

5. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rules 2520, 9.4.2 and 4320] Federally Enforceable Through Title V Permit
6. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.4.2; 4305, 4306, 4320, and 4351, 6.2.1] Federally Enforceable Through Title V Permit
7. The operator shall demonstrate compliance with this unit's sulfur compound exhaust concentration limit(s) using one of the following: fire the unit only on PUC or FERC regulated natural gas, test the sulfur content of each fuel source, or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 2520, 9.4.2, 4301, 5.2.1 and Rule 4801, 3.1] Federally Enforceable Through Title V Permit
8. {565} Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of 40 CFR 60, Subpart Dc (except 60.44c(g) and (h) and 60.48c). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
9. Steam generator shall be equipped with operational fuel gas and vapor recovery gas volumetric flow meters. [District Rule 2201] Federally Enforceable Through Title V Permit
10. Only natural gas or a combination of natural gas and TEOR well vent vapors from well vent vapor control system S-1547-819 shall be used as fuel in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
11. When combusting a combination of natural gas and vapor recovery gas, the fuel gas sulfur content shall not exceed 5 grains of total sulfur (as H₂S) per 100 dscf of fuel gas. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
12. Maximum heat input to steam generator shall not exceed 1,440 MMBTU/day. [District Rule 2201] Federally Enforceable Through Title V Permit
13. Total TEOR gas from permit S-1547-819 incinerated in steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 4.09 MMscf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
14. Permittee shall maintain accurate daily records of gas flowrate delivered to steam generators S-1547-766 to '-772, '-777 to '-781, and '-797. [District Rule 2201] Federally Enforceable Through Title V Permit
15. Total PM₁₀ emissions for steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 129.1 lb/day nor 47,122 lb/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
16. Permittee shall maintain daily records of quantity and higher heating value of natural gas and vapor recovery gas burned in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Emission rates, except during startup, shutdown, and refractory curing from the combustion of natural gas, shall not exceed any of the following: PM₁₀: 0.005 lb/MMBtu or SO_x (as SO₂): 0.002 lb/MMBtu. [District Rules 2201, 2520, 4201, 4301, 4406, 4801 and Kern County Rules 424] Federally Enforceable Through Title V Permit
18. Emission rates, except during startup, shutdown, and refractory curing shall not exceed any of the following: VOC: 0.003 lb/MMBtu, NO_x (as NO₂): 0.018 lb/MMBtu or 15 ppmv @ 3% O₂, or CO: 0.030 lb/MMBtu or 40 ppmv @ 3% O₂. [District Rules 2201, 2520, 4301, 4305, 4306, 4320, 4405 and Kern County Rule 425] Federally Enforceable Through Title V Permit
19. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO₂; sulfur - 200 pounds of SO₂ per hour, or 2000 ppmv as SO₂, or 0.11 pounds sulfur (as S) per MMBtu on average-wide basis for all units in Rule 4406 plan; NO₂ - 140 pounds per hour or 0.14 pounds per MMBtu. [District Rules 4101, 4102, 4301, 4405, 4406, 4801 and Kern County Rules 424 and 425] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

20. Emission rates shall not exceed any of the following: VOC: 4.3 lb/day, NOx (as NO₂): 49.0 lb/day or 9,461 lb/year, or CO: 43.2 lb/day [District Rule 2201] Federally Enforceable Through Title V Permit
21. Duration of startup and shutdown (as defined in Rule 4320) shall not exceed 2 hours each per occurrence. Refractory curing period is defined as a maintenance-based reduced-load period of time during which a unit is brought from a shutdown status to staged rates of firing for the sole purpose of curing new refractory lining of the unit, and shall not exceed 30 hours per occurrence. The operator shall maintain records of the duration of start-up, shutdown, and refractory curing periods. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
22. The permittee shall monitor and record the stack concentration of NOx, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
23. If the NOx or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
24. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
25. The permittee shall maintain records of: (1) the date and time of NOx, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NOx and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
26. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. Unless otherwise specified in the Permit to Operate no determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
27. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
28. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

29. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
30. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, NO_x (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SO_x (lb/MMBtu) - ARB Method 100 or EPA Method 6, 6C or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - EPA Method 11 or 15, ASTM D3246 or double GC for H₂S and mercaptans performed in a laboratory, fuel gas hhv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rules 1081, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
31. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
32. Operator shall provide an annual fuel sulfur content analysis to the District upon request. [District Rule 4320]
33. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
34. Formerly S-1511-126

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT

PERMIT NO: S-1547-770-17

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

SECTION: NW35 TOWNSHIP: 12N RANGE: 24W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL GAS/VAPOR RECOVERY GAS FIRED STEAM GENERATOR, WITH COEN ULN BURNER, FLUE GAS RECIRCULATION AND PIPING FROM TEOR WELL VENT VAPOR RECOVERY SYSTEM S-1547-819. (MOCO #608) (SOUTH MIDWAY): REPLACE EXISTING BURNER WITH COEN MODEL QLN-ULN ULTRA LOW NOX BURNER, OR NORTH AMERICAN MODEL MAGNA FLAME LEX ULTRA LOW NOX BURNER, OR ACT GIDEON ULTRA LOW NOX BURNER, OR EQUIVALENT; OR TUNE EXISTING BURNER; LOWER NOX LIMIT TO 7 PPMV @ 3% O2 AND LIMIT FUEL SULFUR CONTENT TO 5 GR-S/100 DSCF FOR RULE 4320 COMPLIANCE

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 2520] 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. The permittee shall notify the District of the compliance method chosen (replacement burner or tuning) and if applicable, the approved burner to be installed prior to implementation of this ATC. [District Rule 2201] Federally Enforceable Through Title V Permit
4. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this ATC. Approval of the equivalent equipment shall be made in writing and only after the District's determination that the submitted design and performance of the proposed alternate equipment is equivalent to the authorized equipment [District Rule 2010] 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

DAVID WARNER, Director of Permit Services
S-1547-770-17 : Apr 16 2010 2:38PM - REDKARDK : Joint Inspection NOT Required

5. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emissions rates, equipment drawing(s) and operational characteristics/parameters [District Rule 2010] Federally Enforceable Through Title V Permit
6. Copies of all fuel invoices showing quantity and delivery points of supplier-certified gas delivered and copies of quality terms of supplier-certified gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
7. {595} Operator shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
8. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rules 2520, 9.4.2 and 4320] Federally Enforceable Through Title V Permit
9. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.4.2; 4305, 4306, 4320, and 4351, 6.2.1] Federally Enforceable Through Title V Permit
10. The operator shall demonstrate compliance with this unit's sulfur compound exhaust concentration limit(s) using one of the following: fire the unit only on PUC or FERC regulated natural gas, test the sulfur content of each fuel source, or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 2520, 9.4.2, 4301, 5.2.1 and Rule 4801, 3.1] Federally Enforceable Through Title V Permit
11. {565} Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of 40 CFR 60, Subpart Dc (except 60.44c(g) and (h) and 60.48c). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
12. Steam generator shall be equipped with operational fuel gas and vapor recovery gas volumetric flow meters. [District Rule 2201] Federally Enforceable Through Title V Permit
13. Only natural gas or a combination of natural gas and TEOR well vent vapors from well vent vapor control system S-1547-819 shall be used as fuel in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
14. When combusting a combination of natural gas and vapor recovery gas, the fuel gas sulfur content shall not exceed 5 grains of total sulfur (as H₂S) per 100 dscf of fuel gas. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
15. Maximum heat input to steam generator shall not exceed 1,440 MMBTU/day. [District Rule 2201] Federally Enforceable Through Title V Permit
16. Total TEOR gas from permit S-1547-819 incinerated in steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 4.09 MMscf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Permittee shall maintain accurate daily records of gas flowrate delivered to steam generators S-1547-766 to '-772, '-777 to '-781, and '-797. [District Rule 2201] Federally Enforceable Through Title V Permit
18. Total PM₁₀ emissions for steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 129.1 lb/day nor 47,122 lb/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
19. Emissions from this unit, except during startup, shutdown, and refractory curing, shall not exceed any of the following limits: NO_x (as NO₂): 0.008 lb/MMBtu or 7 ppmv @ 3% O₂, VOC: 0.003 lb/MMBtu or CO: 50 ppmv @ 3% O₂. [District Rule 2201] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

20. Emission rates during refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO₂; sulfur - 200 pounds of SO₂ per hour, or 2000 ppmv as SO₂, or 0.11 pounds sulfur (as S) per MMBtu on average-wide basis for all units in Rule 4406 plan; NO₂ - 140 pounds per hour or 0.14 pounds per MMBtu. [District Rules 4101, 4102, 4301, 4405, 4406, and 4801] Federally Enforceable Through Title V Permit
21. Emission rates shall not exceed any of the following: VOC: 4.3 lb/day, NO_x (as NO₂): 49.0 lb/day or 4205 lb/year, or CO: 43.2 lb/day [District Rule 2201] Federally Enforceable Through Title V Permit
22. PM-10 emissions from the combustion of natural gas in this permit unit shall not exceed 0.005 lb/MMBTU. [District Rule 2201] Federally Enforceable Through Title V Permit
23. Sulfur compound emissions (as SO₂) from the combustion of natural gas in this permit unit shall not exceed 0.002 lb/MM Btu. [District Rule 2201] Federally Enforceable Through Title V Permit
24. During a "shakedown" period not to exceed 60 calendar days from initial operation of the modifications authorized by this ATC, NO_x emission shall not exceed 15 ppmvd NO_x @ 3% O₂ or 0.018 lb-NO_x/MMBtu. The shakedown period shall be concluded prior to the applicable Rule 4320 compliance deadline selected for this unit. Permittee shall maintain a record of the date of initial operation for at least 5 years. [District Rule 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
25. Duration of startup and shutdown (as defined in Rule 4320) shall not exceed 2 hours each per occurrence. Refractory curing period is defined as a maintenance-based reduced-load period of time during which a unit is brought from a shutdown status to staged rates of firing for the sole purpose of curing new refractory lining of the unit, and shall not exceed 30 hours per occurrence. The operator shall maintain records of the duration of start-up, shutdown, and refractory curing periods. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
26. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Measurement shall be made with the FGR system in the mode of operation (closed or open) in which it was used in the preceding 30 days. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, 4320, and 2520] Federally Enforceable Through Title V Permit
27. If the NO_x and/or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of performing the notification and testing required by this condition. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
28. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
29. Permittee shall maintain daily records of quantity and higher heating value of natural gas and vapor recovery gas burned in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

30. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. Unless otherwise specified in the Permit to Operate no determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
31. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted at least once every twelve (12) months, (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months, (no more than 30 days before or after the required 36 months source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
32. Source testing to measure NOx and CO emissions from this unit shall be conducted within 60 days of initial operation under this ATC. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
33. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
34. The following test methods shall be used: NOx (ppmv) - EPA Method 7E or ARB Method 100, NOx (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SOx (lb/MMBtu) - ARB Method 100 or EPA Method 6, 6C or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - EPA Method 11 or 15, ASTM D3246 or double GC for H2S and mercaptans performed in a laboratory, fuel gas hhv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rules 1081, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
35. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
36. Operator shall provide an annual fuel sulfur content analysis to the District upon request. [District Rule 4320]
37. All records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 2201, 2520, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
38. Formerly S-1511-127

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1547-770-18

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

SECTION: NW35 TOWNSHIP: 12N RANGE: 24W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL GAS/VAPOR RECOVERY GAS FIRED STEAM GENERATOR, WITH COEN ULN BURNER, FLUE GAS RECIRCULATION AND PIPING FROM TEOR WELL VENT VAPOR RECOVERY SYSTEM S-1547-819. (MOCO #608) (SOUTH MIDWAY): REPLACE EXISTING BURNER WITH COEN MODEL QLN-ULN ULTRA LOW NOX BURNER, OR NORTH AMERICAN MODEL MAGNA FLAME LEX ULTRA LOW NOX BURNER, OR ACT GIDEON ULTRA LOW NOX BURNER, OR EQUIVALENT; OR TUNE EXISTING BURNER; LOWER NOX LIMIT TO 9 PPMV @ 3% O2 AND LIMIT FUEL SULFUR CONTENT TO 5 GR-S/100 DSCF FOR RULE 4320 COMPLIANCE

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 2520] 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. The permittee shall notify the District of the compliance method chosen (replacement burner or tuning) and if applicable, the approved burner to be installed prior to implementation of this ATC. [District Rule 2201] Federally Enforceable Through Title V Permit
4. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this ATC. Approval of the equivalent equipment shall be made in writing and only after the District's determination that the submitted design and performance of the proposed alternate equipment is equivalent to the authorized equipment [District Rule 2010] 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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DAVID WARNER, Director of Permit Services
S-1547-770-18 : Apr 18 2010 2:38PM - RICKARDK : Joint Inspection NOT Required

5. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emissions rates, equipment drawing(s) and operational characteristics/parameters [District Rule 2010] Federally Enforceable Through Title V Permit
6. Copies of all fuel invoices showing quantity and delivery points of supplier-certified gas delivered and copies of quality terms of supplier-certified gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
7. {595} Operator shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
8. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rules 2520, 9.4.2 and 4320] Federally Enforceable Through Title V Permit
9. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.4.2; 4305, 4306, 4320, and 4351, 6.2.1] Federally Enforceable Through Title V Permit
10. The operator shall demonstrate compliance with this unit's sulfur compound exhaust concentration limit(s) using one of the following: fire the unit only on PUC or FERC regulated natural gas, test the sulfur content of each fuel source, or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 2520, 9.4.2, 4301, 5.2.1 and Rule 4801, 3.1] Federally Enforceable Through Title V Permit
11. {565} Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of 40 CFR 60, Subpart Dc (except 60.44c(g) and (h) and 60.48c). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
12. Steam generator shall be equipped with operational fuel gas and vapor recovery gas volumetric flow meters. [District Rule 2201] Federally Enforceable Through Title V Permit
13. Only natural gas or a combination of natural gas and TEOR well vent vapors from well vent vapor control system S-1547-819 shall be used as fuel in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
14. When combusting a combination of natural gas and vapor recovery gas, the fuel gas sulfur content shall not exceed 5 grains of total sulfur (as H₂S) per 100 dscf of fuel gas. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
15. Maximum heat input to steam generator shall not exceed 1,440 MMBTU/day. [District Rule 2201] Federally Enforceable Through Title V Permit
16. Total TEOR gas from permit S-1547-819 incinerated in steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 4.09 MMscf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Permittee shall maintain accurate daily records of gas flowrate delivered to steam generators S-1547-766 to '-772, '-777 to '-781, and '-797. [District Rule 2201] Federally Enforceable Through Title V Permit
18. Total PM₁₀ emissions for steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 129.1 lb/day nor 47,122 lb/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
19. Emissions from this unit, except during startup, shutdown, and refractory curing, shall not exceed any of the following limits: NO_x (as NO₂): 0.011 lb/MMBtu or 9 ppmv @ 3% O₂, VOC: 0.003 lb/MMBtu or CO: 50 ppmv @ 3% O₂. [District Rule 2201] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

20. Emission rates during refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO₂; sulfur - 200 pounds of SO₂ per hour, or 2000 ppmv as SO₂, or 0.11 pounds sulfur (as S) per MMBtu on average-wide basis for all units in Rule 4406 plan; NO₂ - 140 pounds per hour or 0.14 pounds per MMBtu. [District Rules 4101, 4102, 4301, 4405, 4406, and 4801] Federally Enforceable Through Title V Permit
21. Emission rates shall not exceed any of the following: VOC: 4.3 lb/day, NO_x (as NO₂): 49.0 lb/day or 5782 lb/year, or CO: 43.2 lb/day [District Rule 2201] Federally Enforceable Through Title V Permit
22. PM-10 emissions from the combustion of natural gas in this permit unit shall not exceed 0.005 lb/MMBTU. [District Rule 2201] Federally Enforceable Through Title V Permit
23. Sulfur compound emissions (as SO₂) from the combustion of natural gas in this permit unit shall not exceed 0.002 lb/MM Btu. [District Rule 2201] Federally Enforceable Through Title V Permit
24. During a "shakedown" period not to exceed 60 calendar days from initial operation of the modifications authorized by this ATC, NO_x emission shall not exceed 15 ppmvd NO_x @ 3% O₂ or 0.018 lb-NO_x/MMBtu. The shakedown period shall be concluded prior to the applicable Rule 4320 compliance deadline selected for this unit. Permittee shall maintain a record of the date of initial operation for at least 5 years. [District Rule 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
25. Duration of startup and shutdown (as defined in Rule 4320) shall not exceed 2 hours each per occurrence. Refractory curing period is defined as a maintenance-based reduced-load period of time during which a unit is brought from a shutdown status to staged rates of firing for the sole purpose of curing new refractory lining of the unit, and shall not exceed 30 hours per occurrence. The operator shall maintain records of the duration of start-up, shutdown, and refractory curing periods. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
26. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Measurement shall be made with the FGR system in the mode of operation (closed or open) in which it was used in the preceding 30 days. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, 4320, and 2520] Federally Enforceable Through Title V Permit
27. If the NO_x and/or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of performing the notification and testing required by this condition. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
28. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
29. Permittee shall maintain daily records of quantity and higher heating value of natural gas and vapor recovery gas burned in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

30. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. Unless otherwise specified in the Permit to Operate no determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
31. Source testing to measure natural gas-combustion NO_x and CO emissions from this unit shall be conducted at least once every twelve (12) months, (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months, (no more than 30 days before or after the required 36 months source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
32. Source testing to measure NO_x and CO emissions from this unit shall be conducted within 60 days of initial operation under this ATC. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
33. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
34. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, NO_x (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SO_x (lb/MMBtu) - ARB Method 100 or EPA Method 6, 6C or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - EPA Method 11 or 15, ASTM D3246 or double GC for H₂S and mercaptans performed in a laboratory, fuel gas hhv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rules 1081, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
35. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
36. Operator shall provide an annual fuel sulfur content analysis to the District upon request. [District Rule 4320]
37. All records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 2201, 2520, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
38. Formerly S-1511-127

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1547-770-19

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

SECTION: NW35 **TOWNSHIP:** 12N **RANGE:** 24W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL GAS/VAPOR RECOVERY GAS FIRED STEAM GENERATOR, WITH COEN ULN BURNER, FLUE GAS RECIRCULATION AND PIPING FROM TEOR WELL VENT VAPOR RECOVERY SYSTEM S-1547-819. (MOCO #608) (SOUTH MIDWAY): LIMIT FUEL SULFUR CONTENT TO 5 GR-S/100 DSCF FOR RULE 4320 COMPLIANCE

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 2520] 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. Copies of all fuel invoices showing quantity and delivery points of supplier-certified gas delivered and copies of quality terms of supplier-certified gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
4. {595} Operator shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] 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 APCCO

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DAVID WARNER, Director of Permit Services
6-1547-770-19 : Apr 16 2010 2:38PM - RICKARDK : Joint Inspection NOT Required

5. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rules 2520, 9.4.2 and 4320] Federally Enforceable Through Title V Permit
6. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.4.2; 4305, 4306, 4320, and 4351, 6.2.1] Federally Enforceable Through Title V Permit
7. The operator shall demonstrate compliance with this unit's sulfur compound exhaust concentration limit(s) using one of the following: fire the unit only on PUC or FERC regulated natural gas, test the sulfur content of each fuel source, or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 2520, 9.4.2, 4301, 5.2.1 and Rule 4801, 3.1] Federally Enforceable Through Title V Permit
8. {565} Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of 40 CFR 60, Subpart Dc (except 60.44c(g) and (h) and 60.48c). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
9. Steam generator shall be equipped with operational fuel gas and vapor recovery gas volumetric flow meters. [District Rule 2201] Federally Enforceable Through Title V Permit
10. Only natural gas or a combination of natural gas and TEOR well vent vapors from well vent vapor control system S-1547-819 shall be used as fuel in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
11. When combusting a combination of natural gas and vapor recovery gas, the fuel gas sulfur content shall not exceed 5 grains of total sulfur (as H₂S) per 100 dscf of fuel gas. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
12. Maximum heat input to steam generator shall not exceed 1,440 MMBTU/day. [District Rule 2201] Federally Enforceable Through Title V Permit
13. Total TEOR gas from permit S-1547-819 incinerated in steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 4.09 MMscf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
14. Permittee shall maintain accurate daily records of gas flowrate delivered to steam generators S-1547-766 to '-772, '-777 to '-781, and '-797. [District Rule 2201] Federally Enforceable Through Title V Permit
15. Total PM₁₀ emissions for steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 129.1 lb/day nor 47,122 lb/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
16. Emissions from this unit, except during startup, shutdown, and refractory curing, shall not exceed any of the following limits: NO_x (as NO₂): 0.018 lb/MMBtu or 15 ppmv @ 3% O₂, VOC: 0.003 lb/MMBtu or CO: 50 ppmv @ 3% O₂. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Emission rates during refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO₂; sulfur - 200 pounds of SO₂ per hour, or 2000 ppmv as SO₂, or 0.11 pounds sulfur (as S) per MMBtu on average-wide basis for all units in Rule 4406 plan; NO₂ - 140 pounds per hour or 0.14 pounds per MMBtu. [District Rules 4101, 4102, 4301, 4405, 4406, and 4801] Federally Enforceable Through Title V Permit
18. Emission rates shall not exceed any of the following: VOC: 4.3 lb/day, NO_x (as NO₂): 49.0 lb/day or 9,461 lb/year, or CO: 43.2 lb/day [District Rule 2201] Federally Enforceable Through Title V Permit
19. PM-10 emissions from the combustion of natural gas in this permit unit shall not exceed 0.005 lb/MMBTU. [District Rule 2201] Federally Enforceable Through Title V Permit
20. Sulfur compound emissions (as SO₂) from the combustion of natural gas in this permit unit shall not exceed 0.002 lb/MM Btu. [District Rule 2201] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

21. Duration of startup and shutdown (as defined in Rule 4320) shall not exceed 2 hours each per occurrence. Refractory curing period is defined as a maintenance-based reduced-load period of time during which a unit is brought from a shutdown status to staged rates of firing for the sole purpose of curing new refractory lining of the unit, and shall not exceed 30 hours per occurrence. The operator shall maintain records of the duration of start-up, shutdown, and refractory curing periods. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
22. The permittee shall monitor and record the stack concentration of NOX, CO, and O2 at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Measurement shall be made with the FGR system in the mode of operation (closed or open) in which it was used in the preceding 30 days. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, 4320, and 2520] Federally Enforceable Through Title V Permit
23. If the NOX and/or CO concentrations corrected to 3% O2, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of performing the notification and testing required by this condition. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
24. The permittee shall maintain records of: (1) the date and time of NOX, CO, and O2 measurements, (2) the O2 concentration in percent and the measured NOX and CO concentrations corrected to 3% O2, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
25. Permittee shall maintain daily records of quantity and higher heating value of natural gas and vapor recovery gas burned in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
26. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. Unless otherwise specified in the Permit to Operate no determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
27. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted at least once every twelve (12) months, (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months, (no more than 30 days before or after the required 36 months source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
28. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

29. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, NO_x (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SO_x (lb/MMBtu) - ARB Method 100 or EPA Method 6, 6C or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - EPA Method 11 or 15, ASTM D3246 or double GC for H₂S and mercaptans performed in a laboratory, fuel gas hhv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rules 1081, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
30. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
31. Operator shall provide an annual fuel sulfur content analysis to the District upon request. [District Rule 4320]
32. All records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 2201, 2520, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
33. Formerly S-1511-127

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1547-771-16

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

SECTION: NW35 TOWNSHIP: 12N RANGE: 24W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL GAS/VAPOR RECOVERY GAS FIRED STEAM GENERATOR WITH A COEN MODEL QLN-ULN LOW NOX BURNER WITH FLUE GAS RECIRCULATION (FGR) AND PIPING FROM TEOR WELL VENT VAPOR RECOVERY SYSTEM S-1547-819. (MOCO #701) (SOUTH MIDWAY): REPLACE EXISTING BURNER WITH COEN MODEL QLN-ULN ULTRA LOW NOX BURNER, OR NORTH AMERICAN MODEL MAGNA FLAME LEX ULTRA LOW NOX BURNER, OR ACT GIDEON ULTRA LOW NOX BURNER, OR EQUIVALENT; OR TUNE EXISTING BURNER; LOWER NOX LIMIT TO 7 PPMV @ 3% O2 AND LIMIT FUEL SULFUR CONTENT TO 5 GR-S/100 DSCF FOR RULE 4320 COMPLIANCE

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 2520] 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. The permittee shall notify the District of the compliance method chosen (replacement burner or tuning) and if applicable, the approved burner to be installed prior to implementation of this ATC. [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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DAVID WARNER, Director of Permit Services
S-1547-771-16 : Apr 16 2010 2:39PM - RICKARDX : Joint Inspection NOT Required

4. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this ATC. Approval of the equivalent equipment shall be made in writing and only after the District's determination that the submitted design and performance of the proposed alternate equipment is equivalent to the authorized equipment [District Rule 2010] Federally Enforceable Through Title V Permit
5. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emissions rates, equipment drawing(s) and operational characteristics/parameters [District Rule 2010] Federally Enforceable Through Title V Permit
6. Copies of all fuel invoices showing quantity and delivery points of gas delivered and copies of quality terms of gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
7. {520} The operator shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
8. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rules 2520, 9.4.2 and 4320] Federally Enforceable Through Title V Permit
9. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.4.2; 4305, 4306, 4320, and 4351, 6.2.1] Federally Enforceable Through Title V Permit
10. The operator shall demonstrate compliance with this unit's sulfur compound exhaust concentration limit(s) using one of the following: fire the unit only on PUC or FERC regulated natural gas, test the sulfur content of each fuel source, or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 2520, 9.4.2, 4301, 5.2.1 and Rule 4801, 3.1] Federally Enforceable Through Title V Permit
11. {565} Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of 40 CFR 60, Subpart Dc (except 60.44c(g) and (h) and 60.48c). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
12. Steam generator shall be equipped with operational fuel gas and vapor recovery gas volumetric flow meters . [District Rule 2201] Federally Enforceable Through Title V Permit
13. Only natural gas or a combination of natural gas and TEOR well vent vapors from well vent vapor control system S-1547-819 shall be used as fuel in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
14. When combusting a combination of natural gas and vapor recovery gas, the fuel gas sulfur content shall not exceed 5 grains of total sulfur (as H₂S) per 100 dscf of fuel gas. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
15. Maximum heat input to steam generator shall not exceed 1,440 MMBTU/day. [District Rule 2201] Federally Enforceable Through Title V Permit
16. Total TEOR gas from permit S-1547-819 incinerated in steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 4.09 MMscf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Permittee shall maintain accurate daily records of gas flowrate delivered to steam generators S-1547-766 to '-772, '-777 to '-781, and '-797. [District Rule 2201] Federally Enforceable Through Title V Permit
18. Total PM₁₀ emissions for steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 129.1 lb/day nor 47,122 lb/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
19. Permittee shall maintain daily records of quantity and higher heating value of natural gas and vapor recovery gas burned in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

20. Emission rates, except during startup, shutdown, and refractory curing from the combustion of natural gas, shall not exceed any of the following: PM10: 0.005 lb/MMBTU or SO_x (as SO₂): 0.002 lb/MMBTU. [District Rules 2201, 2520, 4201, 4301, 4406, 4801 and Kern County Rules 424] Federally Enforceable Through Title V Permit
21. Emission rates, except during startup, shutdown, and refractory curing shall not exceed any of the following: VOC: 0.003 lb/MMBTU, NO_x (as NO₂): 0.008 lb/MMBTU or 7 ppmv @ 3% O₂, or CO: 0.030 lb/MMBTU or 40 ppmv @ 3% O₂. [District Rules 2201, 2520, 4301, 4305, 4306, 4320, 4405 and Kern County Rule 425] Federally Enforceable Through Title V Permit
22. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO₂; sulfur - 200 pounds of SO₂ per hour, or 2000 ppmv as SO₂, or 0.11 pounds sulfur (as S) per MMBtu on average-wide basis for all units in Rule 4406 plan; NO₂ - 140 pounds per hour or 0.14 pounds per MMBtu. [District Rules 4101, 4102, 4301, 4405, 4406, 4801 and Kern County Rules 424 and 425] Federally Enforceable Through Title V Permit
23. Emission rates shall not exceed any of the following: VOC: 4.3 lb/day, NO_x (as NO₂): 49.0 lb/day or 4205 lb/year, or CO: 43.2 lb/day [District Rule 2201] Federally Enforceable Through Title V Permit
24. During a "shakedown" period not to exceed 60 calendar days from initial operation of the modifications authorized by this ATC, NO_x emission shall not exceed 15 ppmvd NO_x @ 3% O₂ or 0.018 lb-NO_x/MMBTU. The shakedown period shall be concluded prior to the applicable Rule 4320 compliance deadline selected for this unit. Permittee shall maintain a record of the date of initial operation for at least 5 years. [District Rule 4320]
25. Duration of startup and shutdown (as defined in Rule 4320) shall not exceed 2 hours each per occurrence. Refractory curing period is defined as a maintenance-based reduced-load period of time during which a unit is brought from a shutdown status to staged rates of firing for the sole purpose of curing new refractory lining of the unit, and shall not exceed 30 hours per occurrence. The operator shall maintain records of the duration of start-up, shutdown, and refractory curing periods. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
26. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
27. If either the NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
28. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
29. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

30. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. Unless otherwise specified in the Permit to Operate no determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
31. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
32. Source testing to measure NOx and CO emissions from this unit shall be conducted within 60 days of initial operation under this ATC. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
33. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
34. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
35. The following test methods shall be used: NOx (ppmv) - EPA Method 7E or ARB Method 100, NOx (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SOx (lb/MMBtu) - ARB Method 100 or EPA Method 6, 6C or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - EPA Method 11 or 15, ASTM D3246 or double GC for H2S and mercaptans performed in a laboratory, fuel gas hhv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rules 1081, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
36. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
37. Operator shall provide an annual fuel sulfur content analysis to the District upon request. [District Rule 4320]
38. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
39. Formerly S-1511-128

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1547-771-17

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

SECTION: NW35 TOWNSHIP: 12N RANGE: 24W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL GAS/VAPOR RECOVERY GAS FIRED STEAM GENERATOR WITH A COEN MODEL QLN-ULN LOW NOX BURNER WITH FLUE GAS RECIRCULATION (FGR) AND PIPING FROM TEOR WELL VENT VAPOR RECOVERY SYSTEM S-1547-819. (MOCO #701) (SOUTH MIDWAY): REPLACE EXISTING BURNER WITH COEN MODEL QLN-ULN ULTRA LOW NOX BURNER, OR NORTH AMERICAN MODEL MAGNA FLAME LEX ULTRA LOW NOX BURNER, OR ACT GIDEON ULTRA LOW NOX BURNER, OR EQUIVALENT; OR TUNE EXISTING BURNER; LOWER NOX LIMIT TO 9 PPMV @ 3% O2 AND LIMIT FUEL SULFUR CONTENT TO 5 GR-S/100 DSCF FOR RULE 4320 COMPLIANCE

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 2520] 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. The permittee shall notify the District of the compliance method chosen (replacement burner or tuning) and if applicable, the approved burner to be installed prior to implementation of this ATC. [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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DAVID WARNER, Director of Permit Services
S-1547-771-17 : Apr 18 2010 2:39PM - RICKARDK : Joint Inspection NOT Required

4. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this ATC. Approval of the equivalent equipment shall be made in writing and only after the District's determination that the submitted design and performance of the proposed alternate equipment is equivalent to the authorized equipment [District Rule 2010] Federally Enforceable Through Title V Permit
5. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emissions rates, equipment drawing(s) and operational characteristics/parameters [District Rule 2010] Federally Enforceable Through Title V Permit
6. Copies of all fuel invoices showing quantity and delivery points of gas delivered and copies of quality terms of gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
7. {520} The operator shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
8. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rules 2520, 9.4.2 and 4320] Federally Enforceable Through Title V Permit
9. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.4.2; 4305, 4306, 4320, and 4351, 6.2.1] Federally Enforceable Through Title V Permit
10. The operator shall demonstrate compliance with this unit's sulfur compound exhaust concentration limit(s) using one of the following: fire the unit only on PUC or FERC regulated natural gas, test the sulfur content of each fuel source, or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 2520, 9.4.2, 4301, 5.2.1 and Rule 4801, 3.1] Federally Enforceable Through Title V Permit
11. {565} Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of 40 CFR 60, Subpart Dc (except 60.44c(g) and (h) and 60.48c). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
12. Steam generator shall be equipped with operational fuel gas and vapor recovery gas volumetric flow meters. [District Rule 2201] Federally Enforceable Through Title V Permit
13. Only natural gas or a combination of natural gas and TEOR well vent vapors from well vent vapor control system S-1547-819 shall be used as fuel in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
14. When combusting a combination of natural gas and vapor recovery gas, the fuel gas sulfur content shall not exceed 5 grains of total sulfur (as H₂S) per 100 dscf of fuel gas. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
15. Maximum heat input to steam generator shall not exceed 1,440 MMBTU/day. [District Rule 2201] Federally Enforceable Through Title V Permit
16. Total TEOR gas from permit S-1547-819 incinerated in steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 4.09 MMscf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Permittee shall maintain accurate daily records of gas flowrate delivered to steam generators S-1547-766 to '-772, '-777 to '-781, and '-797. [District Rule 2201] Federally Enforceable Through Title V Permit
18. Total PM₁₀ emissions for steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 129.1 lb/day nor 47,122 lb/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
19. Permittee shall maintain daily records of quantity and higher heating value of natural gas and vapor recovery gas burned in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

20. Emission rates, except during startup, shutdown, and refractory curing from the combustion of natural gas, shall not exceed any of the following: PM10: 0.005 lb/MMBTU or SO_x (as SO₂): 0.002 lb/MMBTU. [District Rules 2201, 2520, 4201, 4301, 4406, 4801 and Kern County Rules 424] Federally Enforceable Through Title V Permit
21. Emission rates, except during startup, shutdown, and refractory curing shall not exceed any of the following: VOC: 0.003 lb/MMBTU, NO_x (as NO₂): 0.011 lb/MMBTU or 9 ppmv @ 3% O₂, or CO: 0.030 lb/MMBTU or 40 ppmv @ 3% O₂. [District Rules 2201, 2520, 4301, 4305, 4306, 4320, 4405 and Kern County Rule 425] Federally Enforceable Through Title V Permit
22. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO₂; sulfur - 200 pounds of SO₂ per hour, or 2000 ppmv as SO₂, or 0.11 pounds sulfur (as S) per MMBTU on average-wide basis for all units in Rule 4406 plan; NO₂ - 140 pounds per hour or 0.14 pounds per MMBTU. [District Rules 4101, 4102, 4301, 4405, 4406, 4801 and Kern County Rules 424 and 425] Federally Enforceable Through Title V Permit
23. Emission rates shall not exceed any of the following: VOC: 4.3 lb/day, NO_x (as NO₂): 49.0 lb/day or 5782 lb/year, or CO: 43.2 lb/day [District Rule 2201] Federally Enforceable Through Title V Permit
24. During a "shakedown" period not to exceed 60 calendar days from initial operation of the modifications authorized by this ATC, NO_x emission shall not exceed 15 ppmvd NO_x @ 3% O₂ or 0.018 lb-NO_x/MMBTU. The shakedown period shall be concluded prior to the applicable Rule 4320 compliance deadline selected for this unit. Permittee shall maintain a record of the date of initial operation for at least 5 years. [District Rule 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
25. Duration of startup and shutdown (as defined in Rule 4320) shall not exceed 2 hours each per occurrence. Refractory curing period is defined as a maintenance-based reduced-load period of time during which a unit is brought from a shutdown status to staged rates of firing for the sole purpose of curing new refractory lining of the unit, and shall not exceed 30 hours per occurrence. The operator shall maintain records of the duration of start-up, shutdown, and refractory curing periods. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
26. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
27. If either the NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
28. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
29. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

30. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. Unless otherwise specified in the Permit to Operate no determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
31. Source testing to measure natural gas-combustion NO_x and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
32. Source testing to measure NO_x and CO emissions from this unit shall be conducted within 60 days of initial operation under this ATC. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
33. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
34. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
35. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, NO_x (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SO_x (lb/MMBtu) - ARB Method 100 or EPA Method 6, 6C or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - EPA Method 11 or 15, ASTM D3246 or double GC for H₂S and mercaptans performed in a laboratory, fuel gas hhv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rules 1081, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
36. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
37. Operator shall provide an annual fuel sulfur content analysis to the District upon request. [District Rule 4320]
38. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
39. Formerly S-1511-128

DRAFT

San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1547-771-18

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

SECTION: NW35 **TOWNSHIP:** 12N **RANGE:** 24W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL GAS/VAPOR RECOVERY GAS FIRED STEAM GENERATOR WITH A COEN MODEL QLN-ULN LOW NOX BURNER WITH FLUE GAS RECIRCULATION (FGR) AND PIPING FROM TEOR WELL VENT VAPOR RECOVERY SYSTEM S-1547-819. (MOCO #701) (SOUTH MIDWAY): REPLACE EXISTING BURNER WITH COEN MODEL QLN-ULN ULTRA LOW NOX BURNER, OR NORTH AMERICAN MODEL MAGNA FLAME LEX ULTRA LOW NOX BURNER, OR ACT GIDEON ULTRA LOW NOX BURNER, OR EQUIVALENT; OR TUNE EXISTING BURNER; LOWER NOX LIMIT TO 12 PPMV @ 3% O2 AND LIMIT FUEL SULFUR CONTENT TO 5 GR-S/100 DSCF FOR RULE 4320 COMPLIANCE

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 2520] 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. The permittee shall notify the District of the compliance method chosen (replacement burner or tuning) and if applicable, the approved burner to be installed prior to implementation of this ATC. [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

DAVID WARNER, Director of Permit Services
S-1547-771-18 : Apr 18 2010 2:39PM - RICKAREDK : Joint Inspection NOT Required

4. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this ATC. Approval of the equivalent equipment shall be made in writing and only after the District's determination that the submitted design and performance of the proposed alternate equipment is equivalent to the authorized equipment [District Rule 2010] Federally Enforceable Through Title V Permit
5. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emissions rates, equipment drawing(s) and operational characteristics/parameters [District Rule 2010] Federally Enforceable Through Title V Permit
6. Copies of all fuel invoices showing quantity and delivery points of gas delivered and copies of quality terms of gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
7. {520} The operator shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
8. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rules 2520, 9.4.2 and 4320] Federally Enforceable Through Title V Permit
9. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.4.2; 4305, 4306, 4320 and 4351, 6.2.1] Federally Enforceable Through Title V Permit
10. The operator shall demonstrate compliance with this unit's sulfur compound exhaust concentration limit(s) using one of the following: fire the unit only on PUC or FERC regulated natural gas, test the sulfur content of each fuel source, or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 2520, 9.4.2, 4301, 5.2.1 and Rule 4801, 3.1] Federally Enforceable Through Title V Permit
11. {565} Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of 40 CFR 60, Subpart Dc (except 60.44c(g) and (h) and 60.48c). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
12. Steam generator shall be equipped with operational fuel gas and vapor recovery gas volumetric flow meters. [District Rule 2201] Federally Enforceable Through Title V Permit
13. Only natural gas or a combination of natural gas and TEOR well vent vapors from well vent vapor control system S-1547-819 shall be used as fuel in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
14. When combusting a combination of natural gas and vapor recovery gas, the fuel gas sulfur content shall not exceed 5 grains of total sulfur (as H₂S) per 100 dscf of fuel gas. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
15. Maximum heat input to steam generator shall not exceed 1,440 MMBTU/day. [District Rule 2201] Federally Enforceable Through Title V Permit
16. Total TEOR gas from permit S-1547-819 incinerated in steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 4.09 MMscf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Permittee shall maintain accurate daily records of gas flowrate delivered to steam generators S-1547-766 to '-772, '-777 to '-781, and '-797. [District Rule 2201] Federally Enforceable Through Title V Permit
18. Total PM₁₀ emissions for steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 129.1 lb/day nor 47,122 lb/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
19. Permittee shall maintain daily records of quantity and higher heating value of natural gas and vapor recovery gas burned in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

20. Emission rates, except during startup, shutdown, and refractory curing from the combustion of natural gas, shall not exceed any of the following: PM10: 0.005 lb/MMBTU or SO_x (as SO₂): 0.002 lb/MMBTu. [District Rules 2201, 2520, 4201, 4301, 4406, 4801 and Kern County Rules 424] Federally Enforceable Through Title V Permit
21. Emission rates, except during startup, shutdown, and refractory curing shall not exceed any of the following: VOC: 0.003 lb/MMBTu, NO_x (as NO₂): 0.014 lb/MMBTu or 12 ppmv @ 3% O₂, or CO: 0.030 lb/MMBTu or 40 ppmv @ 3% O₂. [District Rules 2201, 2520, 4301, 4305, 4306, 4320, 4405 and Kern County Rule 425] Federally Enforceable Through Title V Permit
22. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO₂; sulfur - 200 pounds of SO₂ per hour, or 2000 ppmv as SO₂, or 0.11 pounds sulfur (as S) per MMBtu on average-wide basis for all units in Rule 4406 plan; NO₂ - 140 pounds per hour or 0.14 pounds per MMBtu. [District Rules 4101, 4102, 4301, 4405, 4406, 4801 and Kern County Rules 424 and 425] Federally Enforceable Through Title V Permit
23. Emission rates shall not exceed any of the following: VOC: 4.3 lb/day, NO_x (as NO₂): 49.0 lb/day or 7,358 lb/year, or CO: 43.2 lb/day [District Rule 2201] Federally Enforceable Through Title V Permit
24. During a "shakedown" period not to exceed 60 calendar days from initial operation of the modifications authorized by this ATC, NO_x emission shall not exceed 15 ppmvd NO_x @ 3% O₂ or 0.018 lb-NO_x/MMBTu. The shakedown period shall be concluded prior to the applicable Rule 4320 compliance deadline selected for this unit. Permittee shall maintain a record of the date of initial operation for at least 5 years. [District Rule 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
25. Duration of startup and shutdown (as defined in Rule 4320) shall not exceed 2 hours each per occurrence. Refractory curing period is defined as a maintenance-based reduced-load period of time during which a unit is brought from a shutdown status to staged rates of firing for the sole purpose of curing new refractory lining of the unit, and shall not exceed 30 hours per occurrence. The operator shall maintain records of the duration of start-up, shutdown, and refractory curing periods. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
26. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
27. If either the NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
28. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
29. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

30. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. Unless otherwise specified in the Permit to Operate no determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
31. Source testing to measure natural gas-combustion NO_x and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
32. Source testing to measure NO_x and CO emissions from this unit shall be conducted within 60 days of initial operation under this ATC. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
33. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
34. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
35. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, NO_x (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SO_x (lb/MMBtu) - ARB Method 100 or EPA Method 6, 6C or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - EPA Method 11 or 15, ASTM D3246 or double GC for H₂S and mercaptans performed in a laboratory, fuel gas hhv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rules 1081, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
36. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
37. Operator shall provide an annual fuel sulfur content analysis to the District upon request. [District Rule 4320]
38. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
39. Formerly S-1511-128

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1547-771-19

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

SECTION: NW35 **TOWNSHIP:** 12N **RANGE:** 24W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL GAS/VAPOR RECOVERY GAS FIRED STEAM GENERATOR WITH A COEN MODEL QLN-UJLN LOW NOX BURNER WITH FLUE GAS RECIRCULATION (FGR) AND PIPING FROM TEOR WELL VENT VAPOR RECOVERY SYSTEM S-1547-819. (MOCO #701) (SOUTH MIDWAY): LIMIT FUEL SULFUR CONTENT TO 5 GR-S/100 DSCF FOR RULE 4320 COMPLIANCE

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 2520] 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. Copies of all fuel invoices showing quantity and delivery points of gas delivered and copies of quality terms of gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
4. {520} The operator shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] 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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DAVID WARNER, Director of Permit Services
S-1547-771-19 : Apr 16 2010 2:39PM - RICKARDK : Joint Inspection NOT Required

5. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rules 2520, 9.4.2 and 4320] Federally Enforceable Through Title V Permit
6. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.4.2; 4305, 4306, 4320, and 4351, 6.2.1] Federally Enforceable Through Title V Permit
7. The operator shall demonstrate compliance with this unit's sulfur compound exhaust concentration limit(s) using one of the following: fire the unit only on PUC or FERC regulated natural gas, test the sulfur content of each fuel source, or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 2520, 9.4.2, 4301, 5.2.1 and Rule 4801, 3.1] Federally Enforceable Through Title V Permit
8. {565} Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of 40 CFR 60, Subpart Dc (except 60.44c(g) and (h) and 60.48c). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
9. Steam generator shall be equipped with operational fuel gas and vapor recovery gas volumetric flow meters. [District Rule 2201] Federally Enforceable Through Title V Permit
10. Only natural gas or a combination of natural gas and TEOR well vent vapors from well vent vapor control system S-1547-819 shall be used as fuel in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
11. When combusting a combination of natural gas and vapor recovery gas, the fuel gas sulfur content shall not exceed 5 grains of total sulfur (as H₂S) per 100 dscf of fuel gas. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
12. Maximum heat input to steam generator shall not exceed 1,440 MMBTU/day. [District Rule 2201] Federally Enforceable Through Title V Permit
13. Total TEOR gas from permit S-1547-819 incinerated in steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 4.09 MMscf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
14. Permittee shall maintain accurate daily records of gas flowrate delivered to steam generators S-1547-766 to '-772, '-777 to '-781, and '-797. [District Rule 2201] Federally Enforceable Through Title V Permit
15. Total PM₁₀ emissions for steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 129.1 lb/day nor 47,122 lb/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
16. Permittee shall maintain daily records of quantity and higher heating value of natural gas and vapor recovery gas burned in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Emission rates, except during startup, shutdown, and refractory curing from the combustion of natural gas, shall not exceed any of the following: PM₁₀: 0.005 lb/MMBTU or SO_x (as SO₂): 0.002 lb/MMBtu. [District Rules 2201, 2520, 4201, 4301, 4406, 4801 and Kern County Rules 424] Federally Enforceable Through Title V Permit
18. Emission rates, except during startup, shutdown, and refractory curing shall not exceed any of the following: VOC: 0.003 lb/MMBtu, NO_x (as NO₂): 0.018 lb/MMBtu or 15 ppmv @ 3% O₂, or CO: 0.030 lb/MMBtu or 40 ppmv @ 3% O₂. [District Rules 2201, 2520, 4301, 4305, 4306, 4320, 4405 and Kern County Rule 425] Federally Enforceable Through Title V Permit
19. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO₂; sulfur - 200 pounds of SO₂ per hour, or 2000 ppmv as SO₂, or 0.11 pounds sulfur (as S) per MMBtu on average-wide basis for all units in Rule 4406 plan; NO₂ - 140 pounds per hour or 0.14 pounds per MMBtu. [District Rules 4101, 4102, 4301, 4405, 4406, 4801 and Kern County Rules 424 and 425] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

20. Emission rates shall not exceed any of the following: VOC: 4.3 lb/day, NO_x (as NO₂): 49.0 lb/day or 9,461 lb/year, or CO: 43.2 lb/day [District Rule 2201] Federally Enforceable Through Title V Permit
21. Duration of startup and shutdown (as defined in Rule 4320) shall not exceed 2 hours each per occurrence. Refractory curing period is defined as a maintenance-based reduced-load period of time during which a unit is brought from a shutdown status to staged rates of firing for the sole purpose of curing new refractory lining of the unit, and shall not exceed 30 hours per occurrence. The operator shall maintain records of the duration of start-up, shutdown, and refractory curing periods. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
22. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
23. If either the NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
24. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
25. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
26. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. Unless otherwise specified in the Permit to Operate no determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
27. Source testing to measure natural gas-combustion NO_x and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
28. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

29. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
30. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, NO_x (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SO_x (lb/MMBtu) - ARB Method 100 or EPA Method 6, 6C or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - EPA Method 11 or 15, ASTM D3246 or double GC for H₂S and mercaptans performed in a laboratory, fuel gas hhv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rules 1081, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
31. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
32. Operator shall provide an annual fuel sulfur content analysis to the District upon request. [District Rule 4320]
33. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
34. Formerly S-1511-128

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

DRAFT
ISSUANCE DATE: DRAFT

PERMIT NO: S-1547-772-16

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

SECTION: NW35 **TOWNSHIP:** 12N **RANGE:** 24W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL GAS/VAPOR RECOVERY GAS FIRED STEAM GENERATOR WITH A COEN MODEL QLN-ULN LOW NOX BURNER WITH FLUE GAS RECIRCULATION (FGR) AND PIPING FROM TEOR WELL VENT VAPOR RECOVERY SYSTEM S-1547-819. (MOCO #702) (SOUTH MIDWAY): REPLACE EXISTING BURNER WITH COEN MODEL QLN-ULN ULTRA LOW NOX BURNER, OR NORTH AMERICAN MODEL MAGNA FLAME LEX ULTRA LOW NOX BURNER, OR ACT GIDEON ULTRA LOW NOX BURNER, OR EQUIVALENT; OR TUNE EXISTING BURNER; LOWER NOX LIMIT TO 7 PPMV @ 3% O2 AND LIMIT FUEL SULFUR CONTENT TO 5 GR-S/100 DSCF FOR RULE 4320 COMPLIANCE

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 2520] 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. The permittee shall notify the District of the compliance method chosen (replacement burner or tuning) and if applicable, the approved burner to be installed prior to implementation of this ATC. [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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DAVID WARNER, Director of Permit Services
8-1547-772-16 : Apr 18 2010 2:30PM - RICKARDK : Joint Inspection NOT Required

4. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this ATC. Approval of the equivalent equipment shall be made in writing and only after the District's determination that the submitted design and performance of the proposed alternate equipment is equivalent to the authorized equipment [District Rule 2010] Federally Enforceable Through Title V Permit
5. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emissions rates, equipment drawing(s) and operational characteristics/parameters [District Rule 2010] Federally Enforceable Through Title V Permit
6. Copies of all fuel invoices showing quantity and delivery points of gas delivered and copies of quality terms of gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
7. {520} The operator shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
8. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rules 2520, 9.4.2 and 4320] Federally Enforceable Through Title V Permit
9. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.4.2; 4305, 4306, 4320, and 4351, 6.2.1] Federally Enforceable Through Title V Permit
10. The operator shall demonstrate compliance with this unit's sulfur compound exhaust concentration limit(s) using one of the following: fire the unit only on PUC or FERC regulated natural gas, test the sulfur content of each fuel source, or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 2520, 9.4.2, 4301, 5.2.1 and Rule 4801, 3.1] Federally Enforceable Through Title V Permit
11. {565} Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of 40 CFR 60, Subpart Dc (except 60.44c(g) and (h) and 60.48c). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
12. Steam generator shall be equipped with operational fuel gas and vapor recovery gas volumetric flow meters. [District Rule 2201] Federally Enforceable Through Title V Permit
13. Only natural gas or a combination of natural gas and TEOR well vent vapors from well vent vapor control system S-1547-819 shall be used as fuel in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
14. When combusting a combination of natural gas and vapor recovery gas, the fuel gas sulfur content shall not exceed 5 grains of total sulfur (as H₂S) per 100 dscf of fuel gas. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
15. Maximum heat input to steam generator shall not exceed 1,440 MMBTU/day. [District Rule 2201] Federally Enforceable Through Title V Permit
16. Total TEOR gas from permit S-1547-819 incinerated in steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 4.09 MMscf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Permittee shall maintain accurate daily records of gas flowrate delivered to steam generators S-1547-766 to '-772, '-777 to '-781, and '-797. [District Rule 2201] Federally Enforceable Through Title V Permit
18. Total PM₁₀ emissions for steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 129.1 lb/day nor 47,122 lb/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
19. Permittee shall maintain daily records of quantity and higher heating value of natural gas and vapor recovery gas burned in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

20. Emission rates, except during startup, shutdown, and refractory curing from the combustion of natural gas, shall not exceed any of the following: PM10: 0.005 lb/MMBtu or SOx (as SO2): 0.002 lb/MMBtu. [District Rules 2201, 2520, 4201, 4301, 4406, 4801 and Kern County Rules 424] Federally Enforceable Through Title V Permit
21. Emission rates, except during startup, shutdown, and refractory curing shall not exceed any of the following: VOC: 0.003 lb/MMBtu, NOx (as NO2): 0.008 lb/MMBtu or 7 ppmv @ 3% O2, or CO: 0.030 lb/MMBtu or 40 ppmv @ 3% O2. [District Rules 2201, 2520, 4301, 4305, 4306, 4320, 4405 and Kern County Rule 425] Federally Enforceable Through Title V Permit
22. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO2; sulfur - 200 pounds of SO2 per hour, or 2000 ppmv as SO2, or 0.11 pounds sulfur (as S) per MMBtu on average-wide basis for all units in Rule 4406 plan; NO2 - 140 pounds per hour or 0.14 pounds per MMBtu. [District Rules 4101, 4102, 4301, 4405, 4406, 4801 and Kern County Rules 424 and 425] Federally Enforceable Through Title V Permit
23. Emission rates shall not exceed any of the following: VOC: 4.3 lb/day, NOx (as NO2): 49.0 lb/day or 4205 lb/year, or CO: 43.2 lb/day [District Rule 2201] Federally Enforceable Through Title V Permit
24. During a "shakedown" period not to exceed 60 calendar days from initial operation of the modifications authorized by this ATC, NOx emission shall not exceed 15 ppmvd NOX @ 3% O2 or 0.018 lb-NOX/MMBtu. The shakedown period shall be concluded prior to the applicable Rule 4320 compliance deadline selected for this unit. Permittee shall maintain a record of the date of initial operation for at least 5 years. [District Rule 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
25. Duration of startup and shutdown (as defined in Rule 4320) shall not exceed 2 hours each per occurrence. Refractory curing period is defined as a maintenance-based reduced-load period of time during which a unit is brought from a shutdown status to staged rates of firing for the sole purpose of curing new refractory lining of the unit, and shall not exceed 30 hours per occurrence. The operator shall maintain records of the duration of start-up, shutdown, and refractory curing periods. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
26. The permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
27. If either the NOx or CO concentrations corrected to 3% O2, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
28. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
29. The permittee shall maintain records of: (1) the date and time of NOx, CO, and O2 measurements, (2) the O2 concentration in percent and the measured NOx and CO concentrations corrected to 3% O2, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

30. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. Unless otherwise specified in the Permit to Operate no determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
31. Source testing to measure natural gas-combustion NO_x and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
32. Source testing to measure NO_x and CO emissions from this unit shall be conducted within 60 days of initial operation under this ATC. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
33. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
34. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
35. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, NO_x (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SO_x (lb/MMBtu) - ARB Method 100 or EPA Method 6, 6C or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - EPA Method 11 or 15, ASTM D3246 or double GC for H₂S and mercaptans performed in a laboratory, fuel gas hhv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rules 1081, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
36. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
37. Operator shall provide an annual fuel sulfur content analysis to the District upon request. [District Rule 4320]
38. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
39. Formerly S-1511-129

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1547-772-17

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

SECTION: NW35 TOWNSHIP: 12N RANGE: 24W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL GAS/VAPOR RECOVERY GAS FIRED STEAM GENERATOR WITH A COEN MODEL QLN-ULN LOW NOX BURNER WITH FLUE GAS RECIRCULATION (FGR) AND PIPING FROM TEOR WELL VENT VAPOR RECOVERY SYSTEM S-1547-819. (MOCO #702) (SOUTH MIDWAY): REPLACE EXISTING BURNER WITH COEN MODEL QLN-ULN ULTRA LOW NOX BURNER, OR NORTH AMERICAN MODEL MAGNA FLAME LEX ULTRA LOW NOX BURNER, OR ACT GIDEON ULTRA LOW NOX BURNER, OR EQUIVALENT; OR TUNE EXISTING BURNER; LOWER NOX LIMIT TO 9 PPMV @ 3% O2 AND LIMIT FUEL SULFUR CONTENT TO 5 GR-S/100 DSCF FOR RULE 4320 COMPLIANCE

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 2520] 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. The permittee shall notify the District of the compliance method chosen (replacement burner or tuning) and if applicable, the approved burner to be installed prior to implementation of this ATC. [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 APCCO

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DAVID WARNER, Director of Permit Services
S-1547-772-17 : Apr 16 2010 2:38PM - RICKARDK : Joint Inspection NOT Required

4. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this ATC. Approval of the equivalent equipment shall be made in writing and only after the District's determination that the submitted design and performance of the proposed alternate equipment is equivalent to the authorized equipment [District Rule 2010] Federally Enforceable Through Title V Permit
5. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emissions rates, equipment drawing(s) and operational characteristics/parameters [District Rule 2010] Federally Enforceable Through Title V Permit
6. Copies of all fuel invoices showing quantity and delivery points of gas delivered and copies of quality terms of gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
7. {520} The operator shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
8. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rules 2520, 9.4.2 and 4320] Federally Enforceable Through Title V Permit
9. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.4.2; 4305, 4306, 4320 and 4351, 6.2.1] Federally Enforceable Through Title V Permit
10. The operator shall demonstrate compliance with this unit's sulfur compound exhaust concentration limit(s) using one of the following: fire the unit only on PUC or FERC regulated natural gas, test the sulfur content of each fuel source, or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 2520, 9.4.2, 4301, 5.2.1 and Rule 4801, 3.1] Federally Enforceable Through Title V Permit
11. {565} Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of 40 CFR 60, Subpart Dc (except 60.44c(g) and (h) and 60.48c). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
12. Steam generator shall be equipped with operational fuel gas and vapor recovery gas volumetric flow meters. [District Rule 2201] Federally Enforceable Through Title V Permit
13. Only natural gas or a combination of natural gas and TEOR well vent vapors from well vent vapor control system S-1547-819 shall be used as fuel in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
14. When combusting a combination of natural gas and vapor recovery gas, the fuel gas sulfur content shall not exceed 5 grains of total sulfur (as H₂S) per 100 dscf of fuel gas. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
15. Maximum heat input to steam generator shall not exceed 1,440 MMBTU/day. [District Rule 2201] Federally Enforceable Through Title V Permit
16. Total TEOR gas from permit S-1547-819 incinerated in steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 4.09 MMscf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Permittee shall maintain accurate daily records of gas flowrate delivered to steam generators S-1547-766 to '-772, '-777 to '-781, and '-797. [District Rule 2201] Federally Enforceable Through Title V Permit
18. Total PM10 emissions for steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 129.1 lb/day nor 47,122 lb/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
19. Permittee shall maintain daily records of quantity and higher heating value of natural gas and vapor recovery gas burned in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

20. Emission rates, except during startup, shutdown, and refractory curing from the combustion of natural gas, shall not exceed any of the following: PM10: 0.005 lb/MMBtu or SO_x (as SO₂): 0.002 lb/MMBtu. [District Rules 2201, 2520, 4201, 4301, 4406, 4801 and Kern County Rules 424] Federally Enforceable Through Title V Permit
21. Emission rates, except during startup, shutdown, and refractory curing shall not exceed any of the following: VOC: 0.003 lb/MMBtu, NO_x (as NO₂): 0.011 lb/MMBtu or 9 ppmv @ 3% O₂, or CO: 0.030 lb/MMBtu or 40 ppmv @ 3% O₂. [District Rules 2201, 2520, 4301, 4305, 4306, 4320, 4405 and Kern County Rule 425] Federally Enforceable Through Title V Permit
22. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO₂; sulfur - 200 pounds of SO₂ per hour, or 2000 ppmv as SO₂, or 0.11 pounds sulfur (as S) per MMBtu on average-wide basis for all units in Rule 4406 plan; NO₂ - 140 pounds per hour or 0.14 pounds per MMBtu. [District Rules 4101, 4102, 4301, 4405, 4406, 4801 and Kern County Rules 424 and 425] Federally Enforceable Through Title V Permit
23. Emission rates shall not exceed any of the following: VOC: 4.3 lb/day, NO_x (as NO₂): 49.0 lb/day or 5782 lb/year, or CO: 43.2 lb/day [District Rule 2201] Federally Enforceable Through Title V Permit
24. During a "shakedown" period not to exceed 60 calendar days from initial operation of the modifications authorized by this ATC, NO_x emission shall not exceed 15 ppmvd NO_x @ 3% O₂ or 0.018 lb-NO_x/MMBtu. The shakedown period shall be concluded prior to the applicable Rule 4320 compliance deadline selected for this unit. Permittee shall maintain a record of the date of initial operation for at least 5 years. [District Rule 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
25. Duration of startup and shutdown (as defined in Rule 4320) shall not exceed 2 hours each per occurrence. Refractory curing period is defined as a maintenance-based reduced-load period of time during which a unit is brought from a shutdown status to staged rates of firing for the sole purpose of curing new refractory lining of the unit, and shall not exceed 30 hours per occurrence. The operator shall maintain records of the duration of start-up, shutdown, and refractory curing periods. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
26. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
27. If either the NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
28. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
29. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

30. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. Unless otherwise specified in the Permit to Operate no determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
31. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
32. Source testing to measure NOx and CO emissions from this unit shall be conducted within 60 days of initial operation under this ATC. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
33. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
34. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
35. The following test methods shall be used: NOx (ppmv) - EPA Method 7E or ARB Method 100, NOx (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SOx (lb/MMBtu) - ARB Method 100 or EPA Method 6, 6C or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - EPA Method 11 or 15, ASTM D3246 or double GC for H2S and mercaptans performed in a laboratory, fuel gas hhv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rules 1081, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
36. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
37. Operator shall provide an annual fuel sulfur content analysis to the District upon request. [District Rule 4320]
38. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
39. Formerly S-1511-129

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT

PERMIT NO: S-1547-772-18

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

SECTION: NW35 **TOWNSHIP:** 12N **RANGE:** 24W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL GAS/VAPOR RECOVERY GAS FIRED STEAM GENERATOR WITH A COEN MODEL QLN-ULN LOW NOX BURNER WITH FLUE GAS RECIRCULATION (FGR) AND PIPING FROM TEOR WELL VENT VAPOR RECOVERY SYSTEM S-1547-819. (MOCO #702) (SOUTH MIDWAY): REPLACE EXISTING BURNER WITH COEN MODEL QLN-ULN ULTRA LOW NOX BURNER, OR NORTH AMERICAN MODEL MAGNA FLAME LEX ULTRA LOW NOX BURNER, OR ACT GIDEON ULTRA LOW NOX BURNER, OR EQUIVALENT; OR TUNE EXISTING BURNER; LOWER NOX LIMIT TO 12 PPMV @ 3% O2 AND LIMIT FUEL SULFUR CONTENT TO 5 GR-S/100 DSCF FOR RULE 4320 COMPLIANCE

