San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT

HEALTHY AIR LIVING™

APR 28 2014

Mr. Jerry Frost
Vintage Production California LLC
9600 Ming Ave Suite 300
Bakersfield, CA 93311

Re: Proposed Authority to Construct/Certificate of Conformity (Minor Mod)
District Facility # S-1327
Project # 1140533

Dear Mr. Frost:

Enclosed for your review is the District's analysis of an application for Authorities to Construct for the facility identified above. You requested that Certificates of Conformity with the procedural requirements of 40 CFR Part 70 be issued with this project. The Authorities to Construct are for three cyclic well TEOR operations, at your Heavy Oil Western stationary source, Kern County

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

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

Thank you for your cooperation in this matter.

Sincerely,

for Arnaud Marjollet
Director of Permit Services

Enclosures

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

San Joaquin Valley Air Pollution Control District
Authority to Construct Application Review
Cyclic Wells

Facility Name:	Vintage Production California LLC		
Mailing Address:	9600 Ming Ave., Suite 300 Bakersfield, CA 93311	Engineer:	David Torii
		Lead Engineer:	Rich Karrs
Contact Person:	Jerry Frost		RWK
Telephone:	661-869-8000		
Application #(s):	S-1327-211-0, '212-0 and '213-0		4-24-14
Project #:	1140533		
Deemed Complete:	2/19/14		

I. Proposal

Vintage Production California (VPC) has requested Authority to Construct (ATC) permits for three thermally enhanced oil recovery operations each consisting of six cyclically steamed wells. The wells will be operated with open casing vents who's vapors will be routed to a portable rental well testing flare or steam generators S-1327-208 and '210 for incineration.

The portable rental well test flare is considered to be a separate stationary source owing to its different industrial grouping (oil and gas field services, as opposed to oil and gas production). It can therefore operate under the rental facility's PTO during the well testing phase of the wells' development.

VPC received their Title V Permit on 12/31/12. This modification can be classified as a Title V minor modification pursuant to Rule 2520, and can be processed with a Certificate of Conformity (COC). Since the facility has specifically requested that this project be processed in that manner, the 45-day EPA comment period will be satisfied prior to the issuance of the Authority to Construct. VPC must apply to administratively amend their Title V permit.

II. Applicable Rules

Rule 2201 New and Modified Stationary Source Review Rule (4/21/11)
Rule 2520 Federally Mandated Operating Permits (6/21/01)
Rule 4102 Nuisance (12/17/92)
Rule 4201 Particulate Matter Concentration (12/17/92)
Rule 4401 Steam-Enhanced Crude Oil Production Wells (June 16, 2011)
CH&SC 41700 Health Risk Assessment
CH&SC 42301.6 School Notice
Public Resources Code 21000-21177: California Environmental Quality Act (CEQA)
California Code of Regulations, Title 14, Division 6, Chapter 3, Sections 15000-15387: CEQA Guidelines

III. Project Location

A cyclic well operation utilizing up to six wells will be authorized at each of the following three locations:

- Section 24, T31S, R22E in the Midway Sunset Oil Field
- Section 1 and the NE/4 section 2, T 29S, R20E in the Chico Martinez Oil Field
- Sections 2 and 11, T26S, R20E in the Lost Hills Oil field

The equipment will not be located within 1,000 feet of the outer boundary of a K-12 school. Therefore, the public notification requirement of California Health and Safety Code 42301.6 is not applicable to this project.

IV. Process Description

The applicant is proposing to inject steam into crude oil bearing strata via production wells to raise its temperature. The wells will then be converted back to production wells to analyze the production-enhancing effect of steam-heating the crude-oil-bearing strata. Well vent gases will include water vapor, CO_2, CO, H_2S, and hydrocarbons. These gases will be routed a portable rental well testing flare for incineration. The produced liquid will be sent to permit exempt temporary portable tanks. See process flow diagram in Appendix B.

VPC proposes to conduct well testing projects consisting of a total of 18 wells (6 wells per test project) for evaluating thermally enhanced oil recovery from crude oil production wells. Each well test proposes to cyclically steam up to six wells in each of three separate production zones to evaluate the effects of thermally enhanced oil recovery (TEOR) on each zone. No more than 18 wells will be steam enhanced at any one time. A well will be considered to be steam enhanced when the temperature of its crude oil is raised, by the injection of steam, above the production zone temperature that existed prior to injection of steam. Therefore, the permittee will be required to record each well's crude oil temperature before and after steaming. For this project a cyclic well will considered to not be cyclic when the temperature of its crude oil has returned its pre-steamed temperature.

V. Equipment Listing

S-1327-211-0: SIX CYCLICALLY STEAM ENHANCED OIL WELLS WITH OPEN CASING VENT VAPORS ROUTED TO STEAM GENERATORS S-1327-208 AND '210, A PORTABLE RENTAL WELL TEST FLARE OR PERMIT-EXEMPT EQUIPMENT AND PRODUCED FLUIDS ROUTED TO PERMIT EXEMPT (PER SECTION 6.6.10 OF RULE 2020) PORTABLE TEMPORARY STORAGE TANKS, MIDWAY SUNSET OIL FIELD

S-1327-212-0: SIX CYCLICALLY STEAM ENHANCED OIL WELLS WITH OPEN CASING VENT VAPORS ROUTED TO STEAM GENERATORS S-1327-208 AND '210, A PORTABLE RENTAL WELL TEST FLARE OR PERMIT-EXEMPT EQUIPMENT AND PRODUCED FLUIDS ROUTED TO PERMIT EXEMPT (PER SECTION 6.6.10 OF RULE 2020) PORTABLE TEMPORARY STORAGE TANKS, MIDWAY SUNSET OIL FIELD

S-1327-213-0: SIX CYCLICALLY STEAM ENHANCED OIL WELLS WITH OPEN CASING VENT VAPORS ROUTED TO STEAM GENERATORS S-1327-208 AND '210, A PORTABLE RENTAL WELL TEST FLARE OR PERMIT-EXEMPT EQUIPMENT AND PRODUCED FLUIDS ROUTED TO PERMIT EXEMPT (PER SECTION 6.6.10 OF RULE 2020) PORTABLE TEMPORARY STORAGE TANKS, MIDWAY SUNSET OIL FIELD

VI. Emission Control Technology Evaluation

All emissions from this project are from fugitive VOC leaks associated with components (piping, valves, flanges, etc.). The vapor control efficiency is expected to be at least 99%.

VII. General Calculations

A. Assumptions

- The operation will be 24 hr/day, 365 day/yr
- The subject equipment emits only VOC
- Fugitive liquid leaks have negligible emissions.
- Component fugitive VOC emission leaks will not exceed 10,000 ppmv
- The total organic compounds in the casing gas is 100% VOC
- No more than 6 wells will be steam enhanced at any one time per permit

B. Emission Factors

Pursuant to California Implementation Guidelines for Estimating Mass Emissions of fugitive Hydrocarbon Leaks at Petroleum Facilities, CAPCOA/CARB, February 1999, emissions in this project are calculated using revised screening emissions factors. See emission calculations in Appendix C.

C. Calculations

1. Pre-Project Potential to Emit (PE1)

Since these are new emissions units, PE1 = 0 for all pollutants.

2. Post Project Potential to Emit (PE2)

PE2*		
	Daily Emissions (lb/day)	Annual Emissions (lb/year)
S-1327-211-0	0.52	190
S-1327-212-0	0.52	190
S-1327-213-0	0.52	190

*see emission calculations in Appendix C

**pursuant to District Policy APR 1130, an increase in permitted emissions of less than or equal to 0.54 lb/day is rounded to zero for the purposes of triggering NSR requirements. However, to minimize future rounding errors, the figures are presented here without rounding the daily increase in emissions to zero.

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

Facility emissions are already above the Offset and Major Source Thresholds for VOC emissions; therefore, SSPE1 calculations are not necessary.

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

Since facility emissions are already above the Offset and Major Source Thresholds for VOC emissions, SSPE2 calculations are not necessary.

5. Major Source Determination

Rule 2201 Major Source Determination:

This source is an existing Major Source for VOC emissions and will remain a Major Source for VOC. No change in other pollutants are proposed or expected as a result of this project.

Rule 2410 Major Source Determination:

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

PSD Major Source Determination (tons/year)							
	NO2	VOC	SO2	CO	PM	PM10	CO2e
Estimated Facility PE before Project Increase							>100,000
PSD Major Source Thresholds	250	250	250	250	250	250	100,000
PSD Major Source ? (Y/N)							y

As shown above, the facility is an existing major source for PSD for at least one pollutant. Therefore the facility is an existing major source for PSD.

6. Baseline Emissions (BE)

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

Pursuant to District Rule 2201, BE = PE1 for:

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

otherwise,

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

Since these are new emissions units, BE = PE1 = 0 for all pollutants.

7. SB 288 Major Modification

SB 288 Major Modification is defined in 40 CFR Part 51.165 as "any physical change in or change in the method of operation of a major stationary source that would result in a significant net emissions increase of any pollutant subject to regulation under the Act." Since this source is not included in the 28 specific source categories specified in 40 CFR 51.165, the, increases in fugitive emissions are not included in the SB 288 Major Modification calculation.

Since this facility is a major source for VOC, the project's PE2 is compared to the SB 288 Major Modification Thresholds in the following table in order to determine if the SB 288 Major Modification calculation is required.

SB 288 Major Modification Thresholds			
Pollutant	Project PE2 (lb/year)	Threshold (lb/year)	SB 288 Major Modification Calculation Required?
NO_x	0	50,000	N
SO_x	0	80,000	N
PM_{10}	0	30,000	N
VOC	0*	50,000	N

*fugitive emissions

Since none of the SB 288 Major Modification Thresholds are surpassed with this project, this project does not constitute an SB 288 Major Modification.

8. Federal Major Modification

Since this source is not included in the 28 specific source categories specified in 40 CFR 51.165, the increases in fugitive emissions are not included in the Federal Major Modification determination.

The determination of Federal Major Modification is based on a two-step test. For the first step, only the emission *increases* are counted. Emission decreases may not cancel out the increases for this determination.

Step 1

For new emissions units, the increase in emissions is equal to the PE2 for each new unit included in this project.

The project's combined total emission increases are compared to the Federal Major Modification Thresholds in the following table.

Federal Major Modification Thresholds for Emission Increases			
Pollutant	Total Emissions Increases (lb/yr)	Thresholds (lb/yr)	Federal Major Modification?
NO_x*	0	0	N
VOC*	0	0	N
PM_{10}	0	30,000	N
$PM_{2.5}$	0	20,000	N
SO_x	0	80,000	N

*If there is any emission increases in NO_x or VOC, this project is a Federal Major Modification and no further analysis is required.

Since none of the Federal Major Modification Thresholds are being surpassed with this project, this project does not constitute a Federal Major Modification and no further analysis is required.

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

Rule 2410 applies to pollutants for which the District is in attainment or for unclasssified, pollutants. The pollutants addressed in the PSD applicability determination are listed as follows:

- NO2 (as a primary pollutant)
- SO2 (as a primary pollutant)
- CO
- PM
- PM10
- Greenhouse gases (GHG): CO2, N2O, CH4, HFCs, PFCs, and SF6

I. Project Location Relative to Class 1 Area

As demonstrated in the "PSD Major Source Determination" Section above, the facility was determined to be a existing major source for PSD. Because the project is not located within 10 km of a Class 1 area – modeling of the emission increase is not required to determine if the project is subject to the requirements of Rule 2410.

