 and 2520, 9.4.2] Federally Enforceable Through Title V Permit
74. The requirements of SJVUAPCD Rule 4407 (Adopted 5/19/94) and SJVUAPCD Rule 4801 (Adopted 12/17/92) do not apply to the well vents. For Rule 4801 applicability, well vent emissions are fugitive emissions not considered to come from a point source. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

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

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-1372-100-30

EXPIRATION DATE: 05/31/2016

SECTION: 06 **TOWNSHIP:** 30S **RANGE:** 22E

EQUIPMENT DESCRIPTION:

TEOR OPERATION WITH WELL CASING COLLECTION SYSTEM SERVING 633 STEAM ENHANCED WELLS WITH 3-PHASE SEPARATORS, STANDBY FLARE, SLUG CATCHER, SCRUBBERS, HEAT EXCHANGERS, COMPRESSORS, PUMPS, SULFA CHECK AND LIQUID SULFUR REMOVAL SYSTEMS (GAMBLE/MCKITTRICK FRONT)

PERMIT UNIT REQUIREMENTS

1. Operation shall include the following equipment: 633 steam enhanced wells, well vent vapor collection system, standby flare, slug catchers, heat exchangers, compressors, pumps, vapor piping, dry fuel gas sulfur scrubbing system and liquid sulfur removal systems, tanks and 3-phase separators. [District Rule 2201] Federally Enforceable Through Title V Permit
2. Operation shall include vapor piping from tanks S-1372-128, -412, S-1641-34, -35, -36, and -37 to vapor control system. [District Rule 2201] Federally Enforceable Through Title V Permit
3. At least one sulfur removal system shall be operated at all times. [District Rule 2201] Federally Enforceable Through Title V Permit
4. There shall be no leaks exceeding 10,000 ppmv from fugitive emissions components associated with liquid sulfur removal system. [District Rule 2201] Federally Enforceable Through Title V Permit
5. Collected condensate shall be discharged into production pipeline. [District Rule 2201] Federally Enforceable Through Title V Permit
6. Flare S-1372-100 shall only be used to incinerate TEOR vapors when one or more of steam generators S-1372-1, -2 or -4 are not in operation. [District Rule 2201] Federally Enforceable Through Title V Permit
7. Flare shall only use PUC quality natural gas as auxiliary fuel. [District Rule 2201] Federally Enforceable Through Title V Permit
8. Flare shall be designed for smokeless operation, with no visible emissions in excess of 5% opacity. [District Rule 2201] Federally Enforceable Through Title V Permit
9. The flare shall be operated according to the manufacturer's specifications, a copy of which shall be maintained on site. [District Rule 2520] Federally Enforceable Through Title V Permit
10. The flare in this permit shall be inspected every two weeks while in operation for visible emissions. If visible emissions are observed, corrective action shall be taken. If visible emissions continue, an EPA method 9 test shall be conducted within 72 hours. [District Rule 2520] Federally Enforceable Through Title V Permit
11. Flare shall comply with all of the applicable requirements of Rule 4311. [District Rule 4311] Federally Enforceable Through Title V Permit
12. The flame shall be present at all times when combustible gases are vented through the flare. [District Rule 4311] Federally Enforceable Through Title V Permit

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

13. The flare outlet shall be equipped with an automatic ignition system, or, shall operate with a pilot flame present at all times when combustible gases are vented through the flare, except during purge periods for automatic-ignition equipped flares. [District Rule 4311] Federally Enforceable Through Title V Permit
14. Except for flares equipped with a flow-sensing ignition system, a heat sensing device such as a thermocouple, ultraviolet beam sensor, infrared sensor, or an equivalent device, capable of continuously detecting at least one pilot flame or the flare flame is present shall be installed and operated. [District Rule 4311] Federally Enforceable Through Title V Permit
15. Flares using flow-sensing automatic ignition systems and not using a continuous flame pilot shall use purge gas for purging. [District Rule 4311] Federally Enforceable Through Title V Permit
16. Open flares (air-assisted, steam-assisted, or non-assisted) in which the flare gas pressure is less than 5 psig shall be operated in such a manner that meets the provisions of 40 CFR 60.18. [District Rule 4311] Federally Enforceable Through Title V Permit
17. Flaring is prohibited unless it is consistent with an approved flare minimization plan (FMP), pursuant to Rule 4311, Section 6.5, and all commitments listed in that plan have been met. This standard shall not apply if the APCO determines that the flaring is caused by an emergency as defined by Section 3.7 and is necessary to prevent an accident, hazard or release of vent gas directly to the atmosphere [District Rule 4311] Federally Enforceable Through Title V Permit
18. The operator of a flare subject to flare minimization requirements pursuant to Section 5.8 shall monitor the vent gas flow to the flare with a flow measuring device or other parameters as specified in the Permit to Operate. The operator shall maintain records pursuant to Section 6.1.7. Flares that the operator can verify, based on permit conditions, are not capable of producing reportable flare events pursuant to Section 6.2.2 shall not be required to monitor vent gas flow to the flare. [District Rule 4311] Federally Enforceable Through Title V Permit
19. The following records shall be maintained, retained on-site for a minimum of five years, and made available to the APCO, ARB, and EPA upon request: 1) A copy of the compliance determination conducted pursuant to Section 6.4.1, 2) For flares used during an emergency, record of the duration of flare operation, amount of gas burned, and the nature of the emergency situation, 3) A copy of the approved flare minimization plan pursuant to Section 6.5, 4) On and after July 1, 2012, where applicable, a copy of annual reports submitted to the APCO pursuant to Section 6.2, and 5) Where applicable, monitoring data collected pursuant to Sections 5.10. [District Rule 4311] Federally Enforceable Through Title V Permit
20. The operator of a flare subject to flare minimization plans pursuant to Section 5.8 of Rule 4311 shall notify the APCO of an unplanned flaring event within 24 hours after the start of the next business day or within 24 hours of their discovery, whichever occurs first. The notification shall include the flare source identification, the start date and time, and the end date and time. [District Rule 4311] Federally Enforceable Through Title V Permit
21. Effective on and after July 1, 2012, and annually thereafter, the operator of a flare subject to flare minimization plans pursuant to Section 5.8 shall submit an annual report to the APCO that summarizes all Reportable Flaring Events as defined in Section 3.0 that occurred during the previous 12 month period. The report shall be submitted within 30 days following the end of the twelve month period of the previous year. The report shall include, but is not limited to all of the following: 1) The results of an investigation to determine the primary cause and contributing factors of the flaring event; 2) Any prevention measures considered or implemented to prevent recurrence together with a justification for rejecting any measures that were considered but not implemented; 3) If appropriate, an explanation of why the flaring was an emergency and necessary to prevent accident, hazard or release of vent gas to the atmosphere, or where, due to a regulatory mandate to vent a flare, it cannot be recovered, treated and used as a fuel gas at the facility; and 4) The date, time, and duration of the flaring event. [District Rule 4311] Federally Enforceable Through Title V Permit