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 2520] 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. The permittee shall notify the District of the compliance method chosen (replacement burner or tuning) and if applicable, the approved burner to be installed prior to implementation of this ATC. [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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DAVID WARNER, Director of Permit Services
S-1547-772-18 : Apr 16 2010 2:32PM - RICKARDX : Joint Inspection NDT Required

4. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this ATC. Approval of the equivalent equipment shall be made in writing and only after the District's determination that the submitted design and performance of the proposed alternate equipment is equivalent to the authorized equipment [District Rule 2010] Federally Enforceable Through Title V Permit
5. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emissions rates, equipment drawing(s) and operational characteristics/parameters [District Rule 2010] Federally Enforceable Through Title V Permit
6. Copies of all fuel invoices showing quantity and delivery points of gas delivered and copies of quality terms of gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
7. {520} The operator shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
8. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rules 2520, 9.4.2 and 4320] Federally Enforceable Through Title V Permit
9. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.4.2; 4305, 4306, 4320, and 4351, 6.2.1] Federally Enforceable Through Title V Permit
10. The operator shall demonstrate compliance with this unit's sulfur compound exhaust concentration limit(s) using one of the following: fire the unit only on PUC or FERC regulated natural gas, test the sulfur content of each fuel source, or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 2520, 9.4.2, 4301, 5.2.1 and Rule 4801, 3.1] Federally Enforceable Through Title V Permit
11. {565} Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of 40 CFR 60, Subpart Dc (except 60.44c(g) and (h) and 60.48c). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
12. Steam generator shall be equipped with operational fuel gas and vapor recovery gas volumetric flow meters. [District Rule 2201] Federally Enforceable Through Title V Permit
13. Only natural gas or a combination of natural gas and TEOR well vent vapors from well vent vapor control system S-1547-819 shall be used as fuel in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
14. When combusting a combination of natural gas and vapor recovery gas, the fuel gas sulfur content shall not exceed 5 grains of total sulfur (as H₂S) per 100 dscf of fuel gas. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
15. Maximum heat input to steam generator shall not exceed 1,440 MMBTU/day. [District Rule 2201] Federally Enforceable Through Title V Permit
16. Total TEOR gas from permit S-1547-819 incinerated in steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 4.09 MMscf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Permittee shall maintain accurate daily records of gas flowrate delivered to steam generators S-1547-766 to '-772, '-777 to '-781, and '-797. [District Rule 2201] Federally Enforceable Through Title V Permit
18. Total PM₁₀ emissions for steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 129.1 lb/day nor 47,122 lb/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
19. Permittee shall maintain daily records of quantity and higher heating value of natural gas and vapor recovery gas burned in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

20. Emission rates, except during startup, shutdown, and refractory curing from the combustion of natural gas, shall not exceed any of the following: PM10: 0.005 lb/MMBTU or SOx (as SO2): 0.002 lb/MMBTU. [District Rules 2201, 2520, 4201, 4301, 4406, 4801 and Kern County Rules 424] Federally Enforceable Through Title V Permit
21. Emission rates, except during startup, shutdown, and refractory curing shall not exceed any of the following: VOC: 0.003 lb/MMBTU, NOx (as NO2): 0.014 lb/MMBTU or 12 ppmv @ 3% O2, or CO: 0.030 lb/MMBTU or 40 ppmv @ 3% O2. [District Rules 2201, 2520, 4301, 4305, 4306, 4320, 4405 and Kern County Rule 425] Federally Enforceable Through Title V Permit
22. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO2; sulfur - 200 pounds of SO2 per hour, or 2000 ppmv as SO2, or 0.11 pounds sulfur (as S) per MMBTU on average-wide basis for all units in Rule 4406 plan; NO2 - 140 pounds per hour or 0.14 pounds per MMBTU. [District Rules 4101, 4102, 4301, 4405, 4406, 4801 and Kern County Rules 424 and 425] Federally Enforceable Through Title V Permit
23. Emission rates shall not exceed any of the following: VOC: 4.3 lb/day, NOx (as NO2): 49.0 lb/day or 7,358 lb/year, or CO: 43.2 lb/day [District Rule 2201] Federally Enforceable Through Title V Permit
24. During a "shakedown" period not to exceed 60 calendar days from initial operation of the modifications authorized by this ATC, NOx emission shall not exceed 15 ppmvd NOX @ 3% O2 or 0.018 lb-NOX/MMBTU. The shakedown period shall be concluded prior to the applicable Rule 4320 compliance deadline selected for this unit. Permittee shall maintain a record of the date of initial operation for at least 5 years. [District Rule 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
25. Duration of startup and shutdown (as defined in Rule 4320) shall not exceed 2 hours each per occurrence. Refractory curing period is defined as a maintenance-based reduced-load period of time during which a unit is brought from a shutdown status to staged rates of firing for the sole purpose of curing new refractory lining of the unit, and shall not exceed 30 hours per occurrence. The operator shall maintain records of the duration of start-up, shutdown, and refractory curing periods. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
26. The permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
27. If either the NOx or CO concentrations corrected to 3% O2, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
28. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
29. The permittee shall maintain records of: (1) the date and time of NOx, CO, and O2 measurements, (2) the O2 concentration in percent and the measured NOx and CO concentrations corrected to 3% O2, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

30. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. Unless otherwise specified in the Permit to Operate no determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
31. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
32. Source testing to measure NOx and CO emissions from this unit shall be conducted within 60 days of initial operation under this ATC. [District Rules 2201, 4305, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
33. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
34. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
35. The following test methods shall be used: NOx (ppmv) - EPA Method 7E or ARB Method 100, NOx (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SOx (lb/MMBtu) - ARB Method 100 or EPA Method 6, 6C or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - EPA Method 11 or 15, ASTM D3246 or double GC for H2S and mercaptans performed in a laboratory, fuel gas hhv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rules 1081, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
36. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
37. Operator shall provide an annual fuel sulfur content analysis to the District upon request. [District Rule 4320]
38. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
39. Formerly S-1511-129

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1547-772-19

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

SECTION: NW35 **TOWNSHIP:** 12N **RANGE:** 24W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL GAS/VAPOR RECOVERY GAS FIRED STEAM GENERATOR WITH A COEN MODEL QLN-ULN LOW NOX BURNER WITH FLUE GAS RECIRCULATION (FGR) AND PIPING FROM TEOR WELL VENT VAPOR RECOVERY SYSTEM S-1547-819. (MOCO #702) (SOUTH MIDWAY): LIMIT FUEL SULFUR CONTENT TO 5 GR-S/100 DSCF FOR RULE 4320 COMPLIANCE

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 2520] 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. Copies of all fuel invoices showing quantity and delivery points of gas delivered and copies of quality terms of gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
4. {520} The operator shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] 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

DAVID WARNER, Director of Permit Services
S-1547-772-19 : Apr 16 2010 2:39PM - RICKARDK : Joint Inspection NOT Required

5. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rules 2520, 9.4.2 and 4320] Federally Enforceable Through Title V Permit
6. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.4.2; 4305, 4306, 4320, and 4351, 6.2.1] Federally Enforceable Through Title V Permit
7. The operator shall demonstrate compliance with this unit's sulfur compound exhaust concentration limit(s) using one of the following: fire the unit only on PUC or FERC regulated natural gas, test the sulfur content of each fuel source, or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 2520, 9.4.2, 4301, 5.2.1 and Rule 4801, 3.1] Federally Enforceable Through Title V Permit
8. {565} Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of 40 CFR 60, Subpart Dc (except 60.44c(g) and (h) and 60.48c). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
9. Steam generator shall be equipped with operational fuel gas and vapor recovery gas volumetric flow meters. [District Rule 2201] Federally Enforceable Through Title V Permit
10. Only natural gas or a combination of natural gas and TEOR well vent vapors from well vent vapor control system S-1547-819 shall be used as fuel in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
11. When combusting a combination of natural gas and vapor recovery gas, the fuel gas sulfur content shall not exceed 5 grains of total sulfur (as H₂S) per 100 dscf of fuel gas. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
12. Maximum heat input to steam generator shall not exceed 1,440 MMBTU/day. [District Rule 2201] Federally Enforceable Through Title V Permit
13. Total TEOR gas from permit S-1547-819 incinerated in steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 4.09 MMscf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
14. Permittee shall maintain accurate daily records of gas flowrate delivered to steam generators S-1547-766 to '-772, '-777 to '-781, and '-797. [District Rule 2201] Federally Enforceable Through Title V Permit
15. Total PM₁₀ emissions for steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 129.1 lb/day nor 47,122 lb/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
16. Permittee shall maintain daily records of quantity and higher heating value of natural gas and vapor recovery gas burned in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Emission rates, except during startup, shutdown, and refractory curing from the combustion of natural gas, shall not exceed any of the following: PM₁₀: 0.005 lb/MMBtu or SO_x (as SO₂): 0.002 lb/MMBtu. [District Rules 2201, 2520, 4201, 4301, 4406, 4801 and Kern County Rules 424] Federally Enforceable Through Title V Permit
18. Emission rates, except during startup, shutdown, and refractory curing shall not exceed any of the following: VOC: 0.003 lb/MMBtu, NO_x (as NO₂): 0.018 lb/MMBtu or 15 ppmv @ 3% O₂, or CO: 0.030 lb/MMBtu or 40 ppmv @ 3% O₂. [District Rules 2201, 2520, 4301, 4305, 4306, 4320, 4405 and Kern County Rule 425] Federally Enforceable Through Title V Permit
19. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO₂; sulfur - 200 pounds of SO₂ per hour, or 2000 ppmv as SO₂, or 0.11 pounds sulfur (as S) per MMBtu on average-wide basis for all units in Rule 4406 plan; NO₂ - 140 pounds per hour or 0.14 pounds per MMBtu. [District Rules 4101, 4102, 4301, 4405, 4406, 4801 and Kern County Rules 424 and 425] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

20. Emission rates shall not exceed any of the following: VOC: 4.3 lb/day, NO_x (as NO₂): 49.0 lb/day or 9,461 lb/year, or CO: 43.2 lb/day [District Rule 2201] Federally Enforceable Through Title V Permit
21. Duration of startup and shutdown (as defined in Rule 4320) shall not exceed 2 hours each per occurrence. Refractory curing period is defined as a maintenance-based reduced-load period of time during which a unit is brought from a shutdown status to staged rates of firing for the sole purpose of curing new refractory lining of the unit, and shall not exceed 30 hours per occurrence. The operator shall maintain records of the duration of start-up, shutdown, and refractory curing periods. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
22. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
23. If either the NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
24. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
25. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
26. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. Unless otherwise specified in the Permit to Operate no determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
27. Source testing to measure natural gas-combustion NO_x and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
28. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

29. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
30. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, NO_x (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SO_x (lb/MMBtu) - ARB Method 100 or EPA Method 6, 6C or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - EPA Method 11 or 15, ASTM D3246 or double GC for H₂S and mercaptans performed in a laboratory, fuel gas hhv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rules 1081, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
31. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
32. Operator shall provide an annual fuel sulfur content analysis to the District upon request. [District Rule 4320]
33. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
34. Formerly S-1511-129

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT

PERMIT NO: S-1547-777-17

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

SECTION: NW35 TOWNSHIP: 12N RANGE: 24W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL GAS/VAPOR RECOVERY GAS FIRED STEAM GENERATOR, WITH A COEN QLN-ULN BURNER, FLUE GAS RECIRCULATION AND PIPING FROM TEOR WELL VENT VAPOR RECOVERY SYSTEM S-1547-819. (MOCO #505) (SOUTH MIDWAY): REPLACE EXISTING BURNER WITH COEN MODEL QLN-ULN ULTRA LOW NOX BURNER, OR NORTH AMERICAN MODEL MAGNA FLAME LEX ULTRA LOW NOX BURNER, OR ACT GIDEON ULTRA LOW NOX BURNER, OR EQUIVALENT; OR TUNE EXISTING BURNER; LOWER NOX LIMIT TO 7 PPMV @ 3% O2 AND LIMIT FUEL SULFUR CONTENT TO 5 GR-S/100 DSCF FOR RULE 4320 COMPLIANCE

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 2520] 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. The permittee shall notify the District of the compliance method chosen (replacement burner or tuning) and if applicable, the approved burner to be installed prior to implementation of this ATC. [District Rule 2201] Federally Enforceable Through Title V Permit
4. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this ATC. Approval of the equivalent equipment shall be made in writing and only after the District's determination that the submitted design and performance of the proposed alternate equipment is equivalent to the authorized equipment [District Rule 2010] 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

DAVID WARNER, Director of Permit Services
S-1547-777-17 : Apr 18 2010 2:40PM - RICKARDK : Joint Inspection NOT Required

5. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emissions rates, equipment drawing(s) and operational characteristics/parameters [District Rule 2010] Federally Enforceable Through Title V Permit
6. Copies of all fuel invoices showing quantity and delivery points of gas delivered and copies of quality terms of gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
7. {520} The operator shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
8. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rules 2520, 9.4.2 and 4320] Federally Enforceable Through Title V Permit
9. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.4.2; 4305, 4306, 4320, and 4351, 6.2.1] Federally Enforceable Through Title V Permit
10. The operator shall demonstrate compliance with this unit's sulfur compound exhaust concentration limit(s) using one of the following: fire the unit only on PUC or FERC regulated natural gas, test the sulfur content of each fuel source, or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 2520, 9.4.2, 4301, 5.2.1 and Rule 4801, 3.1] Federally Enforceable Through Title V Permit
11. {565} Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of 40 CFR 60, Subpart Dc (except 60.44c(g) and (h) and 60.48c). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
12. Steam generator shall be equipped with operational fuel gas and vapor recovery gas volumetric flow meters. [District Rule 2201] Federally Enforceable Through Title V Permit
13. Only natural gas or a combination of natural gas and TEOR well vent vapors from well vent vapor control system S-1547-819 shall be used as fuel in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
14. When combusting a combination of natural gas and vapor recovery gas, the fuel gas sulfur content shall not exceed 5 grains of total sulfur (as H₂S) per 100 dscf of fuel gas. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
15. Maximum heat input to steam generator shall not exceed 1,440 MMBTU/day. [District Rule 2201] Federally Enforceable Through Title V Permit
16. Total TEOR gas from permit S-1547-819 incinerated in steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 4.09 MMscf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Permittee shall maintain accurate daily records of gas flowrate delivered to steam generators S-1547-766 to '-772, '-777 to '-781, and '-797. [District Rule 2201] Federally Enforceable Through Title V Permit
18. Total PM₁₀ emissions for steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 129.1 lb/day nor 47,122 lb/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
19. Permittee shall maintain daily records of quantity and higher heating value of natural gas and vapor recovery gas burned in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
20. Emission rates, except during startup, shutdown, and refractory curing from the combustion of natural gas, shall not exceed any of the following: PM₁₀: 0.005 lb/MMBTU or SO_x (as SO₂): 0.002 lb/MMBtu. [District Rules 2201, 2520, 4201, 4301, 4406, 4801 and Kern County Rules 420] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

21. Emission rates, except during startup, shutdown, and refractory curing shall not exceed any of the following: VOC: 0.003 lb/MMBtu, NO_x (as NO₂): 0.0108 lb/MMBtu or 7 ppmv @ 3% O₂, or CO: 0.030 lb/MMBtu or 40 ppmv @ 3% O₂. [District Rules 2201, 2520, 4301, 4305, 4306, 4320, 4405 and Kern County Rule 425] Federally Enforceable Through Title V Permit
22. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO₂; sulfur - 200 pounds of SO₂ per hour, or 2000 ppmv as SO₂, or 0.11 pounds sulfur (as S) per MMBtu on average-wide basis for all units in Rule 4406 plan; NO₂ - 140 pounds per hour or 0.14 pounds per MMBtu. [District Rules 4101, 4102, 4301, 4405, 4406, 4801 and Kern County Rules 424 and 425] Federally Enforceable Through Title V Permit
23. Emission rates shall not exceed any of the following: VOC: 4.3 lb/day, NO_x (as NO₂): 49.0 lb/day or 4205 lb/year, or CO: 43.2 lb/day [District Rule 2201] Federally Enforceable Through Title V Permit
24. During a "shakedown" period not to exceed 60 calendar days from initial operation of the modifications authorized by this ATC, NO_x emission shall not exceed 15 ppmvd NO_x @ 3% O₂ or 0.018 lb-NO_x/MMBtu. The shakedown period shall be concluded prior to the applicable Rule 4320 compliance deadline selected for this unit. Permittee shall maintain a record of the date of initial operation for at least 5 years. [District Rule 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
25. Duration of startup and shutdown (as defined in Rule 4320) shall not exceed 2 hours each per occurrence. Refractory curing period is defined as a maintenance-based reduced-load period of time during which a unit is brought from a shutdown status to staged rates of firing for the sole purpose of curing new refractory lining of the unit, and shall not exceed 30 hours per occurrence. The operator shall maintain records of the duration of start-up, shutdown, and refractory curing periods. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
26. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
27. NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
28. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
29. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

30. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. Unless otherwise specified in the Permit to Operate no determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
31. Source testing to measure natural gas-combustion NO_x and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
32. Source testing to measure natural gas-combustion NO_x and CO emissions from this unit shall be conducted within 60 days of initial operation under this ATC. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
33. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
34. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
35. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, NO_x (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SO_x (lb/MMBtu) - ARB Method 100 or EPA Method 6, 6C or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - EPA Method 11 or 15, ASTM D3246 or double GC for H₂S and mercaptans performed in a laboratory, fuel gas hhv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rules 1081, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
36. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
37. Operator shall provide an annual fuel sulfur content analysis to the District upon request. [District Rule 4320]
38. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
39. Formerly S-1511-134

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1547-777-18

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

SECTION: NW35 **TOWNSHIP:** 12N **RANGE:** 24W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL GAS/VAPOR RECOVERY GAS FIRED STEAM GENERATOR, WITH A COEN QLN-ULN BURNER, FLUE GAS RECIRCULATION AND PIPING FROM TEOR WELL VENT VAPOR RECOVERY SYSTEM S-1547-819. (MOCO #505) (SOUTH MIDWAY): REPLACE EXISTING BURNER WITH COEN MODEL QLN-ULN ULTRA LOW NOX BURNER, OR NORTH AMERICAN MODEL MAGNA FLAME LEX ULTRA LOW NOX BURNER, OR ACT GIDEON ULTRA LOW NOX BURNER, OR EQUIVALENT; OR TUNE EXISTING BURNER; LOWER NOX LIMIT TO 9 PPMV @ 3% O2 AND LIMIT FUEL SULFUR CONTENT TO 5 GR-S/100 DSCF FOR RULE 4320 COMPLIANCE

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 2520] 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. The permittee shall notify the District of the compliance method chosen (replacement burner or tuning) and if applicable, the approved burner to be installed prior to implementation of this ATC. [District Rule 2201] Federally Enforceable Through Title V Permit
4. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this ATC. Approval of the equivalent equipment shall be made in writing and only after the District's determination that the submitted design and performance of the proposed alternate equipment is equivalent to the authorized equipment [District Rule 2010] 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

DAVID WARNER, Director of Permit Services
S-1547-777-18: Apr 16 2010 2:40PM - RICKARDK : Joint Inspection NOT Required

5. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emissions rates, equipment drawing(s) and operational characteristics/parameters [District Rule 2010] Federally Enforceable Through Title V Permit
6. Copies of all fuel invoices showing quantity and delivery points of gas delivered and copies of quality terms of gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
7. {520} The operator shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
8. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rules 2520, 9.4.2 and 4320] Federally Enforceable Through Title V Permit
9. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.4.2; 4305, 4306, 4320, and 4351, 6.2.1] Federally Enforceable Through Title V Permit
10. The operator shall demonstrate compliance with this unit's sulfur compound exhaust concentration limit(s) using one of the following: fire the unit only on PUC or FERC regulated natural gas, test the sulfur content of each fuel source, or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 2520, 9.4.2, 4301, 5.2.1 and Rule 4801, 3.1] Federally Enforceable Through Title V Permit
11. {565} Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of 40 CFR 60, Subpart Dc (except 60.44c(g) and (h) and 60.48c). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
12. Steam generator shall be equipped with operational fuel gas and vapor recovery gas volumetric flow meters. [District Rule 2201] Federally Enforceable Through Title V Permit
13. Only natural gas or a combination of natural gas and TEOR well vent vapors from well vent vapor control system S-1547-819 shall be used as fuel in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
14. When combusting a combination of natural gas and vapor recovery gas, the fuel gas sulfur content shall not exceed 5 grains of total sulfur (as H₂S) per 100 dscf of fuel gas. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
15. Maximum heat input to steam generator shall not exceed 1,440 MMBTU/day. [District Rule 2201] Federally Enforceable Through Title V Permit
16. Total TEOR gas from permit S-1547-819 incinerated in steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 4.09 MMscf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Permittee shall maintain accurate daily records of gas flowrate delivered to steam generators S-1547-766 to '-772, '-777 to '-781, and '-797. [District Rule 2201] Federally Enforceable Through Title V Permit
18. Total PM₁₀ emissions for steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 129.1 lb/day nor 47,122 lb/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
19. Permittee shall maintain daily records of quantity and higher heating value of natural gas and vapor recovery gas burned in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
20. Emission rates, except during startup, shutdown, and refractory curing from the combustion of natural gas, shall not exceed any of the following: PM₁₀: 0.005 lb/MMBTU or SO_x (as SO₂): 0.002 lb/MMBtu. [District Rules 2201, 2520, 4201, 4301, 4406, 4801 and Kern County Rules 429] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

21. Emission rates, except during startup, shutdown, and refractory curing shall not exceed any of the following: VOC: 0.003 lb/MMBtu, NO_x (as NO₂): 0.011 lb/MMBtu or 9 ppmv @ 3% O₂, or CO: 0.030 lb/MMBtu or 40 ppmv @ 3% O₂. [District Rules 2201, 2520, 4301, 4305, 4306, 4320, 4405 and Kern County Rule 425] Federally Enforceable Through Title V Permit
22. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO₂; sulfur - 200 pounds of SO₂ per hour, or 2000 ppmv as SO₂, or 0.11 pounds sulfur (as S) per MMBtu on average-wide basis for all units in Rule 4406 plan; NO₂ - 140 pounds per hour or 0.14 pounds per MMBtu. [District Rules 4101, 4102, 4301, 4405, 4406, 4801 and Kern County Rules 424 and 425] Federally Enforceable Through Title V Permit
23. Emission rates shall not exceed any of the following: VOC: 4.3 lb/day, NO_x (as NO₂): 49.0 lb/day or 5782 lb/year, or CO: 43.2 lb/day [District Rule 2201] Federally Enforceable Through Title V Permit
24. During a "shakedown" period not to exceed 60 calendar days from initial operation of the modifications authorized by this ATC, NO_x emission shall not exceed 15 ppmvd NO_x @ 3% O₂ or 0.018 lb-NO_x/MMBtu. The shakedown period shall be concluded prior to the applicable Rule 4320 compliance deadline selected for this unit. Permittee shall maintain a record of the date of initial operation for at least 5 years. [District Rule 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
25. Duration of startup and shutdown (as defined in Rule 4320) shall not exceed 2 hours each per occurrence. Refractory curing period is defined as a maintenance-based reduced-load period of time during which a unit is brought from a shutdown status to staged rates of firing for the sole purpose of curing new refractory lining of the unit, and shall not exceed 30 hours per occurrence. The operator shall maintain records of the duration of start-up, shutdown, and refractory curing periods. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
26. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
27. NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
28. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
29. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

30. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. Unless otherwise specified in the Permit to Operate no determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
31. Source testing to measure natural gas-combustion NO_x and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
32. Source testing to measure natural gas-combustion NO_x and CO emissions from this unit shall be conducted within 60 days of initial operation under this ATC. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
33. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
34. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
35. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, NO_x (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SO_x (lb/MMBtu) - ARB Method 100 or EPA Method 6, 6C or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - EPA Method 11 or 15, ASTM D3246 or double GC for H₂S and mercaptans performed in a laboratory, fuel gas hhv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rules 1081, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
36. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
37. Operator shall provide an annual fuel sulfur content analysis to the District upon request. [District Rule 4320]
38. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
39. Formerly S-1511-134

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1547-777-19

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

SECTION: NW35 **TOWNSHIP:** 12N **RANGE:** 24W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL GAS/VAPOR RECOVERY GAS FIRED STEAM GENERATOR, WITH A COEN QLN-ULN BURNER, FLUE GAS RECIRCULATION AND PIPING FROM TEOR WELL VENT VAPOR RECOVERY SYSTEM S-1547-819. (MOCO #505) (SOUTH MIDWAY): LIMIT FUEL SULFUR CONTENT TO 5 GR-S/100 DSCF FOR RULE 4320 COMPLIANCE

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 2520] 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. Copies of all fuel invoices showing quantity and delivery points of gas delivered and copies of quality terms of gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
4. {520} The operator shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] 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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DAVID WARNER, Director of Permit Services
S-1547-777-19 : Apr 16 2010 2:40PM - RICKARDK : Joint Inspection NOT Required

5. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rules 2520, 9.4.2 and 4320] Federally Enforceable Through Title V Permit
6. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.4.2; 4305, 4306, 4320, and 4351, 6.2.1] Federally Enforceable Through Title V Permit
7. The operator shall demonstrate compliance with this unit's sulfur compound exhaust concentration limit(s) using one of the following: fire the unit only on PUC or FERC regulated natural gas, test the sulfur content of each fuel source, or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 2520, 9.4.2, 4301, 5.2.1 and Rule 4801, 3.1] Federally Enforceable Through Title V Permit
8. {565} Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of 40 CFR 60, Subpart Dc (except 60.44c(g) and (h) and 60.48c). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
9. Steam generator shall be equipped with operational fuel gas and vapor recovery gas volumetric flow meters. [District Rule 2201] Federally Enforceable Through Title V Permit
10. Only natural gas or a combination of natural gas and TEOR well vent vapors from well vent vapor control system S-1547-819 shall be used as fuel in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
11. When combusting a combination of natural gas and vapor recovery gas, the fuel gas sulfur content shall not exceed 5 grains of total sulfur (as H₂S) per 100 dscf of fuel gas. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
12. Maximum heat input to steam generator shall not exceed 1,440 MMBTU/day. [District Rule 2201] Federally Enforceable Through Title V Permit
13. Total TEOR gas from permit S-1547-819 incinerated in steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 4.09 MMscf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
14. Permittee shall maintain accurate daily records of gas flowrate delivered to steam generators S-1547-766 to '-772, '-777 to '-781, and '-797. [District Rule 2201] Federally Enforceable Through Title V Permit
15. Total PM₁₀ emissions for steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 129.1 lb/day nor 47,122 lb/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
16. Permittee shall maintain daily records of quantity and higher heating value of natural gas and vapor recovery gas burned in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Emission rates, except during startup, shutdown, and refractory curing from the combustion of natural gas, shall not exceed any of the following: PM₁₀: 0.005 lb/MMBTU or SO_x (as SO₂): 0.002 lb/MMBTU. [District Rules 2201, 2520, 4201, 4301, 4406, 4801 and Kern County Rules 424] Federally Enforceable Through Title V Permit
18. Emission rates, except during startup, shutdown, and refractory curing shall not exceed any of the following: VOC: 0.003 lb/MMBTU, NO_x (as NO₂): 0.018 lb/MMBTU or 15 ppmv @ 3% O₂, or CO: 0.030 lb/MMBTU or 40 ppmv @ 3% O₂. [District Rules 2201, 2520, 4301, 4305, 4306, 4320, 4405 and Kern County Rule 425] Federally Enforceable Through Title V Permit
19. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO₂; sulfur - 200 pounds of SO₂ per hour, or 2000 ppmv as SO₂, or 0.11 pounds sulfur (as S) per MMBtu on average-wide basis for all units in Rule 4406 plan; NO₂ - 140 pounds per hour or 0.14 pounds per MMBtu. [District Rules 4101, 4102, 4301, 4405, 4406, 4801 and Kern County Rules 424 and 425] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

20. Emission rates shall not exceed any of the following: VOC: 4.3 lb/day, NO_x (as NO₂): 49.0 lb/day or 9,461 lb/year, or CO: 43.2 lb/day [District Rule 2201] Federally Enforceable Through Title V Permit
21. Duration of startup and shutdown (as defined in Rule 4320) shall not exceed 2 hours each per occurrence. Refractory curing period is defined as a maintenance-based reduced-load period of time during which a unit is brought from a shutdown status to staged rates of firing for the sole purpose of curing new refractory lining of the unit, and shall not exceed 30 hours per occurrence. The operator shall maintain records of the duration of start-up, shutdown, and refractory curing periods. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
22. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
23. NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
24. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
25. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
26. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. Unless otherwise specified in the Permit to Operate no determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
27. Source testing to measure natural gas-combustion NO_x and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
28. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

29. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
30. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, NO_x (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SO_x (lb/MMBtu) - ARB Method 100 or EPA Method 6, 6C or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - EPA Method 11 or 15, ASTM D3246 or double GC for H₂S and mercaptans performed in a laboratory, fuel gas hhv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rules 1081, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
31. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
32. Operator shall provide an annual fuel sulfur content analysis to the District upon request. [District Rule 4320]
33. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
34. Formerly S-1511-134

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

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ISSUANCE DATE: DRAFT

PERMIT NO: S-1547-778-17

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

SECTION: NW35 **TOWNSHIP:** 12N **RANGE:** 24W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL GAS/VAPOR RECOVERY GAS FIRED STEAM GENERATOR WITH A COEN MODEL QLN-ULN LOW NOX BURNER, FLUE GAS RECIRCULATION AND PIPING FROM TEOR WELL VENT VAPOR RECOVERY SYSTEM S-1547-819, MOCO (#506) (SOUTH MIDWAY); REPLACE EXISTING BURNER WITH COEN MODEL QLN-ULN ULTRA LOW NOX BURNER, OR NORTH AMERICAN MODEL MAGNA FLAME LEX ULTRA LOW NOX BURNER, OR ACT GIDEON ULTRA LOW NOX BURNER, OR EQUIVALENT; OR TUNE EXISTING BURNER; LOWER NOX LIMIT TO 7 PPMV @ 3% O2 AND LIMIT FUEL SULFUR CONTENT TO 5 GR-S/100 DSCF FOR RULE 4320 COMPLIANCE

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 2520] 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. The permittee shall notify the District of the compliance method chosen (replacement burner or tuning) and if applicable, the approved burner to be installed prior to implementation of this ATC. [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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DAVID WARNER, Director of Permit Services
S-1547-778-17 : Apr 16 2010 2:40PM - RICKARDK : Joint Inspection NOT Required

4. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this ATC. Approval of the equivalent equipment shall be made in writing and only after the District's determination that the submitted design and performance of the proposed alternate equipment is equivalent to the authorized equipment [District Rule 2010] Federally Enforceable Through Title V Permit
5. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emissions rates, equipment drawing(s) and operational characteristics/parameters [District Rule 2010] Federally Enforceable Through Title V Permit
6. Copies of all fuel invoices showing quantity and delivery points of gas delivered and copies of quality terms of gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
7. {520} The operator shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
8. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rules 2520, 9.4.2 and 4320] Federally Enforceable Through Title V Permit
9. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.4.2; 4305, 4306, 4320, and 4351, 6.2.1] Federally Enforceable Through Title V Permit
10. The operator shall demonstrate compliance with this unit's sulfur compound exhaust concentration limit(s) using one of the following: fire the unit only on PUC or FERC regulated natural gas, test the sulfur content of each fuel source, or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 2520, 9.4.2, 4301, 5.2.1 and Rule 4801, 3.1] Federally Enforceable Through Title V Permit
11. {565} Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of 40 CFR 60, Subpart Dc (except 60.44c(g) and (h) and 60.48c). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
12. Steam generator shall be equipped with operational fuel gas and vapor recovery gas volumetric flow meters . [District Rule 2201] Federally Enforceable Through Title V Permit
13. Only natural gas or a combination of natural gas and TEOR well vent vapors from well vent vapor control system S-1547-819 shall be used as fuel in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
14. When combusting a combination of natural gas and vapor recovery gas, the fuel gas sulfur content shall not exceed 5 grains of total sulfur (as H₂S) per 100 dscf of fuel gas. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
15. Maximum heat input to steam generator shall not exceed 1,440 MMBTU/day. [District Rule 2201] Federally Enforceable Through Title V Permit
16. Total TEOR gas from permit S-1547-819 incinerated in steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 4.09 MMscf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Permittee shall maintain accurate daily records of gas flowrate delivered to steam generators S-1547-766 to '-772, '-777 to '-781, and '-797. [District Rule 2201] Federally Enforceable Through Title V Permit
18. Total PM10 emissions for steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 129.1 lb/day nor 47,122 lb/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
19. Permittee shall maintain daily records of quantity and higher heating value of natural gas and vapor recovery gas burned in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

20. Emission rates, except during startup, shutdown, and refractory curing from the combustion of natural gas, shall not exceed any of the following: PM10: 0.005 lb/MMBTU or SO_x (as SO₂): 0.002 lb/MMBTU. [District Rules 2201, 2520, 4201, 4301, 4406, 4801 and Kern County Rules 424] Federally Enforceable Through Title V Permit
21. Emission rates, except during startup, shutdown, and refractory curing shall not exceed any of the following: VOC: 0.003 lb/MMBTU, NO_x (as NO₂): 0.008 lb/MMBTU or 7 ppmv @ 3% O₂, or CO: 0.030 lb/MMBTU or 40 ppmv @ 3% O₂. [District Rules 2201, 2520, 4301, 4305, 4306, 4320, 4405 and Kern County Rule 425] Federally Enforceable Through Title V Permit
22. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO₂; sulfur - 200 pounds of SO₂ per hour, or 2000 ppmv as SO₂, or 0.11 pounds sulfur (as S) per MMBTU on average-wide basis for all units in Rule 4406 plan; NO₂ - 140 pounds per hour or 0.14 pounds per MMBTU. [District Rules 4101, 4102, 4301, 4405, 4406, 4801 and Kern County Rules 424 and 425] Federally Enforceable Through Title V Permit
23. Emission rates shall not exceed any of the following: VOC: 4.3 lb/day, NO_x (as NO₂): 49.0 lb/day or 4205 lb/year, or CO: 43.2 lb/day [District Rule 2201] Federally Enforceable Through Title V Permit
24. During a "shakedown" period not to exceed 60 calendar days from initial operation of the modifications authorized by this ATC, NO_x emission rate shall not exceed 15 ppmvd @ 3% O₂ or 0.018 lb/MMBTU. The shakedown period shall be concluded prior to the applicable Rule 4306 compliance deadline selected for this unit. Permittee shall maintain a record of the date of initial operation and shall make such records readily available for District inspection upon request. [District Rule 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
25. Duration of startup and shutdown (as defined in Rule 4320) shall not exceed 2 hours each per occurrence. Refractory curing period is defined as a maintenance-based reduced-load period of time during which a unit is brought from a shutdown status to staged rates of firing for the sole purpose of curing new refractory lining of the unit, and shall not exceed 30 hours per occurrence. The operator shall maintain records of the duration of start-up, shutdown, and refractory curing periods. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
26. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
27. If either the NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
28. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
29. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

30. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. Unless otherwise specified in the Permit to Operate no determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
31. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
32. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
33. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted within 60 days of initial operation under this ATC. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
34. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
35. The following test methods shall be used: NOx (ppmv) - EPA Method 7E or ARB Method 100, NOx (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SOx (lb/MMBtu) - ARB Method 100 or EPA Method 6, 6C or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - EPA Method 11 or 15, ASTM D3246 or double GC for H2S and mercaptans performed in a laboratory, fuel gas hhv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rules 1081, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
36. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
37. Operator shall provide an annual fuel sulfur content analysis to the District upon request. [District Rule 4320]
38. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
39. Formerly S-1511-135

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1547-778-18

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

SECTION: NW35 TOWNSHIP: 12N RANGE: 24W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL GAS/VAPOR RECOVERY GAS FIRED STEAM GENERATOR WITH A COEN MODEL QLN-ULN LOW NOX BURNER, FLUE GAS RECIRCULATION AND PIPING FROM TEOR WELL VENT VAPOR RECOVERY SYSTEM S-1547-819, MOCO (#506) (SOUTH MIDWAY); REPLACE EXISTING BURNER WITH COEN MODEL QLN-ULN ULTRA LOW NOX BURNER, OR NORTH AMERICAN MODEL MAGNA FLAME LEX ULTRA LOW NOX BURNER, OR ACT GIDEON ULTRA LOW NOX BURNER, OR EQUIVALENT; OR TUNE EXISTING BURNER; LOWER NOX LIMIT TO 9 PPMV @ 3% O2 AND LIMIT FUEL SULFUR CONTENT TO 5 GR-S/100 DSCF FOR RULE 4320 COMPLIANCE

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 2520] 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. The permittee shall notify the District of the compliance method chosen (replacement burner or tuning) and if applicable, the approved burner to be installed prior to implementation of this ATC. [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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DAVID WARNER, Director of Permit Services

S-1547-778-18 : Apr 16 2010 2:40PM - RICKARDK : Joint Inspection NOT Required

4. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this ATC. Approval of the equivalent equipment shall be made in writing and only after the District's determination that the submitted design and performance of the proposed alternate equipment is equivalent to the authorized equipment [District Rule 2010] Federally Enforceable Through Title V Permit
5. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emissions rates, equipment drawing(s) and operational characteristics/parameters [District Rule 2010] Federally Enforceable Through Title V Permit
6. Copies of all fuel invoices showing quantity and delivery points of gas delivered and copies of quality terms of gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
7. {520} The operator shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
8. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rules 2520, 9.4.2 and 4320] Federally Enforceable Through Title V Permit
9. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.4.2; 4305, 4306, 4320, and 4351, 6.2.1] Federally Enforceable Through Title V Permit
10. The operator shall demonstrate compliance with this unit's sulfur compound exhaust concentration limit(s) using one of the following: fire the unit only on PUC or FERC regulated natural gas, test the sulfur content of each fuel source, or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 2520, 9.4.2, 4301, 5.2.1 and Rule 4801, 3.1] Federally Enforceable Through Title V Permit
11. {565} Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of 40 CFR 60, Subpart Dc (except 60.44c(g) and (h) and 60.48c). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
12. Steam generator shall be equipped with operational fuel gas and vapor recovery gas volumetric flow meters. [District Rule 2201] Federally Enforceable Through Title V Permit
13. Only natural gas or a combination of natural gas and TEOR well vent vapors from well vent vapor control system S-1547-819 shall be used as fuel in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
14. When combusting a combination of natural gas and vapor recovery gas, the fuel gas sulfur content shall not exceed 5 grains of total sulfur (as H₂S) per 100 dscf of fuel gas. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
15. Maximum heat input to steam generator shall not exceed 1,440 MMBTU/day. [District Rule 2201] Federally Enforceable Through Title V Permit
16. Total TEOR gas from permit S-1547-819 incinerated in steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 4.09 MMscf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Permittee shall maintain accurate daily records of gas flowrate delivered to steam generators S-1547-766 to '-772, '-777 to '-781, and '-797. [District Rule 2201] Federally Enforceable Through Title V Permit
18. Total PM₁₀ emissions for steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 129.1 lb/day nor 47,122 lb/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
19. Permittee shall maintain daily records of quantity and higher heating value of natural gas and vapor recovery gas burned in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

20. Emission rates, except during startup, shutdown, and refractory curing from the combustion of natural gas, shall not exceed any of the following: PM10: 0.005 lb/MMBTU or SO_x (as SO₂): 0.002 lb/MMBTU. [District Rules 2201, 2520, 4201, 4301, 4406, 4801 and Kern County Rules 424] Federally Enforceable Through Title V Permit
21. Emission rates, except during startup, shutdown, and refractory curing shall not exceed any of the following: VOC: 0.003 lb/MMBTU, NO_x (as NO₂): 0.011 lb/MMBTU or 9 ppmv @ 3% O₂, or CO: 0.030 lb/MMBTU or 40 ppmv @ 3% O₂. [District Rules 2201, 2520, 4301, 4305, 4306, 4320, 4405 and Kern County Rule 425] Federally Enforceable Through Title V Permit
22. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO₂; sulfur - 200 pounds of SO₂ per hour, or 2000 ppmv as SO₂, or 0.11 pounds sulfur (as S) per MMBtu on average-wide basis for all units in Rule 4406 plan; NO₂ - 140 pounds per hour or 0.14 pounds per MMBtu. [District Rules 4101, 4102, 4301, 4405, 4406, 4801 and Kern County Rules 424 and 425] Federally Enforceable Through Title V Permit
23. Emission rates shall not exceed any of the following: VOC: 4.3 lb/day, NO_x (as NO₂): 49.0 lb/day or 5782 lb/year, or CO: 43.2 lb/day [District Rule 2201] Federally Enforceable Through Title V Permit
24. During a "shakedown" period not to exceed 60 calendar days from initial operation of the modifications authorized by this ATC, NO_x emission rate shall not exceed 15 ppmvd @ 3% O₂ or 0.018 lb/MMBTU. The shakedown period shall be concluded prior to the applicable Rule 4306 compliance deadline selected for this unit. Permittee shall maintain a record of the date of initial operation and shall make such records readily available for District inspection upon request. [District Rule 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
25. Duration of startup and shutdown (as defined in Rule 4320) shall not exceed 2 hours each per occurrence. Refractory curing period is defined as a maintenance-based reduced-load period of time during which a unit is brought from a shutdown status to staged rates of firing for the sole purpose of curing new refractory lining of the unit, and shall not exceed 30 hours per occurrence. The operator shall maintain records of the duration of start-up, shutdown, and refractory curing periods. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
26. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
27. If either the NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
28. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
29. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

30. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. Unless otherwise specified in the Permit to Operate no determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
31. Source testing to measure natural gas-combustion NO_x and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
32. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
33. Source testing to measure natural gas-combustion NO_x and CO emissions from this unit shall be conducted within 60 days of initial operation under this ATC. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
34. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
35. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, NO_x (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SO_x (lb/MMBtu) - ARB Method 100 or EPA Method 6, 6C or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - EPA Method 11 or 15, ASTM D3246 or double GC for H₂S and mercaptans performed in a laboratory, fuel gas hhv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rules 1081, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
36. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
37. Operator shall provide an annual fuel sulfur content analysis to the District upon request. [District Rule 4320]
38. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
39. Formerly S-1511-135

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1547-778-19

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

SECTION: NW35 **TOWNSHIP:** 12N **RANGE:** 24W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL GAS/VAPOR RECOVERY GAS FIRED STEAM GENERATOR WITH A COEN MODEL QLN-ULN LOW NOX BURNER, FLUE GAS RECIRCULATION AND PIPING FROM TEOR WELL VENT VAPOR RECOVERY SYSTEM S-1547-819, MOCO (#506) (SOUTH MIDWAY): LIMIT FUEL SULFUR CONTENT TO 5 GR-S/100 DSCF FOR RULE 4320 COMPLIANCE

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 2520] 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. Copies of all fuel invoices showing quantity and delivery points of gas delivered and copies of quality terms of gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
4. {520} The operator shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] 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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DAVID WARNER, Director of Permit Services
S-1547-778-19: Apr 10 2010 2:40PM - RICKARDK : Joint Inspection NOT Required

5. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rules 2520, 9.4.2 and 4320] Federally Enforceable Through Title V Permit
6. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.4.2; 4305, 4306, 4320, and 4351, 6.2.1] Federally Enforceable Through Title V Permit
7. The operator shall demonstrate compliance with this unit's sulfur compound exhaust concentration limit(s) using one of the following: fire the unit only on PUC or FERC regulated natural gas, test the sulfur content of each fuel source, or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 2520, 9.4.2, 4301, 5.2.1 and Rule 4801, 3.1] Federally Enforceable Through Title V Permit
8. {565} Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of 40 CFR 60, Subpart Dc (except 60.44c(g) and (h) and 60.48c). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
9. Steam generator shall be equipped with operational fuel gas and vapor recovery gas volumetric flow meters. [District Rule 2201] Federally Enforceable Through Title V Permit
10. Only natural gas or a combination of natural gas and TEOR well vent vapors from well vent vapor control system S-1547-819 shall be used as fuel in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
11. When combusting a combination of natural gas and vapor recovery gas, the fuel gas sulfur content shall not exceed 5 grains of total sulfur (as H₂S) per 100 dscf of fuel gas. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
12. Maximum heat input to steam generator shall not exceed 1,440 MMBTU/day. [District Rule 2201] Federally Enforceable Through Title V Permit
13. Total TEOR gas from permit S-1547-819 incinerated in steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 4.09 MMscf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
14. Permittee shall maintain accurate daily records of gas flowrate delivered to steam generators S-1547-766 to '-772, '-777 to '-781, and '-797. [District Rule 2201] Federally Enforceable Through Title V Permit
15. Total PM₁₀ emissions for steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 129.1 lb/day nor 47,122 lb/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
16. Permittee shall maintain daily records of quantity and higher heating value of natural gas and vapor recovery gas burned in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Emission rates, except during startup, shutdown, and refractory curing from the combustion of natural gas, shall not exceed any of the following: PM₁₀: 0.005 lb/MMBTU or SO_x (as SO₂): 0.002 lb/MMBtu. [District Rules 2201, 2520, 4201, 4301, 4406, 4801 and Kern County Rules 424] Federally Enforceable Through Title V Permit
18. Emission rates, except during startup, shutdown, and refractory curing shall not exceed any of the following: VOC: 0.003 lb/MMBtu, NO_x (as NO₂): 0.018 lb/MMBtu or 15 ppmv @ 3% O₂, or CO: 0.030 lb/MMBtu or 40 ppmv @ 3% O₂. [District Rules 2201, 2520, 4301, 4305, 4306, 4320, 4405 and Kern County Rule 425] Federally Enforceable Through Title V Permit
19. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO₂; sulfur - 200 pounds of SO₂ per hour, or 2000 ppmv as SO₂, or 0.11 pounds sulfur (as S) per MMBtu on average-wide basis for all units in Rule 4406 plan; NO₂ - 140 pounds per hour or 0.14 pounds per MMBtu. [District Rules 4101, 4102, 4301, 4405, 4406, 4801 and Kern County Rules 424 and 425] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

20. Emission rates shall not exceed any of the following: VOC: 4.3 lb/day, NO_x (as NO₂): 49.0 lb/day or 9,461 lb/year, or CO: 43.2 lb/day [District Rule 2201] Federally Enforceable Through Title V Permit
21. Duration of startup and shutdown (as defined in Rule 4320) shall not exceed 2 hours each per occurrence. Refractory curing period is defined as a maintenance-based reduced-load period of time during which a unit is brought from a shutdown status to staged rates of firing for the sole purpose of curing new refractory lining of the unit, and shall not exceed 30 hours per occurrence. The operator shall maintain records of the duration of start-up, shutdown, and refractory curing periods. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
22. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
23. If either the NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
24. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
25. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
26. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. Unless otherwise specified in the Permit to Operate no determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
27. Source testing to measure natural gas-combustion NO_x and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
28. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

29. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
30. The following test methods shall be used: NOx (ppmv) - EPA Method 7E or ARB Method 100, NOx (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SOx (lb/MMBtu) - ARB Method 100 or EPA Method 6, 6C or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - EPA Method 11 or 15, ASTM D3246 or double GC for H2S and mercaptans performed in a laboratory, fuel gas hhv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rules 1081, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
31. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
32. Operator shall provide an annual fuel sulfur content analysis to the District upon request. [District Rule 4320]
33. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
34. Formerly S-1511-135

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT

PERMIT NO: S-1547-779-16

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

SECTION: NW35 TOWNSHIP: 12N RANGE: 24W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL GAS/VAPOR RECOVERY GAS FIRED STEAM GENERATOR WITH A COEN MODEL QLN-ULN LOW NOX BURNER WITH FLUE GAS RECIRCULATION (FGR) AND PIPING FROM TEOR WELL VENT VAPOR RECOVERY SYSTEM S-1547-819. (MOCO #703) (SOUTH MIDWAY): REPLACE EXISTING BURNER WITH COEN MODEL QLN-ULN ULTRA LOW NOX BURNER, OR NORTH AMERICAN MODEL MAGNA FLAME LEX ULTRA LOW NOX BURNER, OR ACT GIDEON ULTRA LOW NOX BURNER, OR EQUIVALENT; OR TUNE EXISTING BURNER; LOWER NOX LIMIT TO 7 PPMV @ 3% O2 AND LIMIT FUEL SULFUR CONTENT TO 5 GR-S/100 DSCF FOR RULE 4320 COMPLIANCE

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 2520] 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. The permittee shall notify the District of the compliance method chosen (replacement burner or tuning) and if applicable, the approved burner to be installed prior to implementation of this ATC. [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 YAPCO

DAVID WARNER, Director of Permit Services
8-1547-779-10 : Apr 16 2010 2:40PM - RICKARDK : Joint Inspection NOT Required

4. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this ATC. Approval of the equivalent equipment shall be made in writing and only after the District's determination that the submitted design and performance of the proposed alternate equipment is equivalent to the authorized equipment [District Rule 2010] Federally Enforceable Through Title V Permit
5. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emissions rates, equipment drawing(s) and operational characteristics/parameters [District Rule 2010] Federally Enforceable Through Title V Permit
6. Copies of all fuel invoices showing quantity and delivery points of gas delivered and copies of quality terms of gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
7. {520} The operator shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
8. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rules 2520, 9.4.2 and 4320] Federally Enforceable Through Title V Permit
9. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.4.2; 4305, 4306, 4320, and 4351, 6.2.1] Federally Enforceable Through Title V Permit
10. The operator shall demonstrate compliance with this unit's sulfur compound exhaust concentration limit(s) using one of the following: fire the unit only on PUC or FERC regulated natural gas, test the sulfur content of each fuel source, or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 2520, 9.4.2; 4301, 5.2.1 and Rule 4801, 3.1] Federally Enforceable Through Title V Permit
11. {565} Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of 40 CFR 60, Subpart Dc (except 60.44c(g) and (h) and 60.48c). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
12. Steam generator shall be equipped with operational fuel gas and vapor recovery gas volumetric flow meters. [District Rule 2201] Federally Enforceable Through Title V Permit
13. Only natural gas or a combination of natural gas and TEOR well vent vapors from well vent vapor control system S-1547-819 shall be used as fuel in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
14. When combusting a combination of natural gas and vapor recovery gas, the fuel gas sulfur content shall not exceed 5 grains of total sulfur (as H₂S) per 100 dscf of fuel gas. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
15. Maximum heat input to steam generator shall not exceed 1,440 MMBTU/day. [District Rule 2201] Federally Enforceable Through Title V Permit
16. Total TEOR gas from permit S-1547-819 incinerated in steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 4.09 MMscf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Permittee shall maintain accurate daily records of gas flowrate delivered to steam generators S-1547-766 to '-772, '-777 to '-781, and '-797. [District Rule 2201] Federally Enforceable Through Title V Permit
18. Total PM₁₀ emissions for steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 129.1 lb/day nor 47,122 lb/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
19. Permittee shall maintain daily records of quantity and higher heating value of natural gas and vapor recovery gas burned in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

20. Emission rates, except during startup, shutdown, and refractory curing from the combustion of natural gas, shall not exceed any of the following: PM10: 0.005 lb/MMBTU or SO_x (as SO₂): 0.002 lb/MMBTu. [District Rules 2201, 2520, 4201, 4301, 4406, 4801 and Kern County Rules 424] Federally Enforceable Through Title V Permit
21. Emission rates, except during startup, shutdown, and refractory curing shall not exceed any of the following: VOC: 0.003 lb/MMBTu, NO_x (as NO₂): 0.008 lb/MMBTu or 7 ppmv @ 3% O₂, or CO: 0.030 lb/MMBTu or 40 ppmv @ 3% O₂. [District Rules 2201, 2520, 4301, 4305, 4306, 4320, 4405 and Kern County Rule 425] Federally Enforceable Through Title V Permit
22. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO₂; sulfur - 200 pounds of SO₂ per hour, or 2000 ppmv as SO₂, or 0.11 pounds sulfur (as S) per MMBtu on average-wide basis for all units in Rule 4406 plan; NO₂ - 140 pounds per hour or 0.14 pounds per MMBtu. [District Rules 4101, 4102, 4301, 4405, 4406, 4801 and Kern County Rules 424 and 425] Federally Enforceable Through Title V Permit
23. Emission rates shall not exceed any of the following: VOC: 4.3 lb/day, NO_x (as NO₂): 49.0 lb/day or 4205 lb/year, or CO: 43.2 lb/day [District Rule 2201] Federally Enforceable Through Title V Permit
24. During a "shakedown" period not to exceed 60 calendar days from initial operation of the modifications authorized by this ATC, NO_x emission shall not exceed 15 ppmvd NO_x @ 3% O₂ or 0.018 lb-NO_x/MMBTu. The shakedown period shall be concluded prior to the applicable Rule 4320 compliance deadline selected for this unit. Permittee shall maintain a record of the date of initial operation for at least 5 years. [District Rule 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
25. Duration of startup and shutdown (as defined in Rule 4320) shall not exceed 2 hours each per occurrence. Refractory curing period is defined as a maintenance-based reduced-load period of time during which a unit is brought from a shutdown status to staged rates of firing for the sole purpose of curing new refractory lining of the unit, and shall not exceed 30 hours per occurrence. The operator shall maintain records of the duration of start-up, shutdown, and refractory curing periods. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
26. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
27. If either the NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
28. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
29. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

30. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. Unless otherwise specified in the Permit to Operate no determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
31. For each steam generator site downstream of H₂S scavenger chemical injection points, permittee shall monitor sulfur content of the gas prior to incineration in affected steam generators on a daily basis utilizing Draeger tubes calibrated for existing sulfur species or other District-approved fuel sulfur detection method(s) or device(s). If compliance with fuel sulfur content limit(s) for the affected steam generators is demonstrated for 5 consecutive days, then the monitoring frequency shall be weekly. [District Rule 2201] Federally Enforceable Through Title V Permit
32. Source testing to measure natural gas-combustion NO_x and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
33. Source testing to measure natural gas-combustion NO_x and CO emissions from this unit shall be conducted within 60 days of initial operation under this ATC. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
34. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
35. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
36. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, NO_x (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SO_x (lb/MMBtu) - ARB Method 100 or EPA Method 6, 6C or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - EPA Method 11 or 15, ASTM D3246 or double GC for H₂S and mercaptans performed in a laboratory, fuel gas hhv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rules 1081, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
37. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
38. Operator shall provide an annual fuel sulfur content analysis to the District upon request. [District Rule 4320]
39. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
40. Formerly S-1511-136

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

DRAFT
ISSUANCE DATE: DRAFT

PERMIT NO: S-1547-779-17

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

SECTION: NW35 **TOWNSHIP:** 12N **RANGE:** 24W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL GAS/VAPOR RECOVERY GAS FIRED STEAM GENERATOR WITH A COEN MODEL QLN-ULN LOW NOX BURNER WITH FLUE GAS RECIRCULATION (FGR) AND PIPING FROM TEOR WELL VENT VAPOR RECOVERY SYSTEM S-1547-819. (MOCO #703) (SOUTH MIDWAY): REPLACE EXISTING BURNER WITH COEN MODEL QLN-ULN ULTRA LOW NOX BURNER, OR NORTH AMERICAN MODEL MAGNA FLAME LEX ULTRA LOW NOX BURNER, OR ACT GIDEON ULTRA LOW NOX BURNER, OR EQUIVALENT; OR TUNE EXISTING BURNER; LOWER NOX LIMIT TO 9 PPMV @ 3% O2 AND LIMIT FUEL SULFUR CONTENT TO 5 GR-S/100 DSCF FOR RULE 4320 COMPLIANCE

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 2520] 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. The permittee shall notify the District of the compliance method chosen (replacement burner or tuning) and if applicable, the approved burner to be installed prior to implementation of this ATC. [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 APCCO

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DAVID WARNER, Director of Permit Services
S-1547-779-17: Apr 18 2010 2:40PM - RICKARDK : Joint Inspection NOT Required

4. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this ATC. Approval of the equivalent equipment shall be made in writing and only after the District's determination that the submitted design and performance of the proposed alternate equipment is equivalent to the authorized equipment [District Rule 2010] Federally Enforceable Through Title V Permit
5. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emissions rates, equipment drawing(s) and operational characteristics/parameters [District Rule 2010] Federally Enforceable Through Title V Permit
6. Copies of all fuel invoices showing quantity and delivery points of gas delivered and copies of quality terms of gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
7. {520} The operator shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
8. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rules 2520, 9.4.2 and 4320] Federally Enforceable Through Title V Permit
9. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.4.2; 4305, 4306, 4320, and 4351, 6.2.1] Federally Enforceable Through Title V Permit
10. The operator shall demonstrate compliance with this unit's sulfur compound exhaust concentration limit(s) using one of the following: fire the unit only on PUC or FERC regulated natural gas, test the sulfur content of each fuel source, or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 2520, 9.4.2, 4301, 5.2.1 and Rule 4801, 3.1] Federally Enforceable Through Title V Permit
11. {565} Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of 40 CFR 60, Subpart Dc (except 60.44c(g) and (h) and 60.48c). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
12. Steam generator shall be equipped with operational fuel gas and vapor recovery gas volumetric flow meters. [District Rule 2201] Federally Enforceable Through Title V Permit
13. Only natural gas or a combination of natural gas and TEOR well vent vapors from well vent vapor control system S-1547-819 shall be used as fuel in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
14. When combusting a combination of natural gas and vapor recovery gas, the fuel gas sulfur content shall not exceed 5 grains of total sulfur (as H₂S) per 100 dscf of fuel gas. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
15. Maximum heat input to steam generator shall not exceed 1,440 MMBTU/day. [District Rule 2201] Federally Enforceable Through Title V Permit
16. Total TEOR gas from permit S-1547-819 incinerated in steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 4.09 MMscf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Permittee shall maintain accurate daily records of gas flowrate delivered to steam generators S-1547-766 to '-772, '-777 to '-781, and '-797. [District Rule 2201] Federally Enforceable Through Title V Permit
18. Total PM₁₀ emissions for steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 129.1 lb/day nor 47,122 lb/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
19. Permittee shall maintain daily records of quantity and higher heating value of natural gas and vapor recovery gas burned in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

20. Emission rates, except during startup, shutdown, and refractory curing from the combustion of natural gas, shall not exceed any of the following: PM10: 0.005 lb/MMBTU or SO_x (as SO₂): 0.002 lb/MMBTU. [District Rules 2201, 2520, 4201, 4301, 4406, 4801 and Kern County Rules 424] Federally Enforceable Through Title V Permit
21. Emission rates, except during startup, shutdown, and refractory curing shall not exceed any of the following: VOC: 0.003 lb/MMBTU, NO_x (as NO₂): 0.011 lb/MMBTU or 9 ppmv @ 3% O₂, or CO: 0.030 lb/MMBTU or 40 ppmv @ 3% O₂. [District Rules 2201, 2520, 4301, 4305, 4306, 4320, 4405 and Kern County Rule 425] Federally Enforceable Through Title V Permit
22. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO₂; sulfur - 200 pounds of SO₂ per hour, or 2000 ppmv as SO₂, or 0.11 pounds sulfur (as S) per MMBTU on average-wide basis for all units in Rule 4406 plan; NO₂ - 140 pounds per hour or 0.14 pounds per MMBTU. [District Rules 4101, 4102, 4301, 4405, 4406, 4801 and Kern County Rules 424 and 425] Federally Enforceable Through Title V Permit
23. Emission rates shall not exceed any of the following: VOC: 4.3 lb/day, NO_x (as NO₂): 49.0 lb/day or 5782 lb/year, or CO: 43.2 lb/day [District Rule 2201] Federally Enforceable Through Title V Permit
24. During a "shakedown" period not to exceed 60 calendar days from initial operation of the modifications authorized by this ATC, NO_x emission shall not exceed 15 ppmvd NO_x @ 3% O₂ or 0.018 lb-NO_x/MMBTU. The shakedown period shall be concluded prior to the applicable Rule 4320 compliance deadline selected for this unit. Permittee shall maintain a record of the date of initial operation for at least 5 years. [District Rule 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
25. Duration of startup and shutdown (as defined in Rule 4320) shall not exceed 2 hours each per occurrence. Refractory curing period is defined as a maintenance-based reduced-load period of time during which a unit is brought from a shutdown status to staged rates of firing for the sole purpose of curing new refractory lining of the unit, and shall not exceed 30 hours per occurrence. The operator shall maintain records of the duration of start-up, shutdown, and refractory curing periods. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
26. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
27. If either the NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
28. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
29. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

30. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. Unless otherwise specified in the Permit to Operate no determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
31. For each steam generator site downstream of H₂S scavenger chemical injection points, permittee shall monitor sulfur content of the gas prior to incineration in affected steam generators on a daily basis utilizing Draeger tubes calibrated for existing sulfur species or other District-approved fuel sulfur detection method(s) or device(s). If compliance with fuel sulfur content limit(s) for the affected steam generators is demonstrated for 5 consecutive days, then the monitoring frequency shall be weekly. [District Rule 2201] Federally Enforceable Through Title V Permit
32. Source testing to measure natural gas-combustion NO_x and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
33. Source testing to measure natural gas-combustion NO_x and CO emissions from this unit shall be conducted within 60 days of initial operation under this ATC. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
34. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
35. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
36. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, NO_x (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SO_x (lb/MMBtu) - ARB Method 100 or EPA Method 6, 6C or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - EPA Method 11 or 15, ASTM D3246 or double GC for H₂S and mercaptans performed in a laboratory, fuel gas hhv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rules 1081, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
37. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
38. Operator shall provide an annual fuel sulfur content analysis to the District upon request. [District Rule 4320]
39. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
40. Formerly S-1511-136