II. Significance of Project Emission Increase Determination

a. Potential to Emit of attainment/unclassified pollutant for New or <u>Modified</u> Emission Units vs PSD Significant Emission Increase Thresholds

As a screening tool, the potential to emit from all new and modified units is compared to the PSD significant emission increase thresholds, and if total potential to emit from all new and modified units is below this threshold, no futher analysis will be needed.

Since this source is not included in the 28 specific source categories specified in 40 CFR 51.165, the increases in fugitive emissions are not included in the PSD Significant Emission Increase Determination.

PSD Significant Emission Increase Determination: Potential to Emit (tons/year)						
	NO2	SO2	CO	PM	PM10	CO2e
Total PE from New and Modified Units	0	0	0	0	0	0
PSD Significant Emission Increase Thresholds	40	40	100	25	15	75,000
PSD Significant Emission Increase?	n	n	n	n	n	n

As demonstrated above, because the project has a total potential to emit from all new and modified emission units below the PSD significant emission increase thresholds, this project is not subject to the requirements of Rule 2410 due to a significant emission increase and no further discussion is required.

10. Quarterly Net Emissions Change (QNEC)

The QNEC is calculated solely to establish emissions that are used to complete the District's PAS emissions profile screen. Detailed QNEC calculations are included in Appendix A.

VIII. Compliance

Rule 2201 New and Modified Stationary Source Review Rule

A. Best Available Control Technology (BACT)

1. BACT Applicability

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

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

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

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

As seen in Section VII.C.2 above, the applicant is proposing to install new TEOR operations each with a PE less than 2 lb/day. Therefore BACT for new units with PE > 2 lb/day purposes is not triggered.

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

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

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

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

d. SB 288/Federal Major Modification

As discussed in Sections VII.C.7 and VII.C.8 above, this project does not constitute an SB 288 and/or Federal Major Modification. Therefore BACT is not triggered.

B. Offsets

Pursuant to Policy APR 1130, offsets will not be required for this project since the increase in permitted emissions, per permit unit, is less than or equal to 0.54 lb/day and is therefore rounded to zero for the purposes of triggering NSR requirements. However, to minimize future rounding errors, the figures are presented in the EE and in the permit without rounding the daily increase in emissions to zero.

C. Public Notification

Pursuant to Policy APR 1130, public notice will not be triggered for this project since the increase in permitted emissions, per permit unit, is less than or equal to 0.54 lb/day and is therefore rounded to zero for the purposes of triggering NSR requirements. However, to minimize future rounding errors, the figures are presented in the EE and in the permit without rounding the daily increase in emissions to zero.

D. Daily Emission Limits (DELs)

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

Proposed Rule 2201 (DEL) Conditions:

- Fugitive emissions from all components in vapor service associated with this cyclic well operation shall not exceed 0.54 lb VOC/ day. [District Rule 2201] Y

E. Compliance Assurance

1. Source Testing

Pursuant to District Policy APR 1705, source testing is not required to demonstrate compliance with Rule 2201.

2. Monitoring

Components shall be inspected quarterly for leaks, using a portable hydrocarbon detection instrument in accordance with EPA Method 21. [District Rule 2201] Y

3. Recordkeeping

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

- Permittee shall maintain accurate records of number of fugitive emissions components and calculated emissions using California Implementation Guidelines for Estimating Mass Emissions of Fugitive Hydrocarbon Leaks at Petroleum Facilities, Table IV-2a "1995 EPA Protocol Refinery Screening Value Ranges Emission Factors". [District NSR Rule and District Rule 2201] Y

- The operator shall maintain records of the date and well identification where steam injection or well stimulation occurs. [District Rule 2201] Y

- All records shall be maintained and made readily available for District inspection upon request for a period of five years. [District Rule 2201] Y

4. Reporting

No reporting is required to demonstrate compliance with Rule 2201.

Rule 2520 Federally Mandated Operating Permits

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

In accordance with Rule 2520, these modifications:

1. Do not violate requirements of any applicable federally enforceable local or federal requirement;
2. Do not relax monitoring, reporting, or recordkeeping requirements in the permit and are not significant changes in existing monitoring permit terms or conditions;
3. Do not require or change a case-by-case determination of an emission limitation or other standard, or a source-specific determination for temporary sources of ambient impacts, or a visibility or increment analysis;
4. Do not seek to establish or change a permit term or condition for which there is no corresponding underlying applicable requirement and that the source has assumed to avoid an applicable requirement to which the source would otherwise be subject. Such terms and conditions include:
   a. A federally enforceable emission cap assumed to avoid classification as a modification under any provisions of Title I of the Federal Clean Air Act; and

b. An alternative emissions limit approved pursuant to regulations promulgated under section 112(i)(5) of the Federal Clean Air Act; and
5. Are not Title I modifications as defined in District Rule 2520 or modifications as defined in section 111 or 112 of the Federal Clean Air Act; and
6. Do not seek to consolidate overlapping applicable requirements.

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

Rule 4101 Visible Emissions

Visible emissions are expected to be less than 20% opacity and Ringelmann #1 except for three minutes in any hour; therefore, compliance with the requirements of this rule is expected.

Rule 4102 Nuisance

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

California Health & Safety Code 41700 (Health Risk Assessment)

An HRA is not required for a project with a total facility prioritization score of less than one. According to the Technical Services Memo for this project (**Appendix D**), the total facility prioritization score including this project was greater than one. Therefore, an HRA was required to determine the short-term acute and long-term chronic exposure from this project.

The cancer risk for this project is shown below:

RMR Summary					
Categories	**TEOR (Unit 211-0)**	**TEOR (Unit 212-0)**	**TEOR (Unit 213-0)**	**Project Totals**	**Facility Totals**
Prioritization Score	0.03	0.03	0.03	12.2	>1
Acute Hazard Index	0.00	0.00	0.00	0.00	0.01
Chronic Hazard Index	0.00	0.00	0.00	0.00	0.00
Maximum Individual Cancer Risk (10^{-6})	0.14	0.07	0.03	0.24	.93
T-BACT Required?	No	No	No		
Special Permit Conditions?	No	No	No		

Discussion of T-BACT

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

BACT requirements; therefore, compliance with the District's Risk Management Policy is expected.

Rule 4401 Steam-Enhanced Crude Oil Production Wells (June 16, 2011)

This rule limits VOC emissions from thermally-enhanced crude oil production well vents. The subject wells operate with open casing vents. Vapors are collected by the vapor control system and are currently routed to a flare or steam generator for incineration with an expected VOC control efficiency of at least 99%. The proposed ATC will authorize the TEOR vapors to be sent to a flare which is expected to have a VOC control efficiency of at least 99%. Therefore the requirement of 99% control as required by Section 5.1 of the rule will be met. Permit conditions require compliance with the vapor control efficiency, I&M program, and record-keeping requirements of this rule. Compliance is expected.

California Health & Safety Code 42301.6 (School Notice)

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

California Environmental Quality Act (CEQA)

CEQA requires each public agency to adopt objectives, criteria, and specific procedures consistent with CEQA Statutes and the CEQA Guidelines for administering its responsibilities under CEQA, including the orderly evaluation of projects and preparation of environmental documents. The District adopted its *Environmental Review Guidelines* (ERG) in 2001. The basic purposes of CEQA are to:

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

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

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

IX. Recommendation

Compliance with all applicable rules and regulations is expected. Issue ATCs S-1327-211-0, '212-0 and '213-0 subject to the permit conditions on the attached draft ATCs in **Appendix E.**

X. Billing Information

Annual Permit Fees			
Permit Number	Fee Schedule	Fee Description	Annual Fee
S-1327-211-0	3020-09 B	6 wells	$56.04
S-1327-212-0	3020-09 B	6 wells	$56.04
S-1327-213-0	3020-09 B	6 wells	$56.04

APPENDIX A
Quarterly Net Emissions Change (QNEC)

Quarterly Net Emissions Change (QNEC)

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

QNEC = PE2 - PE1, where:

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

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

$PE2_{quarterly} = PE2_{annual} \div 4$ quarters/year

$PE1_{quarterly} = PE1_{annual} \div 4$ quarters/year

Quarterly NEC [QNEC]					
	PE2 (lb/yr)	PE2 (lb/qtr)	PE1 (lb/yr)	PE1 (lb/qtr)	QNEC (lb/qtr)
S-1327-211-0	190	48	0	0	48
S-1327-212-0	190	48	0	0	48
S-1327-213-0	190	48	0	0	48

Application Emissions

Permit #: S-1327-211-0 **Last Updated**
Facility: VINTAGE PRODUCTION CALIFORNIA 02/21/2014 TORID

Equipment Pre-Baselined: NO

	NOX	SOX	PM10	CO	VOC
Potential to Emit (lb/Yr):	0.0	0.0	0.0	0.0	190.0
Daily Emis. Limit (lb/Day)	0.0	0.0	0.0	0.0	0.5
Quarterly Net Emissions Change (lb/Qtr)					
Q1:					48.0
Q2:					48.0
Q3:					48.0
Q4:					48.0
Check if offsets are triggered but exemption applies	N	N	N	N	N
Offset Ratio					
Quarterly Offset Amounts (lb/Qtr)					
Q1:					
Q2:					
Q3:					
Q4:					

Application Emissions

Permit #: S-1327-212-0 **Last Updated**
Facility: VINTAGE PRODUCTION CALIFORNIA 02/21/2014 TORID

Equipment Pre-Baselined: NO

	NOX	SOX	PM10	CO	VOC
Potential to Emit (lb/Yr):	0.0	0.0	0.0	0.0	190.0
Daily Emis. Limit (lb/Day)	0.0	0.0	0.0	0.0	0.5
Quarterly Net Emissions Change (lb/Qtr)					
Q1:					48.0
Q2:					48.0
Q3:					48.0
Q4:					48.0
Check if offsets are triggered but exemption applies	N	N	N	N	N
Offset Ratio					
Quarterly Offset Amounts (lb/Qtr)					
Q1:					
Q2:					
Q3:					
Q4:					

Application Emissions

Permit #: S-1327-213-0	**Last Updated**
Facility: VINTAGE PRODUCTION CALIFORNIA	02/21/2014 TORID