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

22. Effective on and after July 1, 2012, and annually thereafter, the operator of a flare subject to flare monitoring requirements pursuant to Rule 4311, Sections 5.10, 6.6, 6.7, 6.8, 6.9, and 6.10, as appropriate, shall submit an annual report to the APCO within 30 days following the end of each 12 month period. The report shall include the following: 1) The total volumetric flow of vent gas in standard cubic feet for each day, 2) Hydrogen sulfide content, methane content, and hydrocarbon content of vent gas composition pursuant to Section 6.6, 3) If vent gas composition is monitored by a continuous analyzer or analyzers pursuant to Section 5.11, average total hydrocarbon content by volume, average methane content by volume, and depending upon the analytical method used pursuant to Section 6.3.4, total reduced sulfur content by volume or hydrogen sulfide content by volume of vent gas flared for each hour of the month, 4) If the flow monitor used pursuant to Section 5.10 measures molecular weight, the average molecular weight for each hour of each month, 5) For any pilot and purge gas used, the type of gas used, the volumetric flow for each day and for each month, and the means used to determine flow, 6) Flare monitoring system downtime periods, including dates and times, 7) For each day and for each month provide calculated sulfur dioxide emissions, and 8) A flow verification report for each flare subject to this rule. The flow verification report shall include flow verification testing pursuant to Section 6.3.5. [District Rule 4311] Federally Enforceable Through Title V Permit
23. Total hydrocarbon content and methane content of vent gas shall be determined using ASTM Method D 1945-96, ASTM Method UOP 539-97, EPA Method 18, or EPA Method 25A or 25B. Hydrogen sulfide content of vent gas shall be determined using ASTM Method D 1945-96, ASTM Method UOP 539-97, ASTM Method D 4084-94, or ASTM Method D 4810-88. [District Rule 4311] Federally Enforceable Through Title V Permit
24. Upon request, the operator of flares that are subject to Section 5.6 shall make available to the APCO the compliance determination records that demonstrate compliance with the provisions of 40 CFR 60.18, (c)(3) through (c)(5). [District Rule 4311] Federally Enforceable Through Title V Permit
25. Operator shall monitor vent gas composition using one of the five methods pursuant to Section 6.6.1 through Section 6.6.5, as appropriate. [District Rule 4311] Federally Enforceable Through Title V Permit
26. Operator shall monitor the volumetric flows of purge and pilot gases with flow measuring devices or other parameters as specified on the Permit to Operate so that volumetric flows of pilot and purge gas may be calculated based on pilot design and the parameters monitored. [District Rule 4311] Federally Enforceable Through Title V Permit
27. All of the general monitoring provisions of Section 6.9, as applicable, shall be met. [District Rule 4311] Federally Enforceable Through Title V Permit
28. Operator shall install and maintain equipment that records a real-time digital image of the flare and flame at a frame rate of no less than one frame per minute. The recorded image of the flare shall be of sufficient size, contrast, and resolution to be readily apparent in the overall image or frame. The image shall include an embedded date and time stamp. The equipment shall archive the images for each 24-hour period. In lieu of video monitoring the operator may use an alternative monitoring method that provides data to verify date, time, vent gas flow, and duration of flaring events. [District Rule 4311] Federally Enforceable Through Title V Permit
29. Vapors from this well vent vapor control system shall be incinerated in steam generators S-1372-1, -2, -4, -30, -32, -33, -127, -317, -334 or standby flare and/or injected into DOGGR approved gas injection wells. [District Rule 2201] Federally Enforceable Through Title V Permit
30. Total sulfur oxide (SO_x as SO₂) emissions shall not exceed 1,075.2 lb/day for the following steam generators: S-1372-1, -2, -4, -127, -317, and standby flare. [District Rule 2201] Federally Enforceable Through Title V Permit
31. Fugitive emissions from vapor collection and control system shall not exceed 239.6 lb VOC/day. [District Rule 2201] Federally Enforceable Through Title V Permit
32. There shall be no more than 30 gas leaks. [District Rule 2201] Federally Enforceable Through Title V Permit
33. Permittee shall maintain accurate records of well casing vapor H₂S concentration (periodic sampling of no less than once per month), daily volume of casing vapor incinerated, and calculated daily SO₂ emissions from S-1372-1, -2, and -4. [District Rules 1070 and 2520] Federally Enforceable Through Title V Permit
34. Permittee shall maintain with the permit a current listing of all steam enhanced wells connected to the casing vent control system and shall make such listing readily available for District inspection upon request. [District Rule 2201] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

