

**DRAFT**

**PERMIT TO OPERATE 8072-R8**

**and**

**PART 70 OPERATING PERMIT 8072**

**PXP LOMPOC/POINT PEDERNALES**

**ARKLEY LEASE**

**LOMPOC OILFIELD  
SANTA BARBARA COUNTY, CALIFORNIA**

**OWNER/OPERATOR**

**Plains Exploration & Production Co. (PXP)**

**Santa Barbara County  
Air Pollution Control District**

**December 2012**

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## ABBREVIATIONS/ACRONYMS

AP-42	USEPA's <i>Compilation of Emission Factors</i>
API	American Petroleum Institute
ASTM	American Society for Testing Materials
BACT	Best Available Control Technology
OMS	Bureau of Ocean Energy Management
bpd	barrels per day (1 barrel = 42 gallons)
CAM	compliance assurance monitoring
CEMS	continuous emissions monitoring
District	Santa Barbara County Air Pollution Control District
dscf	dry standard cubic foot
EU	emission unit
°F	degree Fahrenheit
gal	gallon
gr	grain
HAP	hazardous air pollutant (as defined by CAAA, Section 112(b))
H <sub>2</sub> S	hydrogen sulfide
I&M	inspection & maintenance
k	kilo (thousand)
l	liter
lb	pound
lbs/day	pounds per day
lbs/hr	pounds per hour
LACT	Lease Automatic Custody Transfer
LPG	liquid petroleum gas
M	mega (million)
MACT	Maximum Achievable Control Technology
MM	million
MW	molecular weight
NEI	net emissions increase
NG	natural gas
NSPS	New Source Performance Standards
O <sub>2</sub>	oxygen
OCS	outer continental shelf
ppm (vd or w)	parts per million (volume dry or weight)
psia	pounds per square inch absolute
psig	pounds per square inch gauge
PRD	pressure relief device
PTO	Permit to Operate
RACT	Reasonably Available Control Technology
ROC	reactive organic compounds, same as "VOC" as used in this permit
RVP	Reid vapor pressure
scf	standard cubic foot
scfd (or scfm)	standard cubic feet per day (or per minute)
SIP	State Implementation Plan
STP	standard temperature (60°F) and pressure (29.92 inches of mercury)
THC	Total hydrocarbons
tpy, TPY	tons per year
TVP	true vapor pressure
USEPA	United States Environmental Protection Agency
VE	visible emissions
VRS	vapor recovery system

## 1.0 Introduction

### 1.1 Purpose

General: The Santa Barbara County Air Pollution Control District (District) is responsible for implementing all applicable federal, state and local air pollution requirements that affect any stationary source of air pollution in Santa Barbara County. The federal requirements include regulations listed in the Code of Federal Regulations: 40 CFR Parts 50, 51, 52, 55, 61, 63, 68, 70 and 82. The state regulations may be found in the California Health & Safety Code, Division 26, Section 39000 et seq. The applicable local regulations can be found in the District's Rules and Regulations. This is a combined permitting action that covers both the Federal Part 70 permit (*Part 70 Operating Permit 8072*) as well as the State Operating Permit (*Permit to Operate 8072*).

Santa Barbara County is designated as an ozone non-attainment area for the state ambient air quality standards. The County is also designated a non-attainment area for the state PM<sub>10</sub> ambient air quality standard.

Part 70 Permitting: The initial Part 70 permit for the Arkley Lease was issued October 17, 2000 in accordance with the requirements of the District's Part 70 operating permit program. This is the third renewal of the Part 70 permit and may include additional applicable requirements and associated compliance assurance conditions. Also, this permit incorporates any Part 70 minor modifications since the last renewal, and is being issued as a combined Part 70 and District reevaluation permit. The Arkley Lease is a part of the PXP Lompoc/Point Pedernales Stationary Source, which is a major source for VOC<sup>1</sup> and NO<sub>x</sub>. Conditions listed in this permit are based on federal, state or local rules and requirements. Sections 9.A, 9.B and 9.C of this permit are enforceable by the District, the USEPA and the public since these sections are federally-enforceable under Part 70. Where any reference contained in Sections 9.A, 9.B or 9.C refers to any other part of this permit, that part of the permit referred to is federally-enforceable. Conditions listed in Section 9.D are "District-only" enforceable.

Pursuant to the stated aims of Title V of the CAAA of 1990 (i.e., the Part 70 operating permit program), this permit has been designed to meet two objectives. First, compliance with all conditions in this permit would ensure compliance with all federally-enforceable requirements for the facility. Second, the permit would be a comprehensive document to be used as a reference by the permittee, the regulatory agencies and the public to assess compliance.

Tailoring Rule. This reevaluation incorporates greenhouse gas emission calculations for the stationary source. On January 20, 2011, the District revised Rule 1301 to include greenhouse gases (GHGs) that are "subject to regulation" in the definition of "Regulated Air Pollutants". District Part 70 operating permits are being updated to incorporate the revised definition.

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<sup>1</sup> VOC as defined in Regulation XIII has the same meaning as reactive organic compounds as defined in Rule 102. The term ROC shall be used throughout the remainder of this document, but where used in the context of the Part 70 regulation, the reader shall interpret the term as VOC.

## **1.2 Facility Overview**

1.2.1 General Overview: The Arkley Lease, located approximately 2.5 miles north of the city of Lompoc, was previously owned and operated by Unocal. On April 9, 1996, Unocal transferred this facility to PXP Energy Company as the sole owner and Torch Operating Company as the operator. On May 14, 1997 the District issued a Transfer of Ownership to reflect this change. On April 9, 1997 Bellwether Exploration Company acquired a 19.7-percent ownership in the Lompoc/Point Pedernales Stationary Source which was subsequently transferred back to Nuevo. On February 7, 2000 the District issued a transfer of ownership to reflect this change. On February 27, 2001, operatorship was transferred from Torch to Nuevo. On September 23, 2004 ownership and operatorship was transferred from Nuevo to PXP. For District regulatory purposes, the facility location is in the Northern Zone of Santa Barbara County<sup>2</sup>. Figure 1.1 shows the relative location of the facility within the county.

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<sup>2</sup> District Rule 102, Definition: “Northern Zone”

# PXP - Lompoc/Point Pedernales Stationary Source

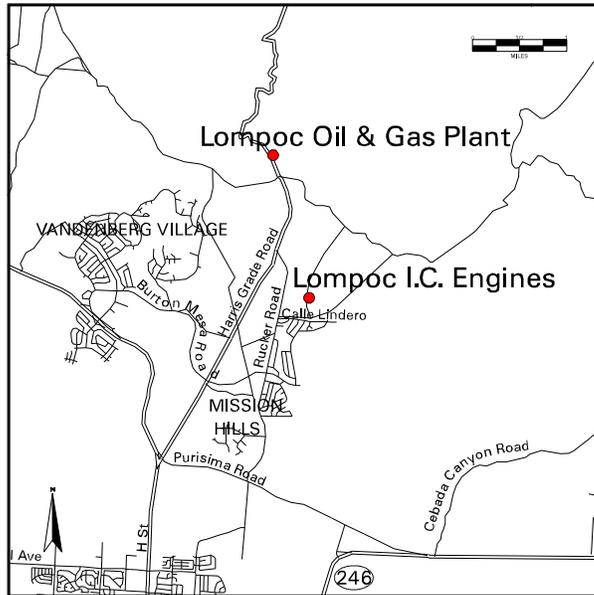
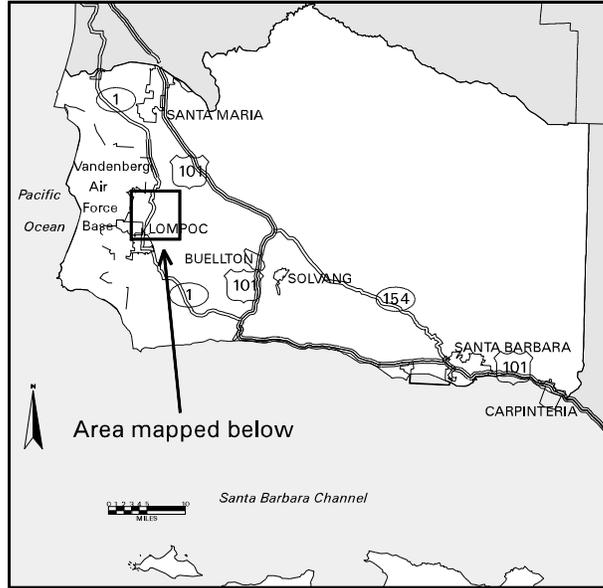


Figure 1.1 - Location Map for the Arkley Lease

The Arkley Lease was constructed prior to 1979 and is a part of the *PXP Lompoc/Point Pedernales Stationary Source* (SSID 4632), which consists of the following facilities:

- La Purisima Lease (FID 3069)
- Lompoc Oil and Gas Plant (FID 3095)
- Jesus Maria “D” Lease (FID 3309)
- Orcutt Fee (FID 3310)
- Eefson Lease (FID 3802)
- Jesus Maria “A” Lease (FID 3832)
- Lompoc Fee (FID 3837)
- Hill Lease (FID 3839)
- Arkley Fee (FID 4117)
- Lompoc Internal Combustion Engines (FID 4218)
- Platform Irene (FID 8016)

The Arkley Lease consists of the following oil and gas production systems:

- Oil and gas well

One oil and gas well is located on the Arkley Lease. There are no other production facilities on the Arkley Lease. The emissions from this facility are from fugitive hydrocarbons and the well cellar. Requirements for the IC engine used on this lease are addressed in PTO 9971. There is no permit-exempt equipment on the Arkley Lease.

1.2.2 Facility Permitting History: The following is the permit history for this facility:

PERMIT	FINAL ISSUED	PERMIT DESCRIPTION
Reeval 08072 R1	05/06/1991	Permit Reevaluation
Reeval 08072 R2	05/04/1994	Permit Reevaluation
PTO 08072	09/06/1994	See Permit
Reeval 08072 R3	09/05/1997	One oil & gas well lease
Trn O/O 08072 01	02/07/2000	See Permit
PT-70/Reeval 08072 R4	10/17/2000	Permit Reevaluation
Trn O/O 08072 02	02/27/2001	Transfer of operatorship from Torch to Nuevo
PT-70/Reeval 08072 R5	12/17/2003	Reevaluation.
Trn O/O 08072 03	09/23/2004	Transfer of Owner/Operator from Nuevo to Plains Exploration & Production.
PT-70/Reeval 08072 R6	12/08/2006	Pt70 Permit Renewal.
PT-70/Reeval 08072 R7	12/23/2009	Pt70 Permit Renewal.

**1.3 Emission Sources**

The emissions from the Arkley Lease come from fugitive hydrocarbons associated with the oil and gas well and its cellar. Section 4 of the permit provides the District's engineering analysis of

these emission sources. Section 5 of the permit describes the allowable emissions from each permitted emissions unit and also lists the potential emissions from non-permitted emission units.

The emission sources include:

- One (1) oil and gas well and well cellar. See Attachment 10.6 (Well List).
- Fugitive emission components in gas/liquid hydrocarbon service.

A list of all permitted equipment is provided in Attachment 10.5.

#### **1.4 Emission Control Overview**

The following air quality emission controls are utilized at the Arkley Lease:

- A Fugitive Inspection & Maintenance program for detecting and repairing leaks of hydrocarbons from piping components, i.e., valves, flanges and seals, consistent with the requirements of the District Rule 331 to reduce ROC emissions by approximately 80-percent.
- A program to keep well cellars and emergency pits pumped out consistent with the requirements of District Rule 344.