Equipment Pre-Baselined: NO

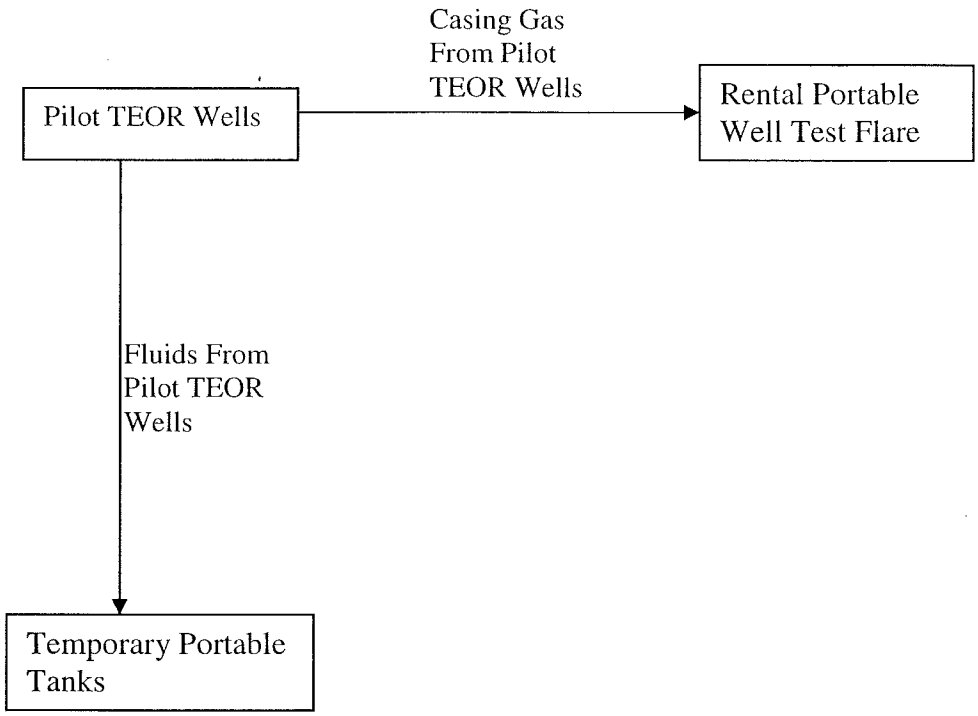
	NOX	SOX	PM10	CO	VOC
Potential to Emit (lb/Yr):	0.0	0.0	0.0	0.0	190.0
Daily Emis. Limit (lb/Day)	0.0	0.0	0.0	0.0	0.5
Quarterly Net Emissions Change (lb/Qtr)					
Q1:					48.0
Q2:					48.0
Q3:					48.0
Q4:					48.0
Check if offsets are triggered but exemption applies	N	N	N	N	N
Offset Ratio					
Quarterly Offset Amounts (lb/Qtr)					
Q1:					
Q2:					
Q3:					
Q4:					

APPENDIX B
Process Flow Diagram

Vintage Production California LLC

BUSINESS NAME: Pilot TEOR Operation
SCALE: NONE

Facility Diagram



APPENDIX C
Emission Calculations

Vintage Production California, LLC
Chico Martinez (6) TEOR Wells

Fugitive Emissions Using Screening Emission Factors

California Implementation Guidelines for Estimating Mass Emissions
of Fugitive Hydrocarbon Leaks at Petroleum Facilities
Table IV-2c. Oil and Gas Production
Screening Value Ranges Emission Factors

Percentage of components in vapor service with ≥ 10,000 ppmv leaks allowed?	0 %
Percentage of components in liquid service with ≥ 10,000 ppmv leaks allowed?	0 %
Weight percentage of VOC in the total organic compounds in gas?	100 %
Weight percentage of VOC in the total organic compounds in oil?	100 %

Equipment Type	Service	Component Count	Total allowable leaking components	Screening Value EF - TOC < 10,000 ppmv (lb/day/source)	≥ 10,000 ppmv (lb/day/source)	VOC emissions (lb/day)
Valves	Gas/Light Liquid	40	0	1.852E-03	7.333E+00	0.07
	Light Crude Oil	0	0	1.005E-03	3.741E+00	0.00
	Heavy Crude Oil	0	0	7.408E-04	N/A*	0.00
Pump Seals	Gas/Light Liquid	0	0	5.270E-02	4.709E+00	0.00
	Light Crude Oil	0	0	1.402E-02	4.709E+00	0.00
	Heavy Crude Oil	0	0	N/A	N/A	N/A
Others	Gas/Light Liquid	40	0	7.778E-03	7.281E+00	0.31
	Light Crude Oil	0	0	6.931E-03	3.757E-01	0.00
	Heavy Crude Oil	0	0	3.016E-03	N/A*	0.00
Connectors	Gas/Light Liquid	120	0	6.349E-04	1.370E+00	0.08
	Light Crude Oil	0	0	5.291E-04	1.238E+00	0.00
	Heavy Crude Oil	0	0	4.233E-04	4.233E-04	0.00
Flanges	Gas/Light Liquid	40	0	1.482E-03	3.228E+00	0.06
	Light Crude Oil	0	0	1.270E-03	1.376E+01	0.00
	Heavy Crude Oil	0	0	1.217E-03	N/A*	0.00
Open-ended Lines	Gas/Light Liquid	0	0	1.270E-03	2.905E+00	0.00
	Light Crude Oil	0	0	9.524E-04	1.175E+00	0.00
	Heavy Crude Oil	0	0	7.937E-04	3.762E+00	0.00

* Emission factor not available. All components from equipment type and service will be assessed as < 10,000 ppmv

Total VOC Emissions = 0.52 lb/day

Vintage Production California, LLC
MWSS (6) TEOR Wells

Fugitive Emissions Using Screening Emission Factors

California Implementation Guidelines for Estimating Mass Emissions
of Fugitive Hydrocarbon Leaks at Petroleum Facilities
Table IV-2c. Oil and Gas Production
Screening Value Ranges Emission Factors

Percentage of components in vapor service with ≥ 10,000 ppmv leaks allowed?	0 %
Percentage of components in liquid service with ≥ 10,000 ppmv leaks allowed?	0 %
Weight percentage of VOC in the total organic compounds in gas?	100 %
Weight percentage of VOC in the total organic compounds in oil?	100 %

Equipment Type	Service	Component Count	Total allowable leaking components	Screening Value EF - TOC < 10,000 ppmv (lb/day/source)	≥ 10,000 ppmv (lb/day/source)	VOC emissions (lb/day)
Valves	Gas/Light Liquid	40	0	1.852E-03	7.333E+00	0.07
	Light Crude Oil	0	0	1.005E-03	3.741E+00	0.00
	Heavy Crude Oil	0	0	7.408E-04	N/A*	0.00
Pump Seals	Gas/Light Liquid	0	0	5.270E-02	4.709E+00	0.00
	Light Crude Oil	0	0	1.402E-02	4.709E+00	0.00
	Heavy Crude Oil	0	0	N/A	N/A	N/A
Others	Gas/Light Liquid	40	0	7.778E-03	7.281E+00	0.31
	Light Crude Oil	0	0	6.931E-03	3.757E-01	0.00
	Heavy Crude Oil	0	0	3.016E-03	N/A*	0.00
Connectors	Gas/Light Liquid	120	0	6.349E-04	1.370E+00	0.08
	Light Crude Oil	0	0	5.291E-04	1.238E+00	0.00
	Heavy Crude Oil	0	0	4.233E-04	4.233E-04	0.00
Flanges	Gas/Light Liquid	40	0	1.482E-03	3.228E+00	0.06
	Light Crude Oil	0	0	1.270E-03	1.376E+01	0.00
	Heavy Crude Oil	0	0	1.217E-03	N/A*	0.00
Open-ended Lines	Gas/Light Liquid	0	0	1.270E-03	2.905E+00	0.00
	Light Crude Oil	0	0	9.524E-04	1.175E+00	0.00
	Heavy Crude Oil	0	0	7.937E-04	3.762E+00	0.00

* Emission factor not available. All components from equipment type and service will be assessed as < 10,000 ppmv

Total VOC Emissions = 0.52 lb/day

Vintage Production California, LLC
Lost Hills (6) TEOR Wells

Fugitive Emissions Using Screening Emission Factors

California Implementation Guidelines for Estimating Mass Emissions
of Fugitive Hydrocarbon Leaks at Petroleum Facilities
Table IV-2c. Oil and Gas Production
Screening Value Ranges Emission Factors

Percentage of components in vapor service with ≥ 10,000 ppmv leaks allowed?	0 %
Percentage of components in liquid service with ≥ 10,000 ppmv leaks allowed?	0 %
Weight percentage of VOC in the total organic compounds in gas?	100 %
Weight percentage of VOC in the total organic compounds in oil?	100 %

Equipment Type	Service	Component Count	Total allowable leaking components	Screening Value EF - TOC < 10,000 ppmv (lb/day/source)	≥ 10,000 ppmv (lb/day/source)	VOC emissions (lb/day)
Valves	Gas/Light Liquid	40	0	1.852E-03	7.333E+00	0.07
	Light Crude Oil	0	0	1.005E-03	3.741E+00	0.00
	Heavy Crude Oil	0	0	7.408E-04	N/A*	0.00
Pump Seals	Gas/Light Liquid	0	0	5.270E-02	4.709E+00	0.00
	Light Crude Oil	0	0	1.402E-02	4.709E+00	0.00
	Heavy Crude Oil	0	0	N/A	N/A	N/A
Others	Gas/Light Liquid	40	0	7.778E-03	7.281E+00	0.31
	Light Crude Oil	0	0	6.931E-03	3.757E-01	0.00
	Heavy Crude Oil	0	0	3.016E-03	N/A*	0.00
Connectors	Gas/Light Liquid	120	0	6.349E-04	1.370E+00	0.08
	Light Crude Oil	0	0	5.291E-04	1.238E+00	0.00
	Heavy Crude Oil	0	0	4.233E-04	4.233E-04	0.00
Flanges	Gas/Light Liquid	40	0	1.482E-03	3.228E+00	0.06
	Light Crude Oil	0	0	1.270E-03	1.376E+01	0.00
	Heavy Crude Oil	0	0	1.217E-03	N/A*	0.00
Open-ended Lines	Gas/Light Liquid	0	0	1.270E-03	2.905E+00	0.00
	Light Crude Oil	0	0	9.524E-04	1.175E+00	0.00
	Heavy Crude Oil	0	0	7.937E-04	3.762E+00	0.00

* Emission factor not available. All components from equipment type and service will be assessed as < 10,000 ppmv

Total VOC Emissions = 0.52 lb/day

APPENDIX D
HRA

San Joaquin Valley Air Pollution Control District
Risk Management Review

To:	David Torri – Permit Services
From:	Esteban Gutierrez – Technical Services
Date:	February 27, 2014
Facility Name:	Vintage Production California
Location:	Section 2 &11, Township 26S, Range 20E Section 1&2, Township 29S, Range 20E Section 24, Township 31S, Range 22E
Application #(s):	S-1327-211-0 thru 213-0
Project #:	S-1140533

A. RMR SUMMARY

RMR Summary					
Categories	**TEOR (Unit 211-0)**	**TEOR (Unit 212-0)**	**TEOR (Unit 213-0)**	**Project Totals**	**Facility Totals**
Prioritization Score	0.03	0.03	0.03	12.2	>1
Acute Hazard Index	0.00	0.00	0.00	0.00	0.01
Chronic Hazard Index	0.00	0.00	0.00	0.00	0.00
Maximum Individual Cancer Risk (10^{-6})	0.14	0.07	0.03	0.24	.93
T-BACT Required?	No	No	No		
Special Permit Conditions?	No	No	No		

Proposed Permit Conditions

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

Unit # 211-0 thru Unit # 213-0

No special conditions are required.