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

35. Permittee shall maintain accurate component count for TEOR operation according to CAPCOA's "California Implementation Guidelines for Estimating Mass Emissions of Fugitive Hydrocarbon Leaks at Petroleum Facilities," Table IV-2c (Feb 1999), Screening Value Range emission factors. Permittee shall update such records when new components are installed. [District Rule 2201] Federally Enforceable Through Title V Permit
36. The following test method shall be used for fuel gas sulfur content - ASTM D3246 or double GC for H2S and mercaptans. [District Rule 2520] Federally Enforceable Through Title V Permit
37. All required source testing shall conform to the compliance testing procedures described in District Rule 1081(as amended December 16, 1993). [District Rule 1081 and County Rules 108 (Kings), 108.1 (Fresno, Merced, San Joaquin, Tulare, Kern, and Stanislaus), and 110 (Madera)] Federally Enforceable Through Title V Permit
38. During the time any steam-enhanced crude oil production well is undergoing service or repair while the well is not producing, it shall be exempt from the emission control requirements of District Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
39. The inspection requirements of Section 5.4.1 through Section 5.4.7 of Rule 4401 shall not apply to components exclusively handling gas/vapor or liquid with a VOC content of ten percent by weight (10%) or less, as determined by the test methods in Section 6.3.4 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
40. Gas and liquid leaks are as defined in Section 3.20 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
41. An operator shall not operate a steam-enhanced crude oil production well unless the operator complies with either of the following requirements: The steam-enhanced crude oil production well vent is closed and the front line production equipment downstream of the wells that carry produced fluids (crude oil or mixture of crude oil and water) is connected to a VOC collection and control system as defined in Section 3.0 of Rule 4401, the well vent may be temporarily opened during periods of attended service or repair of the well provided such activity is done as expeditiously as possible with minimal spillage of material and VOC emissions to the atmosphere, or the steam-enhanced crude oil production well vent is open and the well vent is connected to a VOC collection and control system as defined in Section 3.0 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
42. An operator shall be in violation of this rule if any District inspection demonstrates or if any operator inspection conducted pursuant to Section 5.4 of Rule 4401 demonstrates the existence of an open-ended line or a valve located at the end of the line that is not sealed with a blind flange, plug, cap, or a second closed valve that is not closed at all times, except during attended operations as defined by Section 5.2.2.1 of Rule 4401 requiring process fluid flow through the open-ended lines, a component with a major liquid leak, or a component with a gas leak greater than 50,000 ppmv. [District Rule 4401] Federally Enforceable Through Title V Permit
43. An operator shall be in violation of this rule if any District inspection demonstrates or if any operator inspection conducted pursuant to Section 5.4 of Rule 4401 demonstrates the existence of any combination of components with minor liquid leaks, minor gas leaks, or a gas leaks greater than 10,000 ppmv up to 50,000 ppmv that totals more than number of leaks allowed by Table 2 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
44. An operator shall not use any component with a leak as defined in Section 3.0 of Rule 4401, or that is found to be in violation of the provisions of Section 5.2.2 of Rule 4401. However, components that were found leaking may be used provided such leaking components have been identified with a tag for repair, are repaired, or awaiting re-inspection after being repaired within the applicable time frame specified in Section 5.5 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
45. Each hatch shall be closed at all times except during sampling or adding of process material through the hatch, or during attended repair, replacement, or maintenance operations, provided such activities are done as expeditiously as possible with minimal spillage of material and VOC emissions to the atmosphere. [District Rule 4401] Federally Enforceable Through Title V Permit
46. An operator shall comply with the requirements of Section 6.7 of Rule 4401 if there is any change in the description of major components or critical components. [District Rule 4401] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

