



JAN 11 2010

Kevin Wright
Seneca Resources
2131 Mars Court
Bakersfield, CA 93308

**Re: Proposed Authorities to Construct / Certificate of Conformity (Minor Mod)
District Facility # S-1141
Project # S-1104494**

Dear Mr. Wright:

Enclosed for your review is the District's analysis of your application for Authorities to Construct for the facility identified above. You have requested that a Certificate of Conformity with the procedural requirements of 40 CFR Part 70 be issued with this project. The applicant is proposing to install one 600 bbl free water knockout vessel, one WEMCO unit, replace four tanks and connect the new tanks to a vapor control system, and to undormatize and retrofit a heater treater for compliance with Rule 4320.

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

If you have any questions, please contact Mr. Jim Swaney, Permit Services Manager, at (559) 230-5900.

Thank you for your cooperation in this matter.

Sincerely,

David Warner
Director of Permit Services

Enclosures
cc: Stanley Tom, Permit Services

Seyed Sadredin
Executive Director/Air Pollution Control Officer

Northern Region
4800 Enterprise Way
Modesto, CA 95356-8718
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Gerardo C. Rios, Chief
Permits Office
Air Division
U.S. EPA - Region IX
75 Hawthorne St
San Francisco, CA 94105

**Re: Proposed Authorities to Construct / Certificate of Conformity (Minor Mod)
District Facility # S-1141
Project # S-1104494**

Dear Mr. Rios:

Enclosed for your review is the District's engineering evaluation of an application for Authorities to Construct for Seneca Resources, located at it's Heavy Oil Western stationary source, which has been issued a Title V permit. Seneca Resources is requesting that a Certificate of Conformity, with the procedural requirements of 40 CFR Part 70, be issued with this project. The applicant is proposing to install one 600 bbl free water knockout vessel, one WEMCO unit, replace four tanks and connect the new tanks to a vapor control system, and to undormatize and retrofit a heater treater for compliance with Rule 4320.

Enclosed is the engineering evaluation of this application, a copy of the current Title V permit, and proposed Authorities to Construct # S-1141-18-17, '116-0, '117-0, '118-0, '119-0, '120-0, '121-0, '122-0 with Certificate of Conformity. After demonstrating compliance with the Authorities to Construct, the conditions will be incorporated into the facility's Title V permit through an administrative amendment.

Please submit your written comments on this project within the 45-day comment period that begins on the date you receive this letter. If you have any questions, please contact Mr. Jim Swaney, Permit Services Manager, at (559) 230-5900.

Thank you for your cooperation in this matter.

Sincerely,

David Warner
Director of Permit Services

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Authority to Construct Application Review

Heater Treater and Fixed Roof Oil Field Production Tanks < 5000 BBLs

Facility Name: Seneca Resources Date: December 22, 2010
Mailing Address: 2131 Mars Court Engineer: Stanley Tom
Bakersfield, CA 93308 Lead Engineer: Joven Refuerzo
Contact Person: Kevin Wright
Telephone: (702) 694-8004
Application #(s): S-1141-18-17, '116-0, '117-0, '118-0, '119-0, '120-0, '121-0, '122-0
Project #: S-1104494
Deemed Complete: November 15, 2010

I. Proposal

Seneca Resources is applying for Authority to Construct (ATC) permits to install one 600 bbl free water knockout vessel (FWKO), one WEMCO unit, replace four tanks and connect four new tanks to a vapor control system, and to undormatize and retrofit a heater treater for compliance with Rule 4320. Seneca Resources would also like to permit the heater treater as a unspecified multiple location unit.

The applicant has revised their original proposal. In addition to the above requests, the applicant would like to install one more additional crude oil storage tank connected to the vapor control system.

The following condition will be placed on ATCs S-1114-116-0 through '122-0:

- Within 90 days of startup of the equipment authorized by this Authority to Construct, Permits to Operate S-3755-6, '7, '8, and '9 shall be surrendered to the District and the associated equipment shall be removed or rendered inoperable. [District Rule 2201]

Seneca Resources has received their Title V Permit. This modification can be classified as a Title V minor modification pursuant to Rule 2520, Section 3.20, and can be processed with a Certificate of Conformity (COC). Since the facility has specifically requested that this project be processed in that manner, the 45-day EPA comment period will be satisfied prior to the issuance of the Authority to Construct. Seneca Resources must apply to administratively amend their Title V Operating Permit to include the requirements of the ATCs issued with this project.

II. Applicable Rules

Rule 2201 New and Modified Stationary Source Review Rule (12/18/08)
Rule 2520 Federally Mandated Operating Permits (06/21/01)

Rule 4001 New Source Performance Standards, subpart Kb (Amended 4/14/99)
Rule 4101 Visible Emissions (04/20/05)
Rule 4102 Nuisance (12/17/92)
Rule 4201 Particulate Matter Concentration (12/17/92)
Rule 4301 Fuel Burning Equipment (12/17/92)
Rule 4305 Boilers, Steam Generators and Process Heaters – Phase 2 (8/21/03)
Rule 4306 Boilers, Steam Generators and Process Heaters – Phase 3 (10/16/08)
Rule 4320 Advanced Emission Reduction Options for Boilers, Steam Generators, and Process Heaters Greater than 5.0 MMBtu/hr (10/16/08)
Rule 4351 Boilers, Steam Generators and Process Heaters – Phase 1 (8/21/03)
Rule 4623 Storage of Organic Liquids (05/19/05)
Rule 4801 Sulfur Compounds (12/17/92)
CH&SC 41700 Health Risk Assessment
CH&SC 42301.6 School Notice
Public Resources Code 21000-21177: California Environmental Quality Act (CEQA)
California Code of Regulations, Title 14, Division 6, Chapter 3, Sections 15000-15387: CEQA Guidelines

III. Project Location

The project is located at the Midway-Sunset (South) Maricopa Tank Battery. The location of the tank battery is NW/4 Section 18, T11N, R23W at Seneca Resources Heavy Oil Western stationary source. The facility is not located within 1,000 feet of the outer boundary of any K-12 school; therefore, pursuant to CH&SC 42301.6, California Health and Safety Code (School Notice), public notification is not required.

IV. Process Description

The FWKO vessel will have dimensions of 10 ft x 40 ft. A new tank farm vapor recovery system will be installed to manage any breakout gas from the FWKO vessel.

The WEMCO unit will be a WEMCO 1+1 Depurator, Model 66 unit. It will have a capacity of 107 barrels. The WEMCO will be served by the new vapor recovery system.

Currently, the following tanks are permitted at the tank farm:

- S-3755-6, A 1,500 bbl fixed roof wash tank not connected to vapor recovery;
- S-3755-7, A 1,000 bbl fixed roof crude oil storage tank, equipped with PV-vent, and not connected to vapor recovery;
- S-3755-8, A 1,000 bbl fixed roof crude oil storage tank, equipped with PV-vent, and not connected to vapor recovery; and
- S-3755-9, A 1,000 bbl fixed roof crude oil storage tank, equipped with PV-vent, and not connected to vapor recovery

These tanks will be replaced by four welded 1,500 bbl tanks and one 1,000 bbl tank all to be connected to the new vapor recovery system. One tank will be used as a wash tank and the other four tanks will be used as storage tanks. The vapor recovery system will send the collected vapors to the casing gas gathering system and then sent to steam generators S-3755-11, '19, S-1114-130, and/or flare S-3755-10 for incineration.

Currently heater treater in permit S-1141-18 is permitted as a dormant emissions unit. Seneca Resources proposes to comply with Rule 4320 with the installation of two low NO_x burners to achieve 9 ppmv-NO_x @ 3% O₂ (0.011 lb-NO_x/MMBtu) emission limit and 400 ppmv-CO @ 3% O₂ emission limit.

The current location of the dormant heater treater is SE/4 Section 15, T31S, R22E. Seneca Resources proposes to designate the heater treater as an unspecified multiple location unit within the same stationary source (facility S-1114). Per District Rule 2201 Section 3.24.3.3, transfer of location within a stationary source is not a NSR modification.

V. Equipment Listing

Pre-project

S-1141-18-15

10 MMBTU/HR NATURAL GAS-FIRED H.T.I. M&M HEATER TREATER #3: DORMANT EMISSIONS UNIT

Modification

S-1141-18-17

MODIFICATION OF 10 MMBTU/HR NATURAL GAS-FIRED H.T.I. M&M HEATER TREATER #3: DORMANT EMISSIONS UNIT: REMOVE DORMANT STATUS, RETROFIT THE HEATER TREATER WITH TWO MAXON MODEL XPO EB ULTRA LOW NO_x BURNERS TO ACHIEVE 9.0 PPMVD-NO_x @ 3% O₂ FOR RULE 4320 COMPLIANCE, AND AUTHORIZE OPERATION IN UNSPECIFIED MULTIPLE LOCATIONS THROUGHOUT FACILITY S-1114

Post-project

S-1141-18-17

10 MMBTU/HR NATURAL GAS-FIRED H.T.I. M&M HEATER TREATER #3 WITH TWO MAXON MODEL XPO EB ULTRA LOW NO_x BURNERS OPERATING AT VARIOUS UNSPECIFIED LOCATIONS WITHIN FACILITY S-1114

S-1141-116-0

1,500 BBL WELDED FIXED ROOF WASH TANK WITH VAPOR RECOVERY SYSTEM VENTED TO THE CASING GAS GATHERING SYSTEM AND APPROVED INCINERATION DEVICES STEAM GENERATORS S-3755-11, '19, S-1114-130, AND/OR FLARE S-3755-10

S-1141-117-0

1,500 BBL WELDED FIXED ROOF CRUDE OIL STORAGE TANK CONNECTED TO VAPOR RECOVERY SYSTEM LISTED ON S-1114-116

S-1141-118-0

1,500 BBL WELDED FIXED ROOF CRUDE OIL STORAGE TANK CONNECTED TO VAPOR RECOVERY SYSTEM LISTED ON S-1114-116

S-1141-119-0

1,500 BBL WELDED FIXED ROOF CRUDE OIL STORAGE TANK CONNECTED TO VAPOR RECOVERY SYSTEM LISTED ON S-1114-116

S-1141-120-0

600 BBL FWKO UNIT CONNECTED TO VAPOR RECOVERY SYSTEM LISTED ON S-1114-116

S-1141-121-0

107 BBL WEMCO UNIT CONNECTED TO VAPOR RECOVERY SYSTEM LISTED ON S-1114-116

S-1141-122-0

1,000 BBL WELDED FIXED ROOF CRUDE OIL STORAGE TANK CONNECTED TO VAPOR RECOVERY SYSTEM LISTED ON S-1114-116

VI. Emission Control Technology Evaluation

S-1114-18-17

Low-NO_x burners reduce NO_x formation by producing lower flame temperatures (and longer flames) than conventional burners. Conventional burners thoroughly mix all the fuel and air in a single stage just prior to combustion, whereas low-NO_x burners delay the mixing of fuel and air by introducing the fuel (or sometimes the air) in multiple stages. Generally, in the first combustion stage, the air-fuel mixture is fuel rich. In a fuel rich environment, all the oxygen will be consumed in reactions with the fuel, leaving no excess oxygen available to react with nitrogen to produce thermal NO_x. In the secondary and tertiary stages, the combustion zone is maintained in a fuel-lean environment. The excess air in these stages helps to reduce the flame temperature so that the reaction between the excess oxygen with nitrogen is minimized.

S-1114-116-0 through '122-0

The vapor control system collects vapors from the FWKO, WEMCO unit, and tanks and routes the vapors to the casing gas gathering system. The gas passes through the H2S scrubber and the casing vapor recovery compressor, and will be used for steam generator fuel. In the event that the generators are down, the vapors will be flared. The VOC control efficiency of the vapor control system is at least 99%.