B. RMR REPORT

I. Project Description

Technical Services received a request on February 21, 2014, to perform a Risk Management Review for the addition of three pilot cyclic well TEOR operations. The applicant is proposing to add TEOR operations to Section 2 &11, Township 26S, Range 20E (213-0), Section 1&2, Township 29S, Range 20E (212-0), Section 24, Township 31S, Range 22E (211-0).

II. Analysis

Technical Services performed a health risk assessment using the Toxic Fugitive Emissions from Oilfield Equipment spreadsheet. The cumulative prioritization scores were greater than 1.0, thus modeling was conducted using the AERMOD model, with the parameters outlined below and meteorological data for 2005-2009 from Bakersfield to determine the dispersion factors (i.e., the predicted concentration or X divided by the normalized source strength or Q) for a receptor grid. Since each wells were spread out over a one mile by one mile grid, an adjustment was made such that the emissions would be emitted from a 50 meter x 50 meter area source. This is believed to be more representative of the actual situation.

Analysis Parameters Unit 211-0			
Source Type	Area	**Location Type**	Rural
X-Length (m)	50	**Closest Receptor (m)**	609
Y-Length (m)	50	**Type of Receptor**	Business
Release Height (m)	3	**Emission Rate (g/sec-m^2)**	0.0004

Analysis Parameters Unit 212-0			
Source Type	Area	**Location Type**	Rural
X-Length (m)	50	**Closest Receptor (m)**	244
Y-Length (m)	50	**Type of Receptor**	Business
Release Height (m)	3	**Emission Rate (g/sec-m^2)**	0.0004

Analysis Parameters Unit 213-0			
Source Type	Area	**Location Type**	Rural
X-Length (m)	50	**Closest Receptor (m)**	1700
Y-Length (m)	50	**Type of Receptor**	Business
Release Height (m)	3	**Emission Rate (g/sec-m^2)**	0.0004

III. *Conclusion*

The acute and chronic indices are below 1.0 and the cancer risk factor associated with the project is less than 1.0 in a million. **In accordance with the District's Risk Management Policy, the project is approved without Toxic Best Available Control Technology (T-BACT).**

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

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

IV. *Attachments*

A. RMR request from the project engineer

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

APPENDIX E
Draft ATCs

San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

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PERMIT NO: S-1327-211-0 **ISSUANCE DATE:** DRAFT

LEGAL OWNER OR OPERATOR: VINTAGE PRODUCTION CALIFORNIA LLC
MAILING ADDRESS: 9600 MING AVE, SUITE 300
BAKERSFIELD, CA 93311

LOCATION: HEAVY OIL WESTERN, KERN COUNTY
CA

SECTION: 24 **TOWNSHIP:** 31S **RANGE:** 22E

EQUIPMENT DESCRIPTION:
SIX CYCLICALLY STEAM ENHANCED OIL WELLS WITH OPEN CASING VENT VAPORS ROUTED TO STEAM GENERATORS S-1327-208 AND '210, A PORTABLE RENTAL WELL TEST FLARE OR PERMIT-EXEMPT EQUIPMENT AND PRODUCED FLUIDS ROUTED TO PERMIT EXEMPT (PER SECTION 6.6.10 OF RULE 2020) PORTABLE TEMPORARY STORAGE TANKS, MIDWAY SUNSET OIL FIELD

CONDITIONS

1. This Authority to Construct serves as a written certificate of conformity with the procedural requirements of 40 CFR 70.7 and 70.8 and with the compliance requirements of 40 CFR 70.6(c). [District Rule 2201] Federally Enforceable Through Title V Permit
2. Prior to operating with modifications authorized by this Authority to Construct, the facility shall submit an application to modify the Title V permit with an administrative amendment in accordance with District Rule 2520 Section 5.3.4. [District Rule 2520, 5.3.4] Federally Enforceable Through Title V Permit
3. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
4. Well vapors shall discharge only to steam generators S-1327-208 and '210, a portable well test flare or permit-exempt equipment. [District Rule 2201] Federally Enforceable Through Title V Permit
5. Any portable well test flare used in conjunction with this operation shall only be used during the well testing phase of well development. [District Rule 2201] Federally Enforceable Through Title V Permit
6. Permittee shall maintain a current list of all cyclic wells authorized by this permit and shall update the list whenever a well is added, replaced, or deleted. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

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

Seyed Sadredin, Executive Director / APCO

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Arnaud Marjollet, Director of Permit Services

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

8. A leak-free condition is defined as a condition without a gas leak. A gas leak is defined as a reading in excess of 10,000 ppmv, above background, as measured by a portable hydrocarbon detection instrument in accordance with the procedures specified in EPA Test Method 21. A reading in excess of 10,000 ppmv above background is a violation of this permit and shall be reported as a deviation. [District Rule 2201] Federally Enforceable Through Title V Permit

9. Fugitive emissions from all components in vapor service associated with this cyclic well operation shall not exceed 0.54 lb VOC/ day. [District Rule 2201] Federally Enforceable Through Title V Permit

10. Permittee shall maintain accurate records of number of fugitive emissions components and calculated emissions using California Implementation Guidelines for Estimating Mass Emissions of Fugitive Hydrocarbon Leaks at Petroleum Facilities, Table IV-2a "1995 EPA Protocol Refinery Screening Value Ranges Emission Factors". [District Rule 2201] Federally Enforceable Through Title V Permit

11. Gas and liquid leaks are as defined in Section 3.20 of Rule 4401. [District Rule 4401 3.20] Federally Enforceable Through Title V Permit

12. An operator shall not operate a steam-enhanced crude oil production well unless either of the following two conditions are met: 1) The steam-enhanced crude oil production well vent is closed and the front line production equipment downstream of the wells that carry produced fluids is connected to a VOC collection and control system as defined in Section 3.0 of this Rule or 2) the steam-enhanced crude oil production well vent is open and the well vent is connected to a VOC collection and control system as defined in Section 3.0. [District Rule 4401] Federally Enforceable Through Title V Permit

13. During the time any steam-enhanced crude oil production well is undergoing service or repair while the well is not producing, it shall be exempt from the requirements of District Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit

14. An operator shall be in violation of this rule if any District inspection demonstrates or if any operator inspection conducted pursuant to Section 5.4 of Rule 4401 demonstrates the existence of an open-ended line or a valve located at the end of the line that is not sealed with a blind flange, plug, cap, or a second closed valve that is not closed at all times, except during attended operations as defined by Section 5.2.2.1 of Rule 4401 requiring process fluid flow through the open-ended lines, a component with a major liquid leak, or a component with a gas leak greater than 50,000 ppmv. [District Rule 4401 5.2.2] Federally Enforceable Through Title V Permit

15. A" An operator shall be in violation of this rule if any District inspection demonstrates or if any operator inspection conducted pursuant to Section 5.4 of Rule 4401 demonstrates the existence of any combination of components with minor liquid leaks, minor gas leaks, or a gas leaks greater than 10,000 ppmv up to 50,000 ppmv that totals more than number of leaks allowed by Table 2 of Rule 4401. [District Rule 4401 5.22] Federally Enforceable Through Title V Permit

16. An operator shall not use any component with a leak as defined in Section 3.0 of Rule 4401, or that is found to be in violation of the provisions of Section 5.2.2 of Rule 4401. However, components that were found leaking may be used provided such leaking components have been identified with a tag for repair, are repaired, or awaiting re-inspection after being repaired within the applicable time frame specified in Section 5.5 of Rule 4401. [District Rule 4401 5.3.1] Federally Enforceable Through Title V Permit

17. Each hatch shall be closed at all times except during sampling or adding of process material through the hatch, or during attended repair, replacement, or maintenance operations, provided such activities are done as expeditiously as possible with minimal spillage of material and VOC emissions to the atmosphere. [District Rule 4401 5.3.2] Federally Enforceable Through Title V Permit

18. An operator shall comply with the requirements of Section 6.7 of Rule 4401 if there is any change in the description of major components or critical components. [District Rule 4401 5.3.3] Federally Enforceable Through Title V Permit

19. Except for pipes and unsafe-to-monitor components, an operator shall inspect all other components pursuant to the requirements of Section 6.3.3 of Rule 4401 at least once every year. [District Rule 4401 5.4.1] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

20. An operator shall visually inspect all pipes at least once every year. Any visual inspection of pipes that indicates a leak that cannot be immediately repaired to meet the leak standards of this rule shall be inspected within 24 hours after detecting the leak. If a leak is found, the leak shall be repaired as soon as practicable but not later than the time frame specified in Table 3 of Rule 4401 [District Rule 4401 5.4.2] Federally Enforceable Through Title V Permit

21. In addition to the inspections required by Section 5.4.1 of Rule 4401, an operator shall inspect for leaks all accessible operating pumps, compressors, and PRDs in service as follows: An operator shall audio-visually (by hearing and by sight) inspect for leaks all accessible operating pumps, compressors, and PRDs in service at least once each calendar week. Any audio-visual inspection of an accessible operating pump, compressor, and PRD performed by an operator that indicates a leak that cannot be immediately repaired to meet the leak standards of this rule shall be inspected not later than 24 hours after conducting the audio-visual inspection. If a leak is found, the leak shall be repaired as soon as practicable but not later than the time frame specified in Table 3 of Rule 4401. [District Rule 4401 5.4.3] Federally Enforceable Through Title V Permit

22. In addition to the inspections required by Sections 5.4.1, 5.4.2 and 5.4.3 of Rule 4401, operator shall perform the following: initially inspect a PRD that releases to the atmosphere as soon as practicable but not later than 24 hours after the discovery of the release, re-inspect the PRD not earlier than 24 hours after the initial inspection but not later than 15 calendar days after the initial inspection, inspect all new, replaced, or repaired fittings, flanges, and threaded connections within 72 hours of placing the component in service. Except for PRDs subject to the requirements of Section 5.4.4.1 of Rule 4401, an operator shall inspect a component that has been repaired or replaced not later than 15 calendar days after the component was repaired or replaced [District Rule 4401 5.4.4] Federally Enforceable Through Title V Permit

23. An operator shall inspect all unsafe-to-monitor components during each turnaround. [District Rule 4401 5.4.5] Federally Enforceable Through Title V Permit

24. District inspection in no way fulfills any of the mandatory inspection requirements that are placed upon operators and cannot be used or counted as an inspection required of an operator. [District Rule 4401 5.4.6] Federally Enforceable Through Title V Permit

25. An operator shall affix a readily visible weatherproof tag to a leaking component upon detection of the leak and shall include the following information on the tag: date and time of leak detection, date and time of leak measurement, for a gaseous leak, the leak concentration in ppmv, for a liquid leak, whether it is a major liquid leak or a minor liquid leak, whether the component is an essential component, an unsafe-to monitor component, or a critical component. [District Rule 4401 5.5.1] Federally Enforceable Through Title V Permit

26. An operator shall keep the tag affixed to the component until an operator has met all of the following conditions: repaired or replaced the leaking component, re-inspected the component using the test method in Section 6.3.3, and 5.5.2.3 of Rule 4401, or the component is found to be in compliance with the requirements of this rule. [District Rule 4401 5.5.2] Federally Enforceable Through Title V Permit