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1547-779-18

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

SECTION: NW35 **TOWNSHIP:** 12N **RANGE:** 24W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL GAS/VAPOR RECOVERY GAS FIRED STEAM GENERATOR WITH A COEN MODEL QLN-ULN LOW NOX BURNER WITH FLUE GAS RECIRCULATION (FGR) AND PIPING FROM TEOR WELL VENT VAPOR RECOVERY SYSTEM S-1547-819. (MOCO #703) (SOUTH MIDWAY): REPLACE EXISTING BURNER WITH COEN MODEL QLN-ULN ULTRA LOW NOX BURNER, OR NORTH AMERICAN MODEL MAGNA FLAME LEX ULTRA LOW NOX BURNER, OR ACT GIDEON ULTRA LOW NOX BURNER, OR EQUIVALENT; OR TUNE EXISTING BURNER; LOWER NOX LIMIT TO 12 PPMV @ 3% O2 AND LIMIT FUEL SULFUR CONTENT TO 5 GR-S/100 DSCF FOR RULE 4320 COMPLIANCE

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 2520] 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. The permittee shall notify the District of the compliance method chosen (replacement burner or tuning) and if applicable, the approved burner to be installed prior to implementation of this ATC. [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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DAVID WARNER, Director of Permit Services
S-1547-779-18 : Apr 16 2010 2:41PM - RICKARDK : Joint Inspection NOT Required

4. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this ATC. Approval of the equivalent equipment shall be made in writing and only after the District's determination that the submitted design and performance of the proposed alternate equipment is equivalent to the authorized equipment [District Rule 2010] Federally Enforceable Through Title V Permit
5. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emissions rates, equipment drawing(s) and operational characteristics/parameters [District Rule 2010] Federally Enforceable Through Title V Permit
6. Copies of all fuel invoices showing quantity and delivery points of gas delivered and copies of quality terms of gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
7. {520} The operator shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
8. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rules 2520, 9.4.2 and 4320] Federally Enforceable Through Title V Permit
9. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.4.2; 4305, 4306, 4320, and 4351, 6.2.1] Federally Enforceable Through Title V Permit
10. The operator shall demonstrate compliance with this unit's sulfur compound exhaust concentration limit(s) using one of the following: fire the unit only on PUC or FERC regulated natural gas, test the sulfur content of each fuel source, or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 2520, 9.4.2, 4301, 5.2.1 and Rule 4801, 3.1] Federally Enforceable Through Title V Permit
11. {565} Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of 40 CFR 60, Subpart Dc (except 60.44c(g) and (h) and 60.48c). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
12. Steam generator shall be equipped with operational fuel gas and vapor recovery gas volumetric flow meters . [District Rule 2201] Federally Enforceable Through Title V Permit
13. Only natural gas or a combination of natural gas and TEOR well vent vapors from well vent vapor control system S-1547-819 shall be used as fuel in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
14. When combusting a combination of natural gas and vapor recovery gas, the fuel gas sulfur content shall not exceed 5 grains of total sulfur (as H₂S) per 100 dscf of fuel gas. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
15. Maximum heat input to steam generator shall not exceed 1,440 MMBTU/day. [District Rule 2201] Federally Enforceable Through Title V Permit
16. Total TEOR gas from permit S-1547-819 incinerated in steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 4.09 MMscf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Permittee shall maintain accurate daily records of gas flowrate delivered to steam generators S-1547-766 to '-772, '-777 to '-781, and '-797. [District Rule 2201] Federally Enforceable Through Title V Permit
18. Total PM₁₀ emissions for steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 129.1 lb/day nor 47,122 lb/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
19. Permittee shall maintain daily records of quantity and higher heating value of natural gas and vapor recovery gas burned in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

20. Emission rates, except during startup, shutdown, and refractory curing from the combustion of natural gas, shall not exceed any of the following: PM10: 0.005 lb/MMBTU or SO_x (as SO₂): 0.002 lb/MMBTU. [District Rules 2201, 2520, 4201, 4301, 4406, 4801 and Kern County Rules 424] Federally Enforceable Through Title V Permit
21. Emission rates, except during startup, shutdown, and refractory curing shall not exceed any of the following: VOC: 0.003 lb/MMBTU, NO_x (as NO₂): 0.014 lb/MMBTU or 12 ppmv @ 3% O₂, or CO: 0.030 lb/MMBTU or 40 ppmv @ 3% O₂. [District Rules 2201, 2520, 4301, 4305, 4306, 4320, 4405 and Kern County Rule 425] Federally Enforceable Through Title V Permit
22. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO₂; sulfur - 200 pounds of SO₂ per hour, or 2000 ppmv as SO₂, or 0.11 pounds sulfur (as S) per MMBTU on average-wide basis for all units in Rule 4406 plan; NO₂ - 140 pounds per hour or 0.14 pounds per MMBTU. [District Rules 4101, 4102, 4301, 4405, 4406, 4801 and Kern County Rules 424 and 425] Federally Enforceable Through Title V Permit
23. Emission rates shall not exceed any of the following: VOC: 4.3 lb/day, NO_x (as NO₂): 49.0 lb/day or 7,358 lb/year, or CO: 43.2 lb/day [District Rule 2201] Federally Enforceable Through Title V Permit
24. During a "shakedown" period not to exceed 60 calendar days from initial operation of the modifications authorized by this ATC, NO_x emission shall not exceed 15 ppmvd NO_x @ 3% O₂ or 0.018 lb-NO_x/MMBTU. The shakedown period shall be concluded prior to the applicable Rule 4320 compliance deadline selected for this unit. Permittee shall maintain a record of the date of initial operation for at least 5 years. [District Rule 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
25. Duration of startup and shutdown (as defined in Rule 4320) shall not exceed 2 hours each per occurrence. Refractory curing period is defined as a maintenance-based reduced-load period of time during which a unit is brought from a shutdown status to staged rates of firing for the sole purpose of curing new refractory lining of the unit, and shall not exceed 30 hours per occurrence. The operator shall maintain records of the duration of start-up, shutdown, and refractory curing periods. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
26. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
27. If either the NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
28. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
29. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

30. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. Unless otherwise specified in the Permit to Operate no determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
31. For each steam generator site downstream of H2S scavenger chemical injection points, permittee shall monitor sulfur content of the gas prior to incineration in affected steam generators on a daily basis utilizing Draeger tubes calibrated for existing sulfur species or other District-approved fuel sulfur detection method(s) or device(s). If compliance with fuel sulfur content limit(s) for the affected steam generators is demonstrated for 5 consecutive days, then the monitoring frequency shall be weekly. [District Rule 2201] Federally Enforceable Through Title V Permit
32. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
33. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted within 60 days of initial operation under this ATC. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
34. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
35. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
36. The following test methods shall be used: NOx (ppmv) - EPA Method 7E or ARB Method 100, NOx (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SOx (lb/MMBtu) - ARB Method 100 or EPA Method 6, 6C or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - EPA Method 11 or 15, ASTM D3246 or double GC for H2S and mercaptans performed in a laboratory, fuel gas hhv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rules 1081, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
37. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
38. Operator shall provide an annual fuel sulfur content analysis to the District upon request. [District Rule 4320]
39. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
40. Formerly S-1511-136

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1547-779-19

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

SECTION: NW35 **TOWNSHIP:** 12N **RANGE:** 24W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL GAS/VAPOR RECOVERY GAS FIRED STEAM GENERATOR WITH A COEN MODEL QLN-ULN LOW NOX BURNER WITH FLUE GAS RECIRCULATION (FGR) AND PIPING FROM TEOR WELL VENT VAPOR RECOVERY SYSTEM S-1547-819. (MOCO #703) (SOUTH MIDWAY): LIMIT FUEL SULFUR CONTENT TO 5 GR-S/100 DSCF FOR RULE 4320 COMPLIANCE

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 2520] 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. Copies of all fuel invoices showing quantity and delivery points of gas delivered and copies of quality terms of gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
4. {520} The operator shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] 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 APCCO

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DAVID WARNER, Director of Permit Services
S-1547-779-19 : Apr 16 2010 2:41PM - RICKARDK : Joint Inspection NOT Required

5. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rules 2520, 9.4.2 and 4320] Federally Enforceable Through Title V Permit
6. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.4.2; 4305, 4306, 4320, and 4351, 6.2.1] Federally Enforceable Through Title V Permit
7. The operator shall demonstrate compliance with this unit's sulfur compound exhaust concentration limit(s) using one of the following: fire the unit only on PUC or FERC regulated natural gas, test the sulfur content of each fuel source, or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 2520, 9.4.2, 4301, 5.2.1 and Rule 4801, 3.1] Federally Enforceable Through Title V Permit
8. {565} Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of 40 CFR 60, Subpart Dc (except 60.44c(g) and (h) and 60.48c). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
9. Steam generator shall be equipped with operational fuel gas and vapor recovery gas volumetric flow meters. [District Rule 2201] Federally Enforceable Through Title V Permit
10. Only natural gas or a combination of natural gas and TEOR well vent vapors from well vent vapor control system S-1547-819 shall be used as fuel in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
11. When combusting a combination of natural gas and vapor recovery gas, the fuel gas sulfur content shall not exceed 5 grains of total sulfur (as H₂S) per 100 dscf of fuel gas. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
12. Maximum heat input to steam generator shall not exceed 1,440 MMBTU/day. [District Rule 2201] Federally Enforceable Through Title V Permit
13. Total TEOR gas from permit S-1547-819 incinerated in steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 4.09 MMscf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
14. Permittee shall maintain accurate daily records of gas flowrate delivered to steam generators S-1547-766 to '-772, '-777 to '-781, and '-797. [District Rule 2201] Federally Enforceable Through Title V Permit
15. Total PM₁₀ emissions for steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 129.1 lb/day nor 47,122 lb/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
16. Permittee shall maintain daily records of quantity and higher heating value of natural gas and vapor recovery gas burned in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Emission rates, except during startup, shutdown, and refractory curing from the combustion of natural gas, shall not exceed any of the following: PM₁₀: 0.005 lb/MMBTU or SO_x (as SO₂): 0.002 lb/MMBTu. [District Rules 2201, 2520, 4201, 4301, 4406, 4801 and Kern County Rules 424] Federally Enforceable Through Title V Permit
18. Emission rates, except during startup, shutdown, and refractory curing shall not exceed any of the following: VOC: 0.003 lb/MMBTu, NO_x (as NO₂): 0.018 lb/MMBTu or 15 ppmv @ 3% O₂, or CO: 0.030 lb/MMBTu or 40 ppmv @ 3% O₂. [District Rules 2201, 2520, 4301, 4305, 4306, 4320, 4405 and Kern County Rule 425] Federally Enforceable Through Title V Permit
19. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO₂; sulfur - 200 pounds of SO₂ per hour, or 2000 ppmv as SO₂, or 0.11 pounds sulfur (as S) per MMBtu on average-wide basis for all units in Rule 4406 plan; NO₂ - 140 pounds per hour or 0.14 pounds per MMBtu. [District Rules 4101, 4102, 4301, 4405, 4406, 4801 and Kern County Rules 424 and 425] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

20. Emission rates shall not exceed any of the following: VOC: 4.3 lb/day, NOx (as NO₂): 49.0 lb/day or 9,461 lb/year, or CO: 43.2 lb/day [District Rule 2201] Federally Enforceable Through Title V Permit
21. Duration of startup and shutdown (as defined in Rule 4320) shall not exceed 2 hours each per occurrence. Refractory curing period is defined as a maintenance-based reduced-load period of time during which a unit is brought from a shutdown status to staged rates of firing for the sole purpose of curing new refractory lining of the unit, and shall not exceed 30 hours per occurrence. The operator shall maintain records of the duration of start-up, shutdown, and refractory curing periods. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
22. The permittee shall monitor and record the stack concentration of NOx, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
23. If either the NOx or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
24. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
25. The permittee shall maintain records of: (1) the date and time of NOx, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NOx and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
26. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. Unless otherwise specified in the Permit to Operate no determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
27. For each steam generator site downstream of H₂S scavenger chemical injection points, permittee shall monitor sulfur content of the gas prior to incineration in affected steam generators on a daily basis utilizing Draeger tubes calibrated for existing sulfur species or other District-approved fuel sulfur detection method(s) or device(s). If compliance with fuel sulfur content limit(s) for the affected steam generators is demonstrated for 5 consecutive days, then the monitoring frequency shall be weekly. [District Rule 2201] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

28. Source testing to measure natural gas-combustion NO_x and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
29. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
30. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
31. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, NO_x (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SO_x (lb/MMBtu) - ARB Method 100 or EPA Method 6, 6C or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - EPA Method 11 or 15, ASTM D3246 or double GC for H₂S and mercaptans performed in a laboratory, fuel gas hhv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rules 1081, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
32. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
33. Operator shall provide an annual fuel sulfur content analysis to the District upon request. [District Rule 4320]
34. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
35. Formerly S-1511-136

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1547-780-16

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

SECTION: NW35 TOWNSHIP: 12N RANGE: 24W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL GAS/VAPOR RECOVERY GAS FIRED STEAM GENERATOR WITH A COEN MODEL QLN-ULN LOW NOX BURNER WITH FLUE GAS RECIRCULATION (FGR) AND PIPING FROM TEOR WELL VENT VAPOR RECOVERY SYSTEM S-1547-819, (MOCO #704) (SOUTH MIDWAY): REPLACE EXISTING BURNER WITH COEN MODEL QLN-ULN ULTRA LOW NOX BURNER, OR NORTH AMERICAN MODEL MAGNA FLAME LEX ULTRA LOW NOX BURNER, OR ACT GIDEON ULTRA LOW NOX BURNER, OR EQUIVALENT; OR TUNE EXISTING BURNER; LOWER NOX LIMIT TO 7 PPMV @ 3% O2 AND LIMIT FUEL SULFUR CONTENT TO 5 GR-S/100 DSCF FOR RULE 4320 COMPLIANCE

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 2520] 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. The permittee shall notify the District of the compliance method chosen (replacement burner or tuning) and if applicable, the approved burner to be installed prior to implementation of this ATC. [District Rule 2201] Federally Enforceable Through Title V Permit

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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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DAVID WARNER, Director of Permit Services
8-1547-780-16 : Apr 18 2010 2:41PM - RICKARDK : Joint Inspection NOT Required

4. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this ATC. Approval of the equivalent equipment shall be made in writing and only after the District's determination that the submitted design and performance of the proposed alternate equipment is equivalent to the authorized equipment [District Rule 2010] Federally Enforceable Through Title V Permit
5. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emissions rates, equipment drawing(s) and operational characteristics/parameters [District Rule 2010] Federally Enforceable Through Title V Permit
6. Copies of all fuel invoices showing quantity and delivery points of gas delivered and copies of quality terms of gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
7. {520} The operator shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
8. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rules 2520, 9.4.2 and 4320] Federally Enforceable Through Title V Permit
9. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.4.2; 4305, 4306, 4320, and 4351, 6.2.1] Federally Enforceable Through Title V Permit
10. The operator shall demonstrate compliance with this unit's sulfur compound exhaust concentration limit(s) using one of the following: fire the unit only on PUC or FERC regulated natural gas, test the sulfur content of each fuel source, or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 2520, 9.4.2, 4301, 5.2.1 and Rule 4801, 3.1] Federally Enforceable Through Title V Permit
11. {565} Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of 40 CFR 60, Subpart Dc (except 60.44c(g) and (h) and 60.48c). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
12. Steam generator shall be equipped with operational fuel gas and vapor recovery gas volumetric flow meters. [District Rule 2201] Federally Enforceable Through Title V Permit
13. Only natural gas or a combination of natural gas and TEOR well vent vapors from well vent vapor control system S-1547-819 shall be used as fuel in this steam generator. [District Rule 2201; PSD SJ 89-01] Federally Enforceable Through Title V Permit
14. When combusting a combination of natural gas and vapor recovery gas, the fuel gas sulfur content shall not exceed 5 grains of total sulfur (as H₂S) per 100 dscf of fuel gas. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
15. Maximum heat input to steam generator shall not exceed 1,440 MMBTU/day. [District Rule 2201] Federally Enforceable Through Title V Permit
16. Total TEOR gas from permit S-1547-819 incinerated in steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 4.09 MMscf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Permittee shall maintain accurate daily records of gas flowrate delivered to steam generators S-1547-766 to '-772, '-777 to '-781, and '-797. [District Rule 2201] Federally Enforceable Through Title V Permit
18. Total PM₁₀ emissions for steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 129.1 lb/day nor 47,122 lb/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
19. Permittee shall maintain daily records of quantity and higher heating value of natural gas and vapor recovery gas burned in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

20. Emission rates, except during startup, shutdown, and refractory curing from the combustion of natural gas, shall not exceed any of the following: PM10: 0.005 lb/MMBTU or SO_x (as SO₂): 0.002 lb/MMBTu. [District Rules 2201, 2520, 4201, 4301, 4406, 4801 and Kern County Rules 424] Federally Enforceable Through Title V Permit
21. Emission rates, except during startup, shutdown, and refractory curing shall not exceed any of the following: VOC: 0.003 lb/MMBTu, NO_x (as NO₂): 0.008 lb/MMBTu or 7 ppmv @ 3% O₂, or CO: 0.030 lb/MMBTu or 40 ppmv @ 3% O₂. [District Rules 2201, 2520, 4301, 4305, 4306, 4320, 4405 and Kern County Rule 425] Federally Enforceable Through Title V Permit
22. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO₂; sulfur - 200 pounds of SO₂ per hour, or 2000 ppmv as SO₂, or 0.11 pounds sulfur (as S) per MMBtu on average-wide basis for all units in Rule 4406 plan; NO₂ - 140 pounds per hour or 0.14 pounds per MMBtu. [District Rules 4101, 4102, 4301, 4405, 4406, 4801 and Kern County Rules 424 and 425] Federally Enforceable Through Title V Permit
23. Emission rates shall not exceed any of the following: VOC: 4.3 lb/day, NO_x (as NO₂): 49.0 lb/day or 4205 lb/year, or CO: 43.2 lb/day [District Rule 2201] Federally Enforceable Through Title V Permit
24. During a "shakedown" period not to exceed 60 calendar days from initial operation of the modifications authorized by this ATC, NO_x emission shall not exceed 15 ppmvd NO_x @ 3% O₂ or 0.018 lb-NO_x/MMBTu. The shakedown period shall be concluded prior to the applicable Rule 4320 compliance deadline selected for this unit. Permittee shall maintain a record of the date of initial operation for at least 5 years. [District Rule 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
25. Duration of startup and shutdown (as defined in Rule 4320) shall not exceed 2 hours each per occurrence. Refractory curing period is defined as a maintenance-based reduced-load period of time during which a unit is brought from a shutdown status to staged rates of firing for the sole purpose of curing new refractory lining of the unit, and shall not exceed 30 hours per occurrence. The operator shall maintain records of the duration of start-up, shutdown, and refractory curing periods. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
26. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
27. If either the NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
28. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
29. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

30. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. Unless otherwise specified in the Permit to Operate no determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
31. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
32. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted within 60 days of initial operation under this ATC. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
33. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
34. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
35. The following test methods shall be used: NOx (ppmv) - EPA Method 7E or ARB Method 100, NOx (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SOx (lb/MMBtu) - ARB Method 100 or EPA Method 6, 6C or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - EPA Method 11 or 15, ASTM D3246 or double GC for H2S and mercaptans performed in a laboratory, fuel gas hhv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rules 1081, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
36. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
37. Operator shall provide an annual fuel sulfur content analysis to the District upon request. [District Rule 4320]
38. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
39. All equipment, facilities, or systems installed or used to achieve compliance with the terms and conditions of this permit shall at all times be maintained in good working order and be operated as efficiently as possible so as to minimize air pollutant emissions. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
40. The Regional Administrator shall be notified by telephone within 48 hours following any failure of air pollution control equipment, process equipment, or of a process to operate in a normal manner which results in an increase in emissions above any allowable emissions limit stated in the conditions below. In addition, the Regional Administrator shall be notified in writing within 15 days of any such failure. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
41. This notification shall include a description of the malfunctioning equipment or abnormal operation, the date of initial failure, the period of time over which emissions were increased due to the failure, the cause of the failure, the estimated resultant emissions in excess of those allowed under the conditions below, and the methods utilized to restore normal operations. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
42. Facility shall operate this unit in compliance with all other applicable provisions of 40 CFR Parts 52, 60 and 61 and all other applicable federal, State and local air quality regulations. [PSD SJ 89-01] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

43. This unit shall be equipped with oxygen controls, low NOx burner, and a flue gas recirculation system for the control of NOx emissions. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
44. Facility shall conduct annual performance tests for NOx and PM10 and furnish the EPA a written report of the results of such tests. The tests shall be conducted at the maximum operating capacity of the unit. Upon written request from the operator, EPA may approve the conducting of performance tests at a lower specified operating capacity. Upon written request and adequate justification, EPA may waive annual testing requirements for this unit. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
45. Performance tests for NOx and PM10 shall be conducted and the results reported in accordance with the test methods in 40 CFR 60, Part 60.8 and Appendix A. The following test methods shall be used: NOx - EPA methods 1 through 4 (lb/hr), and 7E (ppmv), PM10 - EPA Methods 1 through 5. Equivalent test methods may be used with prior written approval from the EPA. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
46. EPA shall be notified in writing at least 30 days prior to performance tests. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
47. For performance test purposes, sampling ports, platforms, and access shall be provided by the operator at each exhaust system in accordance with 40 CFR 60.8(e). [PSD SJ 89-01] Federally Enforceable Through Title V Permit
48. Operations during periods of startup, shutdown and malfunction shall not constitute representative conditions for the purpose of a performance test. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
49. Field or casing head gas will be sweetened as required to limit the sulfur content of the fuel to 75 gr/scf. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
50. Operator shall record hours of operation and amounts and types of fuel fired each calendar quarter. All information shall be recorded in a form suitable for inspection. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
51. Emission rates shall not exceed any of the following: PM10: 0.303 lb/hr, NOx: 2.71 lb/hr or 35 ppmv dry, @ 3% O2. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
52. Visible emissions shall not exceed 1/2 Ringelmann or 10% opacity. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
53. Any relaxation in the District's Determination of Compliance conditions, Authority to Construct conditions, Permit to Operate conditions, or any other subsequent permit of legally binding document that could result in an increase of the potential to emit of any pollutant from this source above the PSD applicability thresholds will require a full PSD review of the source as if construction had not yet begun. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
54. Facility shall have legal and operational responsibility and control of all air pollutant emitting activities of the MOCO TEOR project. This responsibility shall include, but not limited to: operating and maintaining the project to comply with all federal, state and local air pollution laws, regulations, permits, orders and other requirements; ensuring the emissions offsets or other reductions required for this project under permits issued by the District are obtained as required; any violation of any air pollution requirements are the legal responsibility of the facility in addition to any other legally responsible parties. Any proposed change to this condition shall require the prior written concurrence of the EPA. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
55. Facility is required to implement the conditions required by the U.S. Fish and Wildlife Service, as outlined in their Biological Opinion and Formal Consultation Response (August 30, 1990), to prevent the incidental taking (killing, harming or harassment) of endangered species that may be affected by this unit. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
56. All correspondence as required by this permit shall be forwarded to: a) Director, Air Management Division, Compliance Section (Attn: A-3-3), EPA Region IX, 75 Hawthorne Street, San Francisco, CA, 94105; b) Chief, Stationary Source Control Division, California Air Resource Board, P.O. Box 2815, Sacramento, CA, 95814; and c) Director, SJVUAPCD, 1990 East Gettysburg, Fresno, CA, 93726. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
57. Note: Formerly S-1511-137

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT

PERMIT NO: S-1547-780-17

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

SECTION: NW35 **TOWNSHIP:** 12N **RANGE:** 24W

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DAVID WARNER, Director of Permit Services
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21. Emission rates, except during startup, shutdown, and refractory curing shall not exceed any of the following: VOC: 0.003 lb/MMBtu, NOx (as NO2): 0.011 lb/MMBtu or 9 ppmv @ 3% O2, or CO: 0.030 lb/MMBtu or 40 ppmv @ 3% O2. [District Rules 2201, 2520, 4301, 4305, 4306, 4320, 4405 and Kern County Rule 425] Federally Enforceable Through Title V Permit
22. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO2; sulfur - 200 pounds of SO2 per hour, or 2000 ppmv as SO2, or 0.11 pounds sulfur (as S) per MMBtu on average-wide basis for all units in Rule 4406 plan; NO2 - 140 pounds per hour or 0.14 pounds per MMBtu. [District Rules 4101, 4102, 4301, 4405, 4406, 4801 and Kern County Rules 424 and 425] Federally Enforceable Through Title V Permit
23. Emission rates shall not exceed any of the following: VOC: 4.3 lb/day, NOx (as NO2): 49.0 lb/day or 5782 lb/year, or CO: 43.2 lb/day [District Rule 2201] Federally Enforceable Through Title V Permit
24. During a "shakedown" period not to exceed 60 calendar days from initial operation of the modifications authorized by this ATC, NOx emission shall not exceed 15 ppmvd NOx @ 3% O2 or 0.018 lb-NOx/MMBtu. The shakedown period shall be concluded prior to the applicable Rule 4320 compliance deadline selected for this unit. Permittee shall maintain a record of the date of initial operation for at least 5 years. [District Rule 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
25. Duration of startup and shutdown (as defined in Rule 4320) shall not exceed 2 hours each per occurrence. Refractory curing period is defined as a maintenance-based reduced-load period of time during which a unit is brought from a shutdown status to staged rates of firing for the sole purpose of curing new refractory lining of the unit, and shall not exceed 30 hours per occurrence. The operator shall maintain records of the duration of start-up, shutdown, and refractory curing periods. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
26. The permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
27. If either the NOx or CO concentrations corrected to 3% O2, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
28. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
29. The permittee shall maintain records of: (1) the date and time of NOx, CO, and O2 measurements, (2) the O2 concentration in percent and the measured NOx and CO concentrations corrected to 3% O2, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

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30. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. Unless otherwise specified in the Permit to Operate no determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
31. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
32. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted within 60 days of initial operation under this ATC. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
33. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
34. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
35. The following test methods shall be used: NOx (ppmv) - EPA Method 7E or ARB Method 100, NOx (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SOx (lb/MMBtu) - ARB Method 100 or EPA Method 6, 6C or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - EPA Method 11 or 15, ASTM D3246 or double GC for H2S and mercaptans performed in a laboratory, fuel gas hhv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rules 1081, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
36. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
37. Operator shall provide an annual fuel sulfur content analysis to the District upon request. [District Rule 4320]
38. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
39. All equipment, facilities, or systems installed or used to achieve compliance with the terms and conditions of this permit shall at all times be maintained in good working order and be operated as efficiently as possible so as to minimize air pollutant emissions. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
40. The Regional Administrator shall be notified by telephone within 48 hours following any failure of air pollution control equipment, process equipment, or of a process to operate in a normal manner which results in an increase in emissions above any allowable emissions limit stated in the conditions below. In addition, the Regional Administrator shall be notified in writing within 15 days of any such failure. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
41. This notification shall include a description of the malfunctioning equipment or abnormal operation, the date of initial failure, the period of time over which emissions were increased due to the failure, the cause of the failure, the estimated resultant emissions in excess of those allowed under the conditions below, and the methods utilized to restore normal operations. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
42. Facility shall operate this unit in compliance with all other applicable provisions of 40 CFR Parts 52, 60 and 61 and all other applicable federal, State and local air quality regulations. [PSD SJ 89-01] Federally Enforceable Through Title V Permit

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43. This unit shall be equipped with oxygen controls, low NOx burner, and a flue gas recirculation system for the control of NOx emissions. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
44. Facility shall conduct annual performance tests for NOx and PM10 and furnish the EPA a written report of the results of such tests. The tests shall be conducted at the maximum operating capacity of the unit. Upon written request from the operator, EPA may approve the conducting of performance tests at a lower specified operating capacity. Upon written request and adequate justification, EPA may waive annual testing requirements for this unit. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
45. Performance tests for NOx and PM10 shall be conducted and the results reported in accordance with the test methods in 40 CFR 60, Part 60.8 and Appendix A. The following test methods shall be used: NOx - EPA methods 1 through 4 (lb/hr), and 7E (ppmv), PM10 - EPA Methods 1 through 5. Equivalent test methods may be used with prior written approval from the EPA. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
46. EPA shall be notified in writing at least 30 days prior to performance tests. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
47. For performance test purposes, sampling ports, platforms, and access shall be provided by the operator at each exhaust system in accordance with 40 CFR 60.8(e). [PSD SJ 89-01] Federally Enforceable Through Title V Permit
48. Operations during periods of startup, shutdown and malfunction shall not constitute representative conditions for the purpose of a performance test. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
49. Field or casing head gas will be sweetened as required to limit the sulfur content of the fuel to 75 gr/scf. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
50. Operator shall record hours of operation and amounts and types of fuel fired each calendar quarter. All information shall be recorded in a form suitable for inspection. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
51. Emission rates shall not exceed any of the following: PM10: 0.303 lb/hr, NOx: 2.71 lb/hr or 35 ppmv dry, @ 3% O2. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
52. Visible emissions shall not exceed ½ Ringelmann or 10% opacity. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
53. Any relaxation in the District's Determination of Compliance conditions, Authority to Construct conditions, Permit to Operate conditions, or any other subsequent permit of legally binding document that could result in an increase of the potential to emit of any pollutant from this source above the PSD applicability thresholds will require a full PSD review of the source as if construction had not yet begun. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
54. Facility shall have legal and operational responsibility and control of all air pollutant emitting activities of the MOCO TEOR project. This responsibility shall include, but not limited to: operating and maintaining the project to comply with all federal, state and local air pollution laws, regulations, permits, orders and other requirements; ensuring the emissions offsets or other reductions required for this project under permits issued by the District are obtained as required; any violation of any air pollution requirements are the legal responsibility of the facility in addition to any other legally responsible parties. Any proposed change to this condition shall require the prior written concurrence of the EPA. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
55. Facility is required to implement the conditions required by the U.S. Fish and Wildlife Service, as outlined in their Biological Opinion and Formal Consultation Response (August 30, 1990), to prevent the incidental taking (killing, harming or harassment) of endangered species that may be affected by this unit. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
56. All correspondence as required by this permit shall be forwarded to: a) Director, Air Management Division, Compliance Section (Attn: A-3-3), EPA Region IX, 75 Hawthorne Street, San Francisco, CA, 94105; b) Chief, Stationary Source Control Division, California Air Resource Board, P.O. Box 2815, Sacramento, CA, 95814; and c) Director, SJVUAPCD, 1990 East Gettysburg, Fresno, CA, 93726. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
57. Note: Formerly S-1511-137

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

DRAFT
ISSUANCE DATE: DRAFT

PERMIT NO: S-1547-780-18

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

SECTION: NW35 **TOWNSHIP:** 12N **RANGE:** 24W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5MMBTU/HR NATURAL GAS/VAPOR RECOVERY GAS FIRED STEAM GENERATOR WITH A COEN MODEL QLN-ULN LOW NOX BURNER WITH FLUE GAS RECIRCULATION (FGR) AND PIPING FROM TEOR WELL VENT VAPOR RECOVERY SYSTEM S-1547-819, (MOCO #704) (SOUTH MIDWAY): REPLACE EXISTING BURNER WITH COEN MODEL QLN-ULN ULTRA LOW NOX BURNER, OR NORTH AMERICAN MODEL MAGNA FLAME LEX ULTRA LOW NOX BURNER, OR ACT GIDEON ULTRA LOW NOX BURNER, OR EQUIVALENT; OR TUNE EXISTING BURNER; LOWER NOX LIMIT TO 12 PPMV @ 3% O2 AND LIMIT FUEL SULFUR CONTENT TO 5 GR-S/100 DSCF FOR RULE 4320 COMPLIANCE