VII. Emissions Calculations

A. Assumptions

- Facility will operate 24 hours per day, 7 days per week, and 52 weeks per year.
- VOC content of the vapors are less than 10% VOC by weight (applicant proposed).
- Natural Gas Heating Value: 1,000 Btu/scf (District Practice)
- F-Factor for Natural Gas: 8,578 dscf/MMBtu corrected to 60°F (40 CFR 60, Appendix B)

B. Emission Factors

Pre-project

S-1114-18-15

Pollutant	Pre-Project Emission Factors (EF1)		Source
NO _x	0.036 lb-NO _x /MMBtu	30 ppmvd NO _x (@ 3%O ₂)	Current PTO
SO _x *	0.001 lb-SO _x /MMBtu		Current PTO
PM10	0.005 lb-PM10/MMBtu		Current PTO
CO	0.082 lb-CO/MMBtu	113 ppmvd CO (@ 3%O ₂)	Current PTO
VOC	0.003 lb-VOC/MMBtu		Current PTO

Post-project

S-1114-18-15

Pollutant	Pre-Project Emission Factors (EF1)		Source
NO _x	0.011 lb-NO _x /MMBtu	9 ppmvd NO _x (@ 3%O ₂)	Applicant's Data
SO _x *	0.001 lb-SO _x /MMBtu		Current PTO
PM10	0.005 lb-PM10/MMBtu		Current PTO
CO	0.082 lb-CO/MMBtu	113 ppmvd CO (@ 3%O ₂)	Current PTO
VOC	0.003 lb-VOC/MMBtu		Current PTO

S-1114-116-0 through '122-0

The applicant proposes to limit the VOC concentration of the vapors to 10% or less. In accordance with the CAPCOA "Guidelines for Estimating Mass Emissions of Fugitive Hydrocarbon Leaks at Petroleum Facilities" and District policy SSP 2015, fugitive emissions components handling fluids with a VOC concentration of 10% or less are assumed to have zero VOC emissions.

C. Calculations

1. Pre-Project Potential to Emit, (PE1)

S-1114-18-15

The PE1 for each pollutant is calculated with the following equation:

- $PE1 = EF \text{ (lb/MMBtu)} \times \text{Heat Input (MMBtu/hr)} \times \text{Op. Sched. (hr/day or hr/year)}$

Pollutant	Daily PE1			
	EF1 (lb/MMBtu)	Heat Input (MMBtu/hr)	Operating Schedule (hr/day)	Daily PE1 (lb/day)
NO _x	0.036	10	24	8.6
SO _x	0.00100	10	24	0.2
PM ₁₀	0.0050	10	24	1.2
CO	0.082	10	24	19.7
VOC	0.0030	10	24	0.7

Pollutant	Annual PE1			
	EF1 (lb/MMBtu)	Heat Input (MMBtu/hr)	Operating Schedule (hr/day)	Annual PE1 (lb/year)
NO _x	0.036	10	8760	3,154
SO _x	0.00100	10	8760	88
PM ₁₀	0.0050	10	8760	438
CO	0.082	10	8760	7,183
VOC	0.0030	10	8760	263

S-1114-116-0 through '122-0

Since this is a new emissions unit, the PE1 = 0

2. Post Project Potential to Emit, (PE2)

S-1114-18-17

The PE2 for each pollutant is calculated with the following equation:

- $PE2 = EF \text{ (lb/MMBtu)} \times \text{Heat Input (MMBtu/hr)} \times \text{Op. Sched. (hr/day or hr/year)}$

Pollutant	Daily PE2			
	EF2 (lb/MMBtu)	Heat Input (MMBtu/hr)	Operating Schedule (hr/day)	Daily PE2 (lb/day)
NO_x	0.011	10	24	2.6
SO_x	0.00100	10	24	0.2
PM₁₀	0.0050	10	24	1.2
CO	0.082	10	24	19.7
VOC	0.0030	10	24	0.7

Pollutant	Annual PE2			
	EF2 (lb/MMBtu)	Heat Input (MMBtu/hr)	Operating Schedule (hr/day)	Annual PE2 (lb/year)
NO_x	0.011	10	8760	964
SO_x	0.00100	10	8760	88
PM₁₀	0.0050	10	8760	438
CO	0.082	10	8760	7,183
VOC	0.0030	10	8760	263

S-1114-116-0 through '122-0

As stated above, fugitive components process gas that has a VOC content less than or equal to 10% by weight VOC, the components are considered to have negligible emissions pursuant to District Policy SSP 2015.

VOC - Daily PE2 (lb/day)	VOC - Annual PE2 (lb/year)
0.0	0

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

Pursuant to Section 4.9 of District Rule 2201, the pre-project stationary source Potential to Emit (SSPE1) is the Potential to Emit (PE) from all units with valid Authorities to Construct (ATC) or Permits to Operate (PTO) at the stationary source and the quantity of emission reduction credits (ERC) which have been banked since September 19, 1991 for Actual Emissions Reductions that have occurred at the source, and which have not been used on-site

Per project S-1102814,

SSPE1 (lb/yr)					
	NOx	SOx	PM10	CO	VOC
SSPE1	>20,000	>140,000	62,443	>200,000	>20,000

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

Pursuant to Section 4.10 of District Rule 2201, the post-project stationary source Potential to Emit (SSPE1) is the Potential to Emit (PE) from all units with valid Authorities to Construct (ATC) or Permits to Operate (PTO) at the stationary source and the quantity of emission reduction credits (ERC) which have been banked since September 19, 1991 for Actual Emissions Reductions that have occurred at the source, and which have not been used on-site. The post-project stationary source Potential to Emit (SSPE2) is presented in the following table:

SSPE2 (lb/yr)					
	NOx	SOx	PM10	CO	VOC
SSPE2	> 20,000	> 140,000	62,443	> 200,000	> 20,000

5. Major Source Determination

Pursuant to Section 3.24 of District Rule 2201, a Major Source is a stationary source with post-project emissions or a Post Project Stationary Source Potential to Emit (SSPE2), equal to or exceeding one or more of the following threshold values. However, Section 3.24.2 states, "for the purposes of determining major source status, the SSPE2 shall not include the quantity of emission reduction credits (ERC) which have been banked since September 19, 1991 for Actual Emissions Reductions that have occurred at the source, and which have not been used on-site."

Major Source Determination (lb/year)				
Pollutant	SSPE1	SSPE2	Major Source Threshold	Major Source?
NO _x	> 20,000	> 20,000	20,000	Yes
SO _x	> 140,000	> 140,000	140,000	Yes
PM ₁₀	62,443	62,443	140,000	No
CO	> 200,000	> 200,000	200,000	Yes
VOC	> 20,000	> 20,000	20,000	Yes

This source is an existing Major Source for NO_x, SO_x, CO, and VOC emissions and will remain a Major Source for NO_x, SO_x, CO, and VOC.

6. Baseline Emissions (BE)

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

BE = Pre-project Potential to Emit for:

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

otherwise,

BE = Historic Actual Emissions (HAE), calculated pursuant to Section 3.22

S-1114-18-17

The BE calculation (in lb/year) is performed on a pollutant-by-pollutant basis to determine the amount of offsets required, where necessary, when the SSPE1 is greater than the offset threshold. The heater treater modification is exempt from offsets pursuant to Rule 2201, Section 4.6.8. Therefore, BE calculations are not required.

S-1114-116-0 through '122-0

Since these are new emissions units, the annual BE is equal to zero.

7. SB 288 Major Modification

SB 288 Major Modification is defined in 40 CFR Part 51.165 as "*any physical change in or change in the method of operation of a major stationary source that would result in a significant net emissions increase of any pollutant subject to regulation under the Act.*"

As discussed in Section VII.C.5 above, the facility is an existing Major Source for NO_x, SO_x, and VOC; however, the project by itself would need to be a significant increase in order to trigger a Major Modification. The emissions units within this project do not have a total potential to emit which is greater than Major Modification thresholds (see table below). Therefore, the project cannot be a significant increase and the project does not constitute a Major Modification.

Major Modification Thresholds (Existing Major Source)			
Pollutant	Project PE (lb/year)	Threshold (lb/year)	Major Modification?
NO _x	964	50,000	No
SO _x	88	80,000	No
VOC	263	50,000	No

8. Federal Major Modification

District Rule 2201, Section 3.17 states that major modifications are also federal major modifications, unless they qualify for either a "Less-Than-Significant Emissions Increase" exclusion or a "Plantwide Applicability Limit" (PAL) exclusion.

A Less-Than-Significant Emissions Increase exclusion is for an emissions increase for the project, or a Net Emissions Increase for the project (as defined in 40 CFR 51.165 (a)(2)(ii)(B) through (D), and (F)), that is not significant for a given regulated NSR pollutant, and therefore is not a federal major modification for that pollutant.

- To determine the post-project projected actual emissions from existing units, the provisions of 40 CFR 51.165 (a)(1)(xxviii) shall be used.
- To determine the pre-project baseline actual emissions, the provisions of 40 CFR 51.165 (a)(1)(xxxv)(A) through (D) shall be used.
- If the project is determined not to be a federal major modification pursuant to the provisions of 40 CFR 51.165 (a)(2)(ii)(B), but there is a reasonable possibility that the project may result in a significant emissions increase, the owner or operator shall comply with all of the provisions of 40 CFR 51.165 (a)(6) and (a)(7).
- Emissions increases calculated pursuant to this section are significant if they exceed the significance thresholds specified in the table below.

Significant Threshold (lb/year)	
Pollutant	Threshold (lb/year)
VOC	0
NO _x	0
PM ₁₀	30,000
SO _x	80,000

S-1114-18-17

For modifications to existing emission units solely for District, State, or Federal rule compliance, where there are no changes in the capacity of the unit, the default assumption is that the modification will not allow the emission unit to operate at a higher utilization rate. For such projects, the emission increase is presumed to be 0 for all pollutants.

S-1114-116-0 through '122-0

Fugitive emissions will be included to determine if a project is a Federal Major Modification only if the stationary source is one of the specific source categories listed in 40 CFR 51.165. This stationary source is not one of the specific source categories listed in 40 CFR 51.165; therefore, these units are not included in the Federal Major Modification calculation.

Therefore, this project does not constitute a Federal Major Modification.

9. Quarterly Net Emissions Change (QNEC)

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

QNEC = PE2 - BE, where:

QNEC = Quarterly Net Emissions Change for each emissions unit, lb/qtr.

PE2 = Post Project Potential to Emit for each emissions unit, lb/qtr.

BE = Baseline Emissions (per Rule 2201) for each emissions unit, lb/qtr.

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

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

$$\begin{aligned} \text{BE}_{\text{quarterly}} &= \text{BE}_{\text{annual}} \div 4 \text{ quarters/year} \\ &= 0 \text{ lb/year} \div 4 \text{ qtr/year} \\ &= 0 \text{ lb VOC/qtr} \end{aligned}$$

Quarterly NEC [QNEC] S-1114-18-17			
Pollutant	PE2 (lb/qtr)	PE1 (lb/qtr)	QNEC (lb/qtr)
NO _x	241	789	-548
SO _x	22	22	0
PM ₁₀	110	110	0
CO	1796	1796	0
VOC	66	66	0

Quarterly NEC [QNEC]			
Permit	PE2 (lb-VOC/qtr)	PE1 (lb-VOC/qtr)	QNEC (lb-VOC/qtr)
S-1114-116-0	0	0	0
S-1114-117-0	0	0	0
S-1114-118-0	0	0	0
S-1114-119-0	0	0	0
S-1114-120-0	0	0	0
S-1114-121-0	0	0	0
S-1114-122-0	0	0	0

VIII. Compliance

Rule 2201 - New and Modified Stationary Source Review Rule

A. BACT

1. BACT Applicability

BACT requirements are triggered on a pollutant-by-pollutant basis and on an emissions unit-by-emissions unit basis for the following:

- a) Any new emissions unit with a potential to emit exceeding two pounds per day*,
- b) The relocation from one stationary source to another of an existing emissions unit with a potential to emit exceeding two pounds per day, and/or
- c) Modifications to an existing emissions unit with a valid Permit to Operate resulting in an AIPE exceeding two pounds per day*.
- d) When a Major Modification is triggered for a modification project at a facility that is a Major Source.

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

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

S-1114-116-0 through '122-0

The applicant is proposing to install new emission units with a PE less than 2 lb/day for VOC as calculated in section VII.C.2. Since the daily VOC emissions are less than 2 lbs/day, BACT will not be triggered.