27. An operator shall minimize a component leak in order to stop or reduce leakage to the atmosphere immediately to the extent possible, but not later than one (1) hour after detection of the leak. [District Rule 4401 5.5.3] Federally Enforceable Through Title V Permit

28. Except for leaking critical components or leaking essential components subject to the requirements of Section 5.5.7 of Rule 4401, if an operator has minimized a leak but the leak still exceeds the applicable leak limits as defined in Section 3.0 of Rule 4401, an operator shall comply with at least one of the following requirements as soon as practicable but not later than the time period specified in Table 3 of Rule 4401: Repair or replace the leaking component; or vent the leaking component to a VOC collection and control system as defined in Section 3.0 of Rule 4401, or remove the leaking component from operation. [District Rule 4401 5.5.4] Federally Enforceable Through Title V Permit

29. The repair period in calendar days shall not exceed 14 days for minor gas leaks, 5 days for major gas leaks less than or equal to 50,000 ppmv, 2 days for gas leak greater than 50,000 ppmv, 3 days for minor liquid leaks, 2 days for major liquid leaks. [District Rule 4401 5.5.4] Federally Enforceable Through Title V Permit

30. The leak rate measured after leak minimization has been performed shall be the leak rate used to determine the applicable repair period specified in Table 3 of Rule 4401. [District Rule 4401 5.5.5] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

31. The time of the initial leak detection shall be the start of the repair period specified in Table 3 of Rule 4401. [District Rule 4401 5.5.6] Federally Enforceable Through Title V Permit

32. If the leaking component is an essential component or a critical component that cannot be immediately shut down for repairs, and if the leak has been minimized but the leak still exceeds the applicable leak standard of this rule, the operator shall repair or replace the essential component or critical component to eliminate the leak during the next process unit turnaround, but in no case later than one year from the date of the original leak detection, whichever comes earlier. [District Rule 4401 5.5.7] Federally Enforceable Through Title V Permit

33. The operator of any steam-enhanced crude oil production well shall maintain records of the date and well identification where steam injection or well stimulation occurs. [District Rule 4401 6.1.1] Federally Enforceable Through Title V Permit

34. An operator of any steam-enhanced crude oil production well shall keep source test records which demonstrate compliance with the control efficiency requirements of the VOC collection and control system as defined in Section 3.0 of Rule 4401. [District Rule 4401 6.1.3] Federally Enforceable Through Title V Permit

35. Operator of any steam-enhanced crude oil production well shall keep an inspection log maintained pursuant to Section 6.4 of Rule 4401. [District Rule 4401 6.1.4] Federally Enforceable Through Title V Permit

36. Records of each calibration of the portable hydrocarbon detection instrument utilized for inspecting components, including a copy of current calibration gas certification from the vendor of said calibration gas cylinder, the date of calibration, concentration of calibration gas, instrument reading of calibration gas before adjustment, instrument reading of calibration gas after adjustment, calibration gas expiration date, and calibration gas cylinder pressure at the time of calibration shall be maintained. [District Rule 4401 6.1.5] Federally Enforceable Through Title V Permit

37. An operator shall maintain copies at the facility of the training records of the training program operated pursuant to Section 6.5 of Rule 4401. [District Rule 4401 6.1.6] Federally Enforceable Through Title V Permit

38. Operator shall keep a copy of the APCO-approved Operator Management Plan at the facility. [District Rule 4401 6.1.7] Federally Enforceable Through Title V Permit

39. Operator shall keep a list of all gauge tanks, as defined in Section 3.0 of Rule 4401. The list shall contain the size, identification number, the location of each gauge tank and specify whether the gauge tank is upstream of all front line production equipment. [District Rule 4401 6.1.8] Federally Enforceable Through Title V Permit

40. The results of gauge tank TVP testing conducted pursuant to Section 6.2.3 shall be submitted to the APCO within 60 days after the completion of the testing [District Rule 4401 6.1.9] Federally Enforceable Through Title V Permit

41. An operator that discovers that a PRD has released shall record the date that the release was discovered, and the identity and location of the PRD that released. An operator shall submit such information recorded during the calendar year to the APCO no later than 60 days after the end of the calendar year. [District Rule 4401 6.1.10] Federally Enforceable Through Title V Permit

42. An operator shall source test annually all vapor collection and control systems used to control emissions from steam-enhanced crude oil production well vents to determine the control efficiency of the device(s) used for destruction or removal of VOC. Compliance testing shall be performed annually by source testers certified by ARB. Testing shall be performed during June, July, August, or September of each year if the system's control efficiency is dependent upon ambient air temperature. A process system as defined in Section 3.30 of Rule 4401 is not subject to compliance source testing requirements. [District Rule 4401 6.2.1] Federally Enforceable Through Title V Permit

43. If approved by the APCO, an operator need not comply with the annual testing requirement of Section 6.2.1 if all uncondensed VOC emissions collected by a vapor collection are controlled by an internal combustion engine subject to Rule 4702, a combustion device subject to Rule 4320, 4307 or 4308, or a flare subject to Rule 4311 [District Rule 4401 6.2.2] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

44. An operator shall comply with the following requirements for each gauge tank, as defined in Section 3.17 of Rule 4401: Conduct an initial TVP testing of the produced fluid in each gauge tank not later than June 14, 2007. Thereafter, an operator shall conduct periodic TVP testing of each gauge tank at least once every 24 months during summer (July - September), and whenever there is a change in the source or type of produced fluid in the gauge tank. The TVP testing shall be conducted at the actual storage temperature of the produced fluid in the gauge tank using the applicable TVP test method specified in Section 6.4 of Rule 4623 (Storage of Organic Liquids). The operator shall submit the TVP testing results to the APCO as specified in Section 6.1.10 of Rule 4401 [District Rule 4401 6.2.3] Federally Enforceable Through Title V Permit

45. The control efficiency of any VOC control device, measured and calculated as carbon, shall be determined by EPA Method 25, except when the outlet concentration must be below 50 ppm in order to meet the standard, in which case EPA Method 25a may be used. EPA Method 18 may be used in lieu of EPA Method 25 or EPA Method 25a provided the identity and approximate concentrations of the analytes/compounds in the sample gas stream are known before analysis with the gas chromatograph and the gas chromatograph is calibrated for each of those known analyte/compound to ensure that the VOC concentrations are neither under- or over-reported. [District Rule 4401 6.3.1] Federally Enforceable Through Title V Permit

46. VOC content shall be analyzed by using the latest revision of ASTM Method E168, E169, or E260 as applicable. Analysis of halogenated exempt compounds shall be performed by using ARB Method 432. [District Rule 4401 6.3.2] Federally Enforceable Through Title V Permit

47. Leak inspection, other than audio-visual, and measurements of gaseous leak concentrations shall be conducted according to EPA Method 21 using an appropriate portable hydrocarbon detection instrument calibrated with methane. The instrument shall be calibrated in accordance with the procedures specified in EPA Method 21 or the manufacturer's instruction, as appropriate, not more than 30 days prior to its use. The operator shall record the calibration date of the instrument. Where safety is a concern, such as measuring leaks from compressor seals or pump seals when the shaft is rotating, a person shall measure leaks by placing the instrument probe inlet at a distance of one (1) centimeter or less from the surface of the component interface. [District Rule 4401 6.3.3] Federally Enforceable Through Title V Permit

48. The VOC content by weight percent (wt.%) shall be determined using American Society of Testing and Materials (ASTM) D1945 for gases and South Coast Air Quality Management District (SCAQMD) Method 304-91 or the latest revision of ASTM Method E168, E169 or E260 for liquids. [District Rule 4401 6.3.4] Federally Enforceable Through Title V Permit

49. Operator shall maintain an inspection log in which an operator records, at a minimum, all of the following information for each inspection performed: The total number of components inspected, total number and percentage of leaking components found by component type, location, type, and name or description of each leaking component and description of any unit where the leaking component is found, date of leak detection and the method of leak detection. For gaseous leaks, the leak concentration in ppmv, and for liquid leaks record whether the leak is a major liquid leak or a minor liquid leak. the date of repair, replacement, or removal from operation of leaking components, identify and location of essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier, methods used to minimize the leak from essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier, the date of re-inspection and the leak concentration in ppmv after the component is repaired or is replaced, the inspector's name, business mailing address, and business telephone number, date and signature of the facility operator responsible for the inspection and repair program certifying the accuracy of the information recorded in the log. [District Rule 4401 6.4] Federally Enforceable Through Title V Permit

50. The operator shall maintain records of the date and well identification where steam injection or well stimulation occurs. [District Rule 2201] Federally Enforceable Through Title V Permit

51. All records shall be maintained and made readily available for District inspection upon request for a period of five years. [District Rule 2201] Federally Enforceable Through Title V Permit

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

PERMIT NO: S-1327-212-0

ISSUANCE DATE: DRAFT

LEGAL OWNER OR OPERATOR: VINTAGE PRODUCTION CALIFORNIA LLC
MAILING ADDRESS: 9600 MING AVE, SUITE 300
BAKERSFIELD, CA 93311

LOCATION: HEAVY OIL WESTERN, KERN COUNTY
CA

EQUIPMENT DESCRIPTION:
SIX CYCLICALLY STEAM ENHANCED OIL WELLS WITH OPEN CASING VENT VAPORS ROUTED TO STEAM GENERATORS S-1327-208 AND '210, A PORTABLE RENTAL WELL TEST FLARE OR PERMIT-EXEMPT EQUIPMENT AND PRODUCED FLUIDS ROUTED TO PERMIT EXEMPT (PER SECTION 6.6.10 OF RULE 2020) PORTABLE TEMPORARY STORAGE TANKS, CHICO MARTINEZ OIL FIELD

CONDITIONS

1. {1830} This Authority to Construct serves as a written certificate of conformity with the procedural requirements of 40 CFR 70.7 and 70.8 and with the compliance requirements of 40 CFR 70.6(c). [District Rule 2201] Federally Enforceable Through Title V Permit
2. {1831} Prior to operating with modifications authorized by this Authority to Construct, the facility shall submit an application to modify the Title V permit with an administrative amendment in accordance with District Rule 2520 Section 5.3.4. [District Rule 2520, 5.3.4] Federally Enforceable Through Title V Permit
3. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
4. The equipment authorized by this permit shall only operate in Section 1 and the NE/4 section 2, T 29S, R20E. [District Rule 2201] Federally Enforceable Through Title V Permit
5. Well vapors shall discharge only to steam generators S-1327-208 and '210, a portable well test flare or permit-exempt equipment. [District Rule 2201] Federally Enforceable Through Title V Permit
6. Any portable well test flare used in conjunction with this operation shall only be used during the well testing phase of well development. [District Rule 2201] Federally Enforceable Through Title V Permit
7. Permittee shall maintain a current list of all cyclic wells authorized by this permit and shall update the list whenever a well is added, replaced, or deleted. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

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

Seyed Sadredin, Executive Director / APCO

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Arnaud Marjollet, Director of Permit Services
S-1327-212-0 : Apr 24 2014 2:34PM – KARRSR : Joint Inspection NOT Required

8. All piping, flanges, valves and all other openings and fittings shall be maintained in a leak-free condition. [District Rule 2201] Federally Enforceable Through Title V Permit

