



OCT. 28 2014

Mr. Robert Beebout
Aera Energy, LLC.
PO Box 11164
Bakersfield, CA 93389-1164

**Re: Notice of Minor Title V Permit Modification
District Facility # S-1135
Project # S-1133916**

Dear Mr. Beebout:

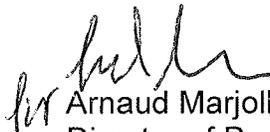
Enclosed is the District's analysis of your application for minor Title V permit modification for the facility identified above. You proposed a Title V minor permit modification to incorporate recently issued S-1135-149-20 and S-1135-339-0 into the Title V operating permit. These Authority to Construct (ATC) permits authorized the replacement a 5000 bbl reject tank (PTO S-1135-152-14) with a 3000 bbl reject tank (ATC S-1135-339-0) and to connect the reject tank to the vapor control system listed on permit S-1135-149.

Enclosed is the engineering evaluation with the following attachments: proposed modified Title V permit, recently issued S-1135-149-20 and S-1135-339-0, emission increases, application, and previous Title V permit. This project will be subject to a 45-day EPA commenting period prior to the District taking final action.

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

Thank you for your cooperation in this matter.

Sincerely,



Arnaud Marjollet
Director of Permit Services

Enclosures

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

Seyed Sadredin
Executive Director/Air Pollution Control Officer

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

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

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

TITLE V APPLICATION REVIEW

Minor Modification

Project #: S-1135, 1133916

Engineer: Steve Davidson

Date: October 13, 2014

Facility Number: S-1135
Facility Name: Area Energy, LLC
Mailing Address: PO Box 11164
Bakersfield, CA 93389-1164

Reviewed by AP SUPERVISOR

OCT 23 2014

Contact Name: Robert M. Beebout
Phone: (661) 665-3212

Responsible Official: D.C (David) Shuck
Title: Process Supervisor

I. PROPOSAL

Area Energy, LLC is proposing a Title V minor permit modification to incorporate Authority to Construct (ATC) #S-1135-149-20 and '-339-0 into Area Energy's Title V permit. These ATC authorized the replacement a 5000 bbl reject tank (PTO S-1135-152-14) with a 3000 bbl reject tank (ATC S-1135-339-0). The reject tank shares the vapor control system listed on permit S-1135-149.

Conditions will be placed on the permit to ensure the units meet the requirements of this category.

II. FACILITY LOCATION

The equipment is located within the Midway Sunset Oilfield at SW Section 24, T31S R22E in Area's heavy oil western stationary source.

III. EQUIPMENT DESCRIPTION

S-1135-149-21: 3000 BBL CRUDE OIL LACT TANK ID# AG-01, WITH VAPOR CONTROL SYSTEM SHARED WITH TANKS S-1135-150, '151, '155, '270, '301, '323 AND '339 (ANDERSON/GOODWIN LEASE)

S-1135-339-1: 3000 BBL REJECT TANK SERVED BY THE VAPOR CONTROL SYSTEM LISTED ON PERMIT S-1135-149 (ANDERSON/GOODWIN LEASE)

IV. SCOPE OF EPA AND PUBLIC REVIEW

This change to the Title V permit is considered to be a minor modification and, as such, requires no public review.

V. APPLICABLE REQUIREMENTS

District Rule 2520, Federally Mandated Operating Permits (Adopted June 21, 2001)

VI. DESCRIPTION OF PROPOSED MODIFICATIONS

These Authority to Construct (ATC) permits authorized the replacement a 5000 bbl reject tank (PTO S-1135-152-14) with a 3000 bbl reject tank (ATC S-1135-339-0). The reject tank shares the vapor control system listed on permit S-1135-149.

Condition # on PTO S-1135-149-19	Condition # on Propose PTO S-1135-149-21	Condition is New, Modified, or Removed	Reason for Change from Current PTO
7	--	Removed	Condition requiring the tank to have a stored liquid temperature indicator removed from the permit.
14	13	Modified	Condition limiting maximum TVP of liquids stored in the tank increased from 0.45 psia to 0.5 psia,
18	17	Modified	Condition requiring applicant to submit records of TVP and API gravity testing updated to require maintaining records.
34	33	Modified	Requirement of maintaining records of crude oil throughput and temperature removed from condition.

ATC S-1135-339-0 is a new permit unit; therefore, there is no existing Title V PTO that it will be modifying. The ATC conditions will be carried over to the proposed PTOs with the following exceptions which will be removed:

- The facility shall submit an application to modify the Title V permit in accordance with the timeframes and procedures of District Rule 2520. [District Rule 2520] Y
- Within 90 days of startup of the equipment authorized by this Authority to Construct, Permit to Operate S-1135-152-14 shall be surrendered to the District and the associated equipment shall be removed or rendered inoperable. [District Rule 2201] N
- Tank shall be vented only to vapor control system listed on permit S-1135-149. [District Rule 2201] Y
- Tank shall be designed and maintained to vent only to vapor control system, except during the period of tank cleaning, inspections, and maintenances allowed by this permit. [District Rule 2201] Y

- Tank shall be designed and maintained to vent only to vapor control system, except during the period of tank cleaning, inspections, and maintenances allowed by this permit. [District Rule 2201] Y

VII. COMPLIANCE

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.

Because these permit revisions meet all the above criteria, this is a Minor Modification.

In accordance with Rule 2520, the application meets the procedural requirements of section 11.4 by including;

1. A description of the change, the emissions resulting from the change, and any new applicable requirements that will apply if the change occurs;
2. The source's suggested draft permit; and
3. Certification by a responsible official that the proposed modification meets the criteria for use of minor permit modification procedures and a request that such procedures be used.

VIII. ATTACHMENTS

- A. Proposed Modified Title V Operating Permit
- B. Authority to Construct
- C. Emissions Increases
- D. Application
- E. Previous Title V Operating Permit

ATTACHMENT A

Proposed Modified Title V Operating Permits
#S-1135-149-21 and '-339-1

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-1135-149-21

EXPIRATION DATE: 05/31/2016

SECTION: 21 **TOWNSHIP:** 31S **RANGE:** 22E

EQUIPMENT DESCRIPTION:

3000 BBL CRUDE OIL LACT TANK ID# AG-01, WITH VAPOR CONTROL SYSTEM SHARED WITH TANKS S-1135-150, '151, '155, '270, '301, '323 AND '339 (ANDERSON/GOODWIN LEASE)

PERMIT UNIT REQUIREMENTS

1. The tank shall be equipped with a vapor loss prevention system consisting of vapor and condensate collection systems capable of reducing VOC emissions by at least 99%. [District Rule 2201] Federally Enforceable Through Title V Permit
2. Vapor control system shall contain vapor control system piping network and vapor compression system consisting of vapor compressor(s), air-cooled heat exchanger, inlet scrubber, pump, and discharge scrubber. [District Rule 2201] Federally Enforceable Through Title V Permit
3. All collected vapors shall be compressed to the Andersen-Goodwin Lease TEOR skid S-1135-129 for disposal. [District Rule 2201] Federally Enforceable Through Title V Permit
4. Tank shall be designed and maintained to vent only to vapor control system, except during the period of tank cleaning, inspections, and maintenances allowed by this permit. [District Rule 2201] Federally Enforceable Through Title V Permit
5. All tank gauging, hatches, sampling ports, pressure relief valves, vapor control system components, etc. shall be closed and leak-free (as defined in Rule 4623) except during sampling or attended maintenance. [District Rule 2201] Federally Enforceable Through Title V Permit
6. Tanks seams, welds, joints, piping, valves, and fittings shall be inspected and maintained in a leak-free (as defined in Rule 4623) condition. [District Rule 2201] Federally Enforceable Through Title V Permit
7. Compressor suction and knockout drum liquids shall be piped only to vapor-controlled tanks. [District Rule 2201] Federally Enforceable Through Title V Permit
8. The operator shall ensure that the vapor control system is functional and is operating as designed at all times. [District Rule 2520] Federally Enforceable Through Title V Permit
9. Operator shall monitor vapor control system pressures on quarterly basis to ensure that system pressure does not exceed pressure relief valve setting. [District Rule 2520] Federally Enforceable Through Title V Permit
10. The fugitive VOC emissions from this tank and the vapor control system shall not exceed 10.0 lb/day. [District Rule 2201] Federally Enforceable Through Title V Permit
11. Maximum VOC content of hydrocarbons in tank vapor shall not exceed 20% by weight. [District Rule 2201] Federally Enforceable Through Title V Permit
12. Permittee shall measure VOC content of tank vapor annually using EPA Method 18, 25, 25a, 25b, or ASTM D-1945. [District Rule 2201] Federally Enforceable Through Title V Permit
13. This tank shall only store, place, or hold organic liquid with a true vapor pressure (TVP) not exceeding 0.5 psia under all storage conditions. [District Rule 4623] 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.