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

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

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

S-1114-18-17

$$\text{AIPE} = \text{PE2} - \text{HAPE}$$

Where,

AIPE = Adjusted Increase in Permitted Emissions, (lb/day)

PE2 = Post-Project Potential to Emit, (lb/day)

HAPE = Historically Adjusted Potential to Emit, (lb/day)

$$\text{HAPE} = \text{PE1} \times (\text{EF2}/\text{EF1})$$

Where,

PE1 = The emissions unit's Potential to Emit prior to modification or relocation, (lb/day)

EF2 = The emissions unit's permitted emission factor for the pollutant after modification or relocation. If EF2 is greater than EF1 then EF2/EF1 shall be set to 1

EF1 = The emissions unit's permitted emission factor for the pollutant before the modification or relocation

$$\text{AIPE} = \text{PE2} - (\text{PE1} * (\text{EF2} / \text{EF1}))$$

However, BACT shall not be required for the following:

4.2.3 For existing facilities, the installation or modification of an emission control technique performed solely for the purpose of compliance with the requirements of District, State or Federal air pollution control laws, regulations, or orders, as approved by the APCO, shall be exempt from Best Available Control Technology for all air pollutants, provided all of the following conditions are met:

- 4.2.3.1 There shall be no increase in the physical or operational design of the existing facility, except for those changes to the design needed for the installation or modification of the emission control technique itself;
- 4.2.3.2 There shall be no increase in the permitted rating or permitted operating schedule of the permitted unit;
- 4.2.3.3 There shall be no increase in emissions from the stationary source that will cause or contribute to any violation of a National Ambient Air Quality Standard, Prevention of Significant Deterioration increment, or Air Quality Related Value in Class I areas; and
- 4.2.3.4 The project shall not result in an increase in permitted emissions or potential to emit of more than 25 tons per year of NO_x, or 25 tons per year of VOC, or 15 tons per year of SO_x, or 15 tons per year of PM10, or 50 tons per year of CO.
- 4.2.3.5 The project shall not constitute a Federal Major Modification.

Since each of the above-listed criteria are met, BACT is not triggered for any pollutant.

d. Major Modification

As discussed in Section VII.C.7 above, this project does not constitute a Major Modification; therefore BACT is not triggered.

2. BACT Guideline

Since BACT is not triggered, the proposed operation is not subject to any BACT guideline.

3. Top-Down BACT Analysis

Since BACT is not triggered, the proposed operation is not subject to a top-down BACT analysis.

B. Offsets

1. Offset Applicability

Pursuant to Section 4.5.3, offset requirements shall be triggered on a pollutant by pollutant basis and shall be required if the Post Project Stationary Source Potential to Emit (SSPE2) equals to or exceeds the offset threshold levels in Table 4-1 of Rule 2201.

The following table compares the post-project facility-wide annual emissions in order to determine if offsets will be required for this project.

Offset Determination (lb/year)					
	NO_x	SO_x	PM₁₀	CO	VOC
Post Project SSPE (SSPE2)	> 20,000	> 54,750	62,443	> 200,000	> 20,000
Offset Threshold	20,000	54,750	29,200	200,000	20,000
Offsets triggered?	Yes	Yes	Yes	Yes	Yes

2. Quantity of Offsets Required

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The proposed modifications are solely for compliance with Rule 4320, and are exempt from offsets if the following criteria are satisfied. Rule 2201, Section 4.6.8 provides the following exemption from offsets.

Emission offsets shall not be required for the following:

- 4.6.8 For existing facilities, the installation or modification of an emission control technique performed solely for the purpose of compliance with the requirements of District, State or Federal air pollution control laws, regulations, or orders, as approved by the APCO, shall be exempt from offset requirements for all air pollutants provided all of the following conditions are met:
- 4.6.8.1 There shall be no increase in the physical or operational design of the existing facility, except for those changes to the design needed for the installation or modification of the emission control technique itself;
 - 4.6.8.2 There shall be no increase in the permitted rating or permitted operating schedule of the permitted unit;
 - 4.6.8.3 There shall be no increase in emissions from the stationary source that will cause or contribute to any violation of a National Ambient Air Quality Standard, Prevention of Significant Deterioration increment, or Air Quality Related Value in Class I areas; and
 - 4.6.8.4 The project shall not result in an increase in permitted emissions or potential to emit of more than 25 tons per year of NO_x, or 25 tons per year of VOC, or 15 tons per year of SO_x, or 15 tons per year of PM-10, or 50 tons per year of CO.
 - 4.6.8.5 The project shall not constitute a Federal Major Modification.

Since the above-listed criteria are met, offsets are not triggered for any pollutant.

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Per Section 4.7.2, the quantity of offsets, in pounds per year, is calculated as follows for sources with an SSPE1 greater than the offset threshold levels before implementing the project being evaluated.

These permit units only emit VOC; therefore offset calculations will be required for VOC only.

Offsets Required (lb/year) = $(\Sigma[\text{PE2} - \text{BE}] + \text{ICCE}) \times \text{DOR}$, for all new or modified emissions units in the project,

Where,

PE2 = Post Project Potential to Emit, (lb/year)

ICCE = Increase in Cargo Carrier Emissions, (lb/year)

DOR = Distance Offset Ratio, determined pursuant to Section 4.8

Offsets Required = $[(\text{PE2}-\text{BE})_{\text{S-1141-116-0}} + (\text{PE2}-\text{BE})_{\text{S-1141-117-0}} + (\text{PE2}-\text{BE})_{\text{S-1141-118-0}} + (\text{PE2}-\text{BE})_{\text{S-1141-119-0}} + (\text{PE2}-\text{BE})_{\text{S-1141-120-0}} + (\text{PE2}-\text{BE})_{\text{S-1141-121-0}} + (\text{PE2}-\text{BE})_{\text{S-1141-122-0}} + 0 \text{ lb/year}] \times \text{DOR}$

Offsets Required = $[(0-0) + (0-0) + (0-0) + (0-0) + (0-0) + (0-0) + (0-0) \text{ lb-VOC/year}] \times \text{DOR}$

Offsets Required = 0 lb-VOC/year

Therefore, offsets are not required for this project.

C. Public Notification

1. Applicability

Public noticing is required for:

- a) A facility which is becoming a new Major Source,
- b) Major Modifications of an existing Major Source,
- c) Any project which results in the offset thresholds being exceeded,
- d) New emission units with an PE of greater than 100 pounds during any one day for any one pollutant, and/or
- e) Any project with an SSPE of greater than 20,000 lb/year for any pollutant.

a) Major Source

New Major Sources are new facilities, which are also Major Sources. Since this is not a new facility, public noticing is not required for this project for New Major Source purposes.

b) Major Modification

As demonstrated in VII.C.7, this project does not constitute a Major Modification; therefore, public noticing for Major Modification purposes is not required.

c) PE > 100 lb/day

Applications which include a new emissions unit with a Potential to Emit greater than 100 pounds during any one day for any pollutant will trigger public noticing requirements. As seen in Section VII.C.2 above, this project does not include a new emissions unit which has daily emissions greater than 100 lb/day for any pollutant, therefore public noticing for PE > 100 lb/day purposes is not required.

d) Offset Threshold

The following table compares the SSPE1 with the SSPE2 in order to determine if any offset thresholds have been surpassed with this project.

Offset Threshold				
Pollutant	SSPE1 (lb/year)	SSPE2 (lb/year)	Offset Threshold	Public Notice Required?
NO _x	> 20,000	> 20,000	20,000 lb/year	No
SO _x	> 54,750	> 54,750	54,750 lb/year	No
PM ₁₀	> 29,200	> 29,200	29,200 lb/year	No
CO	> 200,000	> 200,000	200,000 lb/year	No
VOC	> 20,000	> 20,000	20,000 lb/year	No

As detailed above, there were no thresholds surpassed with this project; therefore public noticing is not required for offset purposes.

e) SSIPE > 20,000 lb/yr

Public notification is required for any permitting action that results in a Stationary Source Increase in Permitted Emissions (SSIPE) of more than 20,000 lb/year of any affected pollutant. According to District policy, the SSIPE is calculated as the Post Project Stationary Source Potential to Emit

(SSPE2) minus the Pre-Project Stationary Source Potential to Emit (SSPE1), i.e. SSIPE = SSPE2 – SSPE1. The values for SSPE2 and SSPE1 are calculated according to Rule 2201, Sections 4.9 and 4.10, respectively. The SSIPE is compared to the SSIPE Public Notice thresholds in the following table:

Stationary Source Increase in Permitted Emissions [SSIPE] – Public Notice					
Pollutant	Project PE2 (lb/year)	Project PE1 (lb/year)	SSIPE (lb/year)	SSIPE Public Notice Threshold	Public Notice Required?
NO _x	964	3,154	-2,190 → 0	20,000 lb/year	No
SO _x	88	88	0	20,000 lb/year	No
PM ₁₀	438	438	0	20,000 lb/year	No
CO	7,183	7,183	0	20,000 lb/year	No
VOC	263	263	0	20,000 lb/year	No

As demonstrated above, the SSIPEs for all pollutants were less than 20,000 lb/year; therefore public noticing for SSIPE purposes is not required.

Therefore, public noticing is not required for SSIPE purposes.

2. Public Notice Action

This project will not result in emissions, for any criteria pollutant, which would subject these emission units to any of the noticing requirements listed above. Therefore, public notice will not be required for this project.

D. Daily Emissions Limits (DEL)

Daily Emissions Limitations (DELs) and other enforceable conditions are required by Section 3.15 to restrict a unit's maximum daily emissions, to a level at or below the emissions associated with the maximum design capacity. Per Sections 3.15.1 and 3.15.2, the DEL must be contained in the latest ATC and contained in or enforced by the latest PTO and enforceable, in a practicable manner, on a daily basis. DELs are also required to enforce the applicability of BACT.

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The DELs for the unit is based on the use of natural gas as a fuel and will be stated in the form of emission factors as shown:

- Emissions from the natural gas-fired unit shall not exceed any of the following limits: 9 ppmvd NO_x @ 3% O₂ or 0.011 lb-NO_x/MMBtu, 0.001 lb-SO_x/MMBtu, 0.005 lb-PM₁₀/MMBtu, 113 ppmvd CO @ 3% O₂ or 0.082 lb-CO/MMBtu, or 0.003 lb-VOC/MMBtu. [District Rules 2201, 4305, 4306, and 4320]

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- VOC content of gas shall not exceed 10% by weight. If the VOC content of the gas is less than 10% by weight for 8 consecutive quarterly samplings per District approved plan, sampling frequency shall only be required annually. If an annual source test fails to show compliance, quarterly testing shall resume. [District Rule 2201]

E. Compliance Assurance

The following measures shall be taken to ensure continued compliance with District Rules:

1. Source Testing

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This unit is subject to District Rule 4305, *Boilers, Steam Generators and Process Heaters, Phase 2*, District Rule 4306, *Boilers, Steam Generators and Process Heaters, Phase 3*, and District Rule 4320 *Advanced Emission Reduction Options for Boilers, Steam Generators, and Process Heaters Greater than 5.0 MMBtu/hr*. Source testing requirements, in accordance with District Rules 4305, 4306, and 4320 will be discussed in Section VIII, District Rule 4320 of this evaluation.

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

2. Monitoring

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As required by District Rule 4305, *Boilers, Steam Generators and Process Heaters, Phase 2*, District Rule 4306, *Boilers, Steam Generators and Process Heaters, Phase 3*, and District Rule 4320 *Advanced Emission Reduction Options for Boilers, Steam Generators, and Process Heaters Greater than 5.0 MMBtu/hr*, this unit is subject to monitoring requirements. Monitoring requirements, in accordance with District Rules 4305, 4306, and 4320 will be discussed in Section VIII, District Rule 4320 of this evaluation.

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The tanks are subject to quarterly VOC content monitoring. The following condition will be listed on the permits.

- Operator shall conduct quarterly gas sampling for gas exiting the separator pressure vessel to qualify for exemption from fugitive component counts for components handling fluids with VOC content equal to or less than 10% by weight. If gas samples are equal to or less than 10% VOC by weight for 8 consecutive quarterly samplings, sampling frequency shall only be required annually. [District Rule 2201]

3. Record Keeping

Recordkeeping is required to demonstrate compliance with the offset, public notification and daily emission limit requirements of Rule 2201.

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As required by *District Rule 4305, Boilers, Steam Generators and Process Heaters, Phase 2, District Rule 4306, Boilers, Steam Generators and Process Heaters, Phase 3, and District Rule 4320 Advanced Emission Reduction Options for Boilers, Steam Generators, and Process Heaters Greater than 5.0 MMBtu/hr*, this unit is subject to recordkeeping requirements. Recordkeeping requirements, in accordance with District Rules 4305, 4306, and 4320 will be discussed in Section VIII, District Rule 4320 of this evaluation.