9. A leak-free condition is defined as a condition without a gas leak. A gas leak is defined as a reading in excess of 10,000 ppmv, above background, as measured by a portable hydrocarbon detection instrument in accordance with the procedures specified in EPA Test Method 21. A reading in excess of 10,000 ppmv above background is a violation of this permit and shall be reported as a deviation. [District Rule 2201] Federally Enforceable Through Title V Permit

10. Fugitive emissions from all components in vapor service associated with this cyclic well operation shall not exceed 0.54 lb VOC/ day. [District Rule 2201] Federally Enforceable Through Title V Permit

11. Permittee shall maintain accurate records of number of fugitive emissions components and calculated emissions using California Implementation Guidelines for Estimating Mass Emissions of Fugitive Hydrocarbon Leaks at Petroleum Facilities, Table IV-2a "1995 EPA Protocol Refinery Screening Value Ranges Emission Factors". [District Rule 2201] Federally Enforceable Through Title V Permit

12. Gas and liquid leaks are as defined in Section 3.20 of Rule 4401. [District Rule 4401 3.20] Federally Enforceable Through Title V Permit

13. An operator shall not operate a steam-enhanced crude oil production well unless either of the following two conditions are met: 1) The steam-enhanced crude oil production well vent is closed and the front line production equipment downstream of the wells that carry produced fluids is connected to a VOC collection and control system as defined in Section 3.0 of this Rule or 2) the steam-enhanced crude oil production well vent is open and the well vent is connected to a VOC collection and control system as defined in Section 3.0. [District Rule 4401] Federally Enforceable Through Title V Permit

14. During the time any steam-enhanced crude oil production well is undergoing service or repair while the well is not producing, it shall be exempt from the requirements of District Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit

15. An operator shall be in violation of this rule if any District inspection demonstrates or if any operator inspection conducted pursuant to Section 5.4 of Rule 4401 demonstrates the existence of an open-ended line or a valve located at the end of the line that is not sealed with a blind flange, plug, cap, or a second closed valve that is not closed at all times, except during attended operations as defined by Section 5.2.2.1 of Rule 4401 requiring process fluid flow through the open-ended lines, a component with a major liquid leak, or a component with a gas leak greater than 50,000 ppmv. [District Rule 4401 5.2.2] Federally Enforceable Through Title V Permit

16. An operator shall be in violation of this rule if any District inspection demonstrates or if any operator inspection conducted pursuant to Section 5.4 of Rule 4401 demonstrates the existence of any combination of components with minor liquid leaks, minor gas leaks, or a gas leaks greater than 10,000 ppmv up to 50,000 ppmv that totals more than number of leaks allowed by Table 2 of Rule 4401. [District Rule 4401 5.22] Federally Enforceable Through Title V Permit

17. An operator shall not use any component with a leak as defined in Section 3.0 of Rule 4401, or that is found to be in violation of the provisions of Section 5.2.2 of Rule 4401. However, components that were found leaking may be used provided such leaking components have been identified with a tag for repair, are repaired, or awaiting re-inspection after being repaired within the applicable time frame specified in Section 5.5 of Rule 4401. [District Rule 4401 5.3.1] Federally Enforceable Through Title V Permit

18. Each hatch shall be closed at all times except during sampling or adding of process material through the hatch, or during attended repair, replacement, or maintenance operations, provided such activities are done as expeditiously as possible with minimal spillage of material and VOC emissions to the atmosphere. [District Rule 4401 5.3.2] Federally Enforceable Through Title V Permit

19. An operator shall comply with the requirements of Section 6.7 of Rule 4401 if there is any change in the description of major components or critical components. [District Rule 4401 5.3.3] Federally Enforceable Through Title V Permit

20. Except for pipes and unsafe-to-monitor components, an operator shall inspect all other components pursuant to the requirements of Section 6.3.3 of Rule 4401 at least once every year. [District Rule 4401 5.4.1] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

21. An operator shall visually inspect all pipes at least once every year. Any visual inspection of pipes that indicates a leak that cannot be immediately repaired to meet the leak standards of this rule shall be inspected within 24 hours after detecting the leak. If a leak is found, the leak shall be repaired as soon as practicable but not later than the time frame specified in Table 3 of Rule 4401 [District Rule 4401 5.4.2] Federally Enforceable Through Title V Permit

22. In addition to the inspections required by Section 5.4.1 of Rule 4401, an operator shall inspect for leaks all accessible operating pumps, compressors, and PRDs in service as follows: An operator shall audio-visually (by hearing and by sight) inspect for leaks all accessible operating pumps, compressors, and PRDs in service at least once each calendar week. Any audio-visual inspection of an accessible operating pump, compressor, and PRD performed by an operator that indicates a leak that cannot be immediately repaired to meet the leak standards of this rule shall be inspected not later than 24 hours after conducting the audio-visual inspection. If a leak is found, the leak shall be repaired as soon as practicable but not later than the time frame specified in Table 3 of Rule 4401. [District Rule 4401 5.4.3] Federally Enforceable Through Title V Permit

23. In addition to the inspections required by Sections 5.4.1, 5.4.2 and 5.4.3 of Rule 4401, operator shall perform the following: initially inspect a PRD that releases to the atmosphere as soon as practicable but not later than 24 hours after the discovery of the release, re-inspect the PRD not earlier than 24 hours after the initial inspection but not later than 15 calendar days after the initial inspection, inspect all new, replaced, or repaired fittings, flanges, and threaded connections within 72 hours of placing the component in service. Except for PRDs subject to the requirements of Section 5.4.4.1 of Rule 4401, an operator shall inspect a component that has been repaired or replaced not later than 15 calendar days after the component was repaired or replaced [District Rule 4401 5.4.4] Federally Enforceable Through Title V Permit

24. An operator shall inspect all unsafe-to-monitor components during each turnaround. [District Rule 4401 5.4.5] Federally Enforceable Through Title V Permit

25. District inspection in no way fulfills any of the mandatory inspection requirements that are placed upon operators and cannot be used or counted as an inspection required of an operator. [District Rule 4401 5.4.6] Federally Enforceable Through Title V Permit

26. An operator shall affix a readily visible weatherproof tag to a leaking component upon detection of the leak and shall include the following information on the tag: date and time of leak detection, date and time of leak measurement, for a gaseous leak, the leak concentration in ppmv, for a liquid leak, whether it is a major liquid leak or a minor liquid leak, whether the component is an essential component, an unsafe-to monitor component, or a critical component. [District Rule 4401 5.5.1] Federally Enforceable Through Title V Permit

27. An operator shall keep the tag affixed to the component until an operator has met all of the following conditions: repaired or replaced the leaking component, re-inspected the component using the test method in Section 6.3.3, and 5.5.2.3 of Rule 4401, or the component is found to be in compliance with the requirements of this rule. [District Rule 4401 5.5.2] Federally Enforceable Through Title V Permit

28. An operator shall minimize a component leak in order to stop or reduce leakage to the atmosphere immediately to the extent possible, but not later than one (1) hour after detection of the leak. [District Rule 4401 5.5.3] Federally Enforceable Through Title V Permit

29. Except for leaking critical components or leaking essential components subject to the requirements of Section 5.5.7 of Rule 4401, if an operator has minimized a leak but the leak still exceeds the applicable leak limits as defined in Section 3.0 of Rule 4401, an operator shall comply with at least one of the following requirements as soon as practicable but not later than the time period specified in Table 3 of Rule 4401: Repair or replace the leaking component; or vent the leaking component to a VOC collection and control system as defined in Section 3.0 of Rule 4401, or remove the leaking component from operation. [District Rule 4401 5.5.4] Federally Enforceable Through Title V Permit

30. The repair period in calendar days shall not exceed 14 days for minor gas leaks, 5 days for major gas leaks less than or equal to 50,000 ppmv, 2 days for gas leak greater than 50,000 ppmv, 3 days for minor liquid leaks, 2 days for major liquid leaks. [District Rule 4401 5.5.4] Federally Enforceable Through Title V Permit

31. The leak rate measured after leak minimization has been performed shall be the leak rate used to determine the applicable repair period specified in Table 3 of Rule 4401. [District Rule 4401 5.5.5] Federally Enforceable Through Title V Permit

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32. The time of the initial leak detection shall be the start of the repair period specified in Table 3 of Rule 4401. [District Rule 4401 5.5.6] Federally Enforceable Through Title V Permit

33. If the leaking component is an essential component or a critical component that cannot be immediately shut down for repairs, and if the leak has been minimized but the leak still exceeds the applicable leak standard of this rule, the operator shall repair or replace the essential component or critical component to eliminate the leak during the next process unit turnaround, but in no case later than one year from the date of the original leak detection, whichever comes earlier. [District Rule 4401 5.5.7] Federally Enforceable Through Title V Permit

34. The operator of any steam-enhanced crude oil production well shall maintain records of the date and well identification where steam injection or well stimulation occurs. [District Rule 4401 6.1.1] Federally Enforceable Through Title V Permit

35. An operator of any steam-enhanced crude oil production well shall keep source test records which demonstrate compliance with the control efficiency requirements of the VOC collection and control system as defined in Section 3.0 of Rule 4401. [District Rule 4401 6.1.3] Federally Enforceable Through Title V Permit

36. Operator of any steam-enhanced crude oil production well shall keep an inspection log maintained pursuant to Section 6.4 of Rule 4401. [District Rule 4401 6.1.4] Federally Enforceable Through Title V Permit

37. Records of each calibration of the portable hydrocarbon detection instrument utilized for inspecting components, including a copy of current calibration gas certification from the vendor of said calibration gas cylinder, the date of calibration, concentration of calibration gas, instrument reading of calibration gas before adjustment, instrument reading of calibration gas after adjustment, calibration gas expiration date, and calibration gas cylinder pressure at the time of calibration shall be maintained. [District Rule 4401 6.1.5] Federally Enforceable Through Title V Permit

38. An operator shall maintain copies at the facility of the training records of the training program operated pursuant to Section 6.5 of Rule 4401. [District Rule 4401 6.1.6] Federally Enforceable Through Title V Permit

39. Operator shall keep a copy of the APCO-approved Operator Management Plan at the facility. [District Rule 4401 6.1.7] Federally Enforceable Through Title V Permit

40. Operator shall keep a list of all gauge tanks, as defined in Section 3.0 of Rule 4401. The list shall contain the size, identification number, the location of each gauge tank and specify whether the gauge tank is upstream of all front line production equipment. [District Rule 4401 6.1.8] Federally Enforceable Through Title V Permit

41. The results of gauge tank TVP testing conducted pursuant to Section 6.2.3 shall be submitted to the APCO within 60 days after the completion of the testing [District Rule 4401 6.1.9] Federally Enforceable Through Title V Permit

42. An operator that discovers that a PRD has released shall record the date that the release was discovered, and the identity and location of the PRD that released. An operator shall submit such information recorded during the calendar year to the APCO no later than 60 days after the end of the calendar year. [District Rule 4401 6.1.10] Federally Enforceable Through Title V Permit

43. An operator shall source test annually all vapor collection and control systems used to control emissions from steam-enhanced crude oil production well vents to determine the control efficiency of the device(s) used for destruction or removal of VOC. Compliance testing shall be performed annually by source testers certified by ARB. Testing shall be performed during June, July, August, or September of each year if the system's control efficiency is dependent upon ambient air temperature. A process system as defined in Section 3.30 of Rule 4401 is not subject to compliance source testing requirements. [District Rule 4401 6.2.1] Federally Enforceable Through Title V Permit