14. Permittee shall conduct true vapor pressure (TVP) testing of the organic liquid stored in this tank at least once every 24 months during summer (July - September), and/or whenever there is a change in the source or type of organic liquid stored in this tank in order to maintain exemption from the rule. [District Rule 4623] Federally Enforceable Through Title V Permit
15. For crude oil with an API gravity of 26 degrees or less, the TVP shall be determined using the latest version of the Lawrence Berkeley National Laboratory "test Method for Vapor pressure of Reactive Organic Compounds in Heavy Crude Oil Using Gas Chromatograph", as approved by ARB and EPA. [District Rule 4623] Federally Enforceable Through Title V Permit
16. The TVP testing shall be conducted at actual storage temperature of the organic liquid in the tank. The permittee shall also conduct an API gravity testing. [District Rule 4623] Federally Enforceable Through Title V Permit
17. Permittee shall maintain records of all TVP and API gravity testing performed and shall submit such records to the APCO upon request. The records shall include the tank identification number, Permit to Operate number, type of stored organic liquid, TVP and API gravity of the organic liquid, test methods used, and a copy of the test results. [District Rule 4623] Federally Enforceable Through Title V Permit
18. Permittee shall maintain with the permit accurate fugitive component counts for tank and associated vapor recovery system and resulting emissions calculated using using Table 2-4 Oil and Gas Production Operations Average Emissions factors from the EPA Protocol for Equipment Leak Emissions Estimates EPA-453/R-95-017. [District Rule 2201] Federally Enforceable Through Title V Permit
19. This permit authorizes tank cleaning that is not the result of breakdowns or poor maintenance as a routine maintenance activity. [District Rule 2080] Federally Enforceable Through Title V Permit
20. There shall be no throughput during cleaning of this tank. [District Rule 2080] Federally Enforceable Through Title V Permit
21. Prior to opening the tank to allow tank cleaning the following procedure must be followed. Operate PV valve and vapor recovery system (if equipped) during emptying, filling, and flushing. During filling and purging, no vapor leakage is allowed (except for PV valve venting on tanks not required to have a vapor recovery system). Drain all liquid from the tank to the maximum extent feasible prior to opening the tank. [District Rule 2080] Federally Enforceable Through Title V Permit
22. Prior to opening the tank to allow tank cleaning one of the following options must be followed: 1) operate the vapor recovery system for at least 2 hours after all the liquid in the tank has been drained, 2) displace vapors floating the oil pad off with water such that 90% of the tank volume is displaced, 3) vent the tank to the vapor control system until the vapor concentration is less than 10% of the lower explosive limit (LEL) or 5,000 ppmv whichever is less; or 4) vent the tank to the vapor control system for a length of time determined by the following relationship: $t = 2.3 V / Q$, where t = time, V = tank volume (cubic feet), and Q = flow rate to the vapor control system as determined using appropriate engineering calculations. [District Rule 2080] Federally Enforceable Through Title V Permit
23. Allowable methods of cleaning include using steam, diesel, solvents with an initial boiling point of greater than 302 F, solvents with a vapor pressure of less than 0.5 psia, or solvents with 50 grams/liter VOC content or less. Steam cleaning shall be allowed at locations where wastewater treatment facilities are limited or during December through March. [District Rule 2080] Federally Enforceable Through Title V Permit
24. Tank pressure/vacuum valve (Varec) shall be inspected on an annual basis. During the varec inspections, the varec can be removed from the tank and replaced if necessary. The permittee shall minimize emissions from the opening by plugging the opening during the removal of varec valve. [District Rule 2080] Federally Enforceable Through Title V Permit
25. The pressure transmitters shall be inspected and maintained in good operating conditions. The inspections shall be conducted on a quarterly basis. Replacing and repairing of each pressure transmitters shall not exceed one hour per day. [District Rule 2201] Federally Enforceable Through Title V Permit

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

26. All piping, fittings, and valves 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 provisions of this permit. If any of the tank components are found to leak during an annual inspection, the inspection frequency for that component type shall be changed from annual to quarterly. If no tank components are subsequently found to be leaking during five consecutive inspections, the inspection frequency may be changed from quarterly to annual. Components located in inaccessible (over 15 feet above ground when access is required from the ground or over 6 feet away from a platform when access is required from the platform) locations shall be inspected at least annually and components located in unsafe areas shall be inspected and repaired at the next process unit turnaround (the scheduled shutdown of a unit for maintenance and repair work). [District Rule 2520] Federally Enforceable Through Title V Permit
27. A facility operator, upon detection of a leaking component, shall affix to that component a weatherproof readily visible tag bearing the date on which the leak is detected. The tag shall remain in place until the leaking component is repaired, reinspected and found to be in compliance with the requirements of this rule. [District Rule 2520] Federally Enforceable Through Title V Permit
28. An operator shall reinspect a component for leaks within thirty working days after the date on which the component is repaired. [District Rule 2520] Federally Enforceable Through Title V Permit
29. Emissions from components which have been tagged by the facility operator for repair within 15 calendar days or which have been repaired and are awaiting re-inspection shall not be in violation of this permit. [District Rule 2520] Federally Enforceable Through Title V Permit
30. Any component leak shall be repaired to a leak-free condition or vented to a flare satisfying the requirements of 40 CFR 60.18 or to a vapor control device that is at least 99 percent efficient as measured by EPA Method 18 within fifteen (15) calendar days of detection. The APCO may grant a ten (10) calendar day extension provided the operator demonstrates that necessary and sufficient actions are being taken to correct the leak within this time period. Any vapor control device, other than a flare, used to comply with this condition shall demonstrate at least 99% control efficiency as measured by EPA Method 18 at least annually. [District Rule 2520] Federally Enforceable Through Title V Permit
31. If the leaking component is an essential part of a critical process unit which cannot be immediately shut down for repairs, the operator shall 1) Minimize the leak within 15 calendar days; and 2) If the leak which has been minimized still exceeds the concentration allowed by this permit, the essential component shall be repaired to eliminate the leak during the next process unit turnaround, but in no case later than one year from the date of the original leak detection. A critical process unit is any process unit which would result in the automatic shutdown of other process units if it were shut down. [District Rule 2520] Federally Enforceable Through Title V Permit
32. Operator shall maintain an inspection log containing the following 1) Type of component leaking; 2) Date of leak detection, and method of detection; 3) Date and emission level of recheck after leak is repaired; 4) Identification and location of essential parts of critical process units found leaking that cannot be repaired until the next process unit turnaround; and 5) Method used to minimize the leak from essential parts of critical process units which cannot be repaired until the next process unit turnaround. [District Rule 2520] Federally Enforceable Through Title V Permit
33. Permittee shall keep accurate records of TVP of liquids stored in each tank and such records shall be made readily available for District inspection at any time for a time period of five years. [District Rule 2520] Federally Enforceable Through Title V Permit
34. Permittee shall maintain records of the date and duration of the vapor control system maintenance operation. Such records shall be made available for district inspection upon request for a period of at least five years. [District Rule 2201 and District Rule 2520] Federally Enforceable Through Title V Permit
35. Permittee shall keep records of VOC content of tank vapor and such records shall be made available for District inspection upon request for a period of 5 years. [District Rule 1070] Federally Enforceable Through Title V Permit
36. This unit has a storage capacity less than 420,000 gallons and is used for petroleum or condensate stored, processed and/or treated at a drilling and production facility prior to custody transfer. Therefore, the requirements of 40CFR 60 Subpart K, Ka and Kb do not apply to this source. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

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

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-1135-339-1

EXPIRATION DATE: 05/31/2016

SECTION: 21 **TOWNSHIP:** 31S **RANGE:** 22E

EQUIPMENT DESCRIPTION:

3000 BBL REJECT TANK CONNECTED TO THE VAPOR CONTROL SYSTEM LISTED ON TANK S-1135-149
(ANDERSON/GOODWIN LEASE)

PERMIT UNIT REQUIREMENTS

1. The tank shall be equipped with a vapor loss prevention system consisting of vapor and condensate collection systems capable of reducing VOC emissions by at least 99%. [District Rule 2201] Federally Enforceable Through Title V Permit
2. Tank shall be designed and maintained to vent only to vapor control system, except during the period of tank cleaning, inspections, and maintenance allowed by this permit. [District Rule 2201] Federally Enforceable Through Title V Permit
3. The fugitive VOC emissions from this tank and the vapor control system shall not exceed 1.9 lb/day. [District Rule 2201] Federally Enforceable Through Title V Permit
4. Maximum VOC content of hydrocarbons in tank vapor shall not exceed 20% by weight. [District Rule 2201] Federally Enforceable Through Title V Permit
5. Permittee shall measure VOC content of tank vapor annually using EPA Method 18, 25, 25a, 25b, or ASTM D-1945. [District Rule 2201] Federally Enforceable Through Title V Permit
6. Permittee shall maintain with the permit accurate fugitive component counts for tank and resulting emissions calculated using using Table 2-4 Oil and Gas Production Operations Average Emissions factors from the EPA Protocol for Equipment Leak Emissions Estimates EPA-453/R-95-017. [District Rule 2201] Federally Enforceable Through Title V Permit
7. All tank gauging, hatches, sampling ports, pressure relief valves, vapor control system components, etc. shall be closed and leak-free (as defined in Rule 4623) except during sampling or attended maintenance. [District Rule 2201] Federally Enforceable Through Title V Permit
8. Tanks seams, welds, joints, piping, valves, and fittings shall be inspected and maintained in a leak-free (as defined in Rule 4623) condition. [District Rule 2201 and District Rule 4623] Federally Enforceable Through Title V Permit
9. This tank shall only store, place, or hold organic liquid with a true vapor pressure (TVP) not exceeding 0.5 psia under all storage conditions. [District Rule 4623] Federally Enforceable Through Title V Permit
10. Permittee shall conduct true vapor pressure (TVP) testing of the organic liquid stored in this tank at least once every 24 months during summer (July - September), and/or whenever there is a change in the source or type of organic liquid stored in this tank in order to maintain exemption from the rule. [District Rule 4623] Federally Enforceable Through Title V Permit
11. For crude oil with an API gravity of 26 degrees or less, the TVP shall be determined using the latest version of the Lawrence Berkeley National Laboratory "test Method for Vapor pressure of Reactive Organic Compounds in Heavy Crude Oil Using Gas Chromatograph", as approved by ARB and EPA. [District Rule 4623] 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.

12. The TVP testing shall be conducted at actual storage temperature of the organic liquid in the tank. The permittee shall also conduct an API gravity testing. [District Rule 4623] Federally Enforceable Through Title V Permit
13. Permittee shall maintain records of all TVP and API gravity testing performed and shall submit such records to the APCO upon request. The records shall include the tank identification number, Permit to Operate number, type of stored organic liquid, TVP and API gravity of the organic liquid, test methods used, and a copy of the test results. [District Rule 4623] Federally Enforceable Through Title V Permit
14. This permit authorizes tank cleaning that is not the result of breakdowns or poor maintenance as a routine maintenance activity. [District Rule 2080] Federally Enforceable Through Title V Permit
15. There shall be no throughput during cleaning of this tank. [District Rule 2080] Federally Enforceable Through Title V Permit
16. Prior to opening the tank to allow tank cleaning the following procedure must be followed. Operate PV valve and vapor recovery system (if equipped) during emptying, filling, and flushing. During filling and purging, no vapor leakage is allowed (except for PV valve venting on tanks not required to have a vapor recovery system). Drain all liquid from the tank to the maximum extent feasible prior to opening the tank. [District Rule 2080] Federally Enforceable Through Title V Permit
17. Prior to opening the tank to allow tank cleaning one of the following options must be followed: 1) operate the vapor recovery system for at least 2 hours after all the liquid in the tank has been drained, 2) displace vapors floating the oil pad off with water such that 90% of the tank volume is displaced, 3) vent the tank to the vapor control system until the vapor concentration is less than 10% of the lower explosive limit (LEL) or 5,000 ppmv whichever is less; or 4) vent the tank to the vapor control system for a length of time determined by the following relationship: $t = 2.3 V / Q$, where t = time, V = tank volume (cubic feet), and Q = flow rate to the vapor control system as determined using appropriate engineering calculations. [District Rule 2080] Federally Enforceable Through Title V Permit
18. Allowable methods of cleaning include using steam, diesel, solvents with an initial boiling point of greater than 302 F, solvents with a vapor pressure of less than 0.5 psia, or solvents with 50 grams/liter VOC content or less. Steam cleaning shall be allowed at locations where wastewater treatment facilities are limited or during December through March. [District Rule 2080] Federally Enforceable Through Title V Permit
19. Tank pressure/vacuum valve (Varec) shall be inspected on an annual basis. During the varec inspections, the varec can be removed from the tank and replaced if necessary. The permittee shall minimize emissions from the opening by plugging the opening during the removal of varec valve. [District Rule 2080] Federally Enforceable Through Title V Permit
20. All piping, fittings, and valves 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 provisions of this permit. If any of the tank components are found to leak during an annual inspection, the inspection frequency for that component type shall be changed from annual to quarterly. If no tank components are subsequently found to be leaking during five consecutive inspections, the inspection frequency may be changed from quarterly to annual. Components located in inaccessible (over 15 feet above ground when access is required from the ground or over 6 feet away from a platform when access is required from the platform) locations shall be inspected at least annually and components located in unsafe areas shall be inspected and repaired at the next process unit turnaround (the scheduled shutdown of a unit for maintenance and repair work). [District Rule 2520] Federally Enforceable Through Title V Permit
21. A facility operator, upon detection of a leaking component, shall affix to that component a weatherproof readily visible tag bearing the date on which the leak is detected. The tag shall remain in place until the leaking component is repaired, reinspected and found to be in compliance with the requirements of this rule. [District Rule 2520] Federally Enforceable Through Title V Permit
22. An operator shall reinspect a component for leaks within thirty working days after the date on which the component is repaired. [District Rule 2520] 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.

23. Any component leak shall be repaired to a leak-free condition or vented to a flare satisfying the requirements of 40 CFR 60.18 or to a vapor control device that is at least 99 percent efficient as measured by EPA Method 18 within fifteen (15) calendar days of detection. The APCO may grant a ten (10) calendar day extension provided the operator demonstrates that necessary and sufficient actions are being taken to correct the leak within this time period. Any vapor control device, other than a flare, used to comply with this condition shall demonstrate at least 99% control efficiency as measured by EPA Method 18 at least annually. [District Rule 2520] Federally Enforceable Through Title V Permit
24. If the leaking component is an essential part of a critical process unit which cannot be immediately shut down for repairs, the operator shall 1) Minimize the leak within 15 calendar days; and 2) If the leak which has been minimized still exceeds the concentration allowed by this permit, the essential component shall be repaired to eliminate the leak during the next process unit turnaround, but in no case later than one year from the date of the original leak detection. A critical process unit is any process unit which would result in the automatic shutdown of other process units if it were shut down. [District Rule 2520] Federally Enforceable Through Title V Permit
25. Operator shall maintain an inspection log containing the following 1) Type of component leaking; 2) Date of leak detection, and method of detection; 3) Date and emission level of recheck after leak is repaired; 4) Identification and location of essential parts of critical process units found leaking that cannot be repaired until the next process unit turnaround; and 5) Method used to minimize the leak from essential parts of critical process units which cannot be repaired until the next process unit turnaround. [District Rule 2520] Federally Enforceable Through Title V Permit
26. Permittee shall keep accurate records of TVP of liquids stored in each tank and such records shall be made readily available for District inspection at any time for a time period of five years. [District Rule 2520] Federally Enforceable Through Title V Permit
27. Permittee shall maintain records of the date and duration of the vapor control system maintenance operation. Such records shall be made available for district inspection upon request for a period of at least five years. [District Rule 2201 and District Rule 2520] Federally Enforceable Through Title V Permit
28. Permittee shall keep records of VOC content of tank vapor and such records shall be made available for District inspection upon request for a period of 5 years. [District Rule 1070] Federally Enforceable Through Title V Permit
29. This unit has a storage capacity less than 420,000 gallons and is used for petroleum or condensate stored, processed and/or treated at a drilling and production facility prior to custody transfer. Therefore, the requirements of 40CFR 60 Subpart K, Ka and Kb do not apply to this source. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

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

ATTACHMENT B

Authorities to Construct
#S-1135-149-20 and '-339-0



AUTHORITY TO CONSTRUCT

PERMIT NO: S-1135-149-20

ISSUANCE DATE: 09/26/2012

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

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
MIDWAY-SUNSET
KERN COUNTY, CA

SECTION: 21 **TOWNSHIP:** 31S **RANGE:** 22E

EQUIPMENT DESCRIPTION:

MODIFICATION OF 126,000 GALLON CRUDE OIL LACT TANK ID# AG-01, WITH VAPOR CONTROL SYSTEM SHARED WITH TANKS S-1135-150, '151, '152, '155, '270, '301 AND '323 (ANDERSON/GOODWIN LEASE); ROUTINE REPLACEMENT OF TANK LISTED IN PERMIT S-1135-152 WITH TANK LISTED IN PERMIT S-1135-339 AND CONNECT TANK LISTED IN PERMIT S-1135-339 TO THE VAPOR CONTROL SYSTEM