The following permit condition will be listed on permit as follows:

- {2983} 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, 4305, 4306, and 4320]

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- Permittee shall maintain a written record of VOC content of the gas and shall make such records available for District inspection upon request for a period of five years. [District Rule 2201]
- VOC content of vapor shall be determined by ASTM D1945, ASTM D1946, EPA Method 18 referenced as methane, or equivalent test method with prior District approval. [District Rule 2201]

4. Reporting

No reporting is required to demonstrate compliance with Rule 2201.

Rule 2520 – Federally Mandated Operating Permits

This facility is subject to this Rule, and has received their Title V Operating Permit. The proposed modification is a Minor Modification to the Title V Permit pursuant to Section 3.20 of this rule:

In accordance with Rule 2520, 3.20, these modifications:

1. Do not violate requirements of any applicable federally enforceable local or federal requirement;
2. Do not relax monitoring, reporting, or recordkeeping requirements in the permit and are not significant changes in existing monitoring permit terms or conditions;
3. Do not require or change a case-by-case determination of an emission limitation or other standard, or a source-specific determination for temporary sources of ambient impacts, or a visibility or increment analysis;
4. Do not seek to establish or change a permit term or condition for which there is no corresponding underlying applicable requirement and that the source has assumed to avoid an applicable requirement to which the source would otherwise be subject. Such terms and conditions include:
 - a. A federally enforceable emission cap assumed to avoid classification as a modification under any provisions of Title I of the Federal Clean Air Act; and
 - b. An alternative emissions limit approved pursuant to regulations promulgated under section 112(i)(5) of the Federal Clean Air Act; and
5. Are not Title I modifications as defined in District Rule 2520 or modifications as defined in section 111 or 112 of the Federal Clean Air Act; and
6. Do not seek to consolidate overlapping applicable requirements.

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

Rule 4001 – New Source Performance Standards

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40 CFR Part 60, Subpart Dc applies to Small Industrial-Commercial-Industrial Steam Generators between 10 MMBtu/hr and 100 MMBtu/hr (post-6/9/89 construction, modification or, reconstruction)

40 CFR Part 60, Subpart A, section 14, defines the meaning of modification to which the standards are applicable. §60.14, paragraph (e)(5) states that the following will not be considered as a modification: *“the addition or use of any system or device whose primary function is the reduction of air pollutants, except when an emission control system is removed or replaced by a system which the Administrator determines to be less environmentally beneficial”.*

No newly constructed or reconstructed units are proposed in this project, nor is the unit being modified (as defined above). Since the permittee is retrofitting the unit with an equivalent size, or smaller, burner for compliance with District rules and regulations, the requirements of these sections are not triggered due to the proposed modification.

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This rule incorporates the New Source Performance Standards from 40 CFR Part 60. 40 CFR Part 60, Subparts, K, Ka and Kb could potentially apply to the storage tanks located at this facility. However, pursuant to 40 CFR 60.110 (b), 60.110(a) (b), and 60.110(b) (b), these subparts do not apply to storage vessels less than 10,000 bbls, used for petroleum or condensate, that is stored, processed, and/or treated at a drilling and production facility prior to custody transfer.

Therefore, the requirements of this subpart are not applicable to this project.

Rule 4101 - Visible Emissions

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

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

Rule 4102 - Public Nuisance

Rule 4102 states that no air contaminant shall be released into the atmosphere which causes a public nuisance.

California Health & Safety Code 41700 (Health Risk Assessment)

District Policy APR 1905 – Risk Management Policy for Permitting New and Modified Sources specifies that for an increase in emissions associated with a proposed new source or modification, the District perform an analysis to determine the possible impact to the nearest resident or worksite.

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

The cancer risk for this project is shown below:

HRA Summary		
Unit	Cancer Risk	T-BACT Required
S-1114-18-17	0.1 per million	No

Discussion of T-BACT

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

District policy APR 1905 also specifies that the increase in emissions associated with a proposed new source or modification not have acute or chronic indices, or a cancer risk greater than the District's significance levels (i.e. acute and/or chronic indices greater than 1 and a cancer risk greater than 10 in a million). As outlined by the HRA Summary in Attachment B of this report, the emissions increases for this project was determined to be less than significant.

- The exhaust stacks shall vent vertically upward. The vertical exhaust flow shall not be impeded by a rain cap (flapper ok), roof overhang, or any other obstruction. [District Rule 4102]
- The Heater Treater shall not be operated within 2,500 feet of the nearest business or residence receptor. [District Rule 4102]

Rule 4201 Particulate Matter Concentration

Section 3.1 prohibits discharge of dust, fumes, or total particulate matter into the atmosphere from any single source operation in excess of 0.1 grain per dry standard cubic foot.

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F-Factor for NG: 8,578 dscf/MMBtu at 60 °F
 PM10 Emission Factor: 0.005 lb-PM10/MMBtu
 Percentage of PM as PM10 in Exhaust: 100%
 Exhaust Oxygen (O₂) Concentration: 3%
 Excess Air Correction to F Factor = $\frac{20.9}{(20.9 - 3)} = 1.17$

$$GL = \left(\frac{0.005 \text{ lb-PM}}{\text{MMBtu}} \times \frac{7,000 \text{ grain}}{\text{lb-PM}} \right) / \left(\frac{8,578 \text{ ft}^3}{\text{MMBtu}} \times 1.17 \right)$$

$$GL = 0.0035 \text{ grain/dscf} < 0.1 \text{ grain/dscf}$$

Therefore, compliance with District Rule 4201 requirements is expected and a permit condition will be listed on the permit as follows:

- {14} Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201]

Rule 4301 Fuel Burning Equipment

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This rule specifies maximum emission rates in lb/hr for SO₂, NO₂, and combustion contaminants (defined as total PM in Rule 1020). This rule also limits combustion contaminants to ≤ 0.1 gr/scf. According to AP 42 (Table 1.4-2, footnote c), all PM emissions from natural gas combustion are less than 1 μm in diameter.

District Rule 4301 Limits			
Pollutant	NO ₂	Total PM	SO ₂
ATC S-1114-18-17 (lb/hr)	0.11	0.05	0.008
Rule Limit (lb/hr)	140	10	200

The above table indicates compliance with the maximum lb/hr emissions in this rule; therefore, continued compliance is expected.

Rule 4305 Boilers, Steam Generators and Process Heaters – Phase 2

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The subject unit(s) is subject to Rule 4305, *Boilers, Steam Generators and Process Heaters – Phase 2*.

In addition, the unit is also subject to District Rule 4320.

Since emissions limits of Rule 4320 and all other requirements are equivalent or more stringent than District Rule 4305 requirements, compliance with District Rule 4320 requirements will satisfy requirements of District Rule 4305.

Therefore, compliance with District Rule 4305 requirements is expected and no further discussion is required.

Rule 4306 Boilers, Steam Generators and Process Heaters – Phase 3

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The unit is subject to District Rule 4306, *Boilers, Steam Generators and Process Heaters – Phase 3*.

Since emissions limits of District Rule 4320 and all other requirements are equivalent or more stringent than District Rule 4306 requirements, compliance with District Rule 4320 requirements will satisfy requirements of District Rule 4306.

Therefore, compliance with District Rule 4306 requirements is expected and no further discussion is required.

Rule 4320 – Advanced Emission Reduction Options for Boilers, Steam Generators, and Process Heaters Greater than 5.0 MMBtu/hr

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Pursuant to Section 2.0 of District Rule 4320, the unit is subject to District Rule 4320.

Section 5.2 NO_x and CO Emission Limits

Section 5.2 requires that except for units subject to Sections 5.3, NO_x and carbon monoxide (CO) emissions shall not exceed the limits specified in the following table.

All ppmv emission limits specified in this section are referenced at dry stack gas conditions and 3.00 percent by volume stack gas oxygen.

The heater treater unit is subject to the following NO_x limits in Table 2, as shown below.

The applicant has proposed to meet the standard schedule NO_x emission limit.

Rule 4320 Emissions Limits				
Category	Operated on gaseous fuel		Operated on liquid fuel	
	NO_x Limit	CO Limit	NO_x Limit	CO Limit
A. Units with a total rated heat input > 5.0 MMBtu/hr to < 20.0 MMBtu/hr, except for Categories C through G units	a) Standard Schedule 9 ppmv or 0.011 lb/MMBtu; or	400 ppmv	40 ppmv or 0.052 lb/MMBtu	400 ppmv
	b) Enhanced Schedule 6 ppmv or 0.007 lb/MMBtu			

- the proposed NO_x emission factor is 9 ppmvd @ 3% O₂ (0.011 lb/MMBtu), and
- the proposed CO emission factor is 113 ppmvd @ 3% O₂ (0.082 lb/MMBtu).

Therefore, compliance with Section 5.2 of District Rule 4320 is expected.

A permit condition listing the emissions limits will be listed on permit as shown in the DEL section above.

Section 5.3 Annual Fee Calculation

Annual Fees are required if the unit will not be meeting the emission limits in Section 5.2 of this rule. Since the proposed boiler will meet the emissions limits of Section 5.2, the annual fee requirements are not applicable.

Section 5.4 Particulate Matter Control Requirements

Section 5.4 of the rule requires one of four options for control of particulate matter: 1) combustion of PUC-quality natural gas, commercial propane, butane, or liquefied petroleum gas, or a combination of such gases, 2) limit fuel sulfur content to no more than five (5) grains of total sulfur per one hundred (100) standard cubic, 3)

install and properly operate an emission control system that reduces SO₂ emissions by at least 95% by weight; or limit exhaust SO₂ to less than or equal to 9 ppmv corrected to 3.0% O₂ or 4) refinery units, which require modification of refinery equipment to reduce sulfur emissions, shall be in compliance with the applicable requirement in Section 5.4.1 no later than July 1, 2013.

The facility has proposed that the heater treater be fired exclusively on PUC-quality natural gas. Therefore, this requirement has been satisfied.

Section 5.5, Low Use

The unit annual heat input will exceed the 1.8 billion Btu heat input per calendar year criteria limit addressed by this section. Since the unit is not subject to Section 5.5, the requirements of this section do not apply to the unit.

Section 5.6, Startup and Shutdown Provisions

Applicable emissions limits are not required during startup and shutdown provided The duration of each start-up or each shutdown shall not exceed two hours, the emission control system shall be in operation and emissions shall be minimized insofar as technologically feasible during start-up or shutdown or operator has submitted an application for a Permit to Operate condition to allow more than two hours for each start-up or each shutdown provided the operator meets all of the conditions specified in Sections 5.6.3.1 through 5.6.3.3.

According to heater treater manufacturers, low NO_x burners will achieve their rated emissions within one to two minutes of initial startup and do not require a special shutdown procedure. Because of the short duration before achieving the rated emission factor following startup, the emissions factors for this unit during startup and shutdown will be assumed to be the same as the steady state emission factors shown in the table above.

Section 5.7, Monitoring Provisions

Section 5.7 requires either use of a APCO approved Continuous Emissions Monitoring System (CEMS) for NO_x, CO, and oxygen, or implementation of an APCO-approved Alternate Monitoring System.

In order to satisfy the requirements of District Rule 4320, the applicant has proposed to use pre-approved alternate monitoring scheme A (pursuant to District Policy SSP-1105), which requires that monitoring of NO_x, CO, and O₂ exhaust concentrations shall be conducted at least once per month (in which a source test is not performed) using a portable analyzer. The following conditions will be incorporated into the permit in order to ensure compliance with the requirements of the proposed alternate monitoring plan:

- {4063} 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 analyzer 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]
- {4064} 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]
- {4065} 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]
- {4066} The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent by volume 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]

Since the unit is not subject to the requirements listed in Section 5.5.1 or 5.5.2, it is not subject to Section 5.7.2 and 5.7.3 requirements.

Section 5.7.4 allows units operated at seasonal sources and subject to 40 CFR 60 Subpart DB to install a parametric monitoring system in lieu of a CEMS. The proposed boiler is not operated at a seasonal source. Therefore, this unit is not subject to 5.7.4 requirements.

5.7.6 Monitoring SOx Emissions

Section 5.7.6.1 Operators complying with Sections 5.4.1.1 or 5.4.1.2 shall provide an annual fuel analysis to the District unless a more frequent sampling and reporting period is included in the Permit To Operate. Sulfur analysis shall be performed in accordance with the test methods in Section 6.2.

Section 5.7.6.2 Operators complying with Section 5.4.1.3 by installing and operating a control device with 95% SOx reduction shall propose the key system operating parameters and frequency of the monitoring and recording. The monitoring option proposed shall be submitted for approval by the APCO.