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 2520] 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. The permittee shall notify the District of the compliance method chosen (replacement burner or tuning) and if applicable, the approved burner to be installed prior to implementation of this ATC. [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

DAVID WARNER, Director of Permit Services
S-1547-780-18 : Apr 18 2010 2:41PM - RICKARDK : Joint Inspection NOT Required

4. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this ATC. Approval of the equivalent equipment shall be made in writing and only after the District's determination that the submitted design and performance of the proposed alternate equipment is equivalent to the authorized equipment [District Rule 2010] Federally Enforceable Through Title V Permit
5. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emissions rates, equipment drawing(s) and operational characteristics/parameters [District Rule 2010] Federally Enforceable Through Title V Permit
6. Copies of all fuel invoices showing quantity and delivery points of gas delivered and copies of quality terms of gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
7. {520} The operator shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
8. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rules 2520, 9.4.2 and 4320] Federally Enforceable Through Title V Permit
9. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.4.2; 4305, 4306, 4320, and 4351, 6.2.1] Federally Enforceable Through Title V Permit
10. The operator shall demonstrate compliance with this unit's sulfur compound exhaust concentration limit(s) using one of the following: fire the unit only on PUC or FERC regulated natural gas, test the sulfur content of each fuel source, or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 2520, 9.4.2, 4301, 5.2.1 and Rule 4801, 3.1] Federally Enforceable Through Title V Permit
11. {565} Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of 40 CFR 60, Subpart Dc (except 60.44c(g) and (h) and 60.48c). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
12. Steam generator shall be equipped with operational fuel gas and vapor recovery gas volumetric flow meters. [District Rule 2201] Federally Enforceable Through Title V Permit
13. Only natural gas or a combination of natural gas and TEOR well vent vapors from well vent vapor control system S-1547-819 shall be used as fuel in this steam generator. [District Rule 2201; PSD SJ 89-01] Federally Enforceable Through Title V Permit
14. When combusting a combination of natural gas and vapor recovery gas, the fuel gas sulfur content shall not exceed 5 grains of total sulfur (as H₂S) per 100 dscf of fuel gas. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
15. Maximum heat input to steam generator shall not exceed 1,440 MMBTU/day. [District Rule 2201] Federally Enforceable Through Title V Permit
16. Total TEOR gas from permit S-1547-819 incinerated in steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 4.09 MMscf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Permittee shall maintain accurate daily records of gas flowrate delivered to steam generators S-1547-766 to '-772, '-777 to '-781, and '-797. [District Rule 2201] Federally Enforceable Through Title V Permit
18. Total PM₁₀ emissions for steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 129.1 lb/day nor 47,122 lb/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
19. Permittee shall maintain daily records of quantity and higher heating value of natural gas and vapor recovery gas burned in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

20. Emission rates, except during startup, shutdown, and refractory curing from the combustion of natural gas, shall not exceed any of the following: PM10: 0.005 lb/MMBTU or SO_x (as SO₂): 0.002 lb/MMBTU. [District Rules 2201, 2520, 4201, 4301, 4406, 4801 and Kern County Rules 424] Federally Enforceable Through Title V Permit
21. Emission rates, except during startup, shutdown, and refractory curing shall not exceed any of the following: VOC: 0.003 lb/MMBTU, NO_x (as NO₂): 0.014 lb/MMBTU or 12 ppmv @ 3% O₂, or CO: 0.030 lb/MMBTU or 40 ppmv @ 3% O₂. [District Rules 2201, 2520, 4301, 4305, 4306, 4320, 4405 and Kern County Rule 425] Federally Enforceable Through Title V Permit
22. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO₂; sulfur - 200 pounds of SO₂ per hour, or 2000 ppmv as SO₂, or 0.11 pounds sulfur (as S) per MMBTU on average-wide basis for all units in Rule 4406 plan; NO₂ - 140 pounds per hour or 0.14 pounds per MMBTU. [District Rules 4101, 4102, 4301, 4405, 4406, 4801 and Kern County Rules 424 and 425] Federally Enforceable Through Title V Permit
23. Emission rates shall not exceed any of the following: VOC: 4.3 lb/day, NO_x (as NO₂): 49.0 lb/day or 7,358 lb/year, or CO: 43.2 lb/day [District Rule 2201] Federally Enforceable Through Title V Permit
24. During a "shakedown" period not to exceed 60 calendar days from initial operation of the modifications authorized by this ATC, NO_x emission shall not exceed 15 ppmvd NO_x @ 3% O₂ or 0.018 lb-NO_x/MMBTU. The shakedown period shall be concluded prior to the applicable Rule 4320 compliance deadline selected for this unit. Permittee shall maintain a record of the date of initial operation for at least 5 years. [District Rule 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
25. Duration of startup and shutdown (as defined in Rule 4320) shall not exceed 2 hours each per occurrence. Refractory curing period is defined as a maintenance-based reduced-load period of time during which a unit is brought from a shutdown status to staged rates of firing for the sole purpose of curing new refractory lining of the unit, and shall not exceed 30 hours per occurrence. The operator shall maintain records of the duration of start-up, shutdown, and refractory curing periods. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
26. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
27. If either the NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
28. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
29. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

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30. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. Unless otherwise specified in the Permit to Operate no determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
31. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
32. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted within 60 days of initial operation under this ATC. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
33. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
34. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
35. The following test methods shall be used: NOx (ppmv) - EPA Method 7E or ARB Method 100, NOx (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SOx (lb/MMBtu) - ARB Method 100 or EPA Method 6, 6C or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - EPA Method 11 or 15, ASTM D3246 or double GC for H2S and mercaptans performed in a laboratory, fuel gas hhv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rules 1081, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
36. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
37. Operator shall provide an annual fuel sulfur content analysis to the District upon request. [District Rule 4320]
38. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
39. All equipment, facilities, or systems installed or used to achieve compliance with the terms and conditions of this permit shall at all times be maintained in good working order and be operated as efficiently as possible so as to minimize air pollutant emissions. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
40. The Regional Administrator shall be notified by telephone within 48 hours following any failure of air pollution control equipment, process equipment, or of a process to operate in a normal manner which results in an increase in emissions above any allowable emissions limit stated in the conditions below. In addition, the Regional Administrator shall be notified in writing within 15 days of any such failure. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
41. This notification shall include a description of the malfunctioning equipment or abnormal operation, the date of initial failure, the period of time over which emissions were increased due to the failure, the cause of the failure, the estimated resultant emissions in excess of those allowed under the conditions below, and the methods utilized to restore normal operations. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
42. Facility shall operate this unit in compliance with all other applicable provisions of 40 CFR Parts 52, 60 and 61 and all other applicable federal, State and local air quality regulations. [PSD SJ 89-01] Federally Enforceable Through Title V Permit

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43. This unit shall be equipped with oxygen controls, low NO_x burner, and a flue gas recirculation system for the control of NO_x emissions. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
44. Facility shall conduct annual performance tests for NO_x and PM₁₀ and furnish the EPA a written report of the results of such tests. The tests shall be conducted at the maximum operating capacity of the unit. Upon written request from the operator, EPA may approve the conducting of performance tests at a lower specified operating capacity. Upon written request and adequate justification, EPA may waive annual testing requirements for this unit. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
45. Performance tests for NO_x and PM₁₀ shall be conducted and the results reported in accordance with the test methods in 40 CFR 60, Part 60.8 and Appendix A. The following test methods shall be used: NO_x - EPA methods 1 through 4 (lb/hr), and 7E (ppmv), PM₁₀ - EPA Methods 1 through 5. Equivalent test methods may be used with prior written approval from the EPA. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
46. EPA shall be notified in writing at least 30 days prior to performance tests. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
47. For performance test purposes, sampling ports, platforms, and access shall be provided by the operator at each exhaust system in accordance with 40 CFR 60.8(e). [PSD SJ 89-01] Federally Enforceable Through Title V Permit
48. Operations during periods of startup, shutdown and malfunction shall not constitute representative conditions for the purpose of a performance test. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
49. Field or casing head gas will be sweetened as required to limit the sulfur content of the fuel to 75 gr/scf. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
50. Operator shall record hours of operation and amounts and types of fuel fired each calendar quarter. All information shall be recorded in a form suitable for inspection. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
51. Emission rates shall not exceed any of the following: PM₁₀: 0.303 lb/hr, NO_x: 2.71 lb/hr or 35 ppmv dry, @ 3% O₂. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
52. Visible emissions shall not exceed ½ Ringelmann or 10% opacity. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
53. Any relaxation in the District's Determination of Compliance conditions, Authority to Construct conditions, Permit to Operate conditions, or any other subsequent permit of legally binding document that could result in an increase of the potential to emit of any pollutant from this source above the PSD applicability thresholds will require a full PSD review of the source as if construction had not yet begun. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
54. Facility shall have legal and operational responsibility and control of all air pollutant emitting activities of the MOCO TEOR project. This responsibility shall include, but not limited to: operating and maintaining the project to comply with all federal, state and local air pollution laws, regulations, permits, orders and other requirements; ensuring the emissions offsets or other reductions required for this project under permits issued by the District are obtained as required; any violation of any air pollution requirements are the legal responsibility of the facility in addition to any other legally responsible parties. Any proposed change to this condition shall require the prior written concurrence of the EPA. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
55. Facility is required to implement the conditions required by the U.S. Fish and Wildlife Service, as outlined in their Biological Opinion and Formal Consultation Response (August 30, 1990), to prevent the incidental taking (killing, harming or harassment) of endangered species that may be affected by this unit. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
56. All correspondence as required by this permit shall be forwarded to: a) Director, Air Management Division, Compliance Section (Attn: A-3-3), EPA Region IX, 75 Hawthorne Street, San Francisco, CA, 94105; b) Chief, Stationary Source Control Division, California Air Resource Board, P.O. Box 2815, Sacramento, CA, 95814; and c) Director, SJVUAPCD, 1990 East Gettysburg, Fresno, CA, 93726. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
57. Note: Formerly S-1511-137

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1547-780-19

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

SECTION: NW35 **TOWNSHIP:** 12N **RANGE:** 24W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5MMBTU/HR NATURAL GAS/VAPOR RECOVERY GAS FIRED STEAM GENERATOR WITH A COEN MODEL QLN-ULN LOW NOX BURNER WITH FLUE GAS RECIRCULATION (FGR) AND PIPING FROM TEOR WELL VENT VAPOR RECOVERY SYSTEM S-1547-819, (MOCO #704) (SOUTH MIDWAY): LIMIT FUEL SULFUR CONTENT TO 5 GR-S/100 DSCF FOR RULE 4320 COMPLIANCE

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 2520] 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. Copies of all fuel invoices showing quantity and delivery points of gas delivered and copies of quality terms of gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
4. {520} The operator shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] 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

DAVID WARNER, Director of Permit Services
S-1547-780-19 : Apr 18 2010 2:41PM - RICKARDX : Joint Inspection NOT Required

5. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rules 2520, 9.4.2 and 4320] Federally Enforceable Through Title V Permit
6. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.4.2; 4305, 4306, 4320, and 4351, 6.2.1] Federally Enforceable Through Title V Permit
7. The operator shall demonstrate compliance with this unit's sulfur compound exhaust concentration limit(s) using one of the following: fire the unit only on PUC or FERC regulated natural gas, test the sulfur content of each fuel source, or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 2520, 9.4.2, 4301, 5.2.1 and Rule 4801, 3.1] Federally Enforceable Through Title V Permit
8. {565} Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of 40 CFR 60, Subpart Dc (except 60.44c(g) and (h) and 60.48c). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
9. Steam generator shall be equipped with operational fuel gas and vapor recovery gas volumetric flow meters. [District Rule 2201] Federally Enforceable Through Title V Permit
10. Only natural gas or a combination of natural gas and TEOR well vent vapors from well vent vapor control system S-1547-819 shall be used as fuel in this steam generator. [District Rule 2201; PSD SJ 89-01] Federally Enforceable Through Title V Permit
11. When combusting a combination of natural gas and vapor recovery gas, the fuel gas sulfur content shall not exceed 5 grains of total sulfur (as H₂S) per 100 dscf of fuel gas. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
12. Maximum heat input to steam generator shall not exceed 1,440 MMBTU/day. [District Rule 2201] Federally Enforceable Through Title V Permit
13. Total TEOR gas from permit S-1547-819 incinerated in steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 4.09 MMscf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
14. Permittee shall maintain accurate daily records of gas flowrate delivered to steam generators S-1547-766 to '-772, '-777 to '-781, and '-797. [District Rule 2201] Federally Enforceable Through Title V Permit
15. Total PM₁₀ emissions for steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 129.1 lb/day nor 47,122 lb/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
16. Permittee shall maintain daily records of quantity and higher heating value of natural gas and vapor recovery gas burned in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Emission rates, except during startup, shutdown, and refractory curing from the combustion of natural gas, shall not exceed any of the following: PM₁₀: 0.005 lb/MMBTU or SO_x (as SO₂): 0.002 lb/MMBTu. [District Rules 2201, 2520, 4201, 4301, 4406, 4801 and Kern County Rules 424] Federally Enforceable Through Title V Permit
18. Emission rates, except during startup, shutdown, and refractory curing shall not exceed any of the following: VOC: 0.003 lb/MMBTu, NO_x (as NO₂): 0.018 lb/MMBTu or 15 ppmv @ 3% O₂, or CO: 0.030 lb/MMBTu or 40 ppmv @ 3% O₂. [District Rules 2201, 2520, 4301, 4305, 4306, 4320, 4405 and Kern County Rule 425] Federally Enforceable Through Title V Permit
19. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO₂; sulfur - 200 pounds of SO₂ per hour, or 2000 ppmv as SO₂, or 0.11 pounds sulfur (as S) per MMBtu on average-wide basis for all units in Rule 4406 plan; NO₂ - 140 pounds per hour or 0.14 pounds per MMBtu. [District Rules 4101, 4102, 4301, 4405, 4406, 4801 and Kern County Rules 424 and 425] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

20. Emission rates shall not exceed any of the following: VOC: 4.3 lb/day, NO_x (as NO₂): 49.0 lb/day or 9,461 lb/year, or CO: 43.2 lb/day [District Rule 2201] Federally Enforceable Through Title V Permit
21. Duration of startup and shutdown (as defined in Rule 4320) shall not exceed 2 hours each per occurrence. Refractory curing period is defined as a maintenance-based reduced-load period of time during which a unit is brought from a shutdown status to staged rates of firing for the sole purpose of curing new refractory lining of the unit, and shall not exceed 30 hours per occurrence. The operator shall maintain records of the duration of start-up, shutdown, and refractory curing periods. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
22. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
23. If either the NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
24. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
25. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
26. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. Unless otherwise specified in the Permit to Operate no determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
27. Source testing to measure natural gas-combustion NO_x and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
28. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

29. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
30. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, NO_x (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SO_x (lb/MMBtu) - ARB Method 100 or EPA Method 6, 6C or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - EPA Method 11 or 15, ASTM D3246 or double GC for H₂S and mercaptans performed in a laboratory, fuel gas hhv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rules 1081, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
31. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
32. Operator shall provide an annual fuel sulfur content analysis to the District upon request. [District Rule 4320]
33. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
34. All equipment, facilities, or systems installed or used to achieve compliance with the terms and conditions of this permit shall at all times be maintained in good working order and be operated as efficiently as possible so as to minimize air pollutant emissions. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
35. The Regional Administrator shall be notified by telephone within 48 hours following any failure of air pollution control equipment, process equipment, or of a process to operate in a normal manner which results in an increase in emissions above any allowable emissions limit stated in the conditions below. In addition, the Regional Administrator shall be notified in writing within 15 days of any such failure. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
36. This notification shall include a description of the malfunctioning equipment or abnormal operation, the date of initial failure, the period of time over which emissions were increased due to the failure, the cause of the failure, the estimated resultant emissions in excess of those allowed under the conditions below, and the methods utilized to restore normal operations. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
37. Facility shall operate this unit in compliance with all other applicable provisions of 40 CFR Parts 52, 60 and 61 and all other applicable federal, State and local air quality regulations. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
38. This unit shall be equipped with oxygen controls, low NO_x burner, and a flue gas recirculation system for the control of NO_x emissions. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
39. Facility shall conduct annual performance tests for NO_x and PM₁₀ and furnish the EPA a written report of the results of such tests. The tests shall be conducted at the maximum operating capacity of the unit. Upon written request from the operator, EPA may approve the conducting of performance tests at a lower specified operating capacity. Upon written request and adequate justification, EPA may waive annual testing requirements for this unit. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
40. Performance tests for NO_x and PM₁₀ shall be conducted and the results reported in accordance with the test methods in 40 CFR 60, Part 60.8 and Appendix A. The following test methods shall be used: NO_x - EPA methods 1 through 4 (lb/hr), and 7E (ppmv), PM₁₀ - EPA Methods 1 through 5. Equivalent test methods may be used with prior written approval from the EPA. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
41. EPA shall be notified in writing at least 30 days prior to performance tests. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
42. For performance test purposes, sampling ports, platforms, and access shall be provided by the operator at each exhaust system in accordance with 40 CFR 60.8(e). [PSD SJ 89-01] Federally Enforceable Through Title V Permit
43. Operations during periods of startup, shutdown and malfunction shall not constitute representative conditions for the purpose of a performance test. [PSD SJ 89-01] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

44. Field or casing head gas will be sweetened as required to limit the sulfur content of the fuel to 75 gr/scf. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
45. Operator shall record hours of operation and amounts and types of fuel fired each calendar quarter. All information shall be recorded in a form suitable for inspection. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
46. Emission rates shall not exceed any of the following: PM10: 0.303 lb/hr, NOx: 2.71 lb/hr or 35 ppmv dry, @ 3% O₂. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
47. Visible emissions shall not exceed ½ Ringelmann or 10% opacity. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
48. Any relaxation in the District's Determination of Compliance conditions, Authority to Construct conditions, Permit to Operate conditions, or any other subsequent permit of legally binding document that could result in an increase of the potential to emit of any pollutant from this source above the PSD applicability thresholds will require a full PSD review of the source as if construction had not yet begun. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
49. Facility shall have legal and operational responsibility and control of all air pollutant emitting activities of the MOCO TEOR project. This responsibility shall include, but not limited to: operating and maintaining the project to comply with all federal, state and local air pollution laws, regulations, permits, orders and other requirements; ensuring the emissions offsets or other reductions required for this project under permits issued by the District are obtained as required; any violation of any air pollution requirements are the legal responsibility of the facility in addition to any other legally responsible parties. Any proposed change to this condition shall require the prior written concurrence of the EPA. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
50. Facility is required to implement the conditions required by the U.S. Fish and Wildlife Service, as outlined in their Biological Opinion and Formal Consultation Response (August 30, 1990), to prevent the incidental taking (killing, harming or harassment) of endangered species that may be affected by this unit. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
51. All correspondence as required by this permit shall be forwarded to: a) Director, Air Management Division, Compliance Section (Attn: A-3-3), EPA Region IX, 75 Hawthorne Street, San Francisco, CA, 94105; b) Chief, Stationary Source Control Division, California Air Resource Board, P.O. Box 2815, Sacramento, CA, 95814; and c) Director, SJVUAPCD, 1990 East Gettysburg, Fresno, CA, 93726. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
52. Note: Formerly S-1511-137

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

DRAFT
ISSUANCE DATE: DRAFT

PERMIT NO: S-1547-781-16

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

SECTION: NW35 **TOWNSHIP:** 12N **RANGE:** 24W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL GAS/VAPOR RECOVERY GAS FIRED STEAM GENERATOR WITH A COEN MODEL QLN-ULN LOW NOX BURNER WITH FLUE GAS RECIRCULATION (FGR) AND PIPING FROM TEOR WELL VENT VAPOR RECOVERY SYSTEM S-1547-819, (MOCO #705) (SOUTH MIDWAY): REPLACE EXISTING BURNER WITH COEN MODEL QLN-ULN ULTRA LOW NOX BURNER, OR NORTH AMERICAN MODEL MAGNA FLAME LEX ULTRA LOW NOX BURNER, OR ACT GIDEON ULTRA LOW NOX BURNER, OR EQUIVALENT; OR TUNE EXISTING BURNER; LOWER NOX LIMIT TO 7 PPMV @ 3% O2 AND LIMIT FUEL SULFUR CONTENT TO 5 GR-S/100 DSCF FOR RULE 4320 COMPLIANCE

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 2520] 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. The permittee shall notify the District of the compliance method chosen (replacement burner or tuning) and if applicable, the approved burner to be installed prior to implementation of this ATC. [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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DAVID WARNER, Director of Permit Services
8-1547-781-16 : Apr 16 2010 2:41PM - RICKARDK : Joint Inspection NOT Required

4. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this ATC. Approval of the equivalent equipment shall be made in writing and only after the District's determination that the submitted design and performance of the proposed alternate equipment is equivalent to the authorized equipment [District Rule 2010] Federally Enforceable Through Title V Permit
5. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emissions rates, equipment drawing(s) and operational characteristics/parameters [District Rule 2010] Federally Enforceable Through Title V Permit
6. Copies of all fuel invoices showing quantity and delivery points of gas delivered and copies of quality terms of gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
7. {520} The operator shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
8. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rules 2520, 9.4.2 and 4320] Federally Enforceable Through Title V Permit
9. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.4.2; 4305, 4306, 4320, and 4351, 6.2.1] Federally Enforceable Through Title V Permit
10. The operator shall demonstrate compliance with this unit's sulfur compound exhaust concentration limit(s) using one of the following: fire the unit only on PUC or FERC regulated natural gas, test the sulfur content of each fuel source, or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 2520, 9.4.2, 4301, 5.2.1 and Rule 4801, 3.1] Federally Enforceable Through Title V Permit
11. {565} Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of 40 CFR 60, Subpart Dc (except 60.44c(g) and (h) and 60.48c). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
12. Steam generator shall be equipped with operational fuel gas and vapor recovery gas volumetric flow meters. [District Rule 2201] Federally Enforceable Through Title V Permit
13. Only natural gas or a combination of natural gas and TEOR well vent vapors from well vent vapor control system S-1547-819 shall be used as fuel in this steam generator. [District Rule 2201; PSD SJ 89-01] Federally Enforceable Through Title V Permit
14. When combusting a combination of natural gas and vapor recovery gas, the fuel gas sulfur content shall not exceed 5 grains of total sulfur (as H₂S) per 100 dscf of fuel gas. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
15. Maximum heat input to steam generator shall not exceed 1,440 MMBTU/day. [District Rule 2201] Federally Enforceable Through Title V Permit
16. Total TEOR gas from permit S-1547-819 incinerated in steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 4.09 MMscf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Permittee shall maintain accurate daily records of gas flowrate delivered to steam generators S-1547-766 to '-772, '-777 to '-781, and '-797. [District Rule 2201] Federally Enforceable Through Title V Permit
18. Total PM₁₀ emissions for steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 129.1 lb/day nor 47,122 lb/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
19. Permittee shall maintain daily records of quantity and higher heating value of natural gas and vapor recovery gas burned in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

20. Emission rates, except during startup, shutdown, and refractory curing from the combustion of natural gas, shall not exceed any of the following: PM10: 0.005 lb/MMBTU or SOx (as SO2): 0.002 lb/MMBTU. [District Rules 2201, 2520, 4201, 4301, 4406, 4801 and Kern County Rules 424] Federally Enforceable Through Title V Permit
21. Emission rates, except during startup, shutdown, and refractory curing shall not exceed any of the following: VOC: 0.003 lb/MMBTU, NOx (as NO2): 0.008 lb/MMBTU or 7 ppmv @ 3% O2, or CO: 0.030 lb/MMBTU or 40 ppmv @ 3% O2. [District Rules 2201, 2520, 4301, 4305, 4306, 4320, 4405 and Kern County Rule 425] Federally Enforceable Through Title V Permit
22. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO2; sulfur - 200 pounds of SO2 per hour, or 2000 ppmv as SO2, or 0.11 pounds sulfur (as S) per MMBTU on average-wide basis for all units in Rule 4406 plan; NO2 - 140 pounds per hour or 0.14 pounds per MMBTU. [District Rules 4101, 4102, 4301, 4405, 4406, 4320, 4801 and Kern County Rules 424 and 425] Federally Enforceable Through Title V Permit
23. Emission rates shall not exceed any of the following: VOC: 4.3 lb/day, NOx (as NO2): 49.0 lb/day or 4205 lb/year, or CO: 43.2 lb/day [District Rule 2201] Federally Enforceable Through Title V Permit
24. Duration of startup and shutdown (as defined in Rule 4320) shall not exceed 2 hours each per occurrence. Refractory curing period is defined as a maintenance-based reduced-load period of time during which a unit is brought from a shutdown status to staged rates of firing for the sole purpose of curing new refractory lining of the unit, and shall not exceed 30 hours per occurrence. The operator shall maintain records of the duration of start-up, shutdown, and refractory curing periods. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
25. During a "shakedown" period not to exceed 60 calendar days from initial operation of the modifications authorized by this ATC, NOx emission shall not exceed 15 ppmvd NOX @ 3% O2 or 0.018 lb-NOX/MMBTU. The shakedown period shall be concluded prior to the applicable Rule 4320 compliance deadline selected for this unit. Permittee shall maintain a record of the date of initial operation for at least 5 years. [District Rule 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
26. The permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
27. If either the NOx or CO concentrations corrected to 3% O2, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
28. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
29. The permittee shall maintain records of: (1) the date and time of NOx, CO, and O2 measurements, (2) the O2 concentration in percent and the measured NOx and CO concentrations corrected to 3% O2, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

30. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. Unless otherwise specified in the Permit to Operate no determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
31. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
32. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted within 60 days of initial operation under this ATC. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
33. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
34. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
35. The following test methods shall be used: NOx (ppmv) - EPA Method 7E or ARB Method 100, NOx (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SOx (lb/MMBtu) - ARB Method 100 or EPA Method 6, 6C or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - EPA Method 11 or 15, ASTM D3246 or double GC for H2S and mercaptans performed in a laboratory, fuel gas hhv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rules 1081, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
36. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
37. Operator shall provide an annual fuel sulfur content analysis to the District upon request. [District Rule 4320]
38. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
39. All equipment, facilities, or systems installed or used to achieve compliance with the terms and conditions of this permit shall at all times be maintained in good working order and be operated as efficiently as possible so as to minimize air pollutant emissions. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
40. The Regional Administrator shall be notified by telephone within 48 hours following any failure of air pollution control equipment, process equipment, or of a process to operate in a normal manner which results in an increase in emissions above any allowable emissions limit stated in the conditions below. In addition, the Regional Administrator shall be notified in writing within 15 days of any such failure. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
41. This notification shall include a description of the malfunctioning equipment or abnormal operation, the date of initial failure, the period of time over which emissions were increased due to the failure, the cause of the failure, the estimated resultant emissions in excess of those allowed under the conditions below, and the methods utilized to restore normal operations. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
42. Facility shall operate this unit in compliance with all other applicable provisions of 40 CFR Parts 52, 60 and 61 and all other applicable federal, State and local air quality regulations. [PSD SJ 89-01] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

43. This unit shall be equipped with oxygen controls, low NOx burner, and a flue gas recirculation system for the control of NOx emissions. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
44. Facility shall conduct annual performance tests for NOx and PM10 and furnish the EPA a written report of the results of such tests. The tests shall be conducted at the maximum operating capacity of the unit. Upon written request from the operator, EPA may approve the conducting of performance tests at a lower specified operating capacity. Upon written request and adequate justification, EPA may waive annual testing requirements for this unit. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
45. Performance tests for NOx and PM10 shall be conducted and the results reported in accordance with the test methods in 40 CFR 60, Part 60.8 and Appendix A. The following test methods shall be used: NOx - EPA methods 1 through 4 (lb/hr), and 7E (ppmv), PM10 - EPA Methods 1 through 5. Equivalent test methods may be used with prior written approval from the EPA. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
46. EPA shall be notified in writing at least 30 days prior to performance tests. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
47. For performance test purposes, sampling ports, platforms, and access shall be provided by the operator at each exhaust system in accordance with 40 CFR 60.8(e). [PSD SJ 89-01] Federally Enforceable Through Title V Permit
48. Operations during periods of startup, shutdown and malfunction shall not constitute representative conditions for the purpose of a performance test. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
49. Field or casing head gas will be sweetened as required to limit the sulfur content of the fuel to 75 gr/scf. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
50. Operator shall record hours of operation and amounts and types of fuel fired each calendar quarter. All information shall be recorded in a form suitable for inspection. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
51. Emission rates shall not exceed any of the following: PM10: 0.303 lb/hr, NOx: 2.71 lb/hr or 35 ppmv dry, @ 3% O2. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
52. Visible emissions shall not exceed ½ Ringelmann or 10% opacity. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
53. Any relaxation in the District's Determination of Compliance conditions, Authority to Construct conditions, Permit to Operate conditions, or any other subsequent permit of legally binding document that could result in an increase of the potential to emit of any pollutant from this source above the PSD applicability thresholds will require a full PSD review of the source as if construction had not yet begun. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
54. Facility shall have legal and operational responsibility and control of all air pollutant emitting activities of the MOCO TEOR project. This responsibility shall include, but not limited to: operating and maintaining the project to comply with all federal, state and local air pollution laws, regulations, permits, orders and other requirements; ensuring the emissions offsets or other reductions required for this project under permits issued by the District are obtained as required; any violation of any air pollution requirements are the legal responsibility of the facility in addition to any other legally responsible parties. Any proposed change to this condition shall require the prior written concurrence of the EPA. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
55. Facility is required to implement the conditions required by the U.S. Fish and Wildlife Service, as outlined in their Biological Opinion and Formal Consultation Response (August 30, 1990), to prevent the incidental taking (killing, harming or harassment) of endangered species that may be affected by this unit. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
56. All correspondence as required by this permit shall be forwarded to: a) Director, Air Management Division, Compliance Section (Attn: A-3-3), EPA Region IX, 75 Hawthorne Street, San Francisco, CA, 94105; b) Chief, Stationary Source Control Division, California Air Resource Board, P.O. Box 2815, Sacramento, CA, 95814; and c) Director, SJVUAPCD, 1990 East Gettysburg, Fresno, CA, 93726. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
57. Note: Formerly S-1511-138

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
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PERMIT NO: S-1547-781-17

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

SECTION: NW35 **TOWNSHIP:** 12N **RANGE:** 24W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL GAS/VAPOR RECOVERY GAS FIRED STEAM GENERATOR WITH A COEN MODEL QLN-ULN LOW NOX BURNER WITH FLUE GAS RECIRCULATION (FGR) AND PIPING FROM TEOR WELL VENT VAPOR RECOVERY SYSTEM S-1547-819, (MOCO #705) (SOUTH MIDWAY); REPLACE EXISTING BURNER WITH COEN MODEL QLN-ULN ULTRA LOW NOX BURNER, OR NORTH AMERICAN MODEL MAGNA FLAME LEX ULTRA LOW NOX BURNER, OR ACT GIDEON ULTRA LOW NOX BURNER, OR EQUIVALENT; OR TUNE EXISTING BURNER; LOWER NOX LIMIT TO 9 PPMV @ 3% O2 AND LIMIT FUEL SULFUR CONTENT TO 5 GR-S/100 DSCF FOR RULE 4320 COMPLIANCE