#### **1.5 Offsets/Emission Reduction Credit Overview**

Project ROC emissions increases are currently required to be offset based on District Rule 802 offset thresholds. Offsets were initially required for ROC, NAROC (non-alkane ROC) and NO<sub>x</sub>. Section 7.0 discusses the offset requirements for the Point Pedernales Project.

#### **1.6 Part 70 Operating Permit Overview**

- 1.6.1 Federally-enforceable Requirements: All federally-enforceable requirements are listed in 40 CFR Part 70.2 (*Definitions*) under “applicable requirements”. These include all SIP-approved District Rules, all conditions in the District-issued Authority to Construct permits, and all conditions applicable to major sources under federally promulgated rules and regulations. All these requirements are enforceable by the public under CAAA. (*See Tables 3.1 and 3.2 for a list of federally-enforceable requirements*)
- 1.6.2 Insignificant Emissions Units: Insignificant emission units are defined under District Rule 1301 as any regulated air pollutant emitted from the unit, excluding HAPs, that are less than 2 tons per year based on the unit’s potential to emit and any HAP regulated under section 112(g) of the Clean Air Act that does not exceed 0.5 ton per year based on the unit’s potential to emit. Insignificant activities were listed in the Part 70 permit renewal application with supporting calculations. Applicable requirements may apply to insignificant units.
- 1.6.3 Federal Potential to Emit: The federal potential to emit (PTE) of a stationary source does not include fugitive emissions of any pollutant, unless the source is: (1) subject to a federal NSPS/NESHAP requirement which was in effect as of August 7, 1980, or (2) included in the 29-category source list specified in 40 CFR 51.166 or 52.21. The federal PTE does include all emissions from any insignificant emissions units. (*See Section 5.4 for the federal PTE for this source*)

- 1.6.4 Permit Shield: The operator of a major source may be granted a shield: (a) specifically stipulating any federally-enforceable conditions that are no longer applicable to the source and (b) stating the reasons for such non-applicability. The permit shield must be based on a request from the source and its detailed review by the District. Permit shields cannot be indiscriminately granted with respect to all federal requirements. PXP made no requests for permit shields.
- 1.6.5 Alternate Operating Scenarios: A major source may be permitted to operate under different operating scenarios, if appropriate descriptions of such scenarios are included in its Part 70 permit application and if such operations are allowed under federally-enforceable rules. PXP made no requests for permitted alternative operating scenarios.
- 1.6.6 Compliance Certification: Part 70 permit holders must certify compliance with all applicable federally-enforceable requirements including permit conditions. Such certification must accompany each Part 70 permit application; and, be re-submitted annually on the anniversary date of the permit or on a more frequent schedule specified in the permit. A “responsible official” of the owner/operator company signs each certification whose name and address is listed prominently in the Part 70 permit. (*see Section 1.6.9 below*)
- 1.6.7 Permit Reopening: Part 70 permits are re-opened and revised if the source becomes subject to a new rule or new permit conditions are necessary to ensure compliance with existing rules. The permits are also re-opened if they contain a material mistake or the emission limitations or other conditions are based on inaccurate permit application data.
- 1.6.8 Hazardous Air Pollutants (HAPs): Part 70 permits also regulate emissions of HAPs from major sources through the imposition of maximum achievable control technology (MACT), where applicable. The federal PTE for HAP emissions from a source is computed to determine MACT or any other rule applicability. (*see Sections 4.10 and 5.5*)
- 1.6.9 Responsible Official: The designated responsible official and his mailing address is:

Mr. Thomas Goeres, Operations Manager  
Plains Exploration & Production Company  
201 South Broadway  
Orcutt, California 93455

## **2.0 Process Description**

### **2.1 Process Summary**

- 2.1.1 Production: Oil, water, and gas are produced from one well on the Arkley Lease (well No. 33-20). The well is equipped with a cellar that measures approximately six feet by six feet. The oil/gas/water emulsion is transmitted to the La Purisima facility by pipeline. An internal combustion engine permitted under PTO 9971 provides power to a well pumping unit.
- 2.1.2 Gas, Oil, and Water Separation, Storage and Shipping: There are no separation or storage facilities at this facility.

## **2.2 Support Systems**

There are no additional support systems on the Arkley Lease.

## **2.3 Maintenance/Degreasing Activities**

2.3.1 Paints and Coatings: Intermittent surface coating operations are conducted throughout the facility for occasional structural and equipment maintenance needs, including architectural coating. Normally only touch-up and equipment labeling or tagging is performed. All architectural coatings used are in compliance with District Rule 323, as verified through the rule-required recordkeeping.

2.3.2 Solvent Usage: Solvents not used for surface coating thinning may be used on the Arkley Lease for daily operations. Usage includes cold solvent degreasing and wipe cleaning with rags.

## **2.4 Planned Process Turnarounds**

Maintenance of critical components is carried out according to the requirements of Rule 331 (*Fugitive Emissions Inspection and Maintenance*) during turnarounds. PXP has not listed any emissions from planned process turnarounds that should be permitted.

## **2.5 Other Processes**

2.5.1 Pits and Sumps: None

2.5.2 Unplanned Activities/Emissions: PXP does not anticipate or foresee any circumstances that would require special equipment use and result in excess emissions.

## **2.6 Detailed Process Equipment Listing**

Refer to Attachment 10.5 for a complete listing of all permitted equipment.

## **3.0 Regulatory Review**

This Section identifies the federal, state and local rules and regulations applicable to the Arkley Lease.

### **3.1 Rule Exemptions Claimed**

District Rule 331 (*Fugitive Emission Inspection and Maintenance*): The following exemptions were applied for in PXP's Fugitive Inspection and Maintenance Plan and approved by the District:

- Section B.2.b for components buried below the ground.
- Section B.2.c for stainless steel tube fittings.

### **3.2 Compliance with Applicable Federal Rules and Regulations**

3.2.1 40 CFR Parts 51/52 {*New Source Review (Nonattainment Area Review and Prevention of Significant Deterioration)*}: The Arkley Lease was constructed and permitted prior to the applicability of these regulations. All modifications are subject to the District's New Source Review regulation. Compliance with the regulation assures compliance with 40 CFR 51/52.

- 3.2.2 40 CFR Part 60 {New Source Performance Standards}: This facility is not currently subject to the provisions of this Subpart.
- 3.2.3 40 CFR Part 61 {NESHAP}: This facility is not currently subject to the provisions of this Subpart.
- 3.2.4 40 CFR Part 63 {MACT}: On June 17, 1999, EPA promulgated Subpart HH, a National Emission Standards for Hazardous Air Pollutants (NESHAPS) for Oil and Natural Gas Production and Natural Gas Transmission and Storage. PXP submitted information in October 2000 that this facility qualified for the “black oil” exemption per section 63.760(e)(1) of the subpart. The District approved this exemption on June 5, 2002. Thus, only the recordkeeping requirements specified in condition 9.B.11 apply.
- 3.2.5 Subpart ZZZZ {NESHAP - Stationary Internal Combustion Engines}: Based on the MACT, there are no emission units associated with the LOF leases.
- 3.2.6 Subpart DDDDD {Industrial/Commercial/Institutional Boilers and Process Heaters}: There are no emission units associated with the LOF leases subject to this MACT.
- 3.2.7 Subpart EEEE {Organic Liquid Distribution}: There are no emission units associated with the LOF leases subject to this MACT.
- 3.2.8 40 CFR Part 64 {Compliance Assurance Monitoring}: This rule became effective on April 22, 1998 and affects emission units at the source subject to a federally enforceable emission limit or standard that use a control device to comply with the emission standard, and either pre-control or post-control emissions exceed the Part 70 source emission thresholds. Compliance with this rule was evaluated and it was determined that no emission units at this facility are currently subject to CAM.
- 3.2.9 40 CFR Part 70 {Operating Permits}: This Subpart is applicable to the Arkley Lease. Table 3.1 lists the federally-enforceable District promulgated rules that are “generic” and apply to the Arkley Lease. Table 3.2 lists the federally-enforceable District promulgated rules that are “unit-specific” that apply to the Arkley Lease. These tables are based on data available from the District’s administrative files and from PXP’s Part 70 Operating Permit application. Table 3.4 includes the adoption dates of these rules.

In its Part 70 permit application (Form I), PXP certified compliance with all existing District rules and permit conditions. This certification is also required of PXP semi-annually. Issuance of this permit and compliance with all its terms and conditions will ensure that PXP complies with the provisions of all applicable Subparts.

### **3.3 Compliance with Applicable State Rules and Regulations**

- 3.3.1 Division 26: Air Resources {California Health & Safety Code}: The administrative provisions of the Health & Safety Code apply to this facility and will be enforced by the District. These provisions are District-enforceable only.
- 3.3.2 California Administrative Code Title 17: These sections specify the standards by which abrasive blasting activities are governed throughout the State. All abrasive blasting activities at the

Arkley Lease are required to conform to these standards. Compliance will be assessed through onsite inspections. These standards are District-enforceable only. However, CAC Title 17 does not preempt enforcement of any SIP-approved rule that may be applicable to abrasive blasting activities.

### **3.4 Compliance with Applicable Local Rules and Regulations**

3.4.1 Applicability Tables: In addition to Tables 3.1 and 3.2, Table 3.3 lists the non-federally-enforceable District promulgated rules that apply to the Arkley Lease. Table 3.4 lists the adoption date of all rules applicable to this permit at the date of this permit's issuance.

3.4.2 Rules Requiring Further Discussion: This section provides a more detailed discussion regarding the applicability and compliance of certain rules. The following is a rule-by-rule evaluation of compliance for this facility:

*Rule 201 (Permits Required)*: This rule applies to any person who builds, erects, alters, replaces, operates or uses any article, machine, equipment, or other contrivance which may cause the issuance of air contaminants. The equipment included in this permit is listed in Attachment 10.6. An Authority to Construct is required to return any de-permitted equipment to service and may be subject to New Source Review.

*Rule 210 - Fees*: Pursuant to Rule 201.G, District permits are reevaluated every three years. This includes the re-issuance of the underlying permit to operate. Also included are the PTO fees. The fees for this facility are based on District Rule 210, Fee Schedule A; however Part 70 specific costs are based on cost reimbursement provisions (Rule 210.C). Attachment 10.3 presents the fee calculations for the reevaluated permit.

*Rule 301 - Circumvention*: This rule prohibits the concealment of any activity that would otherwise constitute a violation of Division 26 (Air Resources) of the California H&SC and the District rules and regulations. To the best of the District's knowledge, the permittee is operating in compliance with this rule.

*Rule 303 (Nuisance)*: Rule 303 prohibits any source from discharging such quantities of air contaminants or other material in violation of Section 41700 of the Health and Safety Code which cause injury, detriment, nuisance or annoyance to any considerable number of persons or to the public or which endanger the comfort, repose, health or safety or any such persons or the public or which cause or have a natural tendency to cause injury or damage to business or property. Compliance with this rule is assessed through the District's enforcement staff's complaint response program. Based on the source's location, the potential for public nuisance is small.

*Rule 304 (Particulate Matter - Northern Zone)*: A person shall not discharge into the atmosphere from any source particulate matter in excess of 0.3 grain per cubic foot of gas at standard conditions.