CONDITIONS

1. The facility shall submit an application to modify the Title V permit in accordance with the timeframes and procedures of District Rule 2520. [District Rule 2520] Federally Enforceable Through Title V Permit
2. This Authority to Construct shall be implemented concurrently with ATC S-1135-339-0. [District Rule 2201] Federally Enforceable Through Title V Permit
3. The tank shall be equipped with a vapor loss prevention system consisting of vapor and condensate collection systems capable of reducing VOC emissions by at least 99%. [District Rule 2201] Federally Enforceable Through Title V Permit
4. Vapor control system shall contain vapor control system piping network and vapor compression system consisting of vapor compressor(s), air-cooled heat exchanger, inlet scrubber, pump, and discharge scrubber. [District Rule 2201] Federally Enforceable Through Title V Permit
5. All collected vapors shall be compressed to the Andersen-Goodwin Lease TEOR skid S-1135-129 for disposal. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

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

Seyed Sadredin, Executive Director / APCO


DAVID WARNER, Director of Permit Services

S-1135-149-20 : Sep 26 2012 10:52AM - MASLOWST . Joint Inspection NOT Required

6. Tank shall be designed and maintained to vent only to vapor control system, except during the period of tank cleaning, inspections, and maintenances allowed by this permit. [District Rule 2201] Federally Enforceable Through Title V Permit
7. All tank gauging, hatches, sampling ports, pressure relief valves, vapor control system components, etc. shall be closed and leak-free (as defined in Rule 4623) except during sampling or attended maintenance. [District Rule 2201] Federally Enforceable Through Title V Permit
8. Tanks seams, welds, joints, piping, valves, and fittings shall be inspected and maintained in a leak-free (as defined in Rule 4623) condition. [District Rule 2201] Federally Enforceable Through Title V Permit
9. Compressor suction and knockout drum liquids shall be piped only to vapor-controlled tanks. [District Rule 2201] Federally Enforceable Through Title V Permit
10. The operator shall ensure that the vapor control system is functional and is operating as designed at all times. [District Rule 2520] Federally Enforceable Through Title V Permit
11. Operator shall monitor vapor control system pressures on quarterly basis to ensure that system pressure does not exceed pressure relief valve setting. [District Rule 2520] Federally Enforceable Through Title V Permit
12. The fugitive VOC emissions from this tank and the vapor control system shall not exceed 10.0 lb/day. [District Rule 2201] Federally Enforceable Through Title V Permit
13. Maximum VOC content of hydrocarbons in tank vapor shall not exceed 20% by weight. [District Rule 2201] Federally Enforceable Through Title V Permit
14. Permittee shall measure VOC content of tank vapor annually using EPA Method 18, 25, 25a, 25b, or ASTM D-1945. [District Rule 2201] Federally Enforceable Through Title V Permit
15. This tank shall only store, place, or hold organic liquid with a true vapor pressure (TVP) not exceeding 0.5 psia under all storage conditions. [District Rule 4623] Federally Enforceable Through Title V Permit
16. Permittee shall conduct true vapor pressure (TVP) testing of the organic liquid stored in this tank at least once every 24 months during summer (July - September), and/or whenever there is a change in the source or type of organic liquid stored in this tank in order to maintain exemption from the rule. [District Rule 4623] Federally Enforceable Through Title V Permit
17. For crude oil with an API gravity of 26 degrees or less, the TVP shall be determined using the latest version of the Lawrence Berkeley National Laboratory "test Method for Vapor pressure of Reactive Organic Compounds in Heavy Crude Oil Using Gas Chromatograph", as approved by ARB and EPA. [District Rule 4623] Federally Enforceable Through Title V Permit
18. The TVP testing shall be conducted at actual storage temperature of the organic liquid in the tank. The permittee shall also conduct an API gravity testing. [District Rule 4623] Federally Enforceable Through Title V Permit
19. Permittee shall maintain records of all TVP and API gravity testing performed and shall submit such records to the APCO upon request. The records shall include the tank identification number, Permit to Operate number, type of stored organic liquid, TVP and API gravity of the organic liquid, test methods used, and a copy of the test results. [District Rule 4623] Federally Enforceable Through Title V Permit
20. Permittee shall maintain with the permit accurate fugitive component counts for tank and associated vapor recovery system and resulting emissions calculated using using Table 2-4 Oil and Gas Production Operations Average Emissions factors from the EPA Protocol for Equipment Leak Emissions Estimates EPA-453/R-95-017. [District Rule 2201] Federally Enforceable Through Title V Permit
21. This permit authorizes tank cleaning that is not the result of breakdowns or poor maintenance as a routine maintenance activity. [District Rule 2080] Federally Enforceable Through Title V Permit
22. There shall be no throughput during cleaning of this tank. [District Rule 2080] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

23. Prior to opening the tank to allow tank cleaning the following procedure must be followed. Operate PV valve and vapor recovery system (if equipped) during emptying, filling, and flushing. During filling and purging, no vapor leakage is allowed (except for PV valve venting on tanks not required to have a vapor recovery system). Drain all liquid from the tank to the maximum extent feasible prior to opening the tank. [District Rule 2080] Federally Enforceable Through Title V Permit
24. Prior to opening the tank to allow tank cleaning one of the following options must be followed: 1) operate the vapor recovery system for at least 2 hours after all the liquid in the tank has been drained, 2) displace vapors floating the oil pad off with water such that 90% of the tank volume is displaced, 3) vent the tank to the vapor control system until the vapor concentration is less than 10% of the lower explosive limit (LEL) or 5,000 ppmv whichever is less; or 4) vent the tank to the vapor control system for a length of time determined by the following relationship: $t = 2.3 V / Q$, where t = time, V = tank volume (cubic feet), and Q = flow rate to the vapor control system as determined using appropriate engineering calculations. [District Rule 2080] Federally Enforceable Through Title V Permit
25. Allowable methods of cleaning include using steam, diesel, solvents with an initial boiling point of greater than 302 F, solvents with a vapor pressure of less than 0.5 psia, or solvents with 50 grams/liter VOC content or less. Steam cleaning shall be allowed at locations where wastewater treatment facilities are limited or during December through March. [District Rule 2080] Federally Enforceable Through Title V Permit
26. Tank pressure/vacuum valve (Varec) shall be inspected on an annual basis. During the varec inspections, the varec can be removed from the tank and replaced if necessary. The permittee shall minimize emissions from the opening by plugging the opening during the removal of varec valve. [District Rule 2080] Federally Enforceable Through Title V Permit
27. The pressure transmitters shall be inspected and maintained in good operating conditions. The inspections shall be conducted on a quarterly basis. Replacing and repairing of each pressure transmitters shall not exceed one hour per day. [District Rule 2201] Federally Enforceable Through Title V Permit
28. All piping, fittings, and valves 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 provisions of this permit. If any of the tank components are found to leak during an annual inspection, the inspection frequency for that component type shall be changed from annual to quarterly. If no tank components are subsequently found to be leaking during five consecutive inspections, the inspection frequency may be changed from quarterly to annual. Components located in inaccessible (over 15 feet above ground when access is required from the ground or over 6 feet away from a platform when access is required from the platform) locations shall be inspected at least annually and components located in unsafe areas shall be inspected and repaired at the next process unit turnaround (the scheduled shutdown of a unit for maintenance and repair work). [District Rule 2520] Federally Enforceable Through Title V Permit
29. A facility operator, upon detection of a leaking component, shall affix to that component a weatherproof readily visible tag bearing the date on which the leak is detected. The tag shall remain in place until the leaking component is repaired, reinspected and found to be in compliance with the requirements of this rule. [District Rule 2520] Federally Enforceable Through Title V Permit
30. An operator shall reinspect a component for leaks within thirty working days after the date on which the component is repaired. [District Rule 2520] Federally Enforceable Through Title V Permit
31. Emissions from components which have been tagged by the facility operator for repair within 15 calendar days or which have been repaired and are awaiting re-inspection shall not be in violation of this permit. [District Rule 2520] Federally Enforceable Through Title V Permit
32. Any component leak shall be repaired to a leak-free condition or vented to a flare satisfying the requirements of 40 CFR 60.18 or to a vapor control device that is at least 99 percent efficient as measured by EPA Method 18 within fifteen (15) calendar days of detection. The APCO may grant a ten (10) calendar day extension provided the operator demonstrates that necessary and sufficient actions are being taken to correct the leak within this time period. Any vapor control device, other than a flare, used to comply with this condition shall demonstrate at least 99% control efficiency as measured by EPA Method 18 at least annually. [District Rule 2520] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