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

47. Except for pipes and unsafe-to-monitor components, an operator shall inspect all other components pursuant to the requirements of Section 6.3.3 of Rule 4401 at least once every year. [District Rule 4401] Federally Enforceable Through Title V Permit
48. An operator shall visually inspect all pipes at least once every year. Any visual inspection of pipes that indicates a leak that cannot be immediately repaired to meet the leak standards of this rule shall be inspected within 24 hours after detecting the leak. If a leak is found, the leak shall be repaired as soon as practicable but not later than the time frame specified in Table 3 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
49. In addition to the inspections required by Section 5.4.1 of Rule 4401, an operator shall inspect for leaks all accessible operating pumps, compressors, and PRDs in service as follows: An operator shall audio-visually (by hearing and by sight) inspect for leaks all accessible operating pumps, compressors, and PRDs in service at least once each calendar week. Any audio-visual inspection of an accessible operating pump, compressor, and PRD performed by an operator that indicates a leak that cannot be immediately repaired to meet the leak standards of this rule shall be inspected not later than 24 hours after conducting the audio-visual inspection. If a leak is found, the leak shall be repaired as soon as practicable but not later than the time frame specified in Table 3 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
50. In addition to the inspections required by Sections 5.4.1, 5.4.2 and 5.4.3 of Rule 4401, operator shall perform the following: initially inspect a PRD that releases to the atmosphere as soon as practicable but not later than 24 hours after the discovery of the release, re-inspect the PRD not earlier than 24 hours after the initial inspection but not later than 15 calendar days after the initial inspection, inspect all new, replaced, or repaired fittings, flanges, and threaded connections within 72 hours of placing the component in service. Except for PRDs subject to the requirements of Section 5.4.4.1 of Rule 4401, an operator shall inspect a component that has been repaired or replaced not later than 15 calendar days after the component was repaired or replaced. [District Rule 4401] Federally Enforceable Through Title V Permit
51. An operator shall inspect all unsafe-to-monitor components during each turnaround. [District Rule 4401] Federally Enforceable Through Title V Permit
52. District inspection in no way fulfills any of the mandatory inspection requirements that are placed upon operators and cannot be used or counted as an inspection required of an operator. [District Rule 4401] Federally Enforceable Through Title V Permit
53. An operator shall affix a readily visible weatherproof tag to a leaking component upon detection of the leak and shall include the following information on the tag: date and time of leak detection, date and time of leak measurement, for a gaseous leak, the leak concentration in ppmv, for a liquid leak, whether it is a major liquid leak or a minor liquid leak, whether the component is an essential component, an unsafe-to monitor component, or a critical component. [District Rule 4401] Federally Enforceable Through Title V Permit
54. An operator shall keep the tag affixed to the component until an operator has met all of the following conditions: repaired or replaced the leaking component, re-inspected the component using the test method in Section 6.3.3, and the component is found to be in compliance with the requirements of this rule. [District Rule 4401] Federally Enforceable Through Title V Permit
55. An operator shall minimize a component leak in order to stop or reduce leakage to the atmosphere immediately to the extent possible, but not later than one (1) hour after detection of the leak. [District Rule 4401] Federally Enforceable Through Title V Permit
56. Except for leaking critical components or leaking essential components subject to the requirements of Section 5.5.7 of Rule 4401, if an operator has minimized a leak but the leak still exceeds the applicable leak limits as defined in Section 3.0 of Rule 4401, an operator shall comply with at least one of the following requirements as soon as practicable but not later than the time period specified in Table 3 of Rule 4401: Repair or replace the leaking component; or vent the leaking component to a VOC collection and control system as defined in Section 3.0 of Rule 4401, or remove the leaking component from operation. [District Rule 4401] Federally Enforceable Through Title V Permit
57. The repair period in calendar days shall not exceed 14 days for minor gas leaks, 5 days for major gas leaks less than or equal to 50,000 ppmv, 2 days for gas leak greater than 50,000 ppmv, 3 days for minor liquid leaks, 2 days for major liquid leaks. [District Rule 4401] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

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

58. The leak rate measured after leak minimization has been performed shall be the leak rate used to determine the applicable repair period specified in Table 3 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
59. The time of the initial leak detection shall be the start of the repair period specified in Table 3 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
60. If the leaking component is an essential component or a critical component that cannot be immediately shut down for repairs, and if the leak has been minimized but the leak still exceeds the applicable leak standard of this rule, the operator shall repair or replace the essential component or critical component to eliminate the leak during the next process unit turnaround, but in no case later than one year from the date of the original leak detection, whichever comes earlier. [District Rule 4401] Federally Enforceable Through Title V Permit
61. The operator of any steam-enhanced crude oil production well shall maintain records of the date and well identification where steam injection or well stimulation occurs. [District Rule 4401] Federally Enforceable Through Title V Permit
62. An operator of any steam-enhanced crude oil production well shall keep source test records which demonstrate compliance with the control efficiency requirements of the VOC collection and control system as defined in Section 3.0 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
63. Operator of any steam-enhanced crude oil production well shall keep an inspection log maintained pursuant to Section 6.4 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
64. Records of each calibration of the portable hydrocarbon detection instrument utilized for inspecting components, including a copy of current calibration gas certification from the vendor of said calibration gas cylinder, the date of calibration, concentration of calibration gas, instrument reading of calibration gas before adjustment, instrument reading of calibration gas after adjustment, calibration gas expiration date, and calibration gas cylinder pressure at the time of calibration shall be maintained. [District Rule 4401] Federally Enforceable Through Title V Permit
65. An operator shall maintain copies at the facility of the training records of the training program operated pursuant to Section 6.5 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
66. Operator shall keep a copy of the APCO-approved Operator Management Plan at the facility. [District Rule 4401] Federally Enforceable Through Title V Permit
67. Operator shall keep a list of all gauge tanks, as defined in Section 3.17 of Rule 4401. The list shall contain the size, identification number, the location of each gauge tank and specify whether the gauge tank is upstream of all front line production equipment. [District Rule 4401] Federally Enforceable Through Title V Permit
68. The results of gauge tank TVP testing conducted pursuant to Section 6.2.3 shall be submitted to the APCO within 60 days after the completion of the testing. [District Rule 4401] Federally Enforceable Through Title V Permit
69. An operator that discovers that a PRD has released shall record the date that the release was discovered, and the identity and location of the PRD that released. An operator shall submit such information recorded during the calendar year to the APCO no later than 60 days after the end of the calendar year. [District Rule 4401] Federally Enforceable Through Title V Permit
70. An operator shall source test annually all vapor collection and control systems used to control emissions from steam-enhanced crude oil production well vents to determine the control efficiency of the device(s) used for destruction or removal of VOC. Compliance testing shall be performed annually by source testers certified by ARB. Testing shall be performed during June, July, August, or September of each year if the system's control efficiency is dependent upon ambient air temperature. A process system as defined in Section 3.30 of Rule 4401 is not subject to compliance source testing requirements. [District Rule 4401] Federally Enforceable Through Title V Permit
71. If approved by EPA, ARB, and the APCO, an operator need not comply with the annual testing requirement of Section 6.2.1 if all uncondensed VOC emissions collected by a vapor collection are controlled by an internal combustion engine subject to Rule 4702, a combustion device subject to Rule 4320, 4307 or 4308, a flare subject to Rule 4311. [District Rule 4401] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