*Rule 309 - Specific Contaminants*: Under Section "A", no source may discharge sulfur compounds and combustion contaminants (particulate matter) in excess of 0.2-percent as SO<sub>2</sub> (by volume) and 0.3 gr/scf (at 12% CO<sub>2</sub>) respectively.

Rule 310 - Odorous Organic Compounds: This rule prohibits the discharge of H<sub>2</sub>S and organic sulfides that result in a ground level impact beyond the property boundary in excess of either 0.06 ppm<sub>v</sub> averaged over 3 minutes and 0.03 ppm<sub>v</sub> averaged over 1 hour. No measured data exists to confirm compliance with this rule.

Rule 311 - Sulfur Content of Fuels: This rule limits the sulfur content of fuels combusted on the Arkley Lease to 0.5-percent (by weight) for liquids fuels and 50 gr/100 scf (calculated as H<sub>2</sub>S) {or 796 ppmvd} for gaseous fuels. The piston IC engine on the lease is expected to be in compliance with the fuel limit as determined by fuel analysis documentation.

Rule 321 - Solvent Cleaning Operations: This rule was revised to fulfill the commitment in the Clean Air Plans to implement requirements for solvent cleaning machines and solvent cleaning. The revised rule contains solvent reactive organic compounds (ROCs) content limits, revised requirements for solvent cleaning machines, and sanctioned solvent cleaning devices and methods. These provisions apply to solvent cleaning machines and wipe cleaning.

Rule 322 - Metal Surface Coating Thinner and Reducer: This rule prohibits the use of photochemically reactive solvents for use as thinners or reducers in metal surface coatings. PXP is required to maintain records during maintenance operations to ensure compliance with this rule.

Rule 323 - Architectural Coatings: This rule sets standards for the application of surface coatings. With certain exceptions, this rule limits the ROC content of architectural coatings to 250 grams/liter. The primary coatings utilized at this facility are Industrial Maintenance Coatings that have a limit of 250 gram ROC per liter of coating, as applied.

Rule 324 - Disposal and Evaporation of Solvents: This rule prohibits any source from disposing more than one and a half gallons of any photochemically reactive solvent per day by means that will allow the evaporation of the solvent into the atmosphere. PXP is required to maintain records to ensure compliance with this rule.

Rule 325 - Crude Oil Production and Separation: This rule, adopted January 25, 1994, applies to equipment used in the production, gathering, storage, processing and separation of crude oil and gas prior to custody transfer. The primary requirements of this rule are under Sections D and E. Section D requires the use of vapor recovery systems on all tanks and vessels, including wastewater tanks, oil/water separators and sumps. Section E requires that all produced gas be controlled at all times, except for wells undergoing routine maintenance. Compliance with Section E is met by directing all produced gas to a sales compressor, injection well or to a flare relief system. There are no tanks on the Arkley Lease.

Rule 330 - Surface Coating of Metal Parts and Products: This rule sets standards for many types of coatings applied to metal parts and products. In addition to the ROC standards, this rule sets operating standards for application of the coatings, labeling and recordkeeping. Compliance with this rule will be demonstrated through inspections and recordkeeping.

Rule 331 - Fugitive Emissions Inspection and Maintenance: This rule applies to components in liquid and gaseous hydrocarbon service at oil and gas production fields. PXP submitted an I&M Plan and received District approval of this Plan on March 11, 1993. This plan was revised and

approved in May 2007. Ongoing compliance with the provisions of this rule will be assessed via inspection by District personnel using an organic vapor analyzer and through analysis of operator records. The Arkley Lease does not perform any routine venting of hydrocarbons to the atmosphere.

*Rule 343 - Petroleum Storage Tank Degassing:* This rule applies to the degassing of any above-ground tank, reservoir or other container of more than 40,000 gallons capacity containing any organic liquid with a vapor pressure greater than 2.6 psia or between 20,000 gallons and 40,000 gallons capacity containing any organic liquid with a vapor pressure greater than 3.9 psia. There are no tanks on the Arkley Lease.

*District Rule 344 - Sumps, Pits and Well Cellars:* Rule 344 requires controls on sumps and pits subject to the rule and an inspection and maintenance plan for well cellars. PXP has instituted a program to monitor well cellars and pump them out if the thickness of the oil/petroleum products exceeds 2-inches or the cellar is over 50-percent full of any liquid. Compliance is determined through required recordkeeping and District inspection.

*Rule 353 - Adhesives And Sealants:* This rule is applicable to any person who supplies, sells, offers for sale, manufactures, solicits the application of, or uses adhesives, adhesive bonding primers, adhesive primers, sealants, sealant primers, or any other primers, unless otherwise specifically exempted by this rule. Compliance with this rule will be demonstrated through inspections and recordkeeping.

*Rule 505 - Breakdown Conditions:* This rule describes the procedures that PXP must follow when a breakdown condition occurs to any emissions unit associated with the Arkley Lease. A breakdown condition is defined as an unforeseeable failure or malfunction of (1) any air pollution control equipment or related operating equipment which causes a violation of an emission limitation or restriction prescribed in the District Rules and Regulations, or by State law, or (2) any in-stack continuous monitoring equipment, provided such failure or malfunction:

- a. Is not the result of neglect or disregard of any air pollution control law or rule or regulation;
- b. Is not the result of an intentional or negligent act or omission on the part of the owner or operator;
- c. Is not the result of improper maintenance;
- d. Does not constitute a nuisance as defined in Section 41700 of the Health and Safety Code;
- e. Is not a recurrent breakdown of the same equipment.

*Rule 810 – Federal Prevention of Significant Deterioration:* This rule was adopted January 20, 2011 to incorporate the federal Prevention of Significant Deterioration rule requirements into the District’s rules and regulations. Future projects at the facility will be evaluated to determine whether they constitute a new major stationary source or a major modification.

### **3.5 Compliance History**

This section contains a summary of the compliance history for this facility and was obtained from documentation contained in the District’s administrative file.

3.5.1 Variances: During the last three years, there have been no variances issued for this facility.

3.5.2 Violations: There have been no violations documented at this facility since the last permit reevaluation.

3.5.3 Significant Historical Hearing Board Actions: There are no significant historical Hearing Board actions.

**Table 3.1 - Generic Federally-Enforceable District Rules**

<b>Generic Requirements</b>	<b>Affected Emission Units</b>	<b>Basis for Applicability</b>
<u>RULE 101</u> : Compliance by Existing Installations	All emission units	Emission of pollutants
<u>RULE 102</u> : Definitions	All emission units	Emission of pollutants
<u>RULE 103</u> : Severability	All emission units	Emission of pollutants
<u>RULE 201</u> : Permits Required	All emission units	Emission of pollutants
<u>RULE 202</u> : Exemptions to Rule 201	Applicable emission units, as listed in form 1302-H of the Part 70 application.	Insignificant activities/emissions, per size/rating/function
<u>RULE 203</u> : Transfer	All emission units	Change of ownership
<u>RULE 204</u> : Applications	All emission units	Addition of new equipment of modification to existing equipment.
<u>RULE 205</u> : Standards for Granting Permits	All emission units	Emission of pollutants
<u>RULE 206</u> : Conditional Approval of Authority to Construct or Permit to Operate	All emission units	Applicability of relevant Rules
<u>RULE 207</u> : Denial of Applications	All emission units	Applicability of relevant Rules
<u>RULE 208</u> : Action on Applications – Time Limits	All emission units. Not applicable to Part 70 permit applications.	Addition of new equipment of modification to existing equipment.
<u>RULE 212</u> : Emission Statements	All emission units	Administrative
<u>RULE 301</u> : Circumvention	All emission units	Any pollutant emission
<u>RULE 302</u> : Visible Emissions	All emission units	Particulate matter emissions
<u>RULE 303</u> : Nuisance	All emission units	Emissions that can injure, damage or offend.
<u>RULE 304</u> : Particular Matter - Northern Zone	Each PM Source	Emissions of PM in effluent gas
<u>RULE 309</u> : Specific Contaminants	All emission units	Combustn.contaminant emission

<b>Generic Requirements</b>	<b>Affected Emission Units</b>	<b>Basis for Applicability</b>
<u>RULE 311</u> : Sulfur Content of Fuel	All combustion units	Use of fuel containing sulfur
<u>RULE 317</u> : Organic Solvents	Emission units using solvents	Solvent used in process operations.
<u>RULE 321</u> : Solvent Cleaning Operations	Emission units using solvents.	Solvent used in process operations.
<u>RULE 322</u> : Metal Surface Coating Thinner and Reducer	Emission units using solvents.	Solvent used in process operations.
<u>RULE 323</u> : Architectural Coatings	Paints used in maintenance and surface coating activities.	Application of architectural coatings.
<u>RULE 324</u> : Disposal and Evaporation of Solvents	Emission units using solvents.	Solvent used in process operations.
<u>RULE 353</u> : Adhesives and Sealants	Emission units using adhesives and solvents.	Adhesives and sealants used in process operations.
<u>RULE 505.A, B1, D</u> : Breakdown Conditions	All emission units	Breakdowns where permit limits are exceeded / rule requirements are not complied with.
<u>RULE 603</u> : Emergency Episode Plans	Stationary sources with PTE greater than 100 tpy	PXP Lompoc is a major source.
<u>REGULATION VIII</u> : New Source Review	All emission units	Addition of new equipment of modification to existing equipment.
<u>REGULATION XIII (RULES 1301-1305)</u> : Part 70 Operating Permits	All emission units	PXP Lompoc is a major source.

**Table 3.2 - Unit-Specific Federally-Enforceable District Rules**

<b>Unit-Specific Requirements</b>	<b>Affected Emission Units</b>	<b>Basis for Applicability</b>
<u>RULE 325</u> : Crude Oil Production and Separation	Wash tank, crude storage tanks, wastewater tanks	Pre-custody transfer oil service tanks with capacities exceeding exemption limits.
<u>RULE 331</u> : Fugitive Emissions Inspection & Maintenance	All components (valves, flanges, seals, compressors and pumps)	Components emit fugitive ROCs. ID# 6-1

<b>Unit-Specific Requirements</b>	<b>Affected Emission Units</b>	<b>Basis for Applicability</b>
	used to handle oil and gas:	
<u>RULE 343</u> : Storage Tank Degassing	Wash tank, crude storage tanks	Liquids with TVP > 2.6 psia.
<u>RULE 344</u> : Petroleum Wells, Sumps and Cellars	Well cellars, sump, wastewater pits	Each well at this facility is equipped with a well cellar. Compliance with this rule provides a 70% reduction in well cellar ROC emissions. This rule also provides exemptions to sumps at this facility.