Section 5.7.6.3 Operators complying with Section 5.4.1.3 shall perform an annual source test unless a more frequent sampling and reporting period is included in the Permit To Operate. Source tests shall be performed in accordance with the test methods in Section 6.2.

The following conditions will be placed on the permit to ensure compliance.

- Permittee shall demonstrate compliance with the sulfur oxide emissions limit by analysis of the fuel gas sulfur content at least annually. Records of fuel gas sulfur content analysis shall be kept for a period of five years and made available for District inspection upon request. [District NSR Rule and Rule 4320]
- Emissions of sulfur compounds from this unit shall not exceed 200 lb per hour, calculated as SO₂. Compliance with this requirement may be demonstrated by testing the sulfur content of each fuel and determining the maximum hourly emissions of sulfur compounds by multiplying the sulfur content of each fuel in lb/MMBtu by the maximum heat input rating of the unit. [District Rule 2520, 9.3.2 and District Rules 4301, 5.2.1 and 4320]
- If compliance with SOx emission limits is achieved through fuel sulfur content limitations, then the sulfur content of the gaseous fuel being fired in the unit shall be determined using ASTM D1072, D3031, D4084, D3246 or grab sample analysis by GC-FPD/TCD performed in the laboratory. [District Rules 2520, 9.3.2 and 4320]
- 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 D1826 or D1945 in conjunction with ASTM D3588 for gaseous fuels. [District Rules 2520, 9.3.2 and 4320]
- The concentration of sulfur compounds in the exhaust from this unit shall not exceed 0.2% by volume as measured on a dry basis over a 15 minute period. To demonstrate compliance with this requirement the operator shall test the sulfur content of each fuel source and demonstrate the sulfur content does not exceed 3.3% by weight for gaseous fuels. [District Rules 2520, 9.3.2 and 4320, Kern County Rule 407]

Section 5.8, Compliance Determination

Section 5.8.1 requires that the operator of any unit shall have the option of complying with either the applicable heat input (lb/MMBtu) emission limits or the concentration (ppmv) emission limits specified in Section 5.1. The emission limits selected to demonstrate compliance shall be specified in the source test proposal pursuant to Rule 1081 (Source Sampling). Therefore, the following condition will be listed on the permit as follows:

- The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306, and 4320]

Section 5.8.2 requires that 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. 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. Therefore, the following condition will be listed on the permit as follows:

- 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. 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. [District Rules 4305, 4306, and 4320]

Section 5.8.4 requires that for emissions monitoring using a portable NO_x analyzer as part of an APCO approved Alternate Emissions Monitoring System, emission readings 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.

Section 5.8.5 requires that for emissions source testing performed pursuant to Section 6.3.1 for the purpose of determining compliance with an applicable standard or numerical limitation of this rule, the arithmetic average of three (3) 30-consecutive-minute test runs shall apply. If two (2) of three (3) runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. Therefore, the following condition will be listed on the permit as follows:

- 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]

Section 6.1, Recordkeeping

Section 6.1 requires that the records required by Sections 6.1.1 through 6.1.5 shall be maintained for five calendar years and shall be made available to the APCO upon request. Failure to maintain records or information contained in the records that demonstrate noncompliance with the applicable requirements of this rule shall constitute a violation of this rule.

A condition will be listed on the permit as follows:

- 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, 4305, 4306 and 4320]

Section 6.1.2 requires that the operator of a unit subject to Section 5.5 shall record the amount of fuel use at least on a monthly basis. Since the unit is not subject to the requirements listed in Section 5.5, it is not subject to Section 6.1.2 requirements.

Section 6.1.3 requires that the operator of a unit subject to Section 5.5.1 or 6.3.1 shall maintain records to verify that the required tune-up and the required monitoring of the operational characteristics have been performed. The unit is not subject to Section 6.1.3. Therefore, the requirements of this section do not apply to the unit.

Section 6.1.4 requires that the operator of a unit with startup or shutdown provisions keep records of the duration of the startup or shutdowns. The facility has not proposed the use of startup and shutdown provisions, thus, the requirements of this section do not apply to the unit.

Section 6.1.5 requires that the operator of a unit fired on liquid fuel during PUC-quality natural gas curtailment periods record the sulfur content of the fuel, amount of fuel used, and duration of the natural gas curtailment period. The facility has not proposed the use of curtailment fuels; therefore, the requirements of this section do not apply to the unit.

Section 6.2, Test Methods

Section 6.2 identifies the following test methods as District-approved source testing methods for the pollutants listed:

Pollutant	Units	Test Method Required
NO _x	ppmv	EPA Method 7E or ARB Method 100
NO _x	lb/MMBtu	EPA Method 19
CO	ppmv	EPA Method 10 or ARB Method 100
Stack Gas O ₂	%	EPA Method 3 or 3A, or ARB Method 100
Stack Gas Velocities	ft/min	EPA Method 2
Stack Gas Moisture Content	%	EPA Method 4

The following conditions will be listed on the permit as follows:

- {109} Source testing shall be conducted using the methods and procedures approved by the District. 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. [District Rule 1081]
- NO_x emissions for source test purposes shall be determined using EPA Method 7E or ARB Method 100 on a ppmv basis, or EPA Method 19 on a heat input basis. [District Rules 4305, 4306, and 4320]
- CO emissions for source test purposes shall be determined using EPA Method 10 or ARB Method 100. [District Rules 4305, 4306, and 4320]
- Stack gas oxygen (O₂) shall be determined using EPA Method 3 or 3A or ARB Method 100. [District Rules 4305, 4306, and 4320]

Section 6.3, Compliance Testing

Section 6.3.1 requires that this unit be tested to determine compliance with the applicable requirements of section 5.2 not less than once every 12 months. Upon demonstrating compliance on two consecutive compliance source tests, the following source test may be deferred for up to thirty-six months.

Section 6.3.1.1 Units that demonstrate compliance on two consecutive 12-month source tests may defer the following 12-month source test for up to 36 months (no more than 30 days before or after the required 36-month source test date). During the 36-month source testing interval, the operator shall tune the unit in accordance with the provisions of Section 5.5.1, and shall monitor, on a monthly basis, the unit's operational characteristics recommended by the manufacturer to ensure compliance with the applicable emission limits specified in Section 5.2.

Section 6.3.1.2 Tune-ups required by Sections 5.5.1 and 6.3.1 do not need to be performed for units that operate and maintain an APCO approved CEMS or an APCO approved Alternate Monitoring System where the applicable emission limits are periodically monitored.

Section 6.3.1.3 If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits specified in Section 5.2, the source testing frequency shall revert to at least once every 12 months.

The following conditions will be listed on the permit as follows:

- Source testing to measure NO_x and CO emissions from each stack while fired on natural gas shall be conducted within 60 days of initial start-up. [District Rules 2201, 4305, 4306, and 4320]
- Source testing to measure NO_x and CO emissions from each stack shall be conducted at least once every twelve (12) months. After demonstrating compliance on two (2) consecutive annual source tests when unit is fired on natural gas, the unit shall be tested not less than once every thirty-six (36) months. 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]
- {110} The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081]

Sections 6.3.2.1 through 6.3.2.7 address the requirements of group testing which is not proposed in this project. Therefore these sections are not applicable.

Section 6.4, Emission Control Plan (ECP)

Section 6.4.1 requires that the operator of any unit shall submit to the APCO for approval an Emissions Control Plan according to the compliance schedule in Section 7.0 of District Rule 4320.

The proposed modified unit will be in compliance with the emissions limits listed in table 1, Section 5.2 of this rule and with periodic monitoring and source testing requirements. Therefore, this current application for the new proposed unit satisfies the requirements of the Emission Control Plan, as listed in Section 6.4 of District Rule 4320. No further discussion is required.

Section 7.0, Compliance Schedule

Section 7.0 indicates that an operator of heater treaters must be in compliance with both the ATC deadline and compliance deadlines listed in Table 1 of Section 5.2.

The unit will be in compliance with the emissions limits listed in table 1, Section 5.2 of this rule, and periodic monitoring and source testing as required by District Rule 4320. Therefore, requirements of the compliance schedule, as listed in Section 7.1 of District Rule 4320, are satisfied. No further discussion is required.

Conclusion

Conditions will be incorporated into the permit in order to ensure compliance with each section of this rule, see attached draft ATC. Therefore, compliance with District Rule 4320 requirements is expected.

Rule 4351 Boilers, Steam Generators and Process Heaters – Phase 1

S-1114-18-17

This rule applies to boilers, steam generators, and process heaters at NO_x Major Sources that are not located west of Interstate 5 in Fresno, Kings, or Kern counties. If applicable, the emission limits, monitoring provisions, and testing requirements of this rule are satisfied when the unit is operated in compliance with Rule 4320. Therefore, compliance with this rule is expected.

Rule 4623 Storage of Organic Liquids

S-1114-116-0 through '122-0

This rule applies to any tank with a capacity of 1,100 gallons or greater in which any organic liquid is placed, held, or stored.

Section 5.1.1 provides the VOC control system requirements. An operator shall not place, hold, or store crude oil in any tank unless such tank is equipped with a VOC control system identified in Table 1. The specifications for the VOC control system are described in Sections 5.2, 5.3, 5.4, 5.5, and 5.6. The requirements from Section 5.1.1 Table 1 are listed in the table below,

Tank Capacity (Gallons)	TVP and Crude Oil Throughput		
	0.5 psia to <11 psia	0.5 psia to <11 psia	≥11.0 psia
(Group A) 1,100 to 19,800	Pressure-vacuum relief valve, or internal floating roof, or external floating roof, or vapor recovery system	Pressure-vacuum relief valve, or internal floating roof, or external floating roof, or vapor recovery system	Pressure vessel or vapor recovery system
(Group B) 19,800 to 39,600	Pressure-vacuum relief valve, or internal floating roof, or external floating roof, or vapor recovery system	Internal floating roof, or external floating roof, or vapor recovery system	Pressure vessel or vapor recovery system
(Group C) >39,600	Internal floating roof, or external floating roof, or vapor recovery system	Internal floating roof, or external floating roof, or vapor recovery system	Pressure vessel or vapor recovery system

The tank emissions will be controlled with a vapor recovery system that will be listed in the equipment description. The following conditions will be added to the permits to ensure compliance with the requirements of the rule:

- The tank shall be equipped with a vapor control system consisting of a closed vent system that collects all VOCs from the storage tank, and a VOC control device. The vapor control system shall be APCO-approved and maintained in leak-free condition. The efficiency of the vapor control system shall be at least 95%. [District Rules 2201 and 4623]

Section 5.1.3 requires all tanks subject to the control requirements of this rule to be maintained in a leak-free condition, except for the following components and as allowed by Section 5.2 and applicable provisions of Table 3 through Table 5, and Section 5.7.5.4:

The following condition will be placed on the permits to ensure compliance with this section.

- {2487} This tank shall be in a leak-free condition. A leak-free condition is defined as a condition without a gas leak. A gas leak is defined as a reading in excess of 10,000 ppmv, above background, as measured by a portable hydrocarbon detection instrument in accordance with the procedures specified in EPA Test Method 21. A reading in excess of 10,000 ppmv above background is a violation of this permit and Rule 4623. [District Rule 4623]

Section 5.6.1 requires that fixed roof tanks shall be fully enclosed and shall be maintained in a leak-free condition. An APCO-approved vapor recovery system shall consist of a closed vent system that collects all VOCs from the storage tank and a VOC control device. The vapor recovery system shall be maintained in a leak-free condition. The VOC control device shall be one of the following: A condensation or vapor return system that connects to one of the following; a gas processing plant, a field gas pipeline, a pipeline distributing Public Utility Commission quality gas for sale, an injection well for disposal of vapors as approved by the California Department of Conservation, Division of Oil Gas, and Geothermal Resources; or a VOC destruction device that reduces the inlet VOC emissions by at least 95% by weight as determined by the test method specified in Section 6.4.6.

The affected tanks are served by a vapor control system that has a control efficiency of at least 95%. This rule also requires the tank and tank vapor control system to be maintained in a leak-free condition. Leak-free is defined in the rule as no readings on a portable VOC detection device greater than 10,000 ppmv above background and no dripping of organic liquid at a rate of more than 3 drops per minute.