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

72. An operator shall comply with the following requirements for each gauge tank, as defined in Section 3.17 of Rule 4401: Conduct periodic TVP testing of each gauge tank at least once every 24 months during summer (July - September), and whenever there is a change in the source or type of produced fluid in the gauge tank. The TVP testing shall be conducted at the actual storage temperature of the produced fluid in the gauge tank using the applicable TVP test method specified in Section 6.4 of Rule 4623 (Storage of Organic Liquids). The operator shall submit the TVP testing results to the APCO as specified in Section 6.1.9 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
73. The control efficiency of any VOC control device, measured and calculated as carbon, shall be determined by EPA Method 25, except when the outlet concentration must be below 50 ppm in order to meet the standard, in which case EPA Method 25a may be used. EPA Method 18 may be used in lieu of EPA Method 25 or EPA Method 25a provided the identity and approximate concentrations of the analytes/compounds in the sample gas stream are known before analysis with the gas chromatograph and the gas chromatograph is calibrated for each of those known analyte/compound to ensure that the VOC concentrations are neither under- or over-reported. [District Rule 4401] Federally Enforceable Through Title V Permit
74. VOC content shall be analyzed by using the latest revision of ASTM Method E168, E169, or E260 as applicable. Analysis of halogenated exempt compounds shall be performed by using ARB Method 432. [District Rule 4401] Federally Enforceable Through Title V Permit
75. Leak inspection, other than audio-visual, and measurements of gaseous leak concentrations shall be conducted according to EPA Method 21 using an appropriate portable hydrocarbon detection instrument calibrated with methane. The instrument shall be calibrated in accordance with the procedures specified in EPA Method 21 or the manufacturer's instruction, as appropriate, not more than 30 days prior to its use. The operator shall record the calibration date of the instrument. Where safety is a concern, such as measuring leaks from compressor seals or pump seals when the shaft is rotating, a person shall measure leaks by placing the instrument probe inlet at a distance of one (1) centimeter or less from the surface of the component interface. [District Rule 4401] Federally Enforceable Through Title V Permit
76. The VOC content by weight percent (wt.%) shall be determined using American Society of Testing and Materials (ASTM) D1945 for gases and South Coast Air Quality Management District (SCAQMD) Method 304-91 or the latest revision of ASTM Method E168, E169 or E260 for liquids. [District Rule 4401] Federally Enforceable Through Title V Permit
77. Operator shall maintain an inspection log in which an operator records, at a minimum, all of the following information for each inspection performed: The total number of components inspected, total number and percentage of leaking components found by component type, location, type, and name or description of each leaking component and description of any unit where the leaking component is found, date of leak detection and the method of leak detection. For gaseous leaks, the leak concentration in ppmv, and for liquid leaks record whether the leak is a major liquid leak or a minor liquid leak. the date of repair, replacement, or removal from operation of leaking components, identify and location of essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier, methods used to minimize the leak from essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier, the date of re-inspection and the leak concentration in ppmv after the component is repaired or is replaced, the inspector's name, business mailing address, and business telephone number, date and signature of the facility operator responsible for the inspection and repair program certifying the accuracy of the information recorded in the log. [District Rule 4401] Federally Enforceable Through Title V Permit
78. Permittee shall establish and implement an employee training program for inspecting and repairing components and recordkeeping procedures, as necessary. [District Rule 4401] Federally Enforceable Through Title V Permit
79. In accordance with the approved Operator Management Plan (OMP), permittee shall meet all applicable operating, leak standards, inspection and re-inspection, leak repair, record keeping, and notification requirements of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