**Table 3.3 - Non-Federally-Enforceable District Rules**

<b>Requirement</b>	<b>Affected Emission Units</b>	<b>Basis for Applicability</b>
<u>RULE 210</u> : Fees	All emission units	Administrative
<u>RULES 310</u> : Odorous Organics	All emission units	Emissions of Organic Sulfides
<u>RULES 501-504</u> : Variance Rules	All emission units	Administrative
<u>RULE 505.B2, B3, C, E, F, G</u> : Breakdown Conditions	All emission units	Breakdowns where permit limits are exceeded or rule requirements are not complied with.
<u>RULES 506-519</u> : Variance Rules	All emission units	Administrative

**Table 3.4 – Adoption Dates of District Rules Applicable at Issuance of Permit**

<b>Rule No.</b>	<b>Rule Name</b>	<b>Adoption Date</b>
Rule 101	Compliance by Existing Installations: Conflicts	June 1981
Rule 102	Definitions	March 17, 2011
Rule 103	Severability	October 23, 1978
Rule 201	Permits Required	June 19, 2008
Rule 202	Exemptions to Rule 201	June 21, 2012
Rule 203	Transfer	April 17, 1997
Rule 204	Applications	April 17, 1997
Rule 205	Standards for Granting Permits	April 17, 1997
Rule 206	Conditional Approval of Authority to Construct or Permit to Operate	October 15, 1991
Rule 208	Action on Applications - Time Limits	April 17, 1997
Rule 212	Emission Statements	October 20, 1992
Rule 301	Circumvention	October 23, 1978
Rule 302	Visible Emissions	June 1981
Rule 303	Nuisance	October 23, 1978
Rule 304	Particular Matter – Northern Zone	October 23, 1978
Rule 305	Particulate Matter Concentration – Southern Zone	October 23, 1978
Rule 309	Specific Contaminants	October 23, 1978
Rule 310	Odorous Organic Sulfides	October 23, 1978
Rule 311	Sulfur Content of Fuels	October 23, 1978
Rule 317	Organic Solvents	October 23, 1978
Rule 321	Solvent Cleaning Operations	June 21, 2012
Rule 322	Metal Surface Coating Thinner and Reducer	October 23, 1978
Rule 323	Architectural Coatings	November 15, 2001
Rule 324	Disposal and Evaporation of Solvents	October 23, 1978
Rule 325	Crude Oil Production and Separation	July 19, 2001
Rule 326	Storage of Reactive Organic Compound Liquids	December 14, 1993

<b>Rule No.</b>	<b>Rule Name</b>	<b>Adoption Date</b>
Rule 331	Fugitive Emissions Inspection and Maintenance	December 10, 1991
Rule 333	Control of Emissions from Reciprocating Internal Combustion Engines	April 17, 1997
Rule 342	Control of Oxides of Nitrogen (NO <sub>x</sub> ) from Boilers, Steam Generators and Process Heaters	April 17, 1997
Rule 343	Petroleum Storage Tank Degassing	December 14, 1993
Rule 344	Petroleum Sumps, Pits and Well Cellars	November 10, 1994
Rule 346	Loading of Organic Liquid Cargo Vessels	October 13, 1992
Rule 353	Adhesives and Sealants	June 21, 2012
Rule 359	Flares and Thermal Oxidizers	June 28, 1994
Rule 360	Emissions of Oxides of Nitrogen from Large Water Heaters and Small Boilers	October 17, 2002
Rule 361	Small Boilers, Steam Generators and Process Heaters	January 17, 2008
Rule 370	Potential to Emit – Limitations for Part 70 Sources	January 20, 2011
Rule 505	Breakdown Conditions (Section A, B1 and D)	October 23, 1978
Rule 603	Emergency Episode Plans	June 15, 1981
Rule 801	New Source Review	April 17, 1997
Rule 802	Nonattainment Review	April 17, 1997
Rule 803	Prevention of Significant Deterioration	April 17, 1997
Rule 804	Emission Offsets	April 17, 1997
Rule 805	Air Quality Impact and Modeling	April 17, 1997
Rule 806	Emission Reduction Credits	April 17, 1997
Rule 810	Federal Prevention of Significant Deterioration	January 20, 2011
Rule 901	New Source Performance Standards (NSPS)	September 20, 2010
Rule 1001	National Emission Standards for Hazardous Air Pollutants (NESHAPS)	October 23, 1993
Rule 1301	General Information	January 20, 2011
Rule 1302	Permit Application	November 9, 1993
Rule 1303	Permits	November 9, 1993
Rule 1304	Issuance, Renewal, Modification and Reopening	November 9, 1993

Rule No.	Rule Name	Adoption Date
Rule 1305	Enforcement	November 9, 1993

## 4.0 Engineering Analysis

### 4.1 General

The engineering analyses performed for this permit were limited to the review of:

- facility process flow diagrams
- emission factors and calculation methods for each emissions unit
- emission control equipment (including RACT, BACT, NSPS, NESHAP, MACT)
- emission source testing, sampling, CEMS, CAM
- process monitors needed to ensure compliance

Unless noted otherwise, default ROC/THC reactivity profiles from the District's document titled "VOC/ROC Emission Factors and Reactivities for Common Source Types" dated July 13, 1998 (ver 1.1) was used to determine non-methane, non-ethane fraction of THC.

### 4.2 Stationary Combustion Sources

There are no process heaters, boilers or steam generators subject to permit on the Arkley Lease. The internal combustion engine at the Arkley Lease is subject to PTO 9971.

### 4.3 Fugitive Hydrocarbon Sources

Emissions of reactive organic compounds from piping components (e.g., valves and connections), pumps, compressors and pressure relief devices have been quantified using emission factors pursuant to District P&P 6100.060.1996 (*Determination of Fugitive Hydrocarbon Emissions at Oil and Gas Facilities by the CARB/KVB Method - Modified for Revised ROC Definition*).

An emission control efficiency of 80-percent is credited to all components due to the implementation of a District-approved I&M program for leak detection and repair consistent with Rule 331 requirements. Ongoing compliance is determined in the field by inspection with an organic vapor analyzer and verification of operator records.

### 4.4 Tanks/Vessels/Sumps/Separators

4.4.1 Pits, Sumps and Well Cellars: The Arkley Lease is equipped with one well cellar. Well cellar emissions are assumed to be reduced 70-percent for maintaining the cellars per the requirements of Rule 344. The emission estimates are based District P&P 6100.060 (*Determination of Fugitive Hydrocarbon Emissions at Oil and Gas Facilities by the CARB/KVB Method - Modified for Revised ROC Definition*). The calculation is:

$$ER = [(EF \times SAREA \div 24) \times (1 - CE) \times (HPP)]$$

where:

- E = emission rate (lb/period)
- EF = ROC emission factor (lb/ft<sup>2</sup>-day)
- SAREA = unit surface area (ft<sup>2</sup>)
- CE = control efficiency
- HPP = operating hours per time period (hrs/period)

Attachment 10.2 contains an emission spreadsheet showing the detailed calculations for the well cellar.

#### **4.5 Other Emission Sources**

- 4.5.1 General Solvent Cleaning/Degreasing: Solvent usage (not used as thinners for surface coating) may occur at the facility as part of normal daily operations. The usage includes cold solvent degreasing. Mass balance emission calculations are used assuming all the solvent used evaporates to the atmosphere. The solvent limits in Table 5.2 cannot be exceeded (excluding solvent activities that qualify for the maintenance exemption under Rule 202).
- 4.5.2 Surface Coating: Surface coating operations typically include normal touch up activities. Entire facility painting programs may also be performed. Emissions are determined based on mass balance calculations assuming all solvents evaporate into the atmosphere. Emissions of PM/PM<sub>10</sub> from paint overspray are not calculated due to the lack of established calculation techniques.
- 4.5.3 Abrasive Blasting: Abrasive blasting with CARB certified sands may be performed as a preparation step prior to surface coating. The engines (ICEs) used to power the compressor may be electric or diesel fired. Any ICE used for this purpose will require a permit unless it qualifies for exemption. Particulate matter is emitted during this process. A general emission factor of 0.01 pound PM per pound of abrasive is used (SCAQMD - Permit Processing Manual, 1989) to estimate emissions of PM and PM<sub>10</sub> when needed for compliance verifications. A PM/PM<sub>10</sub> ratio of 1.0 is assumed.

#### **4.6 Vapor Recovery/Control Systems**

There is no vapor recovery or other air quality control systems at this facility.

#### **4.7 BACT/NSPS/NESHAP/MACT**

To date, this facility has not triggered Best Available Control Technology (BACT), New Source Performance Standards (NSPS) National Emission Standards For Hazardous Air Pollutants (NESHAP) or Maximum Available Control Technology (MACT).

A National Emission Standards for Hazardous Air Pollutants (NESHAPS) for Oil and Natural Gas Production and Natural Gas Transmission and Storage was promulgated on June 17, 1999. As described in section 3.2.4, this facility qualified for the black oil exemption and is only required to maintain the records specified in permit condition 9.B.11.

#### **4.8 CEMS/Process Monitoring/CAM**

- 4.8.1 CEMS: There are no CEMS at this facility.
- 4.8.2 Process Monitoring: In many instances, ongoing compliance beyond a single (snap shot) source test is assessed by the use of process monitoring systems. Examples of these monitors include:

engine hour meters, fuel usage meters, water injection mass flow meters, flare gas flow meters and hydrogen sulfide analyzers. It is important that they be well maintained and calibrated to ensure that the required accuracy and precision of the devices are within specifications. This permit requires no specific monitors.

4.8.3 CAM: There are no equipment units at this facility subject to the USEPA's Compliance Assurance Monitoring Assurance (CAM) rule.

#### **4.9 Source Testing/Sampling**

No source testing or sampling is required at this facility.

#### **4.10 Part 70 Engineering Review: Hazardous Air Pollutant Emissions**

Hazardous air pollutant emissions from the different categories of emission units at the Arkley Lease are based on emission factors listed in USEPA AP-42. Where no emission factors are available, the HAP fractions from the ARB VOC Speciation Manual – Second Edition (August 1991) are used in conjunction with the ROC emission factor for the equipment item in question.

The HAP emission factors are listed in Table 5.4-1. Potential HAP emissions from the facility are computed and listed in Table 5.4-2.

### **5.0 Emissions**

#### **5.1 General**

The facility was analyzed to determine all air-related emission sources. Emissions calculations are divided into "permitted" and "exempt" categories. District Rule 202 determines permit-exempt equipment. The permitted emissions for each emissions unit is based on the equipment's potential-to-emit (as defined by Rule 102).

Section 5.2 details the permitted emissions for each emissions unit. Section 5.3 details the overall permitted emissions for the facility based on reasonable worst-case scenarios using the potential-to-emit for each emissions unit. Section 5.4 provides the federal potential to emit calculation using the definition of potential to emit used in Rule 1301. Section 5.5 provides the estimated HAP emissions from the facility. Section 5.6 provides the estimated emissions from permit-exempt equipment and also serves as the Part 70 list of insignificant emissions. Section 5.7 provides the net emissions increase calculation for the facility and the stationary source. The District uses a computer database to accurately track the emissions from a facility.

#### **5.2 Permitted Emission Limits - Emission Units**

Each emissions unit associated with the facility was analyzed to determine the potential-to-emit for the following pollutants:

- Nitrogen Oxides (NO<sub>x</sub>)<sup>3</sup>
- Reactive Organic Compounds (ROC)
- Carbon Monoxide (CO)

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<sup>3</sup> Calculated and reported as nitrogen dioxide (NO<sub>2</sub>)

- Sulfur Oxides (SO<sub>x</sub>)<sup>4</sup>
- Particulate Matter (PM)<sup>5</sup>
- Particulate Matter smaller than 10 microns (PM<sub>10</sub>)

Permitted emissions are calculated for both short term (daily) and long term (annual) time periods. Section 4.0 (Engineering Analysis) provides a general discussion of the basic calculation methodologies and emission factors used. The reference documentation for the specific emission calculations, as well as detailed calculation spreadsheets, may be found in Section 4 and Attachments 10.1 and 10.2 respectively. Table 5.1-1 provides the basic operating characteristics. Table 5.1-2 provides the specific emission factors. Tables 5.1-3 and 5.1-4 show the permitted short-term and permitted long-term emissions for each unit or operation. In the table, the last column indicates whether the emission limits are federally-enforceable. Those emissions limits that are federally-enforceable are indicated by the symbol “FE”. Those emissions limits that are District-only enforceable are indicated by the symbol “A”.