33. If the leaking component is an essential part of a critical process unit which cannot be immediately shut down for repairs, the operator shall 1) Minimize the leak within 15 calendar days; and 2) If the leak which has been minimized still exceeds the concentration allowed by this permit, the essential component shall be repaired to eliminate the leak during the next process unit turnaround, but in no case later than one year from the date of the original leak detection. A critical process unit is any process unit which would result in the automatic shutdown of other process units if it were shut down. [District Rule 2520] Federally Enforceable Through Title V Permit
34. Operator shall maintain an inspection log containing the following 1) Type of component leaking; 2) Date of leak detection, and method of detection; 3) Date and emission level of recheck after leak is repaired; 4) Identification and location of essential parts of critical process units found leaking that cannot be repaired until the next process unit turnaround; and 5) Method used to minimize the leak from essential parts of critical process units which cannot be repaired until the next process unit turnaround. [District Rule 2520] Federally Enforceable Through Title V Permit
35. Permittee shall keep accurate records of TVP of liquids stored in each tank and such records shall be made readily available for District inspection at any time for a time period of five years. [District Rule 2520] Federally Enforceable Through Title V Permit
36. Permittee shall maintain records of the date and duration of the vapor control system maintenance operation. Such records shall be made available for district inspection upon request for a period of at least five years. [District Rule 2201 and District Rule 2520] Federally Enforceable Through Title V Permit
37. Permittee shall keep records of VOC content of tank vapor and such records shall be made available for District inspection upon request for a period of 5 years. [District Rule 1070] Federally Enforceable Through Title V Permit
38. This unit has a storage capacity less than 420,000 gallons and is used for petroleum or condensate stored, processed and/or treated at a drilling and production facility prior to custody transfer. Therefore, the requirements of 40CFR 60 Subpart K, Ka and Kb do not apply to this source. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit



AUTHORITY TO CONSTRUCT

PERMIT NO: S-1135-339-0

ISSUANCE DATE: 09/26/2012

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

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
MIDWAY-SUNSET
KERN COUNTY, CA

SECTION: 21 TOWNSHIP: 31S RANGE: 22E

EQUIPMENT DESCRIPTION:

3000 BBL REJECT TANK CONNECTED TO THE VAPOR CONTROL SYSTEM LISTED ON TANK S-1135-149 (ANDERSON/GOODWIN LEASE) (REPLACEMENT FOR S-1135-152)

CONDITIONS

1. The facility shall submit an application to modify the Title V permit in accordance with the timeframes and procedures of District Rule 2520. [District Rule 2520] Federally Enforceable Through Title V Permit
2. Within 90 days of startup of the equipment authorized by this Authority to Construct, Permit to Operate S-1135-152-14 shall be surrendered to the District and the associated equipment shall be removed or rendered inoperable. [District Rule 2201]
3. Tank shall be vented only to vapor control system listed on permit S-1135-149. [District Rule 2201] Federally Enforceable Through Title V Permit
4. The tank shall be equipped with a vapor loss prevention system consisting of vapor and condensate collection systems capable of reducing VOC emissions by at least 99%. [District Rule 2201] Federally Enforceable Through Title V Permit
5. Tank shall be designed and maintained to vent only to vapor control system, except during the period of tank cleaning, inspections, and maintenances allowed by this permit. [District Rule 2201] Federally Enforceable Through Title V Permit
6. The fugitive VOC emissions from this tank and the vapor control system shall not exceed 1.9 lb/day. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

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

Seyed Sadredin, Executive Director / APCD



DAVID WARNER, Director of Permit Services

S-1135-339-0 Sep 26 2012 10:52AM - MASLOWST : Joint Inspection NOT Required

7. Maximum VOC content of hydrocarbons in tank vapor shall not exceed 20% by weight. [District Rule 2201] Federally Enforceable Through Title V Permit
8. Permittee shall measure VOC content of tank vapor annually using EPA Method 18, 25, 25a, 25b, or ASTM D-1945. [District Rule 2201] Federally Enforceable Through Title V Permit
9. Permittee shall maintain with the permit accurate fugitive component counts for tank and resulting emissions calculated using using Table 2-4 Oil and Gas Production Operations Average Emissions factors from the EPA Protocol for Equipment Leak Emissions Estimates EPA-453/R-95-017. [District Rule 2201] Federally Enforceable Through Title V Permit
10. All tank gauging, hatches, sampling ports, pressure relief valves, vapor control system components, etc. shall be closed and leak-free (as defined in Rule 4623) except during sampling or attended maintenance. [District Rule 2201] Federally Enforceable Through Title V Permit
11. Tanks seams, welds, joints, piping, valves, and fittings shall be inspected and maintained in a leak-free (as defined in Rule 4623) condition. [District Rule 2201 and District Rule 4623] Federally Enforceable Through Title V Permit
12. This tank shall only store, place, or hold organic liquid with a true vapor pressure (TVP) not exceeding 0.5 psia under all storage conditions. [District Rule 4623] Federally Enforceable Through Title V Permit
13. Permittee shall conduct true vapor pressure (TVP) testing of the organic liquid stored in this tank at least once every 24 months during summer (July - September), and/or whenever there is a change in the source or type of organic liquid stored in this tank in order to maintain exemption from the rule. [District Rule 4623] Federally Enforceable Through Title V Permit
14. For crude oil with an API gravity of 26 degrees or less, the TVP shall be determined using the latest version of the Lawrence Berkeley National Laboratory "test Method for Vapor pressure of Reactive Organic Compounds in Heavy Crude Oil Using Gas Chromatograph", as approved by ARB and EPA. [District Rule 4623] Federally Enforceable Through Title V Permit
15. The TVP testing shall be conducted at actual storage temperature of the organic liquid in the tank. The permittee shall also conduct an API gravity testing. [District Rule 4623] Federally Enforceable Through Title V Permit
16. Permittee shall maintain records of all TVP and API gravity testing performed and shall submit such records to the APCO upon request. The records shall include the tank identification number, Permit to Operate number, type of stored organic liquid, TVP and API gravity of the organic liquid, test methods used, and a copy of the test results. [District Rule 4623] Federally Enforceable Through Title V Permit
17. This permit authorizes tank cleaning that is not the result of breakdowns or poor maintenance as a routine maintenance activity. [District Rule 2080] Federally Enforceable Through Title V Permit
18. There shall be no throughput during cleaning of this tank. [District Rule 2080] Federally Enforceable Through Title V Permit
19. Prior to opening the tank to allow tank cleaning the following procedure must be followed. Operate PV valve and vapor recovery system (if equipped) during emptying, filling, and flushing. During filling and purging, no vapor leakage is allowed (except for PV valve venting on tanks not required to have a vapor recovery system). Drain all liquid from the tank to the maximum extent feasible prior to opening the tank. [District Rule 2080] Federally Enforceable Through Title V Permit
20. Prior to opening the tank to allow tank cleaning one of the following options must be followed: 1) operate the vapor recovery system for at least 2 hours after all the liquid in the tank has been drained, 2) displace vapors floating the oil pad off with water such that 90% of the tank volume is displaced, 3) vent the tank to the vapor control system until the vapor concentration is less than 10% of the lower explosive limit (LEL) or 5,000 ppmv whichever is less; or 4) vent the tank to the vapor control system for a length of time determined by the following relationship: $t = 2.3 V / Q$, where t = time, V = tank volume (cubic feet), and Q = flow rate to the vapor control system as determined using appropriate engineering calculations. [District Rule 2080] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

21. Allowable methods of cleaning include using steam, diesel, solvents with an initial boiling point of greater than 302 F, solvents with a vapor pressure of less than 0.5 psia, or solvents with 50 grams/liter VOC content or less. Steam cleaning shall be allowed at locations where wastewater treatment facilities are limited or during December through March. [District Rule 2080] Federally Enforceable Through Title V Permit
22. Tank pressure/vacuum valve (Varec) shall be inspected on an annual basis. During the varec inspections, the varec can be removed from the tank and replaced if necessary. The permittee shall minimize emissions from the opening by plugging the opening during the removal of varec valve. [District Rule 2080] Federally Enforceable Through Title V Permit
23. All piping, fittings, and valves 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 provisions of this permit. If any of the tank components are found to leak during an annual inspection, the inspection frequency for that component type shall be changed from annual to quarterly. If no tank components are subsequently found to be leaking during five consecutive inspections, the inspection frequency may be changed from quarterly to annual. Components located in inaccessible (over 15 feet above ground when access is required from the ground or over 6 feet away from a platform when access is required from the platform) locations shall be inspected at least annually and components located in unsafe areas shall be inspected and repaired at the next process unit turnaround (the scheduled shutdown of a unit for maintenance and repair work). [District Rule 2520] Federally Enforceable Through Title V Permit
24. A facility operator, upon detection of a leaking component, shall affix to that component a weatherproof readily visible tag bearing the date on which the leak is detected. The tag shall remain in place until the leaking component is repaired, reinspected and found to be in compliance with the requirements of this rule. [District Rule 2520] Federally Enforceable Through Title V Permit
25. An operator shall reinspect a component for leaks within thirty working days after the date on which the component is repaired. [District Rule 2520] Federally Enforceable Through Title V Permit
26. Any component leak shall be repaired to a leak-free condition or vented to a flare satisfying the requirements of 40 CFR 60.18 or to a vapor control device that is at least 99 percent efficient as measured by EPA Method 18 within fifteen (15) calendar days of detection. The APCO may grant a ten (10) calendar day extension provided the operator demonstrates that necessary and sufficient actions are being taken to correct the leak within this time period. Any vapor control device, other than a flare, used to comply with this condition shall demonstrate at least 99% control efficiency as measured by EPA Method 18 at least annually. [District Rule 2520] Federally Enforceable Through Title V Permit
27. If the leaking component is an essential part of a critical process unit which cannot be immediately shut down for repairs, the operator shall 1) Minimize the leak within 15 calendar days; and 2) If the leak which has been minimized still exceeds the concentration allowed by this permit, the essential component shall be repaired to eliminate the leak during the next process unit turnaround, but in no case later than one year from the date of the original leak detection. A critical process unit is any process unit which would result in the automatic shutdown of other process units if it were shut down. [District Rule 2520] Federally Enforceable Through Title V Permit
28. Operator shall maintain an inspection log containing the following 1) Type of component leaking; 2) Date of leak detection, and method of detection; 3) Date and emission level of recheck after leak is repaired; 4) Identification and location of essential parts of critical process units found leaking that cannot be repaired until the next process unit turnaround; and 5) Method used to minimize the leak from essential parts of critical process units which cannot be repaired until the next process unit turnaround. [District Rule 2520] Federally Enforceable Through Title V Permit
29. Permittee shall keep accurate records of TVP of liquids stored in each tank and such records shall be made readily available for District inspection at any time for a time period of five years. [District Rule 2520] Federally Enforceable Through Title V Permit
30. Permittee shall maintain records of the date and duration of the vapor control system maintenance operation. Such records shall be made available for district inspection upon request for a period of at least five years. [District Rule 2201 and District Rule 2520] Federally Enforceable Through Title V Permit
31. Permittee shall keep records of VOC content of tank vapor and such records shall be made available for District inspection upon request for a period of 5 years. [District Rule 1070] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