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

80. By January 30 of each year, permittee shall submit to the APCO for approval, in writing, an annual report indicating any changes to the existing, approved OMP. [District Rule 4401] Federally Enforceable Through Title V Permit
81. The crude oil production from wells associated with this permit unit shall not lie within 1000 feet of an air injection well used for in-situ combustion. [District Rule 4407] Federally Enforceable Through Title V Permit
82. The concentration of sulfur compounds in the exhaust from combustion equipment shall not exceed 0.2% by volume as measured on a dry basis over a 15 minute period. To demonstrate compliance with this requirement the operator shall do one of the following: fire the unit only on PUC or FERC regulated natural gas; or test the sulfur content of each fuel source and demonstrate the sulfur content does not exceed 3.3% by weight for gaseous fuels; or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 4801 and 2520] Federally Enforceable Through Title V Permit
83. The requirements of SJVUAPCD Rule 4407 (Adopted 5/19/94) and SJVUAPCD Rule 4801 (Adopted 12/17/92) do not apply to the well vents. For Rule 4801 applicability, well vent emissions are fugitive emissions not considered to come from a point source. A permit shield is granted from these requirements. [District Rule 2520] Federally Enforceable Through Title V Permit

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

**APPENDIX C:
Quarterly Net Emissions Change**

Quarterly Net Emissions Change (QNEC)

The Quarterly Net Emissions Change is used to complete the emission profile screen for the District's PAS database. The QNEC shall be calculated as follows:

QNEC = PE2 - PE1, where:

- QNEC = Quarterly Net Emissions Change for each emissions unit, lb./qtr.
- PE2 = Post Project Potential to Emit for each emissions unit, lb./qtr.
- PE1 = Pre-Project Potential to Emit for each emissions unit, lb./qtr.

Using the values in Sections VII.C.2 and VII.C.6 in the evaluation above, quarterly PE2 and quarterly PE1 can be calculated as follows:

S-1372-99-9:

NOX

$$\begin{aligned} \text{PE2quarterly} &= \text{PE2annual} / 4 \text{ quarters/year} \\ &= 0 \text{ lb./year} / 4 \text{ qtr./year} \\ &= 0 \text{ lb. NOx/qtr.} \end{aligned}$$

$$\begin{aligned} \text{PE1quarterly} &= \text{PE1annual} / 4 \text{ quarters/year} \\ &= 0 \text{ lb./year} / 4 \text{ qtr./year} \\ &= 0 \text{ lb. NOx/qtr.} \end{aligned}$$

SOX

$$\begin{aligned} \text{PE2quarterly} &= \text{PE2annual} / 4 \text{ quarters/year} \\ &= 22,411 \text{ lb./year} / 4 \text{ qtr./year} \\ &= 5,603 \text{ lb. SOx/qtr.} \end{aligned}$$

$$\begin{aligned} \text{PE1quarterly} &= \text{PE1annual} / 4 \text{ quarters/year} \\ &= 22,411 \text{ lb./year} / 4 \text{ qtr./year} \\ &= 5,603 \text{ lb. SOx/qtr.} \end{aligned}$$

PM10

$$\begin{aligned} \text{PE2quarterly} &= \text{PE2annual} / 4 \text{ quarters/year} \\ &= 0 \text{ lb. /year} / 4 \text{ qtr./year} \\ &= 0 \text{ lb. PM10/qtr.} \end{aligned}$$

$$\begin{aligned} \text{PE1quarterly} &= \text{PE1annual} / 4 \text{ quarters/year} \\ &= 0 \text{ lb. /year} / 4 \text{ qtr./year} \\ &= 0 \text{ lb. PM10/qtr.} \end{aligned}$$

CO

$$\begin{aligned} \text{PE2quarterly} &= \text{PE2annual} / 4 \text{ quarters/year} \\ &= 0 \text{ lb. /year} / 4 \text{ qtr./year} \\ &= 0 \text{ lb. CO/qtr.} \end{aligned}$$

$$\begin{aligned} \text{PE1}_{\text{quarterly}} &= \text{PE1}_{\text{annual}} / 4 \text{ quarters/year} \\ &= 0 \text{ lb. /year} / 4 \text{ qtr./year} \\ &= 0 \text{ lb. CO/qtr.} \end{aligned}$$

VOC

$$\begin{aligned} \text{PE2}_{\text{quarterly}} &= \text{PE2}_{\text{annual}} \div 4 \text{ quarters/year} \\ &= 803 \text{ lb. /year} \div 4 \text{ qtr./year} \\ &= 201 \text{ lb. VOC/qtr.} \end{aligned}$$

$$\begin{aligned} \text{PE1}_{\text{quarterly}} &= \text{PE1}_{\text{annual}} \div 4 \text{ quarters/year} \\ &= 803 \text{ lb. /year} \div 4 \text{ qtr./year} \\ &= 201 \text{ lb. VOC/qtr.} \end{aligned}$$

Quarterly NEC [QNEC]			
	PE2 (lb./qtr.)	PE1 (lb./qtr.)	QNEC (lb./qtr.)
NO _x	0	0	0
SO _x	5,603	5,603	0
PM ₁₀	0	0	0
CO	0	0	0
VOC	201	201	0

S-1372-100-31:

NOX

$$\begin{aligned} \text{PE2}_{\text{quarterly}} &= \text{PE2}_{\text{annual}} / 4 \text{ quarters/year} \\ &= 0 \text{ lb./year} / 4 \text{ qtr./year} \\ &= 0 \text{ lb. NOx/qtr.} \end{aligned}$$

$$\begin{aligned} \text{PE1}_{\text{quarterly}} &= \text{PE1}_{\text{annual}} / 4 \text{ quarters/year} \\ &= 0 \text{ lb./year} / 4 \text{ qtr./year} \\ &= 0 \text{ lb. NOx/qtr.} \end{aligned}$$

SOX

$$\begin{aligned} \text{PE2}_{\text{quarterly}} &= \text{PE2}_{\text{annual}} / 4 \text{ quarters/year} \\ &= 0 \text{ lb./year} / 4 \text{ qtr./year} \\ &= 0 \text{ lb. SOx/qtr.} \end{aligned}$$

$$\begin{aligned} \text{PE1}_{\text{quarterly}} &= \text{PE1}_{\text{annual}} / 4 \text{ quarters/year} \\ &= 0 \text{ lb. /year} / 4 \text{ qtr./year} \\ &= 0 \text{ lb. SOx/qtr.} \end{aligned}$$

PM10

$$\begin{aligned} \text{PE2}_{\text{quarterly}} &= \text{PE2}_{\text{annual}} / 4 \text{ quarters/year} \\ &= 0 \text{ lb. /year} / 4 \text{ qtr./year} \\ &= 0 \text{ lb. PM10/qtr.} \end{aligned}$$

$$\text{PE1}_{\text{quarterly}} = \text{PE1}_{\text{annual}} \square 4 \text{ quarters/year}$$

= 0 lb. /year / 4 qtr./year
= 0 lb. PM10/qtr.

CO

PE2quarterly = PE2annual / 4 quarters/year
= 0 lb. /year / 4 qtr./year
= 0 lb. CO/qtr.

PE1quarterly = PE1annual / 4 quarters/year
= 0 lb. /year / 4 qtr./year
= 0 lb. CO/qtr.

VOC

PE2quarterly = PE2annual ÷ 4 quarters/year
= 87,454 lb. /year ÷ 4 qtr./year
= 21,863 lb. VOC/qtr.

PE1quarterly = PE1annual ÷ 4 quarters/year
= 87,454 lb. /year ÷ 4 qtr./year
= 21,863 lb. VOC/qtr.

Quarterly NEC [QNEC]			
	PE2 (lb./qtr.)	PE1 (lb./qtr.)	QNEC (lb./qtr.)
NO _x	0	0	0
SO _x	0	0	0
PM ₁₀	0	0	0
CO	0	0	0
VOC	21,864	21,864	0

**APPENDIX D:
Emission Profile(s)**

Permit #: S-1372-99-9	Last Updated
Facility: FREEPORT-MC MORAN OIL & GAS	11/17/2014 JONESW

Equipment Pre-Baselined: NO

	<u>NOX</u>	<u>SOX</u>	<u>PM10</u>	<u>CO</u>	<u>VOC</u>
Potential to Emit (lb/Yr):	0.0	22411.0	0.0	0.0	803.0
Daily Emis. Limit (lb/Day)	0.0	61.4	0.0	0.0	2.2
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:					

Permit #: S-1372-100-31	Last Updated
Facility: FREEPORT-MC MORAN OIL & GAS	11/17/2014 JONESW

Equipment Pre-Baselined: NO

	<u>NOX</u>	<u>SOX</u>	<u>PM10</u>	<u>CO</u>	<u>VOC</u>
Potential to Emit (lb/Yr):	0.0	0.0	0.0	0.0	87454.0
Daily Emis. Limit (lb/Day)	0.0	0.0	0.0	0.0	239.6
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:					

APPENDIX E:
Compliance Certification



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

RECEIVED
AUG - 5 2014
SJVAPCD
Southern Region



TITLE V MODIFICATION - COMPLIANCE CERTIFICATION FORM

I. TYPE OF PERMIT ACTION (Check appropriate box)

- SIGNIFICANT PERMIT MODIFICATION ADMINISTRATIVE
 MINOR PERMIT MODIFICATION AMENDMENT

COMPANY NAME: Freeport-McMoRan Oil & Gas LLC	FACILITY ID: S - 1372
1. Type of Organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Sole Ownership <input type="checkbox"/> Government <input type="checkbox"/> Partnership <input type="checkbox"/> Utility	
2. Owner's Name: Freeport-McMoRan Oil & Gas	
3. Agent to the Owner: Kenneth R. Bork	

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

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

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

Kenneth R. Bork

Signature of Responsible Official

8/5/2014

Date

Kenneth R. Bork

Name of Responsible Official (please print)

Senior Environmental Advisor

Title of Responsible Official (please print)

APPENDIX F
ATC, Title V, and NSR applicability determinations, FYI 111

**SAN JOAQUIN VALLEY
AIR POLLUTION CONTROL DISTRICT**

DATE: May 31, 2005, Updated 4/4/06, 7/10/07

TO: Permit Services Staff

FROM: Thomas Goff, Permit Services Manager

SUBJECT: ATC, Title V, and NSR applicability determinations, FYI 111

Determinations of ATC and Title V application requirements and Rule 2201 "modification" applicability for common equipment and permit changes.