Therefore, the following conditions will be listed on the permits to ensure compliance:

- The tank shall be equipped with a vapor control system consisting of a closed vent system that collects all VOCs from the storage tank, and a VOC control device. The vapor control system shall be APCO-approved and maintained in leak-free condition. The efficiency of the vapor control system shall be at least 95%. [District Rules 2201 and 4623].
- All piping, valves, and fittings shall be constructed and maintained in leak-free condition. [District Rules 2201 and 4623]
- A leak-free condition is defined as a condition without a gas leak. A gas leak is defined as a reading in excess of 10,000 ppmv, above background, as measured by a portable hydrocarbon detection instrument in accordance with the procedures specified in EPA Test Method 21. A reading in excess of 10,000 ppmv above background is a violation of this permit and Rule 4623 and shall be reported as a deviation. [District Rules 2201 and 4623]

Section 5.6.2 requires that any tank gauging or sampling device on a tank vented to the vapor recovery system shall be equipped with a leak-free cover which shall be closed at all times except during gauging or sampling. Therefore, the following condition will be listed on the permits to ensure compliance:

- Any tank gauging or sampling device on a tank vented to the vapor recovery system shall be equipped with a leak-free cover which shall be closed at all times except during gauging or sampling. [District Rules 2201 and 4623]

Section 5.6.3 requires that all piping, valves, and fittings shall be constructed and maintained in a leak-free condition. Therefore, the following condition will be listed on the permits to ensure compliance:

- All piping, valves, and fittings shall be constructed and maintained in leak-free condition. [District Rules 2201 and 4623]

Section 6.0 provides administrative requirements. Section 6.1 contains inspection requirements for floating roof tanks. Since, the tanks in this project are fixed roof tanks, Section 6.1 does not apply to these tanks.

Per Section 6.2.1.3 In lieu of complying with Sections 6.2.1.1 and 6.2.1.2, an operator shall submit a complete application for an Authority to Construct to install and operate on each uncontrolled fixed roof tank the appropriate VOC control system specified in Section 5.1. The operator shall be in full compliance with the rule by the deadline specified in Section 7.1.

Compliance with the requirements of this rule is expected.

Rule 4801 Sulfur Compounds

S-1114-18-17

A person shall not discharge into the atmosphere sulfur compounds, which would exist as a liquid or gas at standard conditions, exceeding in concentration at the point of discharge: 0.2 % by volume calculated as SO₂, on a dry basis averaged over 15 consecutive minutes.

Using the ideal gas equation and the emission factors presented in Section VII, the sulfur compound emissions are calculated as follows:

$$\text{Volume SO}_2 = \frac{n RT}{P}$$

With:

N = moles SO₂

T (Standard Temperature) = 60°F = 520°R

P (Standard Pressure) = 14.7 psi

R (Universal Gas Constant) = $\frac{10.73 \text{ psi} \cdot \text{ft}^3}{\text{lb} \cdot \text{mol} \cdot \text{°R}}$

$$\frac{0.001 \text{ lb} - \text{SO}_x}{\text{MMBtu}} \times \frac{\text{MMBtu}}{8,578 \text{ dscf}} \times \frac{1 \text{ lb} \cdot \text{mol}}{64 \text{ lb}} \times \frac{10.73 \text{ psi} \cdot \text{ft}^3}{\text{lb} \cdot \text{mol} \cdot ^\circ\text{R}} \times \frac{520^\circ\text{R}}{14.7 \text{ psi}} \times \frac{1,000,000 \cdot \text{parts}}{\text{million}} = 0.7 \frac{\text{parts}}{\text{million}}$$

$$\text{Sulfur Concentration} = 0.7 \frac{\text{parts}}{\text{million}} < 2,000 \text{ ppmv (or 0.2\%)}$$

Therefore, compliance with District Rule 4801 requirements is expected.

CH&SC 42301.6 California Health & Safety Code (School Notice)

The applicant has indicated that this facility is not within 1,000 feet of a K-12 school. Therefore, pursuant to California Health and Safety Code 42301.6, a school notice is not required.

California Environmental Quality Act (CEQA)

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

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

Greenhouse Gas (GHG) Significance Determination

The District's engineering evaluation (this document) demonstrates that the project would not result in an increase in project specific greenhouse gas emissions. This project involves the removal of four uncontrolled tanks and the addition of seven controlled tanks which does not result in an overall increase in emissions. The District therefore concludes that the project would have a less than cumulatively significant impact on global climate change.

District CEQA Findings

The District is the Lead Agency for this project because there is no other agency with broader statutory authority over this project. The District performed an Engineering Evaluation (this document) for the proposed project and determined that the activity will occur at an existing facility and the project involves negligible expansion of the existing use. Furthermore, the District determined that the activity will not have a significant effect on the environment. The District finds that the activity is categorically exempt from the provisions of CEQA pursuant to CEQA Guideline § 15031 (Existing Facilities), and finds that the project is exempt per the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment (CEQA Guidelines §15061(b)(3)).

IX. Recommendation

Compliance with all applicable rules and regulations is expected. Issue Authorities to Construct S-1114-18-17, '116-0, '117-0, '118-0, '119-0, '120-0, '121-0, '122-0 subject to the permit conditions on the attached draft Authorities to Construct in Attachment C.

X. Billing Information

Annual Permit Fees			
Permit Number	Fee Schedule	Fee Description	Annual Fee
S-1114-18-17	3020-02-G	10 MMBtu/hr	\$815.00
S-1114-116-0	3020-05-D	63,000 gallons	\$185.00
S-1114-117-0	3020-05-D	63,000 gallons	\$185.00
S-1114-118-0	3020-05-D	63,000 gallons	\$185.00
S-1114-119-0	3020-05-D	63,000 gallons	\$185.00
S-1114-120-0	3020-05-C	25,200 gallons	\$135.00
S-1114-121-0	3020-05-A	4,494 gallons	\$75.00
S-1114-122-0	3020-05-C	42,000 gallons	\$135.00

Attachment A Current PTO
Attachment B Health Risk Assessment Analysis
Attachment C Draft ATCs

Attachment A

Current PTO

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-1114-18-15

EXPIRATION DATE: 02/28/2011

SECTION: SE15 **TOWNSHIP:** 31S **RANGE:** 22E

EQUIPMENT DESCRIPTION:

10 MMBTU/HR NATURAL GAS-FIRED H.T.I. M&M HEATER TREATER #3: DORMANT EMISSIONS UNIT

PERMIT UNIT REQUIREMENTS

1. This equipment shall not be operated for any reason until an Authority to Construct permit is issued approving all necessary retrofits required to comply with the applicable requirements of District Rule 4306 and all other applicable District regulations [District Rule 4306] Federally Enforceable Through Title V Permit
2. No modification to this unit shall be performed without an Authority to Construct for such modification(s), except for changes specified in conditions below. [District Rule 2010] Federally Enforceable Through Title V Permit
3. The fuel supply line shall be physically disconnected from this unit, or an alternate method approved by the APCO shall be instituted to ensure this unit is not operated. [District Rule 4306] Federally Enforceable Through Title V Permit
4. A permanently affixed mechanical stop on the positioner shall control the inlet air butterfly valve and the natural gas supply valve such that the natural gas supply is limited to 4762 scf/hr (equivalent to 5 MMBtu/hr) for each independent burner. [District NSR Rule] Federally Enforceable Through Title V Permit
5. Maximum heat input of each burner shall be less than or equal to 5 million Btu per hour. [District NSR Rule] Federally Enforceable Through Title V Permit
6. Each burner's products of combustion shall not come into contact with the products of combustion of any other burner. [District NSR Rule] Federally Enforceable Through Title V Permit
7. Maximum emissions shall not exceed any of the following: PM10 - 0.005 lb/MMBtu, SOx (as SO2) - 0.001 lb/MMBtu, NOx (as NO2) - 30 ppmv @ 3% O2, VOC - 0.003 lb/MMBtu or CO - 113 ppmv @ 3% O2. [District NSR Rule] Federally Enforceable Through Title V Permit
8. Permittee shall demonstrate compliance with the sulfur oxide emissions limit by analysis of the fuel gas sulfur content at least annually. Records of fuel gas sulfur content analysis shall be kept for a period of five years and made available for District inspection upon request. [District NSR Rule] Federally Enforceable Through Title V Permit
9. Particulate matter emissions shall not exceed 0.1 grain/dscf at operating conditions, nor 0.1 grain/dscf calculated to 12% CO2, nor 10 lb/hr. [District Rule 4201 and District Rule 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit
10. Emissions of sulfur compounds from this unit shall not exceed 200 lb per hour, calculated as SO2. Compliance with this requirement may be demonstrated by testing the sulfur content of each fuel and determining the maximum hourly emissions of sulfur compounds by multiplying the sulfur content of each fuel in lb/MMBtu by the maximum heat input rating of the unit. [District Rule 2520, 9.3.2 and District Rule 4301, 5.2.1] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

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

11. If compliance with SO_x emission limits is achieved through fuel sulfur content limitations, then the sulfur content of the gaseous fuel being fired in the unit shall be determined using ASTM D1072, D3031, D4084, D3246 or grab sample analysis by GC-FPD/TCD performed in the laboratory. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
12. 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 D1826 or D1945 in conjunction with ASTM D3588 for gaseous fuels. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
13. The concentration of sulfur compounds in the exhaust from this unit shall not exceed 0.2% by volume as measured on a dry basis over a 15 minute period. To demonstrate compliance with this requirement the operator shall test the sulfur content of each fuel source and demonstrate the sulfur content does not exceed 3.3% by weight for gaseous fuels. [District Rule 2520, 9.3.2, Kern County Rule 407] Federally Enforceable Through Title V Permit
14. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following requirements: SJVUAPCD Rules 4201, and 4301. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
15. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following requirements: Kern County Rules 407. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
16. The owner or operator of a boiler, steam generator, or process heater subject to the requirement of District Rule 4306 shall comply with all applicable deadlines in Table 2, Section 7.0 of the Rule. [District Rule 4306] Federally Enforceable Through Title V Permit

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

Attachment B

Health Risk Assessment Analysis

San Joaquin Valley Air Pollution Control District Risk Management Review

To: Steve Roeder, AQE – Permit Services
From: Trevor Joy, AQS – Technical Services
Date: November 17, 2010
Facility Name: Seneca Resources
Location: 25032 Western Minerals Rd in Maricopa
Application #(s): S-1114-18-17
Project #: 1104494

A. RMR SUMMARY

Categories	Unit 18-17 NG Heater Treater	Project Totals	Facility Totals
Prioritization Score	0.0	0.0	>1
Acute Hazard Index	0.00	0.00	0.12
Chronic Hazard Index	0.00	0.00	0.09
Maximum Individual Cancer Risk (10^{-6})	0.1	0.1	3.6
T-BACT Required?	No		
Special Permit Conditions?	Yes		

Proposed Permit Conditions

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

Units # 18-17

The exhaust stacks shall vent vertically upward. The vertical exhaust flow shall not be impeded by a rain cap (flapper ok), roof overhang, or any other obstruction. [District Rule 4102] N

The Heater Treater shall not be operated within 2,500 feet of the nearest receptor.

B. RMR REPORT

I. Project Description

Technical Services received a request on November 8, 2010 to perform a Risk Management Review for the proposed NG Heater Treater to be used at various locations.

II. Analysis

Technical Services performed a prioritization using the District's HEARTs database. Emissions were calculated using "NG < 10 MMBTU/Hr External Combustion" emission factors. In accordance with the District's *Risk Management Policy for Permitting New and Modified Sources* (APR 1905, March 2, 2001), risks from the proposed unit's toxic emissions were prioritized using the procedure in the 1990 CAPCOA Facility Prioritization Guidelines and incorporated in the District's HEARTs database. The prioritization score for the facility was greater than 1.0 (see RMR Summary Table). Therefore, a refined analysis was required and performed. AERMOD was used, with the parameters outlined below and meteorological data for Bakersfield 2004 to 2008 to determine the maximum dispersion factor at the nearest residential and business receptors. These dispersion factors were input into the HARP model to calculate the chronic and acute hazard indices and the carcinogenic risk for the project.