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 2520] 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. The permittee shall notify the District of the compliance method chosen (replacement burner or tuning) and if applicable, the approved burner to be installed prior to implementation of this ATC. [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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DAVID WARNER, Director of Permit Services
3-1547-781-17 : Apr 18 2010 2:41PM - RICKARDK : Joint Inspection NOT Required

4. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this ATC. Approval of the equivalent equipment shall be made in writing and only after the District's determination that the submitted design and performance of the proposed alternate equipment is equivalent to the authorized equipment [District Rule 2010] Federally Enforceable Through Title V Permit
5. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emissions rates, equipment drawing(s) and operational characteristics/parameters [District Rule 2010] Federally Enforceable Through Title V Permit
6. Copies of all fuel invoices showing quantity and delivery points of gas delivered and copies of quality terms of gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
7. {520} The operator shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
8. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rules 2520, 9.4.2 and 4320] Federally Enforceable Through Title V Permit
9. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.4.2; 4305, 4306, 4320, and 4351, 6.2.1] Federally Enforceable Through Title V Permit
10. The operator shall demonstrate compliance with this unit's sulfur compound exhaust concentration limit(s) using one of the following: fire the unit only on PUC or FERC regulated natural gas, test the sulfur content of each fuel source, or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 2520, 9.4.2, 4301, 5.2.1 and Rule 4801, 3.1] Federally Enforceable Through Title V Permit
11. {565} Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of 40 CFR 60, Subpart Dc (except 60.44c(g) and (h) and 60.48c). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
12. Steam generator shall be equipped with operational fuel gas and vapor recovery gas volumetric flow meters . [District Rule 2201] Federally Enforceable Through Title V Permit
13. Only natural gas or a combination of natural gas and TEOR well vent vapors from well vent vapor control system S-1547-819 shall be used as fuel in this steam generator. [District Rule 2201; PSD SJ 89-01] Federally Enforceable Through Title V Permit
14. When combusting a combination of natural gas and vapor recovery gas, the fuel gas sulfur content shall not exceed 5 grains of total sulfur (as H₂S) per 100 dscf of fuel gas. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
15. Maximum heat input to steam generator shall not exceed 1,440 MMBTU/day. [District Rule 2201] Federally Enforceable Through Title V Permit
16. Total TEOR gas from permit S-1547-819 incinerated in steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 4.09 MMscf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Permittee shall maintain accurate daily records of gas flowrate delivered to steam generators S-1547-766 to '-772, '-777 to '-781, and '-797. [District Rule 2201] Federally Enforceable Through Title V Permit
18. Total PM₁₀ emissions for steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 129.1 lb/day nor 47,122 lb/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
19. Permittee shall maintain daily records of quantity and higher heating value of natural gas and vapor recovery gas burned in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

20. Emission rates, except during startup, shutdown, and refractory curing from the combustion of natural gas, shall not exceed any of the following: PM10: 0.005 lb/MMBTU or SOx (as SO2): 0.002 lb/MMBTU. [District Rules 2201, 2520, 4201, 4301, 4406, 4801 and Kern County Rules 424] Federally Enforceable Through Title V Permit
21. Emission rates, except during startup, shutdown, and refractory curing shall not exceed any of the following: VOC: 0.003 lb/MMBTU, NOx (as NO2): 0.011 lb/MMBTU or 9 ppmv @ 3% O2, or CO: 0.030 lb/MMBTU or 40 ppmv @ 3% O2. [District Rules 2201, 2520, 4301, 4305, 4306, 4320, 4405 and Kern County Rule 425] Federally Enforceable Through Title V Permit
22. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO2; sulfur - 200 pounds of SO2 per hour, or 2000 ppmv as SO2, or 0.11 pounds sulfur (as S) per MMBtu on average-wide basis for all units in Rule 4406 plan; NO2 - 140 pounds per hour or 0.14 pounds per MMBtu. [District Rules 4101, 4102, 4301, 4405, 4406, 4320, 4801 and Kern County Rules 424 and 425] Federally Enforceable Through Title V Permit
23. Emission rates shall not exceed any of the following: VOC: 4.3 lb/day, NOx (as NO2): 49.0 lb/day or 5782 lb/year, or CO: 43.2 lb/day [District Rule 2201] Federally Enforceable Through Title V Permit
24. During a "shakedown" period not to exceed 60 calendar days from initial operation of the modifications authorized by this ATC, NOx emission shall not exceed 15 ppmvd NOx @ 3% O2 or 0.018 lb-NOx/MMBTU. The shakedown period shall be concluded prior to the applicable Rule 4320 compliance deadline selected for this unit. Permittee shall maintain a record of the date of initial operation for at least 5 years. [District Rule 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
25. Duration of startup and shutdown (as defined in Rule 4320) shall not exceed 2 hours each per occurrence. Refractory curing period is defined as a maintenance-based reduced-load period of time during which a unit is brought from a shutdown status to staged rates of firing for the sole purpose of curing new refractory lining of the unit, and shall not exceed 30 hours per occurrence. The operator shall maintain records of the duration of start-up, shutdown, and refractory curing periods. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
26. The permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
27. If either the NOx or CO concentrations corrected to 3% O2, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
28. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
29. The permittee shall maintain records of: (1) the date and time of NOx, CO, and O2 measurements, (2) the O2 concentration in percent and the measured NOx and CO concentrations corrected to 3% O2, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

30. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. Unless otherwise specified in the Permit to Operate no determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
31. Source testing to measure natural gas-combustion NO_x and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
32. Source testing to measure natural gas-combustion NO_x and CO emissions from this unit shall be conducted within 60 days of initial operation under this ATC. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
33. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
34. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
35. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, NO_x (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SO_x (lb/MMBtu) - ARB Method 100 or EPA Method 6, 6C or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - EPA Method 11 or 15, ASTM D3246 or double GC for H₂S and mercaptans performed in a laboratory, fuel gas hhv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rules 1081, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
36. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
37. Operator shall provide an annual fuel sulfur content analysis to the District upon request. [District Rule 4320]
38. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
39. All equipment, facilities, or systems installed or used to achieve compliance with the terms and conditions of this permit shall at all times be maintained in good working order and be operated as efficiently as possible so as to minimize air pollutant emissions. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
40. The Regional Administrator shall be notified by telephone within 48 hours following any failure of air pollution control equipment, process equipment, or of a process to operate in a normal manner which results in an increase in emissions above any allowable emissions limit stated in the conditions below. In addition, the Regional Administrator shall be notified in writing within 15 days of any such failure. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
41. This notification shall include a description of the malfunctioning equipment or abnormal operation, the date of initial failure, the period of time over which emissions were increased due to the failure, the cause of the failure, the estimated resultant emissions in excess of those allowed under the conditions below, and the methods utilized to restore normal operations. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
42. Facility shall operate this unit in compliance with all other applicable provisions of 40 CFR Parts 52, 60 and 61 and all other applicable federal, State and local air quality regulations. [PSD SJ 89-01] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

43. This unit shall be equipped with oxygen controls, low NOx burner, and a flue gas recirculation system for the control of NOx emissions. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
44. Facility shall conduct annual performance tests for NOx and PM10 and furnish the EPA a written report of the results of such tests. The tests shall be conducted at the maximum operating capacity of the unit. Upon written request from the operator, EPA may approve the conducting of performance tests at a lower specified operating capacity. Upon written request and adequate justification, EPA may waive annual testing requirements for this unit. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
45. Performance tests for NOx and PM10 shall be conducted and the results reported in accordance with the test methods in 40 CFR 60, Part 60.8 and Appendix A. The following test methods shall be used: NOx - EPA methods 1 through 4 (lb/hr), and 7E (ppmv), PM10 - EPA Methods 1 through 5. Equivalent test methods may be used with prior written approval from the EPA. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
46. EPA shall be notified in writing at least 30 days prior to performance tests. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
47. For performance test purposes, sampling ports, platforms, and access shall be provided by the operator at each exhaust system in accordance with 40 CFR 60.8(e). [PSD SJ 89-01] Federally Enforceable Through Title V Permit
48. Operations during periods of startup, shutdown and malfunction shall not constitute representative conditions for the purpose of a performance test. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
49. Field or casing head gas will be sweetened as required to limit the sulfur content of the fuel to 75 gr/scf. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
50. Operator shall record hours of operation and amounts and types of fuel fired each calendar quarter. All information shall be recorded in a form suitable for inspection. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
51. Emission rates shall not exceed any of the following: PM10: 0.303 lb/hr, NOx: 2.71 lb/hr or 35 ppmv dry, @ 3% O2. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
52. Visible emissions shall not exceed ½ Ringelmann or 10% opacity. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
53. Any relaxation in the District's Determination of Compliance conditions, Authority to Construct conditions, Permit to Operate conditions, or any other subsequent permit of legally binding document that could result in an increase of the potential to emit of any pollutant from this source above the PSD applicability thresholds will require a full PSD review of the source as if construction had not yet begun. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
54. Facility shall have legal and operational responsibility and control of all air pollutant emitting activities of the MOCO TEOR project. This responsibility shall include, but not limited to: operating and maintaining the project to comply with all federal, state and local air pollution laws, regulations, permits, orders and other requirements; ensuring the emissions offsets or other reductions required for this project under permits issued by the District are obtained as required; any violation of any air pollution requirements are the legal responsibility of the facility in addition to any other legally responsible parties. Any proposed change to this condition shall require the prior written concurrence of the EPA. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
55. Facility is required to implement the conditions required by the U.S. Fish and Wildlife Service, as outlined in their Biological Opinion and Formal Consultation Response (August 30, 1990), to prevent the incidental taking (killing, harming or harassment) of endangered species that may be affected by this unit. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
56. All correspondence as required by this permit shall be forwarded to: a) Director, Air Management Division, Compliance Section (Attn: A-3-3), EPA Region IX, 75 Hawthorne Street, San Francisco, CA, 94105; b) Chief, Stationary Source Control Division, California Air Resource Board, P.O. Box 2815, Sacramento, CA, 95814; and c) Director, SJVUAPCD, 1990 East Gettysburg, Fresno, CA, 93726. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
57. Note: Formerly S-1511-138

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1547-781-18

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

SECTION: NW35 TOWNSHIP: 12N RANGE: 24W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL GAS/VAPOR RECOVERY GAS FIRED STEAM GENERATOR WITH A COEN MODEL QLN-ULN LOW NOX BURNER WITH FLUE GAS RECIRCULATION (FGR) AND PIPING FROM TEOR WELL VENT VAPOR RECOVERY SYSTEM S-1547-819, (MOCO #705) (SOUTH MIDWAY): REPLACE EXISTING BURNER WITH COEN MODEL QLN-ULN ULTRA LOW NOX BURNER, OR NORTH AMERICAN MODEL MAGNA FLAME LEX ULTRA LOW NOX BURNER, OR ACT GIDEON ULTRA LOW NOX BURNER, OR EQUIVALENT; OR TUNE EXISTING BURNER; LOWER NOX LIMIT TO 12 PPMV @ 3% O2 AND LIMIT FUEL SULFUR CONTENT TO 5 GR-S/100 DSCF FOR RULE 4320 COMPLIANCE

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 2520] 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. The permittee shall notify the District of the compliance method chosen (replacement burner or tuning) and if applicable, the approved burner to be installed prior to implementation of this ATC. [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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DAVID WARNER, Director of Permit Services
S-1547-781-18 : Apr 18 2010 2:42PM - RICHARDK : Joint Inspection NOT Required

4. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this ATC. Approval of the equivalent equipment shall be made in writing and only after the District's determination that the submitted design and performance of the proposed alternate equipment is equivalent to the authorized equipment [District Rule 2010] Federally Enforceable Through Title V Permit
5. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emissions rates, equipment drawing(s) and operational characteristics/parameters [District Rule 2010] Federally Enforceable Through Title V Permit
6. Copies of all fuel invoices showing quantity and delivery points of gas delivered and copies of quality terms of gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
7. {520} The operator shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
8. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rules 2520, 9.4.2 and 4320] Federally Enforceable Through Title V Permit
9. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.4.2; 4305, 4306, 4320, and 4351, 6.2.1] Federally Enforceable Through Title V Permit
10. The operator shall demonstrate compliance with this unit's sulfur compound exhaust concentration limit(s) using one of the following: fire the unit only on PUC or FERC regulated natural gas, test the sulfur content of each fuel source, or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 2520, 9.4.2, 4301, 5.2.1 and Rule 4801, 3.1] Federally Enforceable Through Title V Permit
11. {565} Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of 40 CFR 60, Subpart Dc (except 60.44c(g) and (h) and 60.48c). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
12. Steam generator shall be equipped with operational fuel gas and vapor recovery gas volumetric flow meters . [District Rule 2201] Federally Enforceable Through Title V Permit
13. Only natural gas or a combination of natural gas and TEOR well vent vapors from well vent vapor control system S-1547-819 shall be used as fuel in this steam generator. [District Rule 2201; PSD SJ 89-01] Federally Enforceable Through Title V Permit
14. When combusting a combination of natural gas and vapor recovery gas, the fuel gas sulfur content shall not exceed 5 grains of total sulfur (as H₂S) per 100 dscf of fuel gas. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
15. Maximum heat input to steam generator shall not exceed 1,440 MMBTU/day. [District Rule 2201] Federally Enforceable Through Title V Permit
16. Total TEOR gas from permit S-1547-819 incinerated in steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 4.09 MMscf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Permittee shall maintain accurate daily records of gas flowrate delivered to steam generators S-1547-766 to '-772, '-777 to '-781, and '-797. [District Rule 2201] Federally Enforceable Through Title V Permit
18. Total PM₁₀ emissions for steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 129.1 lb/day nor 47,122 lb/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
19. Permittee shall maintain daily records of quantity and higher heating value of natural gas and vapor recovery gas burned in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

20. Emission rates, except during startup, shutdown, and refractory curing from the combustion of natural gas, shall not exceed any of the following: PM10: 0.005 lb/MMBTU or SO_x (as SO₂): 0.002 lb/MMBTU. [District Rules 2201, 2520, 4201, 4301, 4406, 4801 and Kern County Rules 424] Federally Enforceable Through Title V Permit
21. Emission rates, except during startup, shutdown, and refractory curing shall not exceed any of the following: VOC: 0.003 lb/MMBTU, NO_x (as NO₂): 0.014 lb/MMBTU or 12 ppmv @ 3% O₂, or CO: 0.030 lb/MMBTU or 40 ppmv @ 3% O₂. [District Rules 2201, 2520, 4301, 4305, 4306, 4320, 4405 and Kern County Rule 425] Federally Enforceable Through Title V Permit
22. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO₂; sulfur - 200 pounds of SO₂ per hour, or 2000 ppmv as SO₂, or 0.11 pounds sulfur (as S) per MMBTU on average-wide basis for all units in Rule 4406 plan; NO₂ - 140 pounds per hour or 0.14 pounds per MMBTU. [District Rules 4101, 4102, 4301, 4405, 4406, 4320, 4801 and Kern County Rules 424 and 425] Federally Enforceable Through Title V Permit
23. Emission rates shall not exceed any of the following: VOC: 4.3 lb/day, NO_x (as NO₂): 49.0 lb/day or 7,358 lb/year, or CO: 43.2 lb/day [District Rule 2201] Federally Enforceable Through Title V Permit
24. During a "shakedown" period not to exceed 60 calendar days from initial operation of the modifications authorized by this ATC, NO_x emission shall not exceed 15 ppmvd NO_x @ 3% O₂ or 0.018 lb-NO_x/MMBTU. The shakedown period shall be concluded prior to the applicable Rule 4320 compliance deadline selected for this unit. Permittee shall maintain a record of the date of initial operation for at least 5 years. [District Rule 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
25. Duration of startup and shutdown (as defined in Rule 4320) shall not exceed 2 hours each per occurrence. Refractory curing period is defined as a maintenance-based reduced-load period of time during which a unit is brought from a shutdown status to staged rates of firing for the sole purpose of curing new refractory lining of the unit, and shall not exceed 30 hours per occurrence. The operator shall maintain records of the duration of start-up, shutdown, and refractory curing periods. [District Rules 4305, 4306, and 4320]
26. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
27. If either the NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
28. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
29. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

30. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. Unless otherwise specified in the Permit to Operate no determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
31. Source testing to measure natural gas-combustion NO_x and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
32. Source testing to measure natural gas-combustion NO_x and CO emissions from this unit shall be conducted within 60 days of initial operation under this ATC. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
33. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
34. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
35. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, NO_x (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SO_x (lb/MMBtu) - ARB Method 100 or EPA Method 6, 6C or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - EPA Method 11 or 15, ASTM D3246 or double GC for H₂S and mercaptans performed in a laboratory, fuel gas h_hv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rules 1081, 4305, 4306, and 4320]
36. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
37. Operator shall provide an annual fuel sulfur content analysis to the District upon request. [District Rule 4320]
38. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
39. All equipment, facilities, or systems installed or used to achieve compliance with the terms and conditions of this permit shall at all times be maintained in good working order and be operated as efficiently as possible so as to minimize air pollutant emissions. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
40. The Regional Administrator shall be notified by telephone within 48 hours following any failure of air pollution control equipment, process equipment, or of a process to operate in a normal manner which results in an increase in emissions above any allowable emissions limit stated in the conditions below. In addition, the Regional Administrator shall be notified in writing within 15 days of any such failure. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
41. This notification shall include a description of the malfunctioning equipment or abnormal operation, the date of initial failure, the period of time over which emissions were increased due to the failure, the cause of the failure, the estimated resultant emissions in excess of those allowed under the conditions below, and the methods utilized to restore normal operations. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
42. Facility shall operate this unit in compliance with all other applicable provisions of 40 CFR Parts 52, 60 and 61 and all other applicable federal, State and local air quality regulations. [PSD SJ 89-01] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

43. This unit shall be equipped with oxygen controls, low NOx burner, and a flue gas recirculation system for the control of NOx emissions. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
44. Facility shall conduct annual performance tests for NOx and PM10 and furnish the EPA a written report of the results of such tests. The tests shall be conducted at the maximum operating capacity of the unit. Upon written request from the operator, EPA may approve the conducting of performance tests at a lower specified operating capacity. Upon written request and adequate justification, EPA may waive annual testing requirements for this unit. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
45. Performance tests for NOx and PM10 shall be conducted and the results reported in accordance with the test methods in 40 CFR 60, Part 60.8 and Appendix A. The following test methods shall be used: NOx - EPA methods 1 through 4 (lb/hr), and 7E (ppmv), PM10 - EPA Methods 1 through 5. Equivalent test methods may be used with prior written approval from the EPA. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
46. EPA shall be notified in writing at least 30 days prior to performance tests. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
47. For performance test purposes, sampling ports, platforms, and access shall be provided by the operator at each exhaust system in accordance with 40 CFR 60.8(e). [PSD SJ 89-01] Federally Enforceable Through Title V Permit
48. Operations during periods of startup, shutdown and malfunction shall not constitute representative conditions for the purpose of a performance test. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
49. Field or casing head gas will be sweetened as required to limit the sulfur content of the fuel to 75 gr/scf. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
50. Operator shall record hours of operation and amounts and types of fuel fired each calendar quarter. All information shall be recorded in a form suitable for inspection. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
51. Emission rates shall not exceed any of the following: PM10: 0.303 lb/hr, NOx: 2.71 lb/hr or 35 ppmv dry, @ 3% O2. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
52. Visible emissions shall not exceed ½ Ringelmann or 10% opacity. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
53. Any relaxation in the District's Determination of Compliance conditions, Authority to Construct conditions, Permit to Operate conditions, or any other subsequent permit of legally binding document that could result in an increase of the potential to emit of any pollutant from this source above the PSD applicability thresholds will require a full PSD review of the source as if construction had not yet begun. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
54. Facility shall have legal and operational responsibility and control of all air pollutant emitting activities of the MOCO TEOR project. This responsibility shall include, but not limited to: operating and maintaining the project to comply with all federal, state and local air pollution laws, regulations, permits, orders and other requirements; ensuring the emissions offsets or other reductions required for this project under permits issued by the District are obtained as required; any violation of any air pollution requirements are the legal responsibility of the facility in addition to any other legally responsible parties. Any proposed change to this condition shall require the prior written concurrence of the EPA. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
55. Facility is required to implement the conditions required by the U.S. Fish and Wildlife Service, as outlined in their Biological Opinion and Formal Consultation Response (August 30, 1990), to prevent the incidental taking (killing, harming or harassment) of endangered species that may be affected by this unit. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
56. All correspondence as required by this permit shall be forwarded to: a) Director, Air Management Division, Compliance Section (Attn: A-3-3), EPA Region IX, 75 Hawthorne Street, San Francisco, CA, 94105; b) Chief, Stationary Source Control Division, California Air Resource Board, P.O. Box 2815, Sacramento, CA, 95814; and c) Director, SJVUAPCD, 1990 East Gettysburg, Fresno, CA, 93726. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
57. Note: Formerly S-1511-138

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1547-781-19

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

SECTION: NW35 **TOWNSHIP:** 12N **RANGE:** 24W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL GAS/VAPOR RECOVERY GAS FIRED STEAM GENERATOR WITH A COEN MODEL QLN-ULN LOW NOX BURNER WITH FLUE GAS RECIRCULATION (FGR) AND PIPING FROM TEOR WELL VENT VAPOR RECOVERY SYSTEM S-1547-819, (MOCO #705) (SOUTH MIDWAY): LIMIT FUEL SULFUR CONTENT TO 5 GR-S/100 DSCF FOR RULE 4320 COMPLIANCE

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 2520] 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. Copies of all fuel invoices showing quantity and delivery points of gas delivered and copies of quality terms of gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
4. {520} The operator shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] 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

DAVID WARNER, Director of Permit Services
S-1547-781-19: Apr 18 2010 2:42PM - RICKARDK : Joint Inspection NOT Required

5. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rules 2520, 9.4.2 and 4320] Federally Enforceable Through Title V Permit
6. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.4.2; 4305, 4306, 4320, and 4351, 6.2.1] Federally Enforceable Through Title V Permit
7. The operator shall demonstrate compliance with this unit's sulfur compound exhaust concentration limit(s) using one of the following: fire the unit only on PUC or FERC regulated natural gas, test the sulfur content of each fuel source, or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 2520, 9.4.2, 4301, 5.2.1 and Rule 4801, 3.1] Federally Enforceable Through Title V Permit
8. {565} Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of 40 CFR 60, Subpart Dc (except 60.44c(g) and (h) and 60.48c). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
9. Steam generator shall be equipped with operational fuel gas and vapor recovery gas volumetric flow meters. [District Rule 2201] Federally Enforceable Through Title V Permit
10. Only natural gas or a combination of natural gas and TEOR well vent vapors from well vent vapor control system S-1547-819 shall be used as fuel in this steam generator. [District Rule 2201; PSD SJ 89-01] Federally Enforceable Through Title V Permit
11. When combusting a combination of natural gas and vapor recovery gas, the fuel gas sulfur content shall not exceed 5 grains of total sulfur (as H₂S) per 100 dscf of fuel gas. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
12. Maximum heat input to steam generator shall not exceed 1,440 MMBTU/day. [District Rule 2201] Federally Enforceable Through Title V Permit
13. Total TEOR gas from permit S-1547-819 incinerated in steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 4.09 MMscf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
14. Permittee shall maintain accurate daily records of gas flowrate delivered to steam generators S-1547-766 to '-772, '-777 to '-781, and '-797. [District Rule 2201] Federally Enforceable Through Title V Permit
15. Total PM₁₀ emissions for steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 129.1 lb/day nor 47,122 lb/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
16. Permittee shall maintain daily records of quantity and higher heating value of natural gas and vapor recovery gas burned in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Emission rates, except during startup, shutdown, and refractory curing from the combustion of natural gas, shall not exceed any of the following: PM₁₀: 0.005 lb/MMBTU or SO_x (as SO₂): 0.002 lb/MMBtu. [District Rules 2201, 2520, 4201, 4301, 4406, 4801 and Kern County Rules 424] Federally Enforceable Through Title V Permit
18. Emission rates, except during startup, shutdown, and refractory curing shall not exceed any of the following: VOC: 0.003 lb/MMBtu, NO_x (as NO₂): 0.018 lb/MMBtu or 15 ppmv @ 3% O₂, or CO: 0.030 lb/MMBtu or 40 ppmv @ 3% O₂. [District Rules 2201, 2520, 4301, 4305, 4306, 4320, 4405 and Kern County Rule 425] Federally Enforceable Through Title V Permit
19. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO₂; sulfur - 200 pounds of SO₂ per hour, or 2000 ppmv as SO₂, or 0.11 pounds sulfur (as S) per MMBtu on average-wide basis for all units in Rule 4406 plan; NO₂ - 140 pounds per hour or 0.14 pounds per MMBtu. [District Rules 4101, 4102, 4301, 4405, 4406, 4320, 4801 and Kern County Rules 424 and 425] Federally Enforceable Through Title V Permit

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20. Emission rates shall not exceed any of the following: VOC: 4.3 lb/day, NO_x (as NO₂): 49.0 lb/day or 9,461 lb/year, or CO: 43.2 lb/day [District Rule 2201] Federally Enforceable Through Title V Permit
21. Duration of startup and shutdown (as defined in Rule 4320) shall not exceed 2 hours each per occurrence. Refractory curing period is defined as a maintenance-based reduced-load period of time during which a unit is brought from a shutdown status to staged rates of firing for the sole purpose of curing new refractory lining of the unit, and shall not exceed 30 hours per occurrence. The operator shall maintain records of the duration of start-up, shutdown, and refractory curing periods. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
22. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
23. If either the NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
24. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
25. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
26. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. Unless otherwise specified in the Permit to Operate no determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
27. Source testing to measure natural gas-combustion NO_x and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
28. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

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29. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
30. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, NO_x (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SO_x (lb/MMBtu) - ARB Method 100 or EPA Method 6, 6C or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - EPA Method 11 or 15, ASTM D3246 or double GC for H₂S and mercaptans performed in a laboratory, fuel gas h_hv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rules 1081, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
31. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
32. Operator shall provide an annual fuel sulfur content analysis to the District upon request. [District Rule 4320]
33. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
34. All equipment, facilities, or systems installed or used to achieve compliance with the terms and conditions of this permit shall at all times be maintained in good working order and be operated as efficiently as possible so as to minimize air pollutant emissions. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
35. The Regional Administrator shall be notified by telephone within 48 hours following any failure of air pollution control equipment, process equipment, or of a process to operate in a normal manner which results in an increase in emissions above any allowable emissions limit stated in the conditions below. In addition, the Regional Administrator shall be notified in writing within 15 days of any such failure. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
36. This notification shall include a description of the malfunctioning equipment or abnormal operation, the date of initial failure, the period of time over which emissions were increased due to the failure, the cause of the failure, the estimated resultant emissions in excess of those allowed under the conditions below, and the methods utilized to restore normal operations. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
37. Facility shall operate this unit in compliance with all other applicable provisions of 40 CFR Parts 52, 60 and 61 and all other applicable federal, State and local air quality regulations. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
38. This unit shall be equipped with oxygen controls, low NO_x burner, and a flue gas recirculation system for the control of NO_x emissions. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
39. Facility shall conduct annual performance tests for NO_x and PM₁₀ and furnish the EPA a written report of the results of such tests. The tests shall be conducted at the maximum operating capacity of the unit. Upon written request from the operator, EPA may approve the conducting of performance tests at a lower specified operating capacity. Upon written request and adequate justification, EPA may waive annual testing requirements for this unit. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
40. Performance tests for NO_x and PM₁₀ shall be conducted and the results reported in accordance with the test methods in 40 CFR 60, Part 60.8 and Appendix A. The following test methods shall be used: NO_x - EPA methods 1 through 4 (lb/hr), and 7E (ppmv), PM₁₀ - EPA Methods 1 through 5. Equivalent test methods may be used with prior written approval from the EPA. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
41. EPA shall be notified in writing at least 30 days prior to performance tests. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
42. For performance test purposes, sampling ports, platforms, and access shall be provided by the operator at each exhaust system in accordance with 40 CFR 60.8(e). [PSD SJ 89-01] Federally Enforceable Through Title V Permit
43. Operations during periods of startup, shutdown and malfunction shall not constitute representative conditions for the purpose of a performance test. [PSD SJ 89-01] Federally Enforceable Through Title V Permit

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44. Field or casing head gas will be sweetened as required to limit the sulfur content of the fuel to 75 gr/scf. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
45. Operator shall record hours of operation and amounts and types of fuel fired each calendar quarter. All information shall be recorded in a form suitable for inspection. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
46. Emission rates shall not exceed any of the following: PM10: 0.303 lb/hr, NOx: 2.71 lb/hr or 35 ppmv dry, @ 3% O₂. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
47. Visible emissions shall not exceed ½ Ringelmann or 10% opacity. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
48. Any relaxation in the District's Determination of Compliance conditions, Authority to Construct conditions, Permit to Operate conditions, or any other subsequent permit of legally binding document that could result in an increase of the potential to emit of any pollutant from this source above the PSD applicability thresholds will require a full PSD review of the source as if construction had not yet begun. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
49. Facility shall have legal and operational responsibility and control of all air pollutant emitting activities of the MOCO TEOR project. This responsibility shall include, but not limited to: operating and maintaining the project to comply with all federal, state and local air pollution laws, regulations, permits, orders and other requirements; ensuring the emissions offsets or other reductions required for this project under permits issued by the District are obtained as required; any violation of any air pollution requirements are the legal responsibility of the facility in addition to any other legally responsible parties. Any proposed change to this condition shall require the prior written concurrence of the EPA. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
50. Facility is required to implement the conditions required by the U.S. Fish and Wildlife Service, as outlined in their Biological Opinion and Formal Consultation Response (August 30, 1990), to prevent the incidental taking (killing, harming or harassment) of endangered species that may be affected by this unit. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
51. All correspondence as required by this permit shall be forwarded to: a) Director, Air Management Division, Compliance Section (Attn: A-3-3), EPA Region IX, 75 Hawthorne Street, San Francisco, CA, 94105; b) Chief, Stationary Source Control Division, California Air Resource Board, P.O. Box 2815, Sacramento, CA, 95814; and c) Director, SJVUAPCD, 1990 East Gettysburg, Fresno, CA, 93726. [PSD SJ 89-01] Federally Enforceable Through Title V Permit
52. Note: Formerly S-1511-138

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
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PERMIT NO: S-1547-797-17

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

SECTION: SW14 TOWNSHIP: 31S RANGE: 22E

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL GAS/VAPOR RECOVERY GAS FIRED STEAM GENERATOR WITH A COEN MODEL ULN BURNER AND WITH FLUE GAS RECIRCULATION (FGR) AND NON-CONDENSIBLE PIPING FROM VAPOR CONTROL SYSTEM S-1547-819 (MOCO 603) (SOUTH MIDWAY): REPLACE EXISTING BURNER WITH COEN MODEL QLN-ULN ULTRA LOW NOX BURNER, OR NORTH AMERICAN MODEL MAGNA FLAME LEX ULTRA LOW NOX BURNER, OR ACT GIDEON ULTRA LOW NOX BURNER, OR EQUIVALENT; OR TUNE EXISTING BURNER; LOWER NOX LIMIT TO 7 PPMV @ 3% O2 AND LIMIT FUEL SULFUR CONTENT TO 5 GR-S/100 DSCF FOR RULE 4320 COMPLIANCE