### **5.3 Permitted Emission Limits - Facility Totals**

The total potential-to-emit for all emission units associated with this facility were analyzed. This analysis looked at the reasonable worst-case operating scenarios for each operating period. The equipment operating in each of the scenarios are presented below. Unless otherwise specified, the operating characteristics defined in Table 5.1-1 for each emission unit are assumed. Table 5.2 shows the total permitted emissions for the facility.

### **5.4 Part 70: Federal Potential to Emit for the Facility**

Table 5.3 lists the federal Part 70 potential to emit. Coating emissions, although exempt from permit requirements, are included in the federal potential to emit calculation. Fugitive emissions from the Arkley Lease emissions units are not counted in the federal definition of potential to emit. However, fugitives are counted in the Federal PTE if the facility is subject to any applicable NSPS or NESHAP requirement.

### **5.5 Part 70: Hazardous Air Pollutant Emissions for the Facility**

Hazardous air pollutants (HAP) emission factors, for each type of emissions unit, are listed in Table 5.4-1. Potential HAP emissions, based on the worst-case scenario, are shown in Table 5.4-2.

### **5.6 District Permit Exempt Emission Sources**

Per Rule 202, maintenance activities such as painting and surface coating qualify for a permit exemption, but may contribute to facility emissions. There are no permit-exempt emission units on the Arkley Lease.

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<sup>4</sup> Calculated and reported as sulfur dioxide (SO<sub>2</sub>)

<sup>5</sup> Calculated and reported as all particulate matter smaller than 100 μm

## **5.7 Net Emissions Increase Calculation**

The net emissions increase for this facility and the entire stationary source since November 15, 1990 (the day the federal Clean Air Act Amendments were adopted) are shown in the tables below.

**Facility Emissions Summary**  
**PXP Arkley Fee - FID 4117**

**I. This Projects "I" NEI-90**

Permit No.	Date Issued	NOx		ROC		CO		SOx		PM		PM10	
		lb/day	ton/yr										

**II. This Facility's "P1s"**

Enter all facility "P1" NEI-90s below.

Permit No.	Date Issued	NOx		ROC		CO		SOx		PM		PM10	
		lb/day	ton/yr										
<b>Totals</b>		<b>0.00</b>											

Notes:  
 (1) Facility NEI from IDS.  
 (2) Totals only apply to permits for this facility ID. Totals may not appear correct due to rounding.  
 (3) Because of rounding, values in this table shown as 0.00 are less than 0.005, but greater than zero.

**III. This Facility's "P2" NEI-90 Decreases**

Enter all facility "P2" NEI-90s below.

Permit No.	Date Issued	NOx		ROC		CO		SOx		PM		PM10	
		lb/day	ton/yr										
<b>Totals</b>		<b>0.00</b>											

Notes:  
 (1) Facility NEI from IDS.  
 (2) Totals only apply to permits for this facility ID. Totals may not appear correct due to rounding.  
 (3) Because of rounding, values in this table shown as 0.00 are less than 0.005, but greater than zero.

**IV. This Facility's Pre-90 "D" Decreases**

Enter all facility "D" decreases below.

Permit No.	Date Issued	NOx		ROC		CO		SOx		PM		PM10	
		lb/day	ton/yr										
<b>Totals</b>		<b>0.00</b>											

Notes:  
 (1) Facility "D" from IDS.  
 (2) Totals only apply to permits for this facility ID. Totals may not appear correct due to rounding.  
 (3) Because of rounding, values in this table shown as 0.00 are less than 0.005, but greater than zero.

**V. Calculated This Facility's NEI-90**

Table below summarizes facility NEI-90 as equal to: I+ (P1-P2) -D

Term	NOx		ROC		CO		SOx		PM		PM10	
	lb/day	ton/yr										
Project "I"	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
P1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
P2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>FNEI-90</b>	<b>0.00</b>											

Notes:  
 (1) Resultant FNEI-90 from above Section I thru IV data.  
 (2) Totals only apply to permits for this facility ID. Totals may not appear correct due to rounding.  
 (3) Because of rounding, values in this table shown as 0.00 are less than 0.005, but greater than zero.



**Stationary Source NEI-90 Calculations**  
**PXP Point Pedernales Stationary Source**

Facility No.	Facility Name	NOx		ROC		CO		SOx		PM		PM10	
		lb/day	ton/yr	lb/day	ton/yr	lb/day	ton/yr	lb/day	ton/yr	lb/day	ton/yr	lb/day	ton/yr
3069	La Purisima	0.00	0.00	25.47	4.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3095	Lompoc O&G Plant	20.86	2.64	136.98	25.04	12.34	1.98	9.08	0.64	3.10	0.53	3.10	0.53
3309	Jesus Maria "D"	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3310	Orcutt Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3802	Eefson Lease	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3832	Jesus Maria "A"	0.00	0.00	2.75	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3837	Lompoc Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3839	Hill Lease	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4417	Arkley Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4218	Lompoc ICES	5.04	0.96	0.24	0.05	1.20	0.21	0.48	0.07	0.00	0.00	0.00	0.00
8016	Platform Irene	0.07	1.62	4.80	0.90	0.09	0.02	0.11	0.02	0.01	0.00	0.01	0.00
<b>Totals</b>		<b>25.97</b>	<b>5.22</b>	<b>170.23</b>	<b>30.83</b>	<b>13.63</b>	<b>2.21</b>	<b>9.67</b>	<b>0.73</b>	<b>3.11</b>	<b>0.53</b>	<b>3.11</b>	<b>0.53</b>

Notes:

- (1) Facility NEI from IDS.
- (2) Totals only apply to permits for this facility ID. Totals may not appear correct due to rounding.
- (3) Because of rounding, values in this table shown as 0.00 are less than 0.005, but greater than zero.













## **6.0 Air Quality Impact Analyses**

### **6.1 Modeling**

Air quality modeling has not been required for the Arkley Lease.

### **6.2 Increments**

An air quality increment analysis has not been required for the Arkley Lease.

### **6.3 Monitoring**

Air quality monitoring is not required for the Arkley Lease.

### **6.4 Health Risk Assessment**

A health risk assessment has not been performed for the combined PXP Lompoc/Point Pedernales Stationary Source. However, a health risk assessment was performed for the Lompoc Stationary Source prior to being combined with the Point Pedernales Stationary Source.

The PXP Lompoc Stationary Source was subject to the Air Toxics “Hot Spots” Program (AB 2588). A health risk assessment (HRA) for the Lompoc facilities was prepared by the District on May 31, 1996 under the requirements of the AB 2588 program. The HRA is based on 1994 toxic emissions inventory data submitted to the District.

Based on the 1994 toxic emissions inventory, a cancer risk of about 2 per million at the property boundary was estimated for the PXP Lompoc Stationary Source. This risk is primarily due to benzene emitted at the site. Additionally, chronic and acute noncarcinogenic risks of 0.08 and 0.06 have been estimated by the District and are mainly due to H<sub>2</sub>S emissions. Approximately 527 pounds of benzene and about 310 pounds of H<sub>2</sub>S were emitted from the PXP Lompoc Stationary Source in 1994. The cancer and noncancer risk projections are less than the District’s AB 2588 significance thresholds of 10 in a million and 1.0, respectively.

## **7.0 CAP Consistency, Offset Requirements and ERCs**

### **7.1 General**

Santa Barbara County is in attainment of the federal ozone standard but is in nonattainment of the state eight-hour ozone ambient air quality standard. In addition, the County is in nonattainment of the state PM<sub>10</sub> ambient air quality standards. The County is either in attainment or unclassified with respect to all other ambient air quality standards. Therefore, emissions from all emission units at the stationary source and its constituent facilities must be consistent with the provisions of the USEPA and State approved Clean Air Plans (CAP) and must not interfere with maintenance of the federal ambient air quality standards and progress towards attainment of the state ambient air quality standards. Under District regulations, any modifications at this stationary source that result in an emissions increase of any nonattainment pollutant exceeding 25 lbs/day must apply BACT (NAR). Additional increases may trigger offsets at the source or elsewhere so that there is a net air quality benefit for Santa Barbara County. These offset threshold levels are 55 lbs/day for all non-attainment pollutants except PM<sub>10</sub> for which the level is 80 lbs/day.

## **7.2 Clean Air Plan**

The 2007 Clean Air Plan, adopted by the District Board on August 16, 2007, addressed both federal and state requirements, serving as the maintenance plan for the federal eight-hour ozone standard and as the state triennial update required by the Health and Safety Code to demonstrate how the District will expedite attainment of the state eight-hour ozone standard. The plan was developed for Santa Barbara County as required by both the 1998 California Clean Air Act and the 1990 Federal Clean Air Act Amendments.

On January 20, 2011 the District Board adopted the 2010 Clean Air Plan. The 2010 Plan provides a three-year update to the 2007 Clean Air Plan. As Santa Barbara County has yet to attain the state eight-hour ozone standard, the 2010 Clean Air Plan demonstrates how the District plans to attain that standard. The 2010 Clean Air Plan therefore satisfies all state triennial planning requirements.

## **7.3 Offset Requirements**

District rules and regulations require that emissions from the entire project, when considered in conjunction with emission reductions for existing sources, result in a Net Air Quality Benefit. In addition, project emissions must be consistent with the AQAP and not interfere with reasonable further progress towards attainment and maintenance of ozone standards.

The Point Pedernales Project originally triggered offsets, however, during initial permitting, the Lompoc Oil Field was not associated with the project and was a separate stationary source. The primary project components were the LOGP and Platform Irene. Due to installation of the gas plant at the LOGP in 1996 however, operations at the LOF and LOGP became interrelated and subsequently, the District made a determination that the LOF and the Point Pedernales Project constituted a single stationary source. As a result, the existing NEI (FNEI90) associated with the LOF facilities at that time was required to be offset. A detailed discussion of these emissions and offsets is provided in Section 7.3.5 of PTO 6708. Since ROC emissions for the stationary source are currently over 55 lb/day, all project increases in ROC emissions are subject to offsets.

## **7.4 Emission Reduction Credits**

There are no Emission Reduction Credits associated with this facility.

## **8.0 Lead Agency Permit Consistency**

The Santa Barbara County Planning and Development Department is the lead agency for this project. To the District's knowledge, this permit is consistent with all provisions of the lead agency permit.

## 9.0 Permit Conditions

This section lists the applicable permit conditions for the Arkley Lease. Section A lists the standard administrative conditions. Section B lists 'generic' permit conditions, including emission standards, for all equipment in this permit. Section C lists conditions affecting specific equipment. Section D lists non-federally enforceable (i.e., District only) permit conditions. Conditions listed in Sections A, B and C are enforceable by the USEPA, the District, the State of California and the public. Conditions listed in Section D are enforceable only by the District and the State of California. Where any reference contained in Sections 9.A, 9.B or 9.C refers to any other part of this permit, that part of the permit referred to is federally enforceable.

For the purposes of submitting compliance certifications or establishing whether or not a person has violated or is in violation of any standard in this permit, nothing in the permit shall preclude the use, including the exclusive use, of any credible evidence or information, relevant to whether a source would have been in compliance with applicable requirements if the appropriate performance or compliance test had been performed.