The following parameters were used for the review:

Analysis Parameter Unit 18-17			
Closest Receptor - Business (m)	762	Closest Receptor - Resident (m)	762
NG usage (MMScf/hr)	0.01	NG usage (MMScf/yr)	87.6
Stack Height (m)	9.14	Stack Diameter (m)	0.76
Temp (K)	378	Gas Exit Velocity (ft/sec)	6.4

III. Conclusion

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

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

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

Attachments:

- A. RMR request from the project engineer
- B. Prioritization score with toxic emissions summary
- C. HARP Risk Report

Attachment C

Draft ATCs

San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1114-18-17

LEGAL OWNER OR OPERATOR: SENECA RESOURCES
MAILING ADDRESS: 2131 MARS COURT
BAKERSFIELD, CA 93308-6830

LOCATION: HEAVY OIL WESTERN
CA

SECTION: SE15 **TOWNSHIP:** 31S **RANGE:** 22E

EQUIPMENT DESCRIPTION:

MODIFICATION OF 10 MMBTU/HR NATURAL GAS-FIRED H.T.I. M&M HEATER TREATER #3: DORMANT EMISSIONS UNIT: REMOVE DORMANT STATUS, RETROFIT THE HEATER TREATER WITH TWO MAXON MODEL XPO EB ULTRA LOW NOX BURNERS TO ACHIEVE 9.0 PPMVD-NOX @ 3% O2 FOR RULE 4320 COMPLIANCE, AND AUTHORIZE OPERATION IN UNSPECIFIED MULTIPLE LOCATIONS THROUGHOUT FACILITY S-1114

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. {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 Compliance Division of each location at which the operation is located in excess of 24 hours. Such notification shall be made no later than 48 hours after starting operation at the location. [District Rule 1070]
4. The Heater Treater shall not be operated within 2,500 feet of the nearest business or residence receptor. [District Rule 4102]
5. The exhaust stacks shall vent vertically upward. The vertical exhaust flow shall not be impeded by a rain cap (flapper ok), roof overhang, or any other obstruction. [District Rule 4102]

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-1114-18-17 : Jan 6 2011 8:40AM - TOMS : Joint Inspection NOT Required

6. {1407} All equipment shall be maintained in good operating condition and shall be operated in a manner to minimize emissions of air contaminants into the atmosphere. [District Rule 2201]
7. {98} No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
8. {15} No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101]
9. {14} Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201]
10. {450} Particulate matter emissions shall not exceed 0.1 grain/dscf at operating conditions, nor 0.1 grain/dscf calculated to 12% CO₂, nor 10 lb/hr. [District Rule 4201 and District Rule 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit
11. The unit shall only be fired on PUC-quality natural gas. [District Rule 2201]
12. Emissions from the natural gas-fired unit shall not exceed any of the following limits: 9 ppmvd NO_x @ 3% O₂ or 0.011 lb-NO_x/MMBtu, 0.001 lb-SO_x/MMBtu, 0.005 lb-PM₁₀/MMBtu, 113 ppmvd CO @ 3% O₂ or 0.082 lb-CO/MMBtu, or 0.003 lb-VOC/MMBtu. [District Rules 2201, 4305, 4306, and 4320]
13. {4315} 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]
14. {4316} 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 performing the notification and testing required by this condition. [District Rules 4305, 4306 and 4320]
15. {4317} 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]
16. {4318} 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]
17. 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. 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 4306. [District Rules 4305, 4306, and 4320]
18. Source testing to measure NO_x and CO emissions from this unit while fired on natural gas shall be conducted within 60 days of initial start-up. [District Rules 2201, 4305, 4306, and 4320]
19. Source testing to measure NO_x and CO emissions from this unit while fired on natural gas shall be conducted at least once every twelve (12) months. After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months. 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]

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CONDITIONS CONTINUE ON NEXT PAGE

20. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306, and 4320]
21. {109} Source testing shall be conducted using the methods and procedures approved by the District. 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. [District Rule 1081]
22. NO_x emissions for source test purposes shall be determined using EPA Method 7E or ARB Method 100 on a ppmv basis, or EPA Method 19 on a heat input basis. [District Rules 4305, 4306, and 4320]
23. CO emissions for source test purposes shall be determined using EPA Method 10 or ARB Method 100. [District Rules 4305, 4306, and 4320]
24. Stack gas oxygen (O₂) shall be determined using EPA Method 3 or 3A or ARB Method 100. [District Rules 4305, 4306, and 4320]
25. 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]
26. {110} The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081]
27. Permittee shall demonstrate compliance with the sulfur oxide emissions limit by analysis of the fuel gas sulfur content at least annually. Records of fuel gas sulfur content analysis shall be kept for a period of five years and made available for District inspection upon request. [District NSR Rule and Rule 4320]
28. Emissions of sulfur compounds from this unit shall not exceed 200 lb per hour, calculated as SO₂. Compliance with this requirement may be demonstrated by testing the sulfur content of each fuel and determining the maximum hourly emissions of sulfur compounds by multiplying the sulfur content of each fuel in lb/MMBtu by the maximum heat input rating of the unit. [District Rule 2520, 9.3.2 and District Rules 4301, 5.2.1 and 4320]
29. If compliance with SO_x emission limits is achieved through fuel sulfur content limitations, then the sulfur content of the gaseous fuel being fired in the unit shall be determined using ASTM D1072, D3031, D4084, D3246 or grab sample analysis by GC-FPD/TCD performed in the laboratory. [District Rules 2520, 9.3.2 and 4320]
30. 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 D1826 or D1945 in conjunction with ASTM D3588 for gaseous fuels. [District Rules 2520, 9.3.2 and 4320]
31. The concentration of sulfur compounds in the exhaust from this unit shall not exceed 0.2% by volume as measured on a dry basis over a 15 minute period. To demonstrate compliance with this requirement the operator shall test the sulfur content of each fuel source and demonstrate the sulfur content does not exceed 3.3% by weight for gaseous fuels. [District Rules 2520, 9.3.2 and 4320, Kern County Rule 407]
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, 4305, 4306, and 4320]
33. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following requirements: SJVUAPCD Rules 4201, and 4301. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
34. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following requirements: Kern County Rules 407. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1114-116-0

LEGAL OWNER OR OPERATOR: SENECA RESOURCES
MAILING ADDRESS: 2131 MARS COURT
BAKERSFIELD, CA 93308-6830

LOCATION: HEAVY OIL WESTERN
CA

EQUIPMENT DESCRIPTION:

1,500 BBL WELDED FIXED ROOF WASH TANK WITH VAPOR RECOVERY SYSTEM VENTED TO THE CASING GAS GATHERING SYSTEM AND APPROVED INCINERATION DEVICES STEAM GENERATORS S-3755-11, '19, S-1114-130, AND/OR FLARE S-3755-10

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. {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. Within 90 days of startup of the equipment authorized by this Authority to Construct, Permits to Operate S-3755-6, '7, '8, and '9 shall be surrendered to the District and the associated equipment shall be removed or rendered inoperable. [District Rule 2201]
4. The VOC content of the gas shall not exceed 10% by weight. [District Rule 2201]
5. Operator shall conduct quarterly gas sampling for gas exiting the separator pressure vessel to qualify for exemption from fugitive component counts for components handling fluids with VOC content equal to or less than 10% by weight. If gas samples are equal to or less than 10% VOC by weight for 8 consecutive quarterly samplings, sampling frequency shall only be required annually. [District Rule 2201]

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-1114-116-0 Jan 6 2011 8:40AM -- TOMS : Joint Inspection NOT Required

6. The tank shall be equipped with a vapor control system consisting of a closed vent system that collects all VOCs from the storage tank, and a VOC control device. The vapor control system shall be APCO-approved and maintained in leak-free condition. The efficiency of the vapor control system shall be at least 95%. [District Rules 2201 and 4623]
7. All piping, valves, and fittings shall be constructed and maintained in a leak-free condition. [District Rules 2201 and 4623]
8. A leak-free condition is defined as a condition without a gas leak. A gas leak is defined as a reading in excess of 10,000 ppmv, above background, as measured by a portable hydrocarbon detection instrument in accordance with the procedures specified in EPA Test Method 21. A reading in excess of 10,000 ppmv above background is a violation of this permit and Rule 4623 and shall be reported as a deviation. [District Rules 2201 and 4623]
9. Any tank gauging or sampling device on a tank vented to the vapor recovery system shall be equipped with a leak-free cover which shall be closed at all times except during gauging or sampling. [District Rules 2201 and 4623]
10. Except as otherwise provided in this permit, the operator shall ensure that the vapor recovery system is functional and is operating as designed at all times. [District Rules 2201]
11. All piping, fittings, and valves on this tank shall be inspected annually by the facility operator in accordance with EPA Method 21, with the instrument calibrated with methane, to ensure compliance with the leaking provisions of this permit. [District Rules 2201 and 4623]
12. Any component found to be leaking on two consecutive annual inspections is in violation of the District Rule 4623, even if it is under the voluntary inspection and maintenance program. [District Rules 2201 and 4623]
13. VOC content of vapor shall be determined by ASTM D1945, ASTM D1946, EPA Method 18 referenced as methane, or equivalent test method with prior District approval. [District Rule 2201]
14. Operator shall maintain an inspection log containing the following 1) Type of component leaking; 2) Date and time of leak detection, and method of detection; 3) Date and time of leak repair, and emission level of recheck after leak is repaired; 4) Method used to minimize the leak to lowest possible level within 8 hours after detection [District Rules 2201 and 4623]
15. 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 1070]

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1114-117-0

LEGAL OWNER OR OPERATOR: SENECA RESOURCES
MAILING ADDRESS: 2131 MARS COURT
BAKERSFIELD, CA 93308-6830

LOCATION: HEAVY OIL WESTERN
CA

EQUIPMENT DESCRIPTION:
1,500 BBL WELDED FIXED ROOF CRUDE OIL STORAGE TANK CONNECTED TO VAPOR RECOVERY SYSTEM
LISTED ON S-1114-116

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. {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. Within 90 days of startup of the equipment authorized by this Authority to Construct, Permits to Operate S-3755-6, '7, '8, and '9 shall be surrendered to the District and the associated equipment shall be removed or rendered inoperable. [District Rule 2201]
4. The VOC content of the gas shall not exceed 10% by weight. [District Rule 2201]
5. Operator shall conduct quarterly gas sampling for gas exiting the separator pressure vessel to qualify for exemption from fugitive component counts for components handling fluids with VOC content equal to or less than 10% by weight. If gas samples are equal to or less than 10% VOC by weight for 8 consecutive quarterly samplings, sampling frequency shall only be required annually. [District Rule 2201]
6. The tank shall be equipped with a vapor control system consisting of a closed vent system that collects all VOCs from the storage tank, and a VOC control device. The vapor control system shall be APCO-approved and maintained in leak-free condition. The efficiency of the vapor control system shall be at least 95%. [District Rules 2201 and 4623]

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-1114-117-0 Dec 22 2010 1:21PM - TOMS Joint Inspection NOT Required

7. All piping, valves, and fittings shall be constructed and maintained in a leak-free condition. [District Rules 2201 and 4623]
8. A leak-free condition is defined as a condition without a gas leak. A gas leak is defined as a reading in excess of 10,000 ppmv, above background, as measured by a portable hydrocarbon detection instrument in accordance with the procedures specified in EPA Test Method 21. A reading in excess of 10,000 ppmv above background is a violation of this permit and Rule 4623 and shall be reported as a deviation. [District Rules 2201 and 4623]
9. Any tank gauging or sampling device on a tank vented to the vapor recovery system shall be equipped with a leak-free cover which shall be closed at all times except during gauging or sampling. [District Rules 2201 and 4623]
10. Except as otherwise provided in this permit, the operator shall ensure that the vapor recovery system is functional and is operating as designed at all times. [District Rules 2201]
11. All piping, fittings, and valves on this tank shall be inspected annually by the facility operator in accordance with EPA Method 21, with the instrument calibrated with methane, to ensure compliance with the leaking provisions of this permit. [District Rules 2201 and 4623]
12. Any component found to be leaking on two consecutive annual inspections is in violation of the District Rule 4623, even if it is under the voluntary inspection and maintenance program. [District Rules 2201 and 4623]
13. VOC content of vapor shall be determined by ASTM D1945, ASTM D1946, EPA Method 18 referenced as methane, or equivalent test method with prior District approval. [District Rule 2201]
14. Operator shall maintain an inspection log containing the following 1) Type of component leaking; 2) Date and time of leak detection, and method of detection; 3) Date and time of leak repair, and emission level of recheck after leak is repaired; 4) Method used to minimize the leak to lowest possible level within 8 hours after detection [District Rules 2201 and 4623]
15. 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 1070]