	ATC req'd ?	TV application req'd ?	NSR mod ?	Description	Comments
1	No	Yes	No	adding monitoring or record keeping to a permit (provided the rule does not provide for any options for monitoring or recordkeeping)	Adding monitoring or recordkeeping are not changes in the method of "operation" of the emission unit even though monitoring/recordkeeping conditions must be changed.
2	Yes	Yes	No	modifying monitoring and record keeping requirements, provided the change does not lessen the stringency of an emissions limit	Changes to monitoring or recordkeeping are not changes in the method of "operation" of the emission unit even though monitoring/recordkeeping conditions must be changed.
3	No	Yes	No	imposing a TVP limit of < 0.5 psia on tanks (when existing TVP limit was solely to avoid previous version of Rule 4623) to avoid Rule 4623 requirements	Provided 1) no change in the method of operation and 2) no change in material introduced to the tank; and 3) condition change is being made solely to continue the permit exemption from Rule 4623.

	ATC req'd ?	TV application req'd ?	NSR mod ?	Description	Comments
4	No	Yes	No	imposing a throughput limit of 50 bbl./day oil on tanks to avoid Rule 4623 requirements	Only if no existing NSR requirements, no physical or operational changes, and no change to the method of operation is proposed (i.e. historical throughput is less than 50 bbl./day crude oil).
5	Yes	Yes	No	revising emission limits to lower values to comply with Regulation IV rule	Not a modification provided that the unit currently meets the revised emission limits and there is no change to the method of operation needed, e.g. no change to water injection rate for a GTE.
6	Yes	Yes	Yes	tanks/process equipment receiving crude oil via new piping that was previously processed in other tanks/process equipment	NSR mod of tanks/process equipment if there is an increase in actual emissions from an emissions unit and the emission unit is not subject to a daily emissions limitation (see 3.26.1.3). Tanks with VR will not have an increase in actual emissions and are not "modified" per Rule 2201. Note: If no new piping required, ATC not required (and not an NSR modification).
7	Yes	Yes	Yes	tanks/process equipment receiving crude oil from new TEOR well development	NSR mod of tanks/process equipment if there is an increase in actual emissions from an emissions unit and the emission unit is not subject to a daily emissions limitation (see 3.26.1.3). Tanks with VR will not have an increase in actual emissions and are not "modified" per Rule 2201 unless there is an increase in the VOC content of the vapors handled in the vapor control system fugitive components.
8	No	Yes	No	revising approved test methods	Not a change in the method of operation.
9	Yes	Yes	No	replacement of a IC engine catalyst with a non-identical catalyst	Replacing catalyst qualifies as a RR per 2201 3.33. Per 3.26.1.2, a RR is not a structural change therefore 3.26.1.2 does not apply and 3.26.1.1, 1.3, 1.4 or 1.5 do not apply.
10	Yes	Yes	No	specifying startup and shutdown duration for Rules 4305 (8/21/03) and 4306 (9/18/03)	Not a change in the method of operation. Previous version of Rule 4305 allowed excursions from emission limits for startups and shutdowns of undefined durations. Specifying durations is not a change in the method of operation.

	ATC req'd ?	TV application req'd ?	NSR mod ?	Description	Comments
11	Yes	Yes	No	modification of a tank vapor control system to connect a new tank to it	Not a change in the method of operation; not an NSR modification of the vapor control system provided emission limits at vapor disposal device do not have to be increased.
12	Yes	Yes	No	correcting the rating for combustion equipment (provided the equipment has not been replaced or modified to increase the rating without an ATC)	Not an NSR mod provided there is no structural change or no change in the method of operation. If rating increased (due solely to a correction), a daily fuel use limit must be imposed that is equivalent to previously authorized equipment rating.
13	Yes	Yes	No	replacing combustion air blower, adding a variable frequency drive to existing combustion air blower	Not a change in the method of operation or structural change that requires a change in permit conditions. Changes must not increase rating of the unit nor the emissions.
14	Yes	Yes	No	allowing use of various burner diffuser plates	Changing burner diffuser qualifies as a routine replacement. Routine replacements are not structural changes. None of the other criteria in Rule 2201 3.26 are applicable. Therefore, changing diffuser plates is not an NSR modification.
15	No	Yes	No	imposing hour and fuel meter requirements for Rule 4702	When a rule does not include options for compliance with a requirement, an ATC is not required.
16	Yes	Yes	No	imposing a limit on the content of vapors handled by a vapor control system 10% by weight or less	If the VOC content of the vapors are shown historically to not have exceed 10% by weight, imposing such a limit does not represent a change in the method of operation and is not an NSR modification.
17	No	Yes	No	clarifying equipment description, no change to permit conditions	Clarifying the equipment description (e.g. adding a serial number), provided there is no operational or physical change to the equipment, is not an NSR modification.

	ATC req'd ?	TV application req'd ?	NSR mod ?	Description	Comments
18	Yes	Yes	Yes	revising equipment description, with or without changes to permit conditions	Revising the equipment description where there is an operational or physical change to the equipment.
19	Yes	Yes	No	Allowing a steam generator currently allowed to burn waste gas to burn waste gas from a different source (provided that the steam generator can continue to meet it's emission limits)	Not a change in the method of operation as the steam generator is was previously approved to burn waste gas.
20	Yes	Yes	No	Allowing a vapor control system to vent to a different permitted disposal device	Not a change in the method of operation of the vapor control system provided that the vapor control system can continue to meet it's control efficiency requirement.