### 9.A Standard Administrative Conditions

The following federally-enforceable administrative permit conditions apply to the Arkley Lease:

#### A.1 Compliance with Permit Conditions:

- (a) The permittee shall comply with all permit conditions in Sections 9.A, 9.B and 9.C.
- (b) This permit does not convey property rights or exclusive privilege of any sort.
- (c) Any permit noncompliance constitutes a violation of the Clean Air Act and is grounds for enforcement action; for permit termination, revocation and re-issuance, or modification; or for denial of a permit renewal application.
- (d) It shall not be a defense for the permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.
- (e) A pending permit action or notification of anticipated noncompliance does not stay any permit condition.
- (f) Within a reasonable time period, the permittee shall furnish any information requested by the Control Officer, in writing, for the purpose of determining:
  - (i) compliance with the permit, or
  - (ii) whether or not cause exists to modify, revoke and reissue, or terminate a permit or for an enforcement action. *[Re: 40 CFR Part 70.6, District Rules 1303.D.1]*
- (g) In the event that any condition herein is determined to be in conflict with any other condition contained herein, then, if principles of law do not provide to the contrary, the

condition most protective of air quality and public health and safety shall prevail to the extent feasible.

A.2 **Emergency Provisions:** The permittee shall comply with the requirements of the District, Rule 505 (Upset/Breakdown rule) and/or District Rule 1303.F, whichever is applicable to the emergency situation. In order to maintain an affirmative defense under Rule 1303.F, the permittee shall provide the District, in writing, a “notice of emergency” within 2 working days of the emergency. The “notice of emergency” shall contain the information/documentation listed in Sections (1) through (5) of Rule 1303.F. *[Re: 40 CFR 70.6, District Rule 1303.F]*

A.3 **Compliance Plan:**

- (a) The permittee shall comply with all federally enforceable requirements that become applicable during the permit term in a timely manner.
- (b) For all applicable equipment, the permittee shall implement and comply with any specific compliance plan required under any federally-enforceable rules or standards. *[Re: District Rule 1302.D.2]*

A.4 **Right of Entry:** The Regional Administrator of USEPA, the Control Officer, or their authorized representatives, upon the presentation of credentials, shall be permitted to enter upon the premises where a Part 70 Source is located or where records must be kept:

- (a) To inspect the stationary source, including monitoring and control equipment, work practices, operations, and emission-related activity;
- (b) To inspect and duplicate, at reasonable times, records required by this Permit to Operate;
- (c) To sample substances or monitor emissions from the source or assess other parameters to assure compliance with the permit or applicable requirements, at reasonable times. Monitoring of emissions can include source testing. *[Re: District Rule 1303.D.2]*

A.5 **Permit Life:** The Part 70 permit shall become invalid three years from the date of issuance unless a timely and complete renewal application is submitted to the District. Any operation of the source to which this Part 70 permit is issued beyond the expiration date of this Part 70 permit and without a valid Part 70 operating permit (or a complete Part 70 permit renewal application) shall be a violation of the CAAA, § 502(a) and 503(d) and of the District rules.

The permittee shall apply for renewal of the Part 70 permit no later than 180 days prior to the permit expiration date. Upon submittal of a timely and complete renewal application, the Part 70 permit shall remain in effect until the Control Officer issues or denies the renewal application. *[Re: District Rule 1304.D.1]*

A.6 **Payment of Fees:** The permittee shall reimburse the District for all its Part 70 permit processing and compliance expenses for the stationary source on a timely basis. Failure to reimburse on a timely basis shall be a violation of this permit and of applicable requirements and can result in forfeiture of the Part 70 permit. Operation without a Part 70 permit subjects the source to potential enforcement action by the District and the USEPA pursuant to section 502(a) of the Clean Air Act. *[Re: District Rules 1303.D.1 and 1304.D.11, 40 CFR 70.6]*

- A.7 **Prompt Reporting of Deviations:** The permittee shall submit a written report to the District documenting each and every deviation from the requirements of this permit or any applicable federal requirements within 7-days after discovery of the violation, but not later than 180-days after the date of occurrence. The report shall clearly document 1) the probable cause and extent of the deviation, 2) equipment involved, 3) the quantity of excess pollutant emissions, if any, and 4) actions taken to correct the deviation. The requirements of this condition shall not apply to deviations reported to District in accordance with Rule 505. *Breakdown Conditions*, or Rule 1303.F *Emergency Provisions*. [District Rule 1303.D.1, 40 CFR 70.6(a) (3)]
- A.8 **Reporting Requirements/Compliance Certification:** The permittee shall submit compliance certification reports to the USEPA and the Control Officer every six months. These reports shall be submitted on District forms and shall identify each applicable requirement/condition of the permit, the compliance status with each requirement/condition, the monitoring methods used to determine compliance, whether the compliance was continuous or intermittent, and include detailed information on the occurrence and correction of any deviations (excluding emergency upsets) from permit requirement. The reporting periods shall be each half of the calendar year, e.g., January through June for the first half of the year. These reports shall be submitted by September 1st and March 1st, respectively, each year. Supporting monitoring data shall be submitted in accordance with the “Semi-Annual Compliance Verification Report” condition in section 9.C. The permittee shall include a written statement from the responsible official, which certifies the truth, accuracy, and completeness of the reports. [Re: District Rules 1303.D.1, 1302.D.3, 1303.2.c]
- A.9 **Federally-Enforceable Conditions:** Each federally-enforceable condition in this permit shall be enforceable by the USEPA and members of the public. None of the conditions in the District-only enforceable section of this permit are federally-enforceable or subject to the public/USEPA review. [Re: CAAA, § 502(b)(6), 40 CFR 70.6]
- A.10 **Recordkeeping Requirements:** Records of required monitoring information shall include the following:
- (a) The date, place as defined in the permit, and time of sampling or measurements;
  - (b) The date(s) analyses were performed;
  - (c) The company or entity that performed the analyses;
  - (d) The analytical techniques or methods used;
  - (e) The results of such analyses; and
  - (f) The operating conditions as existing at the time of sampling or measurement;
- The records (electronic or hard copy), as well as all supporting information including calibration and maintenance records, shall be maintained for a minimum of five (5) years from date of initial entry by PXP and shall be made available to the District upon request. [Re: District Rule 1303.D.1.f, 40CFR70.6(a)(3)(ii)(A)]
- A.11 **Conditions for Permit Reopening:** The permit shall be reopened and revised for cause under any of the following circumstances:
- (a) Additional Requirements: If additional applicable requirements (e.g., NSPS or MACT) become applicable to the source which has an unexpired permit term of three (3) or more years, the permit shall be reopened. Such a reopening shall be completed no later than 18

months after promulgation of the applicable requirement. However, no such reopening is required if the effective date of the requirement is later than the date on which the permit is due to expire, unless the original permit or any of its terms and conditions has been extended. All such re-openings shall be initiated only after a 30 day notice of intent to reopen the permit has been provided to the permittee, except that a shorter notice may be given in case of an emergency.

- (b) Inaccurate Permit Provisions: If the District or the USEPA determines that the permit contains a material mistake or that inaccurate statements were made in establishing the emission standards or other terms or conditions of the permit, the permit shall be reopened. Such re-openings shall be made as soon as practicable.
- (c) Applicable Requirement: If the District or the USEPA determines that the permit must be revised or revoked to assure compliance with any applicable requirement including a federally-enforceable requirement, the permit shall be reopened. Such re-openings shall be made as soon as practicable.

Administrative procedures to reopen and revise/revoke/reissue a permit shall follow the same procedures as apply to initial permit issuance. Re-openings shall affect only those parts of the permit for which cause to reopen exists.

If a permit is reopened, the expiration date does not change. Thus, if the permit is reopened, and revised, then it will be reissued with the expiration date applicable to the re-opened permit. [*Re: 40 CFR 70.7, 40 CFR 70.6*]

## **9.B. Generic Conditions**

The generic conditions listed below apply to all emission units, regardless of their category or emission rates. These conditions are federally enforceable. Compliance with these requirements is discussed in Section 3. In case of a discrepancy between the wording of a condition and the applicable federal or District rule(s), the wording of the rule shall control.

- B.1 **Circumvention (Rule 301)**: A person shall not build, erect, install, or use any article, machine, equipment or other contrivance, the use of which, without resulting in a reduction in the total release of air contaminants to the atmosphere, reduces or conceals an emission which would otherwise constitute a violation of Division 26 (Air Resources) of the Health and Safety Code of the State of California or of these Rules and Regulations. This Rule shall not apply to cases in which the only violation involved is of Section 41700 of the Health and Safety Code of the State of California, or of District Rule 303. [*Re: District Rule 301*]
- B.2 **Visible Emissions (Rule 302)**: PXP shall not discharge into the atmosphere from any single source of emission any air contaminants for a period or periods aggregating more than three minutes in any one hour which is:
  - (a) As dark or darker in shade as that designated as No. 1 on the Ringlemann Chart, as published by the United States Bureau of Mines, or
  - (b) Of such opacity as to obscure an observer's view to a degree equal to or greater than does smoke described in subsection B.2(a) above. [*Re: District Rule 302*].

- B.3 **Nuisance (Rule 303):** No pollutant emissions from any source at PXP shall create nuisance conditions. Operations shall not endanger health, safety or comfort, nor shall they damage any property or business. *[Re: District Rule 303]*
- B.4 **Specific Contaminants (Rule 309):** PXP shall not discharge into the atmosphere from any single source sulfur compounds and combustion contaminants (particulate matter) in excess of the applicable standards listed in Sections A through E of Rule 309. *[Re: District Rule 309].*
- B.5 **Organic Solvents (Rule 317):** PXP shall comply with the emission standards listed in Rule 317.B. Compliance with this condition shall be based on PXP's compliance with Condition C.3 of this permit. *[Re: District Rule 317]*
- B.6 **Metal Surface Coating Thinner and Reducer (Rule 322):** The use of photochemically reactive solvents as thinners or reducers in metal surface coatings is prohibited. Compliance with this condition shall be based on PXP's compliance with Condition C.3 of this permit and facility inspections. *[Re: District Rule 322]*
- B.7 **Architectural Coatings (Rule 323):** PXP shall comply with the coating ROC content and handling standards listed in Section D of Rule 323 as well as the Administrative requirements listed in Section F of Rule 323. Compliance with this condition shall be based on PXP's compliance with Condition C.3 of this permit and facility inspections. *[Re: District Rules 323, 317, 322, 324]*
- B.8 **Disposal and Evaporation of Solvents (Rule 324):** PXP shall not dispose through atmospheric evaporation of more than one and a half gallons of any photochemically reactive solvent per day. Compliance with this condition shall be based on PXP's compliance with Condition C.3 of this permit and facility inspections. *[Re: District Rule 324]*
- B.9 **Adhesives and Sealants (Rule 353):** PXP shall not use adhesives, adhesive bonding primers, adhesive primers, sealants, sealant primers, or any other primers, unless the permittee complies with the following:
- (a) Such materials used are purchased or supplied by the manufacturer or suppliers in containers of 16 fluid ounces or less; or alternately
  - (b) When PXP uses such materials from containers larger than 16 fluid ounces and the materials are not exempt by Rule 353.B.1, the total reactive organic compound emissions from the use of such material shall not exceed 200 pounds per year unless the substances used and the operational methods comply with Sections D, E, F, G, and H of Rule 353. Compliance shall be demonstrated by recordkeeping in accordance with Section B.2 and/or Section O of Rule 353. *[Re: District Rule 353]*
- B.10 **CARB Registered Portable Equipment:** State registered portable equipment shall comply with State registration requirements. A copy of the State registration shall be readily available whenever the equipment is at the facility. *[Re: District Rule 202]*

- B.11 **Oil and Natural Gas Production MACT:** PXP shall comply with the applicable requirements of the National Emission Standards for Hazardous Air Pollutants (NESHAPS) for Oil and Natural Gas Production and Natural Gas Transmission and Storage (promulgated June 17, 1999). At a minimum, PXP shall maintain records in accordance with 40 CFR Part 63, Subpart A, Section 63.10(b) (1) and (3). *[Re: 40 CFR 63, Subpart HH]*
- B.12 **Emergency Episode Plans (Rule 603):** During emergency episodes, the permittee shall implement the Emergency Episode Plan dated March 30, 1999. *[Reference District Rule 603]*

## 9.C Requirements and Equipment Specific Conditions

Federally-enforceable conditions, including emissions and operations limits, monitoring, recordkeeping and reporting are included in this section for each specific group of equipment as well as other non-generic requirements.