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT

PERMIT NO: S-1114-118-0

LEGAL OWNER OR OPERATOR: SENECA RESOURCES
MAILING ADDRESS: 2131 MARS COURT
BAKERSFIELD, CA 93308-6830

LOCATION: HEAVY OIL WESTERN
CA

EQUIPMENT DESCRIPTION:
1,500 BBL WELDED FIXED ROOF CRUDE OIL STORAGE TANK CONNECTED TO VAPOR RECOVERY SYSTEM
LISTED ON S-1114-116

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. {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. Within 90 days of startup of the equipment authorized by this Authority to Construct, Permits to Operate S-3755-6, '7, '8, and '9 shall be surrendered to the District and the associated equipment shall be removed or rendered inoperable. [District Rule 2201]
4. The VOC content of the gas shall not exceed 10% by weight. [District Rule 2201]
5. Operator shall conduct quarterly gas sampling for gas exiting the separator pressure vessel to qualify for exemption from fugitive component counts for components handling fluids with VOC content equal to or less than 10% by weight. If gas samples are equal to or less than 10% VOC by weight for 8 consecutive quarterly samplings, sampling frequency shall only be required annually. [District Rule 2201]
6. The tank shall be equipped with a vapor control system consisting of a closed vent system that collects all VOCs from the storage tank, and a VOC control device. The vapor control system shall be APCO-approved and maintained in leak-free condition. The efficiency of the vapor control system shall be at least 95%. [District Rules 2201 and 4623]

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-1114-118-0 Dec 22 2010 1:21PM -- TOMS Joint Inspection NOT Required

7. All piping, valves, and fittings shall be constructed and maintained in a leak-free condition. [District Rules 2201 and 4623]
8. A leak-free condition is defined as a condition without a gas leak. A gas leak is defined as a reading in excess of 10,000 ppmv, above background, as measured by a portable hydrocarbon detection instrument in accordance with the procedures specified in EPA Test Method 21. A reading in excess of 10,000 ppmv above background is a violation of this permit and Rule 4623 and shall be reported as a deviation. [District Rules 2201 and 4623]
9. Any tank gauging or sampling device on a tank vented to the vapor recovery system shall be equipped with a leak-free cover which shall be closed at all times except during gauging or sampling. [District Rules 2201 and 4623]
10. Except as otherwise provided in this permit, the operator shall ensure that the vapor recovery system is functional and is operating as designed at all times. [District Rules 2201]
11. All piping, fittings, and valves on this tank shall be inspected annually by the facility operator in accordance with EPA Method 21, with the instrument calibrated with methane, to ensure compliance with the leaking provisions of this permit. [District Rules 2201 and 4623]
12. Any component found to be leaking on two consecutive annual inspections is in violation of the District Rule 4623, even if it is under the voluntary inspection and maintenance program. [District Rules 2201 and 4623]
13. VOC content of vapor shall be determined by ASTM D1945, ASTM D1946, EPA Method 18 referenced as methane, or equivalent test method with prior District approval. [District Rule 2201]
14. Operator shall maintain an inspection log containing the following 1) Type of component leaking; 2) Date and time of leak detection, and method of detection; 3) Date and time of leak repair, and emission level of recheck after leak is repaired; 4) Method used to minimize the leak to lowest possible level within 8 hours after detection [District Rules 2201 and 4623]
15. 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 1070]

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT

PERMIT NO: S-1114-119-0

LEGAL OWNER OR OPERATOR: SENECA RESOURCES
MAILING ADDRESS: 2131 MARS COURT
BAKERSFIELD, CA 93308-6830

LOCATION: HEAVY OIL WESTERN
CA

EQUIPMENT DESCRIPTION:
1,500 BBL WELDED FIXED ROOF CRUDE OIL STORAGE TANK CONNECTED TO VAPOR RECOVERY SYSTEM
LISTED ON S-1114-116

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. {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. Within 90 days of startup of the equipment authorized by this Authority to Construct, Permits to Operate S-3755-6, '7, '8, and '9 shall be surrendered to the District and the associated equipment shall be removed or rendered inoperable. [District Rule 2201]
4. The VOC content of the gas shall not exceed 10% by weight. [District Rule 2201]
5. Operator shall conduct quarterly gas sampling for gas exiting the separator pressure vessel to qualify for exemption from fugitive component counts for components handling fluids with VOC content equal to or less than 10% by weight. If gas samples are equal to or less than 10% VOC by weight for 8 consecutive quarterly samplings, sampling frequency shall only be required annually. [District Rule 2201]
6. The tank shall be equipped with a vapor control system consisting of a closed vent system that collects all VOCs from the storage tank, and a VOC control device. The vapor control system shall be APCO-approved and maintained in leak-free condition. The efficiency of the vapor control system shall be at least 95%. [District Rules 2201 and 4623]

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-1114-119-0: Dec 22 2010 1:21PM - TOMS : Joint Inspection NOT Required

7. All piping, valves, and fittings shall be constructed and maintained in a leak-free condition. [District Rules 2201 and 4623]
8. A leak-free condition is defined as a condition without a gas leak. A gas leak is defined as a reading in excess of 10,000 ppmv, above background, as measured by a portable hydrocarbon detection instrument in accordance with the procedures specified in EPA Test Method 21. A reading in excess of 10,000 ppmv above background is a violation of this permit and Rule 4623 and shall be reported as a deviation. [District Rules 2201 and 4623]
9. Any tank gauging or sampling device on a tank vented to the vapor recovery system shall be equipped with a leak-free cover which shall be closed at all times except during gauging or sampling. [District Rules 2201 and 4623]
10. Except as otherwise provided in this permit, the operator shall ensure that the vapor recovery system is functional and is operating as designed at all times. [District Rules 2201]
11. All piping, fittings, and valves on this tank shall be inspected annually by the facility operator in accordance with EPA Method 21, with the instrument calibrated with methane, to ensure compliance with the leaking provisions of this permit. [District Rules 2201 and 4623]
12. Any component found to be leaking on two consecutive annual inspections is in violation of the District Rule 4623, even if it is under the voluntary inspection and maintenance program. [District Rules 2201 and 4623]
13. VOC content of vapor shall be determined by ASTM D1945, ASTM D1946, EPA Method 18 referenced as methane, or equivalent test method with prior District approval. [District Rule 2201]
14. Operator shall maintain an inspection log containing the following 1) Type of component leaking; 2) Date and time of leak detection, and method of detection; 3) Date and time of leak repair, and emission level of recheck after leak is repaired; 4) Method used to minimize the leak to lowest possible level within 8 hours after detection [District Rules 2201 and 4623]
15. 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 1070]

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1114-120-0

LEGAL OWNER OR OPERATOR: SENECA RESOURCES
MAILING ADDRESS: 2131 MARS COURT
BAKERSFIELD, CA 93308-6830

LOCATION: HEAVY OIL WESTERN
CA

EQUIPMENT DESCRIPTION:
600 BBL FWKO UNIT CONNECTED TO VAPOR RECOVERY SYSTEM LISTED ON S-1114-116

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. {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. Within 90 days of startup of the equipment authorized by this Authority to Construct, Permits to Operate S-3755-6, '7, '8, and '9 shall be surrendered to the District and the associated equipment shall be removed or rendered inoperable. [District Rule 2201]
4. The VOC content of the gas shall not exceed 10% by weight. [District Rule 2201]
5. Operator shall conduct quarterly gas sampling for gas exiting the separator pressure vessel to qualify for exemption from fugitive component counts for components handling fluids with VOC content equal to or less than 10% by weight. If gas samples are equal to or less than 10% VOC by weight for 8 consecutive quarterly samplings, sampling frequency shall only be required annually. [District Rule 2201]
6. The tank shall be equipped with a vapor control system consisting of a closed vent system that collects all VOCs from the storage tank, and a VOC control device. The vapor control system shall be APCO-approved and maintained in leak-free condition. The efficiency of the vapor control system shall be at least 95%. [District Rules 2201 and 4623]

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-1114-120-0 Dec 22 2010 1:21PM -- TOMS Joint Inspection NOT Required

7. All piping, valves, and fittings shall be constructed and maintained in a leak-free condition. [District Rules 2201 and 4623]
8. A leak-free condition is defined as a condition without a gas leak. A gas leak is defined as a reading in excess of 10,000 ppmv, above background, as measured by a portable hydrocarbon detection instrument in accordance with the procedures specified in EPA Test Method 21. A reading in excess of 10,000 ppmv above background is a violation of this permit and Rule 4623 and shall be reported as a deviation. [District Rules 2201 and 4623]
9. Any tank gauging or sampling device on a tank vented to the vapor recovery system shall be equipped with a leak-free cover which shall be closed at all times except during gauging or sampling. [District Rules 2201 and 4623]
10. Except as otherwise provided in this permit, the operator shall ensure that the vapor recovery system is functional and is operating as designed at all times. [District Rules 2201]
11. All piping, fittings, and valves on this tank shall be inspected annually by the facility operator in accordance with EPA Method 21, with the instrument calibrated with methane, to ensure compliance with the leaking provisions of this permit. [District Rules 2201 and 4623]
12. Any component found to be leaking on two consecutive annual inspections is in violation of the District Rule 4623, even if it is under the voluntary inspection and maintenance program. [District Rules 2201 and 4623]
13. VOC content of vapor shall be determined by ASTM D1945, ASTM D1946, EPA Method 18 referenced as methane, or equivalent test method with prior District approval. [District Rule 2201]
14. Operator shall maintain an inspection log containing the following 1) Type of component leaking; 2) Date and time of leak detection, and method of detection; 3) Date and time of leak repair, and emission level of recheck after leak is repaired; 4) Method used to minimize the leak to lowest possible level within 8 hours after detection [District Rules 2201 and 4623]
15. 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 1070]

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

DRAFT
ISSUANCE DATE: DRAFT

PERMIT NO: S-1114-121-0

LEGAL OWNER OR OPERATOR: SENECA RESOURCES
MAILING ADDRESS: 2131 MARS COURT
BAKERSFIELD, CA 93308-6830

LOCATION: HEAVY OIL WESTERN
CA

EQUIPMENT DESCRIPTION:
107 BBL WEMCO UNIT CONNECTED TO VAPOR RECOVERY SYSTEM LISTED ON S-1114-116

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. {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. Within 90 days of startup of the equipment authorized by this Authority to Construct, Permits to Operate S-3755-6, '7, '8, and '9 shall be surrendered to the District and the associated equipment shall be removed or rendered inoperable. [District Rule 2201]
4. The VOC content of the gas shall not exceed 10% by weight. [District Rule 2201]
5. Operator shall conduct quarterly gas sampling for gas exiting the separator pressure vessel to qualify for exemption from fugitive component counts for components handling fluids with VOC content equal to or less than 10% by weight. If gas samples are equal to or less than 10% VOC by weight for 8 consecutive quarterly samplings, sampling frequency shall only be required annually. [District Rule 2201]
6. The tank shall be equipped with a vapor control system consisting of a closed vent system that collects all VOCs from the storage tank, and a VOC control device. The vapor control system shall be APCO-approved and maintained in leak-free condition. The efficiency of the vapor control system shall be at least 95%. [District Rules 2201 and 4623]

CONDITIONS CONTINUE ON NEXT PAGE

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Seyed Sadredin, Executive Director, APCO

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DAVID WARNER, Director of Permit Services
S-1114-121-0: Dec 22 2010 1:21PM - TOMS Joint Inspection NOT Required

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8. A leak-free condition is defined as a condition without a gas leak. A gas leak is defined as a reading in excess of 10,000 ppmv, above background, as measured by a portable hydrocarbon detection instrument in accordance with the procedures specified in EPA Test Method 21. A reading in excess of 10,000 ppmv above background is a violation of this permit and Rule 4623 and shall be reported as a deviation. [District Rules 2201 and 4623]
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15. 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 1070]

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1114-122-0

LEGAL OWNER OR OPERATOR: SENECA RESOURCES
MAILING ADDRESS: 2131 MARS COURT
BAKERSFIELD, CA 93308-6830

LOCATION: HEAVY OIL WESTERN
CA

EQUIPMENT DESCRIPTION:
1,000 BBL WELDED FIXED ROOF CRUDE OIL STORAGE TANK CONNECTED TO VAPOR RECOVERY SYSTEM
LISTED ON S-1114-116

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
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Seyed Sadredin, Executive Director APCO

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DAVID WARNER, Director of Permit Services
S-1114-122-0 - Dec 22 2010 1:21PM -- TOMS - Joint Inspection NOT Required

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