44. If approved by the APCO, an operator need not comply with the annual testing requirement of Section 6.2.1 if all uncondensed VOC emissions collected by a vapor collection are controlled by an internal combustion engine subject to Rule 4702, a combustion device subject to Rule 4320, 4307 or 4308, or a flare subject to Rule 4311 [District Rule 4401 6.2.2] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

45. An operator shall comply with the following requirements for each gauge tank, as defined in Section 3.17 of Rule 4401: Conduct an initial TVP testing of the produced fluid in each gauge tank not later than June 14, 2007. Thereafter, an operator shall conduct periodic TVP testing of each gauge tank at least once every 24 months during summer (July - September), and whenever there is a change in the source or type of produced fluid in the gauge tank. The TVP testing shall be conducted at the actual storage temperature of the produced fluid in the gauge tank using the applicable TVP test method specified in Section 6.4 of Rule 4623 (Storage of Organic Liquids). The operator shall submit the TVP testing results to the APCO as specified in Section 6.1.10 of Rule 4401 [District Rule 4401 6.2.3] Federally Enforceable Through Title V Permit

46. The control efficiency of any VOC control device, measured and calculated as carbon, shall be determined by EPA Method 25, except when the outlet concentration must be below 50 ppm in order to meet the standard, in which case EPA Method 25a may be used. EPA Method 18 may be used in lieu of EPA Method 25 or EPA Method 25a provided the identity and approximate concentrations of the analytes/compounds in the sample gas stream are known before analysis with the gas chromatograph and the gas chromatograph is calibrated for each of those known analyte/compound to ensure that the VOC concentrations are neither under- or over-reported. [District Rule 4401 6.3.1] Federally Enforceable Through Title V Permit

47. VOC content shall be analyzed by using the latest revision of ASTM Method E168, E169, or E260 as applicable. Analysis of halogenated exempt compounds shall be performed by using ARB Method 432. [District Rule 4401 6.3.2] Federally Enforceable Through Title V Permit

48. Leak inspection, other than audio-visual, and measurements of gaseous leak concentrations shall be conducted according to EPA Method 21 using an appropriate portable hydrocarbon detection instrument calibrated with methane. The instrument shall be calibrated in accordance with the procedures specified in EPA Method 21 or the manufacturer's instruction, as appropriate, not more than 30 days prior to its use. The operator shall record the calibration date of the instrument. Where safety is a concern, such as measuring leaks from compressor seals or pump seals when the shaft is rotating, a person shall measure leaks by placing the instrument probe inlet at a distance of one (1) centimeter or less from the surface of the component interface. [District Rule 4401 6.3.3] Federally Enforceable Through Title V Permit

49. The VOC content by weight percent (wt.%) shall be determined using American Society of Testing and Materials (ASTM) D1945 for gases and South Coast Air Quality Management District (SCAQMD) Method 304-91 or the latest revision of ASTM Method E168, E169 or E260 for liquids. [District Rule 4401 6.3.4] Federally Enforceable Through Title V Permit

50. Operator shall maintain an inspection log in which an operator records, at a minimum, all of the following information for each inspection performed: The total number of components inspected, total number and percentage of leaking components found by component type, location, type, and name or description of each leaking component and description of any unit where the leaking component is found, date of leak detection and the method of leak detection. For gaseous leaks, the leak concentration in ppmv, and for liquid leaks record whether the leak is a major liquid leak or a minor liquid leak. the date of repair, replacement, or removal from operation of leaking components, identify and location of essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier, methods used to minimize the leak from essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier, the date of re-inspection and the leak concentration in ppmv after the component is repaired or is replaced, the inspector's name, business mailing address, and business telephone number, date and signature of the facility operator responsible for the inspection and repair program certifying the accuracy of the information recorded in the log. [District Rule 4401 6.4] Federally Enforceable Through Title V Permit

51. The operator shall maintain records of the date and well identification where steam injection or well stimulation occurs. [District Rule 2201] Federally Enforceable Through Title V Permit

52. All records shall be maintained and made readily available for District inspection upon request for a period of five years. [District Rule 2201] Federally Enforceable Through Title V Permit

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

PERMIT NO: S-1327-213-0

ISSUANCE DATE: DRAFT

LEGAL OWNER OR OPERATOR: VINTAGE PRODUCTION CALIFORNIA LLC
MAILING ADDRESS: 9600 MING AVE, SUITE 300
BAKERSFIELD, CA 93311

LOCATION: HEAVY OIL WESTERN, KERN COUNTY
CA

EQUIPMENT DESCRIPTION:
SIX CYCLICALLY STEAM ENHANCED OIL WELLS WITH OPEN CASING VENT VAPORS ROUTED TO STEAM GENERATORS S-1327-208 AND '210, A PORTABLE RENTAL WELL TEST FLARE OR PERMIT-EXEMPT EQUIPMENT AND PRODUCED FLUIDS ROUTED TO PERMIT EXEMPT (PER SECTION 6.6.10 OF RULE 2020) PORTABLE TEMPORARY STORAGE TANKS, LOST HILLS OIL FIELD

CONDITIONS

1. {1830} This Authority to Construct serves as a written certificate of conformity with the procedural requirements of 40 CFR 70.7 and 70.8 and with the compliance requirements of 40 CFR 70.6(c). [District Rule 2201] Federally Enforceable Through Title V Permit
2. {1831} Prior to operating with modifications authorized by this Authority to Construct, the facility shall submit an application to modify the Title V permit with an administrative amendment in accordance with District Rule 2520 Section 5.3.4. [District Rule 2520, 5.3.4] Federally Enforceable Through Title V Permit
3. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
4. The equipment authorized by this permit shall only operate in Sections 2 and 11, T26S, R20E. [District Rule 2201] Federally Enforceable Through Title V Permit
5. Well vapors shall discharge only to steam generators S-1327-208 and '210, a portable well test flare or permit-exempt equipment. [District Rule 2201] Federally Enforceable Through Title V Permit
6. Any portable well test flare used in conjunction with this operation shall only be used during the well testing phase of well development. [District Rule 2201] Federally Enforceable Through Title V Permit
7. Permittee shall maintain a current list of all cyclic wells authorized by this permit and shall update the list whenever a well is added, replaced, or deleted. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

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

Seyed Sadredin, Executive Director / APCO

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Arnaud Marjollet, Director of Permit Services
S-1327-213-0 : Apr 24 2014 2:34PM – KARRSR : Joint Inspection NOT Required

8. All piping, flanges, valves and all other openings and fittings shall be maintained in a leak-free condition. [District Rule 2201] Federally Enforceable Through Title V Permit

9. A leak-free condition is defined as a condition without a gas leak. A gas leak is defined as a reading in excess of 10,000 ppmv, above background, as measured by a portable hydrocarbon detection instrument in accordance with the procedures specified in EPA Test Method 21. A reading in excess of 10,000 ppmv above background is a violation of this permit and shall be reported as a deviation. [District Rule 2201] Federally Enforceable Through Title V Permit

10. Fugitive emissions from all components in vapor service associated with this cyclic well operation shall not exceed 0.54 lb VOC/ day. [District Rule 2201] Federally Enforceable Through Title V Permit

11. Permittee shall maintain accurate records of number of fugitive emissions components and calculated emissions using California Implementation Guidelines for Estimating Mass Emissions of Fugitive Hydrocarbon Leaks at Petroleum Facilities, Table IV-2a "1995 EPA Protocol Refinery Screening Value Ranges Emission Factors". [District Rule 2201] Federally Enforceable Through Title V Permit

12. Gas and liquid leaks are as defined in Section 3.20 of Rule 4401. [District Rule 4401 3.20] Federally Enforceable Through Title V Permit

13. An operator shall not operate a steam-enhanced crude oil production well unless either of the following two conditions are met: 1) The steam-enhanced crude oil production well vent is closed and the front line production equipment downstream of the wells that carry produced fluids is connected to a VOC collection and control system as defined in Section 3.0 of this Rule or 2) the steam-enhanced crude oil production well vent is open and the well vent is connected to a VOC collection and control system as defined in Section 3.0. [District Rule 4401] Federally Enforceable Through Title V Permit

14. During the time any steam-enhanced crude oil production well is undergoing service or repair while the well is not producing, it shall be exempt from the requirements of District Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit

15. An operator shall be in violation of this rule if any District inspection demonstrates or if any operator inspection conducted pursuant to Section 5.4 of Rule 4401 demonstrates the existence of an open-ended line or a valve located at the end of the line that is not sealed with a blind flange, plug, cap, or a second closed valve that is not closed at all times, except during attended operations as defined by Section 5.2.2.1 of Rule 4401 requiring process fluid flow through the open-ended lines, a component with a major liquid leak, or a component with a gas leak greater than 50,000 ppmv. [District Rule 4401 5.2.2] Federally Enforceable Through Title V Permit

16. An operator shall be in violation of this rule if any District inspection demonstrates or if any operator inspection conducted pursuant to Section 5.4 of Rule 4401 demonstrates the existence of any combination of components with minor liquid leaks, minor gas leaks, or a gas leaks greater than 10,000 ppmv up to 50,000 ppmv that totals more than number of leaks allowed by Table 2 of Rule 4401. [District Rule 4401 5.22] Federally Enforceable Through Title V Permit

17. An operator shall not use any component with a leak as defined in Section 3.0 of Rule 4401, or that is found to be in violation of the provisions of Section 5.2.2 of Rule 4401. However, components that were found leaking may be used provided such leaking components have been identified with a tag for repair, are repaired, or awaiting re-inspection after being repaired within the applicable time frame specified in Section 5.5 of Rule 4401. [District Rule 4401 5.3.1] Federally Enforceable Through Title V Permit

18. Each hatch shall be closed at all times except during sampling or adding of process material through the hatch, or during attended repair, replacement, or maintenance operations, provided such activities are done as expeditiously as possible with minimal spillage of material and VOC emissions to the atmosphere. [District Rule 4401 5.3.2] Federally Enforceable Through Title V Permit

19. An operator shall comply with the requirements of Section 6.7 of Rule 4401 if there is any change in the description of major components or critical components. [District Rule 4401 5.3.3] Federally Enforceable Through Title V Permit

20. Except for pipes and unsafe-to-monitor components, an operator shall inspect all other components pursuant to the requirements of Section 6.3.3 of Rule 4401 at least once every year. [District Rule 4401 5.4.1] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

21. An operator shall visually inspect all pipes at least once every year. Any visual inspection of pipes that indicates a leak that cannot be immediately repaired to meet the leak standards of this rule shall be inspected within 24 hours after detecting the leak. If a leak is found, the leak shall be repaired as soon as practicable but not later than the time frame specified in Table 3 of Rule 4401 [District Rule 4401 5.4.2] Federally Enforceable Through Title V Permit