32. This unit has a storage capacity less than 420,000 gallons and is used for petroleum or condensate stored, processed and/or treated at a drilling and production facility prior to custody transfer. Therefore, the requirements of 40CFR 60 Subpart K, Ka and Kb do not apply to this source. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

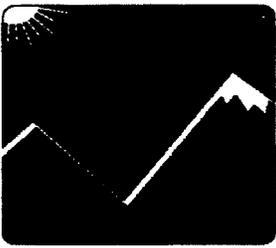
ATTACHMENT C

Emissions Increases

	SSIPE (lb/yr)				
	NOx	VOC	CO	SOx	PM10
S-1135-149-20	0	3000	0	0	0
S-1135-149-339-0	0	689	0	0	0
Total	0	0	0	0	0

ATTACHMENT D

Application



San Joaquin Valley Unified Air Pollution Control District

APPLICATION FOR TITLE V MODIFICATION:

RECEIVED

OCT - 3 2013

- ADMINISTRATIVE AMENDMENT
- MINOR MODIFICATION
- SIGNIFICANT MODIFICATION

SJVAPCD
Southern Region

1. PERMIT TO BE ISSUED TO: Aera Energy LLC	
2. MAILING ADDRESS: STREET/P.O. BOX: P.O. Box 11164 CITY: Bakersfield STATE: CA 9-DIGIT ZIP CODE: 93389-1164	
3. LOCATION WHERE THE EQUIPMENT WILL BE OPERATED: STREET: Heavy Oil Western Stationary Source CITY: Kern County, CA SW 1/4 SECTION <u>21</u> TOWNSHIP <u>31S</u> RANGE <u>22E</u>	INSTALLATION DATE:
4. GENERAL NATURE OF BUSINESS: Oil and Natural Gas Production	
5. EQUIPMENT FOR WHICH APPLICATION IS MADE (Include Permit Nos.): Implement ATC numbers S-1135-149-29 and S-1135-339-0 into the Title V permit. <p style="text-align: right;">(Use additional sheets if necessary)</p>	
6. DO YOU REQUEST A CERTIFICATE OF CONFORMITY WITH THIS ACTION? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
7. IS THIS APPLICATION SUBMITTED AS A RESULT OF A NOV/NTC? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO NOV/NTC No.: _____	
8. SIGNATURE OF APPLICANT/CONTACT PERSON: <i>Robert M. Beebout</i>	TYPE OR PRINT TITLE OF APPLICANT: Environmental Advisor
9. TYPE OR PRINT NAME OF APPLICANT/CONTACT: Robert M. Beebout	DATE: September 29, 2013
10. FAX NUMBER: (661) 665-3222	TELEPHONE NUMBER: (661) 665-3212

FOR APCD USE ONLY:

NO money

DATE STAMP	FILING FEE RECEIVED: \$ _____
	DATE PAID: _____
	PROJECT NO.: <u>S11339110</u> FACILITY REGION & ID: <u>S-1135</u>

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

TITLE V COMPLIANCE CERTIFICATION FORM

RECEIVED

OCT - 3 2013

SJVAPCD
Southern Region

I. TYPE OF PERMIT ACTION (Check appropriate box)

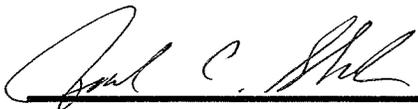
- SIGNIFICANT PERMIT MODIFICATION ADMINISTRATIVE
 MINOR PERMIT MODIFICATION AMENDMENT

COMPANY NAME: Aera Energy LLC	FACILITY ID: S-1135
1. Type of Organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Sole Ownership <input type="checkbox"/> Government <input type="checkbox"/> Partnership <input type="checkbox"/> Utility	
2. Owner's Name: Aera Energy LLC	
3. Agent to the Owner: N/A	

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

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

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



Signature of Responsible Official

10/4/13

Date

D.C. (David) Shuck

Name of Responsible Official (please print)

Process Supervisor

Title of Responsible Official (please print)



AUTHORITY TO CONSTRUCT

PERMIT NO: S-1135-149-20

ISSUANCE DATE: 09/26/2012

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

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
MIDWAY-SUNSET
KERN COUNTY, CA

SECTION: 21 **TOWNSHIP:** 31S **RANGE:** 22E

EQUIPMENT DESCRIPTION:

MODIFICATION OF 126,000 GALLON CRUDE OIL LACT TANK ID# AG-01, WITH VAPOR CONTROL SYSTEM SHARED WITH TANKS S-1135-150, '151, '152, '155, '270, '301 AND '323 (ANDERSON/GOODWIN LEASE); ROUTINE REPLACEMENT OF TANK LISTED IN PERMIT S-1135-152 WITH TANK LISTED IN PERMIT S-1135-339 AND CONNECT TANK LISTED IN PERMIT S-1135-339 TO THE VAPOR CONTROL SYSTEM

CONDITIONS

1. The facility shall submit an application to modify the Title V permit in accordance with the timeframes and procedures of District Rule 2520. [District Rule 2520] Federally Enforceable Through Title V Permit
2. This Authority to Construct shall be implemented concurrently with ATC S-1135-339-0. [District Rule 2201] Federally Enforceable Through Title V Permit
3. The tank shall be equipped with a vapor loss prevention system consisting of vapor and condensate collection systems capable of reducing VOC emissions by at least 99%. [District Rule 2201] Federally Enforceable Through Title V Permit
4. Vapor control system shall contain vapor control system piping network and vapor compression system consisting of vapor compressor(s), air-cooled heat exchanger, inlet scrubber, pump, and discharge scrubber. [District Rule 2201] Federally Enforceable Through Title V Permit
5. All collected vapors shall be compressed to the Andersen-Goodwin Lease TEOR skid S-1135-129 for disposal. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

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

Seyed Sadredin, Executive Director / APCO



DAVID WARNER, Director of Permit Services
S-1135-149-20 Sep 28 2012 10:52AM - MASLOWST Joint Inspection NOT Required