C.1 **Fugitive Hydrocarbon Emissions Components:** The following equipment are included in this emissions unit category:

District Device No.	Equipment
4027	Valves, flanges and other components in hydrocarbon service

- (a) Emission Limits: Not applicable.
- (b) Operational Limits: Operation of the equipment listed in this section shall conform to the requirements listed in District Rule 331.D and E. Compliance with these limits shall be assessed through compliance with the monitoring, recordkeeping and reporting conditions in this permit. In addition PXP shall meet the following requirements:
  - (i) *I&M Program*: The District-approved I&M Plan for this lease shall be implemented for the life of the project. The Plan, and any subsequent District approved revisions, is incorporated by reference as an enforceable part of this permit. An updated Fugitive Emissions Inspection and Maintenance Plan must be submitted to the District for review and approval within one calendar quarter whenever there is a change in the component list or diagrams.
  - (ii) *Venting*: All routine venting of hydrocarbons shall be routed to either a sales compressor, flare header, injection well or other District-approved control device.
- (c) Monitoring: The equipment listed in this section are subject to all the monitoring requirements listed in District Rule 331.F. The test methods in Rule 331.H shall be used, when applicable.
- (d) Recordkeeping: All inspection and repair records shall be retained at the source for a minimum of five years. The equipment listed in this section are subject to all the recordkeeping requirements listed in District Rule 331.G.
- (e) Reporting: On a semi-annual basis, a report detailing the previous six-month's activities shall be provided to the District. The report must list all data required by the *Semi-Annual Compliance Verification Reports* condition of this permit. [Re: District Rules 331, 325 and 1303, 40 CFR 70.6]

C.2 **Well Cellars:** The following equipment are included in this emissions category:

District Device No.	Equipment Name
4029	Well Cellar

- (a) Emission Limits: Not applicable.
- (b) Operational Limits: All process operations from the equipment listed in this section shall meet the requirements of District Rule 344, including the following:
  - (i) A person shall not open any valve at the wellhead without using a portable container to catch and contain any organic liquid that would otherwise drop on the ground or into the well cellar. Such container shall be kept closed when not in use.
  - (ii) Immediately before a well is steamed or after a well head is steam cleaned, the well cellar in which it is located shall be pumped out.
  - (iii) Neither of the following conditions shall occur unless the owner or operator discovered the condition and the well cellar is pumped within 7-days of discovery:
    - (a) liquid depth exceeding 50-percent of the depth of the well cellar.
    - (b) oil/petroleum depth exceeding 2-inches.

If a well cellar cannot be accessed by a vacuum truck due to muddy conditions, the well cellar shall be pumped as soon as it becomes accessible.
- (c) Monitoring: PXP shall inspect the well cellars on a weekly basis to ensure that the liquid depth and the oil/petroleum depth does not exceed the limits in Rule 344.D.3.c.
- (d) Recordkeeping: The following information relating to detection of conditions requiring pumping of a well cellar as required in Section D.3.c shall be recorded for each detection:
  - (i) the date of the detection,
  - (ii) the name of the person and company performing the test or inspection, and
  - (iii) the date and time the well cellar is pumped.
- (e) Reporting: None

*[Re: District Rules 344.D.3 and 344.G.2, 40 CFR 70.6]*

C.3 **Solvent Usage:** The following items are included in this emissions unit category: Photochemically reactive solvents, surface coatings and general solvents.

(a) **Emission Limits:** The following solvent emission limits are federally-enforceable for the entire stationary source:

<b>Solvent Type</b>	<b>lbs/hour</b>	<b>lbs/day</b>
Photochemically Reactive	8 lbs/hour	40 lbs/day
Non-Photochemically Reactive	450 lbs/hour	3,000 lbs/day

(b) **Operational Limits:** Use of solvents for cleaning/degreasing shall conform to the requirements of District Rules 317, 322, 323 and 324. Compliance with these rules shall be assessed through compliance with the monitoring, recordkeeping and reporting conditions in this permit and facility inspections.

- (i) *Containers:* Vessels or containers used for storing materials containing organic solvents shall be kept closed unless adding to or removing material from the vessel or container.
- (ii) *Materials:* All materials that have been soaked with cleanup solvents shall be stored, when not in use, in closed containers that are equipped with tight seals.
- (iii) *Solvent Leaks:* Solvent leaks shall be minimized to the maximum extent feasible or the solvent shall be removed to a sealed container and the equipment taken out of service until repaired. A solvent leak is defined as either the flow of three liquid drops per minute or a discernable continuous flow of solvent.
- (iv) *Reclamation Plan:* PXP may submit a Plan to the District for the disposal of any reclaimed solvent. If the Plan is approved by the District, all solvent disposed of pursuant to the Plan will not be assumed to have evaporated as emissions into the air and, therefore, will not be counted as emissions from the source. PXP shall obtain District approval of the procedures used for such a disposal Plan. The Plan shall detail all procedures used for collecting, storing and transporting the reclaimed solvent. Further, the ultimate fate of these reclaimed solvents must be stated in the Plan.

(c) **Monitoring:** none.

(d) **Recordkeeping:** PXP shall record in a log the following on a monthly basis for each solvent used: amount used; the percentage of ROC by weight (as applied); the solvent density; the amount of solvent reclaimed for District-approved disposal; whether the solvent is photochemically reactive; and, the resulting emissions to the atmosphere in units of pounds per month and pounds per day. Product sheets (MSDS or equivalent) detailing the constituents of all solvents shall be maintained in a manner readily accessible to District inspection.

For the leases in the Lompoc Oilfield, the permittee may keep the log of solvent/coating use on a field-wide basis. The emissions for each lease may be calculated by proportioning the number of active wells per lease by the total solvent emissions of the Lompoc Oilfield.

- (e) **Reporting:** On a semi-annual basis, a report detailing the previous six-month's activities shall be provided to the District. The report must list all data required by the *Semi-Annual Compliance Verification Reports* condition of this permit. [Re: 40 CFR 70.6, District Rules 317, 322,323, 324]
- C.4 **Recordkeeping:** PXP shall maintain all records and logs required by this permit or any applicable federal rule or regulation for a minimum of five calendar years from the date of information collection and log entry at the lease. These records or logs shall be readily accessible and be made available to the District upon request. [Re: 40 CFR 70.6, District Rule 1303]
- C.5 **Requirements for Produced Gas:** The emissions of produced gas shall be controlled at all times using a properly maintained and operated system that directs all produced gas, except gas used in a tank battery vapor recovery system, to one of the following: (a) a system handling gas for fuel, sale, or underground injection; or (b) a flare that combusts reactive organic compounds; or (c) a device with an ROC vapor removal efficiency of at least 90-percent by weight. The provisions of this condition shall not apply to wells which are undergoing routine maintenance. [Re: District Rule 325]
- C.6 **Semi-Annual Monitoring/Compliance Verification Reports:** PXP shall submit a report to the District every six-months to verify compliance with the emission limits and other requirements of this permit. The reporting periods shall be each half of the calendar year, e.g., January through June for the first half of the year. These reports shall be submitted by September 1st and March 1st, respectively, each year, and shall be in a format approved by the District. All logs and other basic source data not included in the report shall be available to the District upon request. The second report shall also include an annual report for the prior four quarters. The report shall include the following information:
- (a) Rule 331 fugitive hydrocarbon I&M program data:
- inspection summary.
  - record of leaking components.
  - record of leaks from critical components.
  - record of leaks from components that incur five repair actions within a continuous 12-month period.
  - record of component repair actions including dates of component re-inspections.
- (b) **Reporting:** The total volume of solvents used each month in the Lompoc Oilfield leases shall be included in the semi-annual report for the La Purisima Lease (PTO 7126).

## 9.D **District-Only Conditions**

The following section lists permit conditions that are not federally-enforceable (i.e., not enforceable by the USEPA or the public). However, these conditions are enforceable by the District and the State of California. These conditions have been determined as being necessary to ensure that operation of the facility complies with all applicable local and state air quality rules, regulations and laws. Failure to comply with any of these conditions shall be a violation of District Rule 206, this permit, as well as any applicable section of the California Health & Safety Code.

- D.1 **Severability:** In the event that any condition herein is determined to be invalid, all other conditions shall remain in force.
- D.2 **Compliance:** Nothing contained within this permit shall be construed as allowing the violation of any local, state or federal rules, regulations, air quality standards or increments.
- D.3 **Abrasive Blasting Equipment:** All abrasive blasting activities performed on the Arkley Lease shall comply with the requirements of the California Administrative Code Title 17, Sub-Chapter 6, Sections 92000 through 92530.
- D.4 **Annual Compliance Verification Reports:** PXP shall submit a report to the District, by March 1st of each year containing the information listed below and shall document compliance with all applicable permit requirements. These reports shall be in a format approved by the District. All logs and other basic source data not included in the report shall be available to the District upon request. Pursuant to Rule 212, the annual report shall include a completed *District Annual Emissions Inventory* questionnaire, or alternatively, the questionnaire may be completed /submitted electronically via the District website. The report shall include the following information:
- (a) Breakdowns and variances reported/obtained per Regulation V along with the excess emissions that accompanied each occurrence.
  - (b) The ROC and NO<sub>x</sub> emissions from all permit-exempt activities (tons per year by device/activity).
  - (c) The annual emissions totals of all pollutants in tons per year for each emission unit and summarized for the entire facility.
- D.5 **Mass Emission Limitations:** Mass emissions for each equipment item (i.e., emissions unit) associated with the Arkley Lease shall not exceed the values listed in Table 5.1-3 and 5.1-4. Emissions for the entire facility shall not exceed the total limits listed in Table 5.2.
- D.6 **External Combustion Units - Permits Required.**
- (a) An ATC/PTO permit shall be obtained prior to installation of any grouping of Rule 360 applicable boilers or hot water heaters whose combined system design heat input rating exceeds 2.000 MMBtu/hr.
  - (b) An ATC permit shall be obtained prior to installation, replacement, or modification of any existing Rule 361 applicable boiler or water heater rated over 2.000 MMBtu/hr.

(c) An ATC shall be obtained for any size boiler or water heater if the unit is not fired on natural gas or propane except as provided for by District Rule 202.L.15 and L.16.