22. In addition to the inspections required by Section 5.4.1 of Rule 4401, an operator shall inspect for leaks all accessible operating pumps, compressors, and PRDs in service as follows: An operator shall audio-visually (by hearing and by sight) inspect for leaks all accessible operating pumps, compressors, and PRDs in service at least once each calendar week. Any audio-visual inspection of an accessible operating pump, compressor, and PRD performed by an operator that indicates a leak that cannot be immediately repaired to meet the leak standards of this rule shall be inspected not later than 24 hours after conducting the audio-visual inspection. If a leak is found, the leak shall be repaired as soon as practicable but not later than the time frame specified in Table 3 of Rule 4401. [District Rule 4401 5.4.3] Federally Enforceable Through Title V Permit

23. In addition to the inspections required by Sections 5.4.1, 5.4.2 and 5.4.3 of Rule 4401, operator shall perform the following: initially inspect a PRD that releases to the atmosphere as soon as practicable but not later than 24 hours after the discovery of the release, re-inspect the PRD not earlier than 24 hours after the initial inspection but not later than 15 calendar days after the initial inspection, inspect all new, replaced, or repaired fittings, flanges, and threaded connections within 72 hours of placing the component in service. Except for PRDs subject to the requirements of Section 5.4.4.1 of Rule 4401, an operator shall inspect a component that has been repaired or replaced not later than 15 calendar days after the component was repaired or replaced [District Rule 4401 5.4.4] Federally Enforceable Through Title V Permit

24. An operator shall inspect all unsafe-to-monitor components during each turnaround. [District Rule 4401 5.4.5] Federally Enforceable Through Title V Permit

25. District inspection in no way fulfills any of the mandatory inspection requirements that are placed upon operators and cannot be used or counted as an inspection required of an operator. [District Rule 4401 5.4.6] Federally Enforceable Through Title V Permit

26. An operator shall affix a readily visible weatherproof tag to a leaking component upon detection of the leak and shall include the following information on the tag: date and time of leak detection, date and time of leak measurement, for a gaseous leak, the leak concentration in ppmv, for a liquid leak, whether it is a major liquid leak or a minor liquid leak, whether the component is an essential component, an unsafe-to monitor component, or a critical component. [District Rule 4401 5.5.1] Federally Enforceable Through Title V Permit

27. An operator shall keep the tag affixed to the component until an operator has met all of the following conditions: repaired or replaced the leaking component, re-inspected the component using the test method in Section 6.3.3, and 5.5.2.3 of Rule 4401, or the component is found to be in compliance with the requirements of this rule. [District Rule 4401 5.5.2] Federally Enforceable Through Title V Permit

28. An operator shall minimize a component leak in order to stop or reduce leakage to the atmosphere immediately to the extent possible, but not later than one (1) hour after detection of the leak. [District Rule 4401 5.5.3] Federally Enforceable Through Title V Permit

29. Except for leaking critical components or leaking essential components subject to the requirements of Section 5.5.7 of Rule 4401, if an operator has minimized a leak but the leak still exceeds the applicable leak limits as defined in Section 3.0 of Rule 4401, an operator shall comply with at least one of the following requirements as soon as practicable but not later than the time period specified in Table 3 of Rule 4401: Repair or replace the leaking component; or vent the leaking component to a VOC collection and control system as defined in Section 3.0 of Rule 4401, or remove the leaking component from operation. [District Rule 4401 5.5.4] Federally Enforceable Through Title V Permit

30. The repair period in calendar days shall not exceed 14 days for minor gas leaks, 5 days for major gas leaks less than or equal to 50,000 ppmv, 2 days for gas leak greater than 50,000 ppmv, 3 days for minor liquid leaks, 2 days for major liquid leaks. [District Rule 4401 5.5.4] Federally Enforceable Through Title V Permit

31. The leak rate measured after leak minimization has been performed shall be the leak rate used to determine the applicable repair period specified in Table 3 of Rule 4401. [District Rule 4401 5.5.5] Federally Enforceable Through Title V Permit

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32. The time of the initial leak detection shall be the start of the repair period specified in Table 3 of Rule 4401. [District Rule 4401 5.5.6] Federally Enforceable Through Title V Permit

33. If the leaking component is an essential component or a critical component that cannot be immediately shut down for repairs, and if the leak has been minimized but the leak still exceeds the applicable leak standard of this rule, the operator shall repair or replace the essential component or critical component to eliminate the leak during the next process unit turnaround, but in no case later than one year from the date of the original leak detection, whichever comes earlier. [District Rule 4401 5.5.7] Federally Enforceable Through Title V Permit

34. The operator of any steam-enhanced crude oil production well shall maintain records of the date and well identification where steam injection or well stimulation occurs. [District Rule 4401 6.1.1] Federally Enforceable Through Title V Permit

35. An operator of any steam-enhanced crude oil production well shall keep source test records which demonstrate compliance with the control efficiency requirements of the VOC collection and control system as defined in Section 3.0 of Rule 4401. [District Rule 4401 6.1.3] Federally Enforceable Through Title V Permit

36. Operator of any steam-enhanced crude oil production well shall keep an inspection log maintained pursuant to Section 6.4 of Rule 4401. [District Rule 4401 6.1.4] Federally Enforceable Through Title V Permit

37. Records of each calibration of the portable hydrocarbon detection instrument utilized for inspecting components, including a copy of current calibration gas certification from the vendor of said calibration gas cylinder, the date of calibration, concentration of calibration gas, instrument reading of calibration gas before adjustment, instrument reading of calibration gas after adjustment, calibration gas expiration date, and calibration gas cylinder pressure at the time of calibration shall be maintained. [District Rule 4401 6.1.5] Federally Enforceable Through Title V Permit

38. An operator shall maintain copies at the facility of the training records of the training program operated pursuant to Section 6.5 of Rule 4401. [District Rule 4401 6.1.6] Federally Enforceable Through Title V Permit

39. Operator shall keep a copy of the APCO-approved Operator Management Plan at the facility. [District Rule 4401 6.1.7] Federally Enforceable Through Title V Permit

40. Operator shall keep a list of all gauge tanks, as defined in Section 3.0 of Rule 4401. The list shall contain the size, identification number, the location of each gauge tank and specify whether the gauge tank is upstream of all front line production equipment. [District Rule 4401 6.1.8] Federally Enforceable Through Title V Permit

41. The results of gauge tank TVP testing conducted pursuant to Section 6.2.3 shall be submitted to the APCO within 60 days after the completion of the testing [District Rule 4401 6.1.9] Federally Enforceable Through Title V Permit

42. An operator that discovers that a PRD has released shall record the date that the release was discovered, and the identity and location of the PRD that released. An operator shall submit such information recorded during the calendar year to the APCO no later than 60 days after the end of the calendar year. [District Rule 4401 6.1.10] Federally Enforceable Through Title V Permit

43. An operator shall source test annually all vapor collection and control systems used to control emissions from steam-enhanced crude oil production well vents to determine the control efficiency of the device(s) used for destruction or removal of VOC. Compliance testing shall be performed annually by source testers certified by ARB. Testing shall be performed during June, July, August, or September of each year if the system's control efficiency is dependent upon ambient air temperature. A process system as defined in Section 3.30 of Rule 4401 is not subject to compliance source testing requirements. [District Rule 4401 6.2.1] Federally Enforceable Through Title V Permit

44. If approved by the APCO, an operator need not comply with the annual testing requirement of Section 6.2.1 if all uncondensed VOC emissions collected by a vapor collection are controlled by an internal combustion engine subject to Rule 4702, a combustion device subject to Rule 4320, 4307 or 4308, or a flare subject to Rule 4311 [District Rule 4401 6.2.2] Federally Enforceable Through Title V Permit

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45. An operator shall comply with the following requirements for each gauge tank, as defined in Section 3.17 of Rule 4401: Conduct an initial TVP testing of the produced fluid in each gauge tank not later than June 14, 2007. Thereafter, an operator shall conduct periodic TVP testing of each gauge tank at least once every 24 months during summer (July - September), and whenever there is a change in the source or type of produced fluid in the gauge tank. The TVP testing shall be conducted at the actual storage temperature of the produced fluid in the gauge tank using the applicable TVP test method specified in Section 6.4 of Rule 4623 (Storage of Organic Liquids). The operator shall submit the TVP testing results to the APCO as specified in Section 6.1.10 of Rule 4401 [District Rule 4401 6.2.3] Federally Enforceable Through Title V Permit

46. The control efficiency of any VOC control device, measured and calculated as carbon, shall be determined by EPA Method 25, except when the outlet concentration must be below 50 ppm in order to meet the standard, in which case EPA Method 25a may be used. EPA Method 18 may be used in lieu of EPA Method 25 or EPA Method 25a provided the identity and approximate concentrations of the analytes/compounds in the sample gas stream are known before analysis with the gas chromatograph and the gas chromatograph is calibrated for each of those known analyte/compound to ensure that the VOC concentrations are neither under- or over-reported. [District Rule 4401 6.3.1] Federally Enforceable Through Title V Permit

47. VOC content shall be analyzed by using the latest revision of ASTM Method E168, E169, or E260 as applicable. Analysis of halogenated exempt compounds shall be performed by using ARB Method 432. [District Rule 4401 6.3.2] Federally Enforceable Through Title V Permit

48. Leak inspection, other than audio-visual, and measurements of gaseous leak concentrations shall be conducted according to EPA Method 21 using an appropriate portable hydrocarbon detection instrument calibrated with methane. The instrument shall be calibrated in accordance with the procedures specified in EPA Method 21 or the manufacturer's instruction, as appropriate, not more than 30 days prior to its use. The operator shall record the calibration date of the instrument. Where safety is a concern, such as measuring leaks from compressor seals or pump seals when the shaft is rotating, a person shall measure leaks by placing the instrument probe inlet at a distance of one (1) centimeter or less from the surface of the component interface. [District Rule 4401 6.3.3] Federally Enforceable Through Title V Permit

49. The VOC content by weight percent (wt.%) shall be determined using American Society of Testing and Materials (ASTM) D1945 for gases and South Coast Air Quality Management District (SCAQMD) Method 304-91 or the latest revision of ASTM Method E168, E169 or E260 for liquids. [District Rule 4401 6.3.4] Federally Enforceable Through Title V Permit

50. Operator shall maintain an inspection log in which an operator records, at a minimum, all of the following information for each inspection performed: The total number of components inspected, total number and percentage of leaking components found by component type, location, type, and name or description of each leaking component and description of any unit where the leaking component is found, date of leak detection and the method of leak detection. For gaseous leaks, the leak concentration in ppmv, and for liquid leaks record whether the leak is a major liquid leak or a minor liquid leak. the date of repair, replacement, or removal from operation of leaking components, identify and location of essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier, methods used to minimize the leak from essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier, the date of re-inspection and the leak concentration in ppmv after the component is repaired or is replaced, the inspector's name, business mailing address, and business telephone number, date and signature of the facility operator responsible for the inspection and repair program certifying the accuracy of the information recorded in the log. [District Rule 4401 6.4] Federally Enforceable Through Title V Permit

51. The operator shall maintain records of the date and well identification where steam injection or well stimulation occurs. [District Rule 2201] Federally Enforceable Through Title V Permit

52. All records shall be maintained and made readily available for District inspection upon request for a period of five years. [District Rule 2201] Federally Enforceable Through Title V Permit

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