6. Tank shall be designed and maintained to vent only to vapor control system, except during the period of tank cleaning, inspections, and maintenances allowed by this permit. [District Rule 2201] Federally Enforceable Through Title V Permit
7. All tank gauging, hatches, sampling ports, pressure relief valves, vapor control system components, etc. shall be closed and leak-free (as defined in Rule 4623) except during sampling or attended maintenance. [District Rule 2201] Federally Enforceable Through Title V Permit
8. Tanks seams, welds, joints, piping, valves, and fittings shall be inspected and maintained in a leak-free (as defined in Rule 4623) condition. [District Rule 2201] Federally Enforceable Through Title V Permit
9. Compressor suction and knockout drum liquids shall be piped only to vapor-controlled tanks. [District Rule 2201] Federally Enforceable Through Title V Permit
10. The operator shall ensure that the vapor control system is functional and is operating as designed at all times. [District Rule 2520] Federally Enforceable Through Title V Permit
11. Operator shall monitor vapor control system pressures on quarterly basis to ensure that system pressure does not exceed pressure relief valve setting. [District Rule 2520] Federally Enforceable Through Title V Permit
12. The fugitive VOC emissions from this tank and the vapor control system shall not exceed 10.0 lb/day. [District Rule 2201] Federally Enforceable Through Title V Permit
13. Maximum VOC content of hydrocarbons in tank vapor shall not exceed 20% by weight. [District Rule 2201] Federally Enforceable Through Title V Permit
14. Permittee shall measure VOC content of tank vapor annually using EPA Method 18, 25, 25a, 25b, or ASTM D-1945. [District Rule 2201] Federally Enforceable Through Title V Permit
15. This tank shall only store, place, or hold organic liquid with a true vapor pressure (TVP) not exceeding 0.5 psia under all storage conditions. [District Rule 4623] Federally Enforceable Through Title V Permit
16. Permittee shall conduct true vapor pressure (TVP) testing of the organic liquid stored in this tank at least once every 24 months during summer (July - September), and/or whenever there is a change in the source or type of organic liquid stored in this tank in order to maintain exemption from the rule. [District Rule 4623] Federally Enforceable Through Title V Permit
17. For crude oil with an API gravity of 26 degrees or less, the TVP shall be determined using the latest version of the Lawrence Berkeley National Laboratory "test Method for Vapor pressure of Reactive Organic Compounds in Heavy Crude Oil Using Gas Chromatograph", as approved by ARB and EPA. [District Rule 4623] Federally Enforceable Through Title V Permit
18. The TVP testing shall be conducted at actual storage temperature of the organic liquid in the tank. The permittee shall also conduct an API gravity testing. [District Rule 4623] Federally Enforceable Through Title V Permit
19. Permittee shall maintain records of all TVP and API gravity testing performed and shall submit such records to the APCO upon request. The records shall include the tank identification number, Permit to Operate number, type of stored organic liquid, TVP and API gravity of the organic liquid, test methods used, and a copy of the test results. [District Rule 4623] Federally Enforceable Through Title V Permit
20. Permittee shall maintain with the permit accurate fugitive component counts for tank and associated vapor recovery system and resulting emissions calculated using using Table 2-4 Oil and Gas Production Operations Average Emissions factors from the EPA Protocol for Equipment Leak Emissions Estimates EPA-453/R-95-017. [District Rule 2201] Federally Enforceable Through Title V Permit
21. This permit authorizes tank cleaning that is not the result of breakdowns or poor maintenance as a routine maintenance activity. [District Rule 2080] Federally Enforceable Through Title V Permit
22. There shall be no throughput during cleaning of this tank. [District Rule 2080] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

23. Prior to opening the tank to allow tank cleaning the following procedure must be followed. Operate PV valve and vapor recovery system (if equipped) during emptying, filling, and flushing. During filling and purging, no vapor leakage is allowed (except for PV valve venting on tanks not required to have a vapor recovery system). Drain all liquid from the tank to the maximum extent feasible prior to opening the tank. [District Rule 2080] Federally Enforceable Through Title V Permit
24. Prior to opening the tank to allow tank cleaning one of the following options must be followed: 1) operate the vapor recovery system for at least 2 hours after all the liquid in the tank has been drained, 2) displace vapors floating the oil pad off with water such that 90% of the tank volume is displaced, 3) vent the tank to the vapor control system until the vapor concentration is less than 10% of the lower explosive limit (LEL) or 5,000 ppmv whichever is less; or 4) vent the tank to the vapor control system for a length of time determined by the following relationship: $t = 2.3 V / Q$, where t = time, V = tank volume (cubic feet), and Q = flow rate to the vapor control system as determined using appropriate engineering calculations. [District Rule 2080] Federally Enforceable Through Title V Permit
25. Allowable methods of cleaning include using steam, diesel, solvents with an initial boiling point of greater than 302 F, solvents with a vapor pressure of less than 0.5 psia, or solvents with 50 grams/liter VOC content or less. Steam cleaning shall be allowed at locations where wastewater treatment facilities are limited or during December through March. [District Rule 2080] Federally Enforceable Through Title V Permit
26. Tank pressure/vacuum valve (Varec) shall be inspected on an annual basis. During the varec inspections, the varec can be removed from the tank and replaced if necessary. The permittee shall minimize emissions from the opening by plugging the opening during the removal of varec valve. [District Rule 2080] Federally Enforceable Through Title V Permit
27. The pressure transmitters shall be inspected and maintained in good operating conditions. The inspections shall be conducted on a quarterly basis. Replacing and repairing of each pressure transmitters shall not exceed one hour per day. [District Rule 2201] Federally Enforceable Through Title V Permit
28. All piping, fittings, and valves 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 provisions of this permit. If any of the tank components are found to leak during an annual inspection, the inspection frequency for that component type shall be changed from annual to quarterly. If no tank components are subsequently found to be leaking during five consecutive inspections, the inspection frequency may be changed from quarterly to annual. Components located in inaccessible (over 15 feet above ground when access is required from the ground or over 6 feet away from a platform when access is required from the platform) locations shall be inspected at least annually and components located in unsafe areas shall be inspected and repaired at the next process unit turnaround (the scheduled shutdown of a unit for maintenance and repair work). [District Rule 2520] Federally Enforceable Through Title V Permit
29. A facility operator, upon detection of a leaking component, shall affix to that component a weatherproof readily visible tag bearing the date on which the leak is detected. The tag shall remain in place until the leaking component is repaired, reinspected and found to be in compliance with the requirements of this rule. [District Rule 2520] Federally Enforceable Through Title V Permit
30. An operator shall reinspect a component for leaks within thirty working days after the date on which the component is repaired. [District Rule 2520] Federally Enforceable Through Title V Permit
31. Emissions from components which have been tagged by the facility operator for repair within 15 calendar days or which have been repaired and are awaiting re-inspection shall not be in violation of this permit. [District Rule 2520] Federally Enforceable Through Title V Permit
32. Any component leak shall be repaired to a leak-free condition or vented to a flare satisfying the requirements of 40 CFR 60.18 or to a vapor control device that is at least 99 percent efficient as measured by EPA Method 18 within fifteen (15) calendar days of detection. The APCO may grant a ten (10) calendar day extension provided the operator demonstrates that necessary and sufficient actions are being taken to correct the leak within this time period. Any vapor control device, other than a flare, used to comply with this condition shall demonstrate at least 99% control efficiency as measured by EPA Method 18 at least annually. [District Rule 2520] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

33. If the leaking component is an essential part of a critical process unit which cannot be immediately shut down for repairs, the operator shall 1) Minimize the leak within 15 calendar days; and 2) If the leak which has been minimized still exceeds the concentration allowed by this permit, the essential component shall be repaired to eliminate the leak during the next process unit turnaround, but in no case later than one year from the date of the original leak detection. A critical process unit is any process unit which would result in the automatic shutdown of other process units if it were shut down. [District Rule 2520] Federally Enforceable Through Title V Permit
34. Operator shall maintain an inspection log containing the following 1) Type of component leaking; 2) Date of leak detection, and method of detection; 3) Date and emission level of recheck after leak is repaired; 4) Identification and location of essential parts of critical process units found leaking that cannot be repaired until the next process unit turnaround; and 5) Method used to minimize the leak from essential parts of critical process units which cannot be repaired until the next process unit turnaround. [District Rule 2520] Federally Enforceable Through Title V Permit
35. Permittee shall keep accurate records of TVP of liquids stored in each tank and such records shall be made readily available for District inspection at any time for a time period of five years. [District Rule 2520] Federally Enforceable Through Title V Permit
36. Permittee shall maintain records of the date and duration of the vapor control system maintenance operation. Such records shall be made available for district inspection upon request for a period of at least five years. [District Rule 2201 and District Rule 2520] Federally Enforceable Through Title V Permit
37. Permittee shall keep records of VOC content of tank vapor and such records shall be made available for District inspection upon request for a period of 5 years. [District Rule 1070] Federally Enforceable Through Title V Permit
38. This unit has a storage capacity less than 420,000 gallons and is used for petroleum or condensate stored, processed and/or treated at a drilling and production facility prior to custody transfer. Therefore, the requirements of 40CFR 60 Subpart K, Ka and Kb do not apply to this source. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit



AUTHORITY TO CONSTRUCT

PERMIT NO: S-1135-339-0

ISSUANCE DATE: 09/26/2012

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

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
MIDWAY-SUNSET
KERN COUNTY, CA

SECTION: 21 **TOWNSHIP:** 31S **RANGE:** 22E

EQUIPMENT DESCRIPTION:
3000 BBL REJECT TANK CONNECTED TO THE VAPOR CONTROL SYSTEM LISTED ON TANK S-1135-149
(ANDERSON/GOODWIN LEASE) (REPLACEMENT FOR S-1135-152)