D.7 **Grounds for Revocation:** Failure to abide by and faithfully comply with this permit or any Rule, Order or Regulation shall constitute grounds for the APCO to petition for permit revocation pursuant to California Health & Safety Code Section 42307 *et seq.*

D.8 **Odorous Organic Sulfides (Rule 310):** PXP shall not discharge into atmosphere H<sub>2</sub>S and organic sulfides that result in a ground level impact beyond the PXP property boundary in excess of either 0.06 ppmv averaged over 3 minutes and 0.03 ppmv averaged over 1 hour. [*Re: District Rule 310*]

D.9 **Documents Incorporated by Reference:** The documents listed below, including any District-approved updates thereof, are incorporated herein and shall have the full force and effect of a permit condition for this operating permit. These documents shall be implemented for the life of the Project and shall be made available to District inspection staff upon request.

*Fugitive Inspection and Maintenance Plan (October 2001)*

*Emergency Episode Plan (December 2003)*

### **Air Pollution Control Officer**

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\_\_\_\_\_  
Date

**NOTES:**

- (a) This permit supersedes all previous District PTO permits issued for the Arkley Lease
- (b) Permit Reevaluation Due Date: December 2015
- (c) Part 70 Operating Permit Expiration Date: December 2015

## **10.0 Attachments**

**10.1 Emission Calculation Documentation**

**10.2 Emission Calculation Spreadsheets**

**10.3 Fee Calculations**

**10.4 IDS Database Emission Tables**

**10.5 Equipment List**

**10.6 Well List**

## **10.1 Emission Calculation Documentation PXP Arkley Lease**

This attachment contains all relevant emission calculation documentation used for the emission tables in Section 5. Refer to Section 4 for the general equations. Detailed calculation spreadsheets are attached as Attachment 10.2.

### **Reference A - Pits, Sumps and Wastewater Tanks**

The maximum operating schedule is in units of hours.

Emission calculation methodology based on the CARB/KVB report *Emission Characteristics of Crude Oil Production Operations in California (1/83)*.

Calculations are based on surface area of emissions noted in the inspector's report.

The THC Speciation is based on CARB profiles # 529, 530, 531, 532; the ROC/TOC ratio is based on the District's guideline "*VOC/ROC Emission Factors and Reactivities for Common Source Types*" Table dated 07/13/98 (version 1.1).

### **Reference B - Pipeline Components Emitting Fugitive ROCs**

Emission factors are based on the *District P&P 6100.060* guidelines.

In determining the facility model using the CARB/KVB methodology for fugitive emissions, a default Gas Oil Ratio of 501 scf/bbl was used. This value assumes the worst case model.

An 80% reduction in fugitive emissions was assumed due to the implementation of a fugitive inspection and maintenance plan pursuant to Rule 331.

### **Reference C - Solvents**

All solvents not used to thin surface coatings are included in this equipment category.

Daily and annual emission rates assumed to be minimal (0.01 lb/day, 0.01 TPY)

## **10.2 Emission Calculation Spreadsheets**

### **A. *Fugitive Hydrocarbon Calculations CARB/KVB Method***

**FUGITIVE HYDROCARBON CALCULATIONS - CARB/KVB METHOD**

Attachment:	A
Company:	Plains Exploration and Production Co.
PTO #:	8072
Facility:	Arkley Lease
Date:	1-Aug-09

Version: fhc-kvb2.xls  
Date: 1-Aug-09

Reference: CARB speciation profiles #s 529, 530, 531, 532

Data	Value	Units
Number of Active Wells at Facility	1	wells
Facility Gas Production		scf/day
Facility Dry Oil Production		bbbls/day
Facility Gas to Oil Ratio (default to 501)	501	scf/bbl
API Gravity	21.7	degrees API
Facility Model Number	4	dimensionless
Steam Drive Wells with Control Vents	0	lb/day-well
Steam Drive Wells with Uncontrol Vents	0	lb/day-well
Cyclic Steam Drive Wells with Control Vents	0	lb/day-well
Cyclic Steam Drive Wells with Uncontrol Vents	0	lb/day-well
Composite Valve and Fitting Emission Factor	6.6409	lb/day-well

**ROC Emission Calculation Results Table**

	Reactive Organic Compounds		
	lbs/hr	lbs/day	tons/year
Valves and Fittings <sup>(a)</sup>	0.06	1.33	0.24
Sumps, Wastewater Tanks and Well Cellars <sup>(b)</sup>	0.04	1.02	0.19
Oil/Water Separators <sup>(b)</sup>	0.00	0.00	0.00
Pumps/Compressors/Well Heads <sup>(a)</sup>	0.00	0.02	0.00
Enhanced Oil Recovery Fields	0.00	0.00	0.00
<b>Total Facility FHC Emissions (ROC)</b>	<b>0.10</b>	<b>2.36</b>	<b>0.43</b>

a: Emissions amount reflect an 80% reduction due to Rule 331 implementation.  
b: Emissions reflect control efficiencies where applicable.  
\*: Due to rounding, the totals may not appear correct

Lease Model	Valve	Fitting	Composite	
	ROG Emission Factor Without Ethane	ROG Emission Factor Without Ethane	ROG Emission Factor Without Ethane	
1	1.4921	0.9947	2.4868	lbs/day-well
2	0.6999	0.6092	1.3091	lbs/day-well
3	0.0217	0.0673	0.0890	lbs/day-well
4	4.5090	2.1319	6.6409	lbs/day-well
5	0.8628	1.9424	2.8053	lbs/day-well
6	1.7079	2.5006	4.2085	lbs/day-well

Model #1: Number of wells on lease is less than 10 and the GOR is less than 500.  
Model #2: Number of wells on lease is between 10 and 50 and the GOR is less than 500.  
Model #3: Number of wells on lease is greater than 50 and the GOR is less than 500.  
Model #4: Number of wells on lease is less than 10 and the GOR is greater than 500.  
Model #5: Number of wells on lease is between 10 and 50 and the GOR is greater than 500.  
Model #6: Number of wells on lease is greater than 50 and the GOR is greater than 500.

**Pumps, Compressors, and Well Heads**

Number of Wells	1	wells
Wellhead emissions	0.0097	ROC (lb/well-day)
FHC from Pumps	0.0039	ROC (lb/well-day)
FHC from Compressors	0.0679	ROC (lb/well-day)
<b>Total:</b>	<b>0.0815</b>	ROC (lb/well-day)

**FUGITIVE HYDROCARBON CALCULATIONS - CARB/KVB METHOD**

**Sumps, Uncovered Wastewater Tanks, and Well Cellars**

Efficiency Factor: varies (70% for well cellars and sumps, 0% for uncovered WW tanks)

Unit Type/Emissions Factor

Primary	0.0941	(lb ROC/ft <sup>2</sup> -day)
Secondary	0.0126	(lb ROC/ft <sup>2</sup> -day)
Tertiary	0.0058	(lb ROC/ft <sup>2</sup> -day)

**Surface Area and Type (emissions in lbs/day)**

Description/Name	Number	Area (ft <sup>2</sup> )	Primary	Secondary	Tertiary
Well Cellars <sup>(a)</sup>	1	36	1.02	0.00	0.00

(a) A 70% reduction is applied for implementation of Rule 344 (Sumps, Pits, and Well Cellars).      1.02      0.00      0.00

**Covered Wastewater Tanks**

Efficiency Factor: 85%

Unit Type/Emissions Factor

Primary	0.0941	(lb ROC/ft <sup>2</sup> -day)
Secondary	0.0126	(lb ROC/ft <sup>2</sup> -day)
Tertiary	0.0058	(lb ROC/ft <sup>2</sup> -day)

**Surface Area and Type (emissions in lbs/day)**

Description/Name	Area (ft <sup>2</sup> )	Primary	Secondary	Tertiary
			0.00	
			0.00	

0.00      0.00      0.00

**Covered Wastewater Tanks Equipped with Vapor Recovery**

Efficiency Factor: 95%

Unit Type/Emissions Factor

Primary	0.0941	(lb ROC/ft <sup>2</sup> -day)
Secondary	0.0126	(lb ROC/ft <sup>2</sup> -day)
Tertiary	0.0058	(lb ROC/ft <sup>2</sup> -day)

**Surface Area and Type (emissions in lbs/day)**

Description/Name	Area (ft <sup>2</sup> )	Primary	Secondary	Tertiary
				0.00
			0.00	
			0.00	

0.00      0.00      0.00

**Oil/Water Separators**

Efficiency Factor: varies (85% for cover, 95% for VRS, 0% for open top)

Emissions Factor: 560 (lb ROC/MM Gal)

**Type (emissions in lbs/day)**

Description/Name	TP-MM Gal	Equipped with Cover	Equipped with VRS	Open Top	Total lb/day
		0.00	0.00	0.00	
		0.00	0.00	0.00	
		0.00	0.00	0.00	
		0.00	0.00	0.00	0.00

### **10.3 Fee Calculations**

Emission fees for the permit reevaluation of PTO 8072 are based on Fee Schedule A of District Rule 210. Fees are based on the final issuance date of this permit.

All work performed with respect to implementing the requirements of the Part 70 Operating Permit program are assessed on a cost reimbursement basis pursuant to District Rule 210.

**FEE STATEMENT**

**PT-70/Reeval No. 08072 - R7**

**FID: 04117 Arkley Fee / SSID: 04632**



**Device Fee**

Device No.	Device Name	Fee Schedule	Qty of Fee Units	Fee per Unit	Fee Units	Max or Min. Fee Apply?	Number of Same Devices	Pro Rate Factor	Device Fee	Penalty Fee?	Fee Credit	Total Fee per Device
004030	Oil and Gas Wellhead	A1.a	1.000	58.66	Per equipment	No	1	1.000	58.66	0.00	0.00	58.66
004027	Valves & Fittings	A1.a	1.000	58.66	Per equipment	No	1	1.000	58.66	0.00	0.00	58.66
<b>Device Fee Sub-Totals =</b>									<b>\$117.32</b>	<b>\$0.00</b>	<b>\$0.00</b>	
<b>Device Fee Total =</b>												<b>\$117.32</b>

**Permit Fee**

Minimum Reeval Fee 365.00

**Fee Statement Grand Total = \$365**

Notes:

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- (1) Fee Schedule Items are listed in District Rule 210, Fee Schedule "A".
  - (2) The term "Units" refers to the unit of measure defined in the Fee Schedule.



## 10.5 Equipment List



## 10.6 Well List

Attachment B. Permitted Wells.

<u>Operator Name</u>	<u>Field Name</u>	<u>Lease</u>	<u>Well#</u>	<u>API</u>	<u>Well Stat</u>	<u>Pool</u>	<u>WellType</u>	<u>PWT Stat</u>	<u>S</u>	<u>T</u>	<u>R</u>	<u>Field</u>	<u>Area</u>	<u>Area Name</u>	<b>NEI</b>
Plains Expl. & Prod. Co.	Lompoc	Arkley	33-20	<a href="#">08321999</a>	Active	05	OG	Active	20	8N	34W	410	06	Northwest Area	No

1. This table represents the number of active and idle oil and gas wells at this facility as reported by the DOGGR.
2. Section (S), Township (T) and Range, (R) is a surveyed rectangular land grid system that covers most of the United States. A township is the measure of units north or south of a baseline, the horizontal line where the survey began. A Range is the measure of units east or west of a meridian, the vertical line where the survey began. Each Township/Range is thirty-six square miles, measuring 6 miles by 6 miles, and contains 36 one-mile square sections. In California, there are three base and meridians, Humboldt, Mount Diablo, and San Bernardino.