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 2520] 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. The permittee shall notify the District of the compliance method chosen (replacement burner or tuning) and if applicable, the approved burner to be installed prior to implementation of this ATC. [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

DAVID WARNER, Director of Permit Services
S-1547-797-17 : Apr 18 2010 2:42PM - RICKARDK : Joint Inspection NOT Required

4. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this ATC. Approval of the equivalent equipment shall be made in writing and only after the District's determination that the submitted design and performance of the proposed alternate equipment is equivalent to the authorized equipment [District Rule 2010] Federally Enforceable Through Title V Permit
5. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emissions rates, equipment drawing(s) and operational characteristics/parameters [District Rule 2010] Federally Enforceable Through Title V Permit
6. Copies of all fuel invoices showing quantity and delivery points of gas delivered and copies of quality terms of gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
7. {520} The operator shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
8. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rules 2520, 9.4.2 and 4320] Federally Enforceable Through Title V Permit
9. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.4.2; 4305, 4306, 4320, and 4351, 6.2.1] Federally Enforceable Through Title V Permit
10. The operator shall demonstrate compliance with this unit's sulfur compound exhaust concentration limit(s) using one of the following: fire the unit only on PUC or FERC regulated natural gas, test the sulfur content of each fuel source, or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 2520, 9.4.2, 4301, 5.2.1 and Rule 4801, 3.1] Federally Enforceable Through Title V Permit
11. {565} Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of 40 CFR 60, Subpart Dc (except 60.44c(g) and (h) and 60.48c). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
12. Steam generator shall be equipped with operational fuel gas and vapor recovery gas volumetric flow meters. [District Rule 2201] Federally Enforceable Through Title V Permit
13. Only natural gas or a combination of natural gas and TEOR well vent vapors from well vent vapor control system S-1547-819 shall be used as fuel in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
14. When combusting a combination of natural gas and vapor recovery gas, the fuel gas sulfur content shall not exceed 5 grains of total sulfur (as H₂S) per 100 dscf of fuel gas. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
15. Maximum heat input to steam generator shall not exceed 1,440 MMBTU/day. [District Rule 2201] Federally Enforceable Through Title V Permit
16. Total TEOR gas from permit S-1547-819 incinerated in steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 4.09 MMscf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Permittee shall maintain accurate daily records of gas flowrate delivered to steam generators S-1547-766 to '-772, '-777 to '-781, and '-797. [District Rule 2201] Federally Enforceable Through Title V Permit
18. Total PM₁₀ emissions for steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 129.1 lb/day nor 47,122 lb/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
19. Permittee shall maintain daily records of quantity and higher heating value of natural gas and vapor recovery gas burned in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit

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20. Emission rates, except during startup, shutdown, and refractory curing from the combustion of natural gas, shall not exceed any of the following: PM10: 0.005 lb/MMBTU or SO_x (as SO₂): 0.002 lb/MMBTU. [District Rules 2201, 2520, 4201, 4301, 4406, 4801 and Kern County Rule 424] Federally Enforceable Through Title V Permit
21. Emission rates, except during startup, shutdown, and refractory curing shall not exceed any of the following: VOC: 0.003 lb/MMBTU, NO_x (as NO₂): 0.008 lb/MMBTU or 7 ppmv @ 3% O₂, or CO: 0.030 lb/MMBTU or 40 ppmv @ 3% O₂. [District Rules 2201, 2520, 4301, 4305, 4306, 4320, 4405 and Kern County Rule 425] Federally Enforceable Through Title V Permit
22. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO₂; sulfur - 200 pounds of SO₂ per hour, or 2000 ppmv as SO₂, or 0.11 pounds sulfur (as S) per MMBtu on average-wide basis for all units in Rule 4406 plan; NO₂ - 140 pounds per hour or 0.14 pounds per MMBtu. [District Rules 4101, 4102, 4301, 4405, 4406, 4801 and Kern County Rules 424 and 425] Federally Enforceable Through Title V Permit
23. Emission rates shall not exceed any of the following: VOC: 7.2 lb/day, NO_x (as NO₂): 49.0 lb/day or 4205 lb/year, or CO: 43.2 lb/day. [District Rule 2201] Federally Enforceable Through Title V Permit
24. During a "shakedown" period not to exceed 60 calendar days from initial operation of the modifications authorized by this ATC, NO_x emission shall not exceed 15 ppmvd NO_x @ 3% O₂ or 0.018 lb-NO_x/MMBTU. The shakedown period shall be concluded prior to the applicable Rule 4320 compliance deadline selected for this unit. Permittee shall maintain a record of the date of initial operation for at least 5 years. [District Rule 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
25. Duration of startup and shutdown (as defined in Rule 4320) shall not exceed 2 hours each per occurrence. Refractory curing period is defined as a maintenance-based reduced-load period of time during which a unit is brought from a shutdown status to staged rates of firing for the sole purpose of curing new refractory lining of the unit, and shall not exceed 30 hours per occurrence. The operator shall maintain records of the duration of start-up, shutdown, and refractory curing periods. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
26. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
27. If either the NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
28. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
29. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

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30. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. Unless otherwise specified in the Permit to Operate no determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
31. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
32. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted within 60 days of initial operation under this ATC. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
33. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
34. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
35. The following test methods shall be used: NOx (ppmv) - EPA Method 7E or ARB Method 100, NOx (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SOx (lb/MMBtu) - ARB Method 100 or EPA Method 6, 6C or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - EPA Method 11 or 15, ASTM D3246 or double GC for H2S and mercaptans performed in a laboratory, fuel gas hhv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rules 1081, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
36. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
37. Operator shall provide an annual fuel sulfur content analysis to the District upon request. [District Rule 4320]
38. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
39. Note: Formerly S-1511-166

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1547-797-18

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

SECTION: SW14 TOWNSHIP: 31S RANGE: 22E

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL GAS/VAPOR RECOVERY GAS FIRED STEAM GENERATOR WITH A COEN MODEL ULN BURNER AND WITH FLUE GAS RECIRCULATION (FGR) AND NON-CONDENSIBLE PIPING FROM VAPOR CONTROL SYSTEM S-1547-819 (MOCO 603) (SOUTH MIDWAY): REPLACE EXISTING BURNER WITH COEN MODEL QLN-ULN ULTRA LOW NOX BURNER, OR NORTH AMERICAN MODEL MAGNA FLAME LEX ULTRA LOW NOX BURNER, OR ACT GIDEON ULTRA LOW NOX BURNER, OR EQUIVALENT; OR TUNE EXISTING BURNER; LOWER NOX LIMIT TO 9 PPMV @ 3% O2 AND LIMIT FUEL SULFUR CONTENT TO 5 GR-S/100 DSCF FOR RULE 4320 COMPLIANCE

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 2520] 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. The permittee shall notify the District of the compliance method chosen (replacement burner or tuning) and if applicable, the approved burner to be installed prior to implementation of this ATC. [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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DAVID WARNER, Director of Permit Services
S-1547-797-18 : Apr 16 2010 2:43PM - RICKARDX : Joint Inspection NOT Required

4. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this ATC. Approval of the equivalent equipment shall be made in writing and only after the District's determination that the submitted design and performance of the proposed alternate equipment is equivalent to the authorized equipment [District Rule 2010] Federally Enforceable Through Title V Permit
5. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emissions rates, equipment drawing(s) and operational characteristics/parameters [District Rule 2010] Federally Enforceable Through Title V Permit
6. Copies of all fuel invoices showing quantity and delivery points of gas delivered and copies of quality terms of gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
7. {520} The operator shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
8. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rules 2520, 9.4.2 and 4320] Federally Enforceable Through Title V Permit
9. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.4.2; 4305, 4306, 4320, and 4351, 6.2.1] Federally Enforceable Through Title V Permit
10. The operator shall demonstrate compliance with this unit's sulfur compound exhaust concentration limit(s) using one of the following: fire the unit only on PUC or FERC regulated natural gas, test the sulfur content of each fuel source, or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 2520, 9.4.2, 4301, 5.2.1 and Rule 4801, 3.1] Federally Enforceable Through Title V Permit
11. {565} Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of 40 CFR 60, Subpart Dc (except 60.44c(g) and (h) and 60.48c). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
12. Steam generator shall be equipped with operational fuel gas and vapor recovery gas volumetric flow meters. [District Rule 2201] Federally Enforceable Through Title V Permit
13. Only natural gas or a combination of natural gas and TEOR well vent vapors from well vent vapor control system S-1547-819 shall be used as fuel in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
14. When combusting a combination of natural gas and vapor recovery gas, the fuel gas sulfur content shall not exceed 5 grains of total sulfur (as H₂S) per 100 dscf of fuel gas. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
15. Maximum heat input to steam generator shall not exceed 1,440 MMBTU/day. [District Rule 2201] Federally Enforceable Through Title V Permit
16. Total TEOR gas from permit S-1547-819 incinerated in steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 4.09 MMscf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Permittee shall maintain accurate daily records of gas flowrate delivered to steam generators S-1547-766 to '-772, '-777 to '-781, and '-797. [District Rule 2201] Federally Enforceable Through Title V Permit
18. Total PM₁₀ emissions for steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 129.1 lb/day nor 47,122 lb/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
19. Permittee shall maintain daily records of quantity and higher heating value of natural gas and vapor recovery gas burned in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

20. Emission rates, except during startup, shutdown, and refractory curing from the combustion of natural gas, shall not exceed any of the following: PM10: 0.005 lb/MMBTU or SOx (as SO2): 0.002 lb/MMBTu. [District Rules 2201, 2520, 4201, 4301, 4406, 4801 and Kern County Rules 424] Federally Enforceable Through Title V Permit
21. Emission rates, except during startup, shutdown, and refractory curing shall not exceed any of the following: VOC: 0.003 lb/MMBTu, NOx (as NO2): 0.011 lb/MMBTu or 9 ppmv @ 3% O2, or CO: 0.030 lb/MMBTu or 40 ppmv @ 3% O2. [District Rules 2201, 2520, 4301, 4305, 4306, 4320, 4405 and Kern County Rule 425] Federally Enforceable Through Title V Permit
22. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO2; sulfur - 200 pounds of SO2 per hour, or 2000 ppmv as SO2, or 0.11 pounds sulfur (as S) per MMBtu on average-wide basis for all units in Rule 4406 plan; NO2 - 140 pounds per hour or 0.14 pounds per MMBtu. [District Rules 4101, 4102, 4301, 4405, 4406, 4801 and Kern County Rules 424 and 425] Federally Enforceable Through Title V Permit
23. Emission rates shall not exceed any of the following: VOC: 7.2 lb/day, NOx (as NO2): 49.0 lb/day or 5782 lb/year, or CO: 43.2 lb/day. [District Rule 2201] Federally Enforceable Through Title V Permit
24. During a "shakedown" period not to exceed 60 calendar days from initial operation of the modifications authorized by this ATC, NOx emission shall not exceed 15 ppmvd NOX @ 3% O2 or 0.018 lb-NOX/MMBTu. The shakedown period shall be concluded prior to the applicable Rule 4320 compliance deadline selected for this unit. Permittee shall maintain a record of the date of initial operation for at least 5 years. [District Rule 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
25. Duration of startup and shutdown (as defined in Rule 4320) shall not exceed 2 hours each per occurrence. Refractory curing period is defined as a maintenance-based reduced-load period of time during which a unit is brought from a shutdown status to staged rates of firing for the sole purpose of curing new refractory lining of the unit, and shall not exceed 30 hours per occurrence. The operator shall maintain records of the duration of start-up, shutdown, and refractory curing periods. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
26. The permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
27. If either the NOx or CO concentrations corrected to 3% O2, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
28. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
29. The permittee shall maintain records of: (1) the date and time of NOx, CO, and O2 measurements, (2) the O2 concentration in percent and the measured NOx and CO concentrations corrected to 3% O2, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

30. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. Unless otherwise specified in the Permit to Operate no determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
31. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
32. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted within 60 days of initial operation under this ATC. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
33. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
34. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
35. The following test methods shall be used: NOx (ppmv) - EPA Method 7E or ARB Method 100, NOx (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SOx (lb/MMBtu) - ARB Method 100 or EPA Method 6, 6C or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - EPA Method 11 or 15, ASTM D3246 or double GC for H2S and mercaptans performed in a laboratory, fuel gas hhv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rules 1081, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
36. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
37. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
38. Operator shall provide an annual fuel sulfur content analysis to the District upon request. [District Rule 4320]
39. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
40. Note: Formerly S-1511-166

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1547-797-19

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

SECTION: SW/14 **TOWNSHIP:** 31S **RANGE:** 22E

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL GAS/VAPOR RECOVERY GAS FIRED STEAM GENERATOR WITH A COEN MODEL ULN BURNER AND WITH FLUE GAS RECIRCULATION (FGR) AND NON-CONDENSIBLE PIPING FROM VAPOR CONTROL SYSTEM S-1547-819 (MOCO 603) (SOUTH MIDWAY): LIMIT FUEL SULFUR CONTENT TO 5 GR-S/100 DSCF FOR RULE 4320 COMPLIANCE

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 2520] 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. Copies of all fuel invoices showing quantity and delivery points of gas delivered and copies of quality terms of gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
4. {520} The operator shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] 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 YAPCO

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DAVID WARNER, Director of Permit Services
S-1547-797-19 : Apr 18 2010 2:42PM - RICKARDK : Joint Inspection NOT Required

5. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rules 2520, 9.4.2 and 4320] Federally Enforceable Through Title V Permit
6. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.4.2; 4305, 4306, 4320, and 4351, 6.2.1] Federally Enforceable Through Title V Permit
7. The operator shall demonstrate compliance with this unit's sulfur compound exhaust concentration limit(s) using one of the following: fire the unit only on PUC or FERC regulated natural gas, test the sulfur content of each fuel source, or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 2520, 9.4.2, 4301, 5.2.1 and Rule 4801, 3.1] Federally Enforceable Through Title V Permit
8. {565} Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of 40 CFR 60, Subpart Dc (except 60.44c(g) and (h) and 60.48c). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
9. Steam generator shall be equipped with operational fuel gas and vapor recovery gas volumetric flow meters. [District Rule 2201] Federally Enforceable Through Title V Permit
10. Only natural gas or a combination of natural gas and TEOR well vent vapors from well vent vapor control system S-1547-819 shall be used as fuel in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
11. When combusting a combination of natural gas and vapor recovery gas, the fuel gas sulfur content shall not exceed 5 grains of total sulfur (as H₂S) per 100 dscf of fuel gas. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
12. Maximum heat input to steam generator shall not exceed 1,440 MMBTU/day. [District Rule 2201] Federally Enforceable Through Title V Permit
13. Total TEOR gas from permit S-1547-819 incinerated in steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 4.09 MMscf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
14. Permittee shall maintain accurate daily records of gas flowrate delivered to steam generators S-1547-766 to '-772, '-777 to '-781, and '-797. [District Rule 2201] Federally Enforceable Through Title V Permit
15. Total PM₁₀ emissions for steam generators S-1547-766 to '-772, '-777 to '-781, and '-797 shall not exceed 129.1 lb/day nor 47,122 lb/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
16. Permittee shall maintain daily records of quantity and higher heating value of natural gas and vapor recovery gas burned in this steam generator. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Emission rates, except during startup, shutdown, and refractory curing from the combustion of natural gas, shall not exceed any of the following: PM₁₀: 0.005 lb/MMBTU or SO_x (as SO₂): 0.002 lb/MMBtu. [District Rules 2201, 2520, 4201, 4301, 4406, 4801 and Kern County Rules 424] Federally Enforceable Through Title V Permit
18. Emission rates, except during startup, shutdown, and refractory curing shall not exceed any of the following: VOC: 0.003 lb/MMBtu, NO_x (as NO₂): 0.018 lb/MMBtu or 15 ppmv @ 3% O₂, or CO: 0.030 lb/MMBtu or 40 ppmv @ 3% O₂. [District Rules 2201, 2520, 4301, 4305, 4306, 4320, 4405 and Kern County Rule 425] Federally Enforceable Through Title V Permit
19. Emission rates during startup, shutdown and refractory curing shall not exceed: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO₂; sulfur - 200 pounds of SO₂ per hour, or 2000 ppmv as SO₂, or 0.11 pounds sulfur (as S) per MMBtu on average-wide basis for all units in Rule 4406 plan; NO₂ - 140 pounds per hour or 0.14 pounds per MMBtu. [District Rules 4101, 4102, 4301, 4405, 4406, 4801 and Kern County Rules 424 and 425] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

20. Emission rates shall not exceed any of the following: VOC: 7.2 lb/day, NOx (as NO₂): 49.0 lb/day or 9,461 lb/year, or CO: 43.2 lb/day. [District Rule 2201] Federally Enforceable Through Title V Permit
21. Duration of startup and shutdown (as defined in Rule 4320) shall not exceed 2 hours each per occurrence. Refractory curing period is defined as a maintenance-based reduced-load period of time during which a unit is brought from a shutdown status to staged rates of firing for the sole purpose of curing new refractory lining of the unit, and shall not exceed 30 hours per occurrence. The operator shall maintain records of the duration of start-up, shutdown, and refractory curing periods. [District Rules 4305, 4306, and 4320]
22. The permittee shall monitor and record the stack concentration of NOx, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
23. If either the NOx or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
24. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
25. The permittee shall maintain records of: (1) the date and time of NOx, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NOx and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
26. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. Unless otherwise specified in the Permit to Operate no determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
27. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
28. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

29. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
30. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, NO_x (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SO_x (lb/MMBtu) - ARB Method 100 or EPA Method 6, 6C or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - EPA Method 11 or 15, ASTM D3246 or double GC for H₂S and mercaptans performed in a laboratory, fuel gas hhv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rules 1081, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
31. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
32. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
33. Operator shall provide an annual fuel sulfur content analysis to the District upon request. [District Rule 4320]
34. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
35. Note: Formerly S-1511-166

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT

PERMIT NO: S-1547-819-9

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
KERN COUNTY, CA

SECTION: 35 TOWNSHIP: 12N RANGE: 24W

EQUIPMENT DESCRIPTION:

MODIFICATION OF TEOR OPERATION W/ UP TO 900 STEAM DRIVE WELLS SERVED BY WELL CASING VENT VAPOR COLLECTION AND CONTROL SYSTEM, WITH INCINERATION OF COLLECTED VAPOR IN STEAM GENERATORS S-1547-766 TO '-772, '-777 TO '-781 AND '-797. INSTALL SECOND SULFEROX SPARGER VESSEL AND/OR ADDITIONAL COMPRESSOR(S) UPSTREAM AND/OR DOWNSTREAM OF THE SULFEROX SYSTEM, REPLACE THE EXISTING STANDBY SULFUR SCRUBBING SYSTEM CONTACTING VESSEL WITH EITHER ONE OR TWO LARGER CONTACTING VESSEL(S) AND DELETE SULFUR COMPOUND SPECIFIC LIMITING CONDITION AND ESTABLISH INDIVIDUAL SULFUR LIMITS FOR STEAM GENERATORS APPROVED TO INCINERATE VAPOR, ALL FOR RULE 4320 COMPLIANCE

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 NSR Rule] Federally Enforceable Through Title V Permit
2. {1829} The facility shall submit an application to modify the Title V permit in accordance with the timeframes and procedures of District Rule 2520. [District Rule 2520] Federally Enforceable Through Title V Permit
3. Fugitive VOC emissions from all components associated with this operation shall not exceed 410.6 lb/day. [District NSR Rule] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

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

Seyed Sadredin, Executive Director APCO

DAVID WARNER, Director of Permit Services
S-1547-819-9, Apr 16 2010 2:42PM - RICKARDX : Joint Inspection NOT Required

4. Permittee shall maintain for a period of five years, accurate records of fugitive inspection component counts, leak screening values in excess of 10,000 ppm, and shall, as approved by the District, calculate fugitive emissions using February 1999 CAPCOA California Implementation Guidelines for Estimating Mass Emissions of Fugitive Hydrocarbon Leaks at Petroleum Facilities Table IV-2c. Permittee shall make records of component counts, screening values, and calculations readily available for District inspection upon request. [District NSR Rule] Federally Enforceable Through Title V Permit
5. Operation shall include liquid knockout vessels (separators), heat exchangers, and vapor compressors. [District NSR Rule] Federally Enforceable Through Title V Permit
6. Operation shall include vapor collection piping network from this well vent vapor control system, well vent vapor control system S-1547-707, and tank battery vapor control system S-1547-843 to sulfur scrubbing systems (primary & standby). [District NSR Rule] Federally Enforceable Through Title V Permit
7. Permittee shall maintain a current roster of wells connected to the casing collection system, and such roster shall be made readily available for District inspection upon request [District NSR Rule] Federally Enforceable Through Title V Permit
8. Primary sulfur scrubbing system shall include casing gas coolers and pumps, contactor vessels and separators, regenerator section with heat exchangers, recirculation pump & air blower, and chemical storage tanks. [District NSR Rule] Federally Enforceable Through Title V Permit
9. Standby sulfur scrubbing system shall include contactor vessels and separators. [District NSR Rule] Federally Enforceable Through Title V Permit
10. Sulfur scrubbing system(s) shall use District approved scrubbing agents including, Exxon Sulfa Check, DOW Sulferox, WESCHEM Sulfarid, SulfaScrub, and Betz DX-1026 Formulations. [District NSR Rule] Federally Enforceable Through Title V Permit
11. Prior District approval shall be obtained for using alternative sulfur scrubbing agents other than those listed above. [District NSR Rule] Federally Enforceable Through Title V Permit
12. Casing vapor collection system shall be equipped with vapor flow rate indicator/recorder downstream of condensation and sulfur removal equipment measuring total non-condensable vapor flow rate. [District NSR Rule] Federally Enforceable Through Title V Permit
13. All wells approved by this permit shall have the well head casing vents routed to the TEOR well vent vapor control system. [District NSR Rule] Federally Enforceable Through Title V Permit
14. Well casing vents may be closed provided produced fluids are handled only in production facilities with District-approved emission control systems achieving at least 99% control. [District NSR Rule and District Rule 4401] Federally Enforceable Through Title V Permit
15. An inspection and maintenance program consistent with Rule 4403 for light oil production facilities shall be implemented for stuffing boxes and polish rods of 479 newly authorized steam drive wells (identified by well roster). [District NSR Rule] Federally Enforceable Through Title V Permit
16. Sulfur bin ventilation (if applicable) shall be vented to one or more of the District approved steam generators connected to desulfurized casing gas piping network. [District NSR Rule] Federally Enforceable Through Title V Permit
17. During temporary periods of maintenance covered in the permittee's bi-annual maintenance plan the permittee may conduct maintenance or repair activities contained in the District approved bi-annual maintenance plan without shutting-in production from wells served by the well vent vapor collection system, for no more than a total of 336 hours during any one calendar year for each system. Maintenance covered by the permittee's bi-annual maintenance plan may exceed 336 hours during any one calendar year when maintenance is performed while all casing well vents covered by this permit are closed. When multiple vapor recovery systems serve the same wells in series or in parallel, a total of 336 hours of maintenance shall be allowed for all systems combined. [District NSR Rule] Federally Enforceable Through Title V Permit

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18. During temporary periods of maintenance covered in the permittee's bi-annual maintenance plan, well vent vapor recovery piping may be temporarily shut-in or isolated for routine maintenance or repair activities without closing the well vents normally served by a well vent vapor collection system provided that well vent vapors are routed to a vapor recovery system that complies with District rule 4401 and all otherwise applicable provisions of this permit. [District NSR Rule and District Rule 4401] Federally Enforceable Through Title V Permit
19. Well vent vapor collection system piping and components shall be maintained as required by Rule 4401, and well vent vapors shall not be vented or bled-off to the atmosphere except for those actions necessary to safely isolate vessels and piping for routine maintenance. [District NSR Rule and District Rule 4401] Federally Enforceable Through Title V Permit
20. The District shall be notified at least 48 hours prior to the start of each maintenance program. No later than 10 days after completing each maintenance episode, the permittee shall notify the District in writing of the date, time, duration, well number(s), and description of the maintenance or repair activity completed. [District NSR Rule] Federally Enforceable Through Title V Permit
21. Permittee shall maintain records of the date, time, and duration of each maintenance or repair episode requiring the temporary isolation of well vent vapor recovery piping. Such records shall include well identification numbers and a description of the maintenance or repair activity completed, and shall be maintained for a period of up to 5 years, and be made readily available to the District upon request. [District NSR Rule and District Rule 1070] Federally Enforceable Through Title V Permit
22. Permittee shall submit to the District bi-annual maintenance plans. The maintenance plan must identify each permit unit and illustrate them on a detailed map of the system, identify the period and duration of each maintenance episode for each system, an estimate of VOC emissions released during maintenance, and the procedures that will be used to maintain and isolate affected equipment. [District NSR Rule] Federally Enforceable Through Title V Permit
23. Liquid condensate from vapor recovery piping, condensation, and sulfur scrubbing systems shall be pumped to production manifold. [District NSR Rule] Federally Enforceable Through Title V Permit
24. Non-condensable gas from vapor control system shall not be vented to atmosphere. [District NSR Rule] Federally Enforceable Through Title V Permit
25. Permittee shall maintain accurate daily records of gas flowrate leaving sulfur scrubbing systems, and sulfur content (by daily gas sampling) of non-condensable gas entering and leaving sulfur scrubbing systems. [District NSR Rule] Federally Enforceable Through Title V Permit
26. If sulfur scrubbing systems are not utilized, permittee shall maintain accurate daily records of total unscrubbed sulfur mass flow rate and sulfur content (by daily gas sampling) of unscrubbed non-condensable gas. [District NSR Rule] Federally Enforceable Through Title V Permit
27. A leak shall be defined as a reading on a portable hydrocarbon detection instrument (calibrated with methane) in excess on 10,000 ppmv when measured in accordance with EPA Method 21. [District Rule 4401, 3.4] Federally Enforceable Through Title V Permit
28. The crude oil production from wells associated with this permit unit shall not produce from the same production zone in which an air injection well is completed and shall not lie within 1000 feet of an air injection well used for in-situ combustion. [District Rule 4407, 2.0, 3.4, and 3.5] Federally Enforceable Through Title V Permit
29. During the time any steam-enhanced crude oil production well is undergoing service or repair while the well is not producing, it shall be exempt from the emission control requirements of District Rule 4401, 5.0 (as amended December 17, 1992). [District Rule 4401, 4.1] Federally Enforceable Through Title V Permit
30. All required source testing shall conform to the compliance testing procedures described in District Rule 1081 (as amended December 16, 1993). [District Rule 1081 and County Rules 108 (Kings), 108.1 (Fresno, Merced, San Joaquin, Tulare, Kern, and Stanislaus), and 110 (Madera)] Federally Enforceable Through Title V Permit
31. The operator shall maintain monitoring records of the date and well identification where steam injection or well stimulation occurs. [District Rule 4401, 6.1] Federally Enforceable Through Title V Permit
32. The operator shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

33. The uncontrolled VOC emissions from any well vent shall be reduced by at least 99 percent by weight or, if several steam-enhanced crude oil production well vents are connected to a vapor collection and control system, total uncontrolled VOC emissions shall be reduced by at least 99 percent. This requirement does not apply to cyclic wells located on contiguous and adjacent oil production properties with less than 10 cyclic wells owned by or under the control of a company. [District Rule 4401, 5.1 and 5.2] Federally Enforceable Through Title V Permit
34. For cyclic wells located on properties with less than 10 cyclic wells and owned by a company, the uncontrolled VOC emissions from any well vent or system of well vents connected to a single control device shall be reduced by at least 50 percent. Properties shall include contiguous and adjacent oil production properties owned by or under control of the company. [District Rule 4401, 5.4] Federally Enforceable Through Title V Permit
35. Total number of leaks from the vapor collection and control system, including condensate handling, shall not exceed the number as allowed by Rule 4401 (as amended December 14, 2006) at any one time. [District Rule 4401, 5.3] Federally Enforceable Through Title V Permit
36. Units consisting of more than 500 wells shall not exceed one leak detected for each 20 wells tested with a minimum of 50 wells tested. [District Rule 4401, 5.3] Federally Enforceable Through Title V Permit
37. Operator shall affix a readily visible tag bearing the date on which a leak is detected. The tag shall remain in place until the leaking component is repaired. [District Rule 4401, 5.3.1] Federally Enforceable Through Title V Permit
38. Operator shall repair each leak within 15 days of detection. The APCO may grant a 10 day extension if the operator demonstrates that the necessary and sufficient actions have and are being taken to correct the leak. [District Rule 4401, 5.3.1] Federally Enforceable Through Title V Permit
39. Operator shall maintain all components of a well vent vapor collection and control system in good repair. Components of the well vent vapor collection and control system shall include all piping, valves, fittings, pumps, compressors, tanks, etc. used to collect, control, store, or dispose of VOC condensate or non-condensable VOCs and which is prior to any blending of VOC condensate with crude oil or blending of non-condensable VOCs with gases to be used as a fuel. [District Rule 4401, 5.3 and 5.3.2] Federally Enforceable Through Title V Permit
40. Annual control efficiency compliance tests shall be performed on all vapor collection and control systems used to control emissions from steam-enhanced crude oil production wells. Testing shall be performed by ARB certified contractors during June, July, August or September of each year if the system's control efficiency is dependent upon ambient air temperature. The APCO may waive the requirements of this condition if the vapor control system does not exhaust to atmosphere or if all uncondensed VOC emissions collected by a vapor collection and control system are burned in fuel burning equipment or in a smokeless open flare and the source's Operating Permit contains adequate periodic monitoring to ensure the source meets 99% control efficiency. [District Rule 4401, 5.1, 5.2 and 6.2.1] Federally Enforceable Through Title V Permit
41. The control efficiency of systems designed to control VOC emissions from steam enhanced crude oil production well shall be determined by mass balance based on recognized emission factors for components and number of components; and the efficiency of destruction devices determined by EPA Method 25, 25a, or 25b as applicable. [District Rule 4401, 6.3.1] Federally Enforceable Through Title V Permit
42. VOC content shall be determined using ASTM Method E168, E169, or E260 as applicable. Halogenated exempt compounds shall be determined by ARB Method 422. [District Rule 4401, 6.3.2] Federally Enforceable Through Title V Permit
43. The source shall perform leak inspections at least annually, using a portable hydrocarbon detection instrument in accordance with EPA Method 21. Where safety is a concern, such as measuring leaks from a compressor seals or pump seals when the shaft is rotating, a person shall measure leaks by placing the instrument probe inlet a distance of one centimeter or less from the surface of the component interface. [District Rules 2520, 9.4.2 and 4401, 6.3.3] Federally Enforceable Through Title V Permit
44. Compliance with permit conditions in the Title V permit shall be deemed compliance with SJVUAPCD Rule 4401 (Amended December 17, 1992), formerly District Rule 465.1, excluding sections 5.1 and 5.2 for control systems which have been waived from complying with the requirement of section 6.2.1. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

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45. The requirements of SJVUAPCD Rule 4407 (Adopted May 19, 1994) do not apply to this permit unit. A permit shield is granted from this requirement. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
46. Note: Formerly S-1511-213

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