CONDITIONS

1. The facility shall submit an application to modify the Title V permit in accordance with the timeframes and procedures of District Rule 2520. [District Rule 2520] Federally Enforceable Through Title V Permit
2. Within 90 days of startup of the equipment authorized by this Authority to Construct, Permit to Operate S-1135-152-14 shall be surrendered to the District and the associated equipment shall be removed or rendered inoperable. [District Rule 2201]
3. Tank shall be vented only to vapor control system listed on permit S-1135-149. [District Rule 2201] Federally Enforceable Through Title V Permit
4. The tank shall be equipped with a vapor loss prevention system consisting of vapor and condensate collection systems capable of reducing VOC emissions by at least 99%. [District Rule 2201] Federally Enforceable Through Title V Permit
5. Tank shall be designed and maintained to vent only to vapor control system, except during the period of tank cleaning, inspections, and maintenances allowed by this permit. [District Rule 2201] Federally Enforceable Through Title V Permit
6. The fugitive VOC emissions from this tank and the vapor control system shall not exceed 1.9 lb/day. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

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

Seyed Sadredin, Executive Director / APCD



DAVID WARNER, Director of Permit Services

S-1135-339-0 Sep 29 2012 10:52AM - MASLOWS Joint Inspection NOT Required

7. Maximum VOC content of hydrocarbons in tank vapor shall not exceed 20% by weight. [District Rule 2201] Federally Enforceable Through Title V Permit
8. Permittee shall measure VOC content of tank vapor annually using EPA Method 18, 25, 25a, 25b, or ASTM D-1945. [District Rule 2201] Federally Enforceable Through Title V Permit
9. Permittee shall maintain with the permit accurate fugitive component counts for tank and resulting emissions calculated using using Table 2-4 Oil and Gas Production Operations Average Emissions factors from the EPA Protocol for Equipment Leak Emissions Estimates EPA-453/R-95-017. [District Rule 2201] Federally Enforceable Through Title V Permit
10. All tank gauging, hatches, sampling ports, pressure relief valves, vapor control system components, etc. shall be closed and leak-free (as defined in Rule 4623) except during sampling or attended maintenance. [District Rule 2201] Federally Enforceable Through Title V Permit
11. Tanks seams, welds, joints, piping, valves, and fittings shall be inspected and maintained in a leak-free (as defined in Rule 4623) condition. [District Rule 2201 and District Rule 4623] Federally Enforceable Through Title V Permit
12. This tank shall only store, place, or hold organic liquid with a true vapor pressure (TVP) not exceeding 0.5 psia under all storage conditions. [District Rule 4623] Federally Enforceable Through Title V Permit
13. Permittee shall conduct true vapor pressure (TVP) testing of the organic liquid stored in this tank at least once every 24 months during summer (July - September), and/or whenever there is a change in the source or type of organic liquid stored in this tank in order to maintain exemption from the rule. [District Rule 4623] Federally Enforceable Through Title V Permit
14. For crude oil with an API gravity of 26 degrees or less, the TVP shall be determined using the latest version of the Lawrence Berkeley National Laboratory "test Method for Vapor pressure of Reactive Organic Compounds in Heavy Crude Oil Using Gas Chromatograph", as approved by ARB and EPA. [District Rule 4623] Federally Enforceable Through Title V Permit
15. The TVP testing shall be conducted at actual storage temperature of the organic liquid in the tank. The permittee shall also conduct an API gravity testing. [District Rule 4623] Federally Enforceable Through Title V Permit
16. Permittee shall maintain records of all TVP and API gravity testing performed and shall submit such records to the APCO upon request. The records shall include the tank identification number, Permit to Operate number, type of stored organic liquid, TVP and API gravity of the organic liquid, test methods used, and a copy of the test results. [District Rule 4623] Federally Enforceable Through Title V Permit
17. This permit authorizes tank cleaning that is not the result of breakdowns or poor maintenance as a routine maintenance activity. [District Rule 2080] Federally Enforceable Through Title V Permit
18. There shall be no throughput during cleaning of this tank. [District Rule 2080] Federally Enforceable Through Title V Permit
19. Prior to opening the tank to allow tank cleaning the following procedure must be followed. Operate PV valve and vapor recovery system (if equipped) during emptying, filling, and flushing. During filling and purging, no vapor leakage is allowed (except for PV valve venting on tanks not required to have a vapor recovery system). Drain all liquid from the tank to the maximum extent feasible prior to opening the tank. [District Rule 2080] Federally Enforceable Through Title V Permit
20. Prior to opening the tank to allow tank cleaning one of the following options must be followed: 1) operate the vapor recovery system for at least 2 hours after all the liquid in the tank has been drained, 2) displace vapors floating the oil pad off with water such that 90% of the tank volume is displaced, 3) vent the tank to the vapor control system until the vapor concentration is less than 10% of the lower explosive limit (LEL) or 5,000 ppmv whichever is less; or 4) vent the tank to the vapor control system for a length of time determined by the following relationship: $t = 2.3 V / Q$, where t = time, V = tank volume (cubic feet), and Q = flow rate to the vapor control system as determined using appropriate engineering calculations. [District Rule 2080] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

21. Allowable methods of cleaning include using steam, diesel, solvents with an initial boiling point of greater than 302 F, solvents with a vapor pressure of less than 0.5 psia, or solvents with 50 grams/liter VOC content or less. Steam cleaning shall be allowed at locations where wastewater treatment facilities are limited or during December through March. [District Rule 2080] Federally Enforceable Through Title V Permit
22. Tank pressure/vacuum valve (Varec) shall be inspected on an annual basis. During the varec inspections, the varec can be removed from the tank and replaced if necessary. The permittee shall minimize emissions from the opening by plugging the opening during the removal of varec valve. [District Rule 2080] Federally Enforceable Through Title V Permit
23. All piping, fittings, and valves 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 provisions of this permit. If any of the tank components are found to leak during an annual inspection, the inspection frequency for that component type shall be changed from annual to quarterly. If no tank components are subsequently found to be leaking during five consecutive inspections, the inspection frequency may be changed from quarterly to annual. Components located in inaccessible (over 15 feet above ground when access is required from the ground or over 6 feet away from a platform when access is required from the platform) locations shall be inspected at least annually and components located in unsafe areas shall be inspected and repaired at the next process unit turnaround (the scheduled shutdown of a unit for maintenance and repair work). [District Rule 2520] Federally Enforceable Through Title V Permit
24. A facility operator, upon detection of a leaking component, shall affix to that component a weatherproof readily visible tag bearing the date on which the leak is detected. The tag shall remain in place until the leaking component is repaired, reinspected and found to be in compliance with the requirements of this rule. [District Rule 2520] Federally Enforceable Through Title V Permit
25. An operator shall reinspect a component for leaks within thirty working days after the date on which the component is repaired. [District Rule 2520] Federally Enforceable Through Title V Permit
26. Any component leak shall be repaired to a leak-free condition or vented to a flare satisfying the requirements of 40 CFR 60.18 or to a vapor control device that is at least 99 percent efficient as measured by EPA Method 18 within fifteen (15) calendar days of detection. The APCO may grant a ten (10) calendar day extension provided the operator demonstrates that necessary and sufficient actions are being taken to correct the leak within this time period. Any vapor control device, other than a flare, used to comply with this condition shall demonstrate at least 99% control efficiency as measured by EPA Method 18 at least annually. [District Rule 2520] Federally Enforceable Through Title V Permit
27. If the leaking component is an essential part of a critical process unit which cannot be immediately shut down for repairs, the operator shall 1) Minimize the leak within 15 calendar days; and 2) If the leak which has been minimized still exceeds the concentration allowed by this permit, the essential component shall be repaired to eliminate the leak during the next process unit turnaround, but in no case later than one year from the date of the original leak detection. A critical process unit is any process unit which would result in the automatic shutdown of other process units if it were shut down. [District Rule 2520] Federally Enforceable Through Title V Permit
28. Operator shall maintain an inspection log containing the following 1) Type of component leaking; 2) Date of leak detection, and method of detection; 3) Date and emission level of recheck after leak is repaired; 4) Identification and location of essential parts of critical process units found leaking that cannot be repaired until the next process unit turnaround; and 5) Method used to minimize the leak from essential parts of critical process units which cannot be repaired until the next process unit turnaround. [District Rule 2520] Federally Enforceable Through Title V Permit
29. Permittee shall keep accurate records of TVP of liquids stored in each tank and such records shall be made readily available for District inspection at any time for a time period of five years. [District Rule 2520] Federally Enforceable Through Title V Permit
30. Permittee shall maintain records of the date and duration of the vapor control system maintenance operation. Such records shall be made available for district inspection upon request for a period of at least five years. [District Rule 2201 and District Rule 2520] Federally Enforceable Through Title V Permit
31. Permittee shall keep records of VOC content of tank vapor and such records shall be made available for District inspection upon request for a period of 5 years. [District Rule 1070] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

32. This unit has a storage capacity less than 420,000 gallons and is used for petroleum or condensate stored, processed and/or treated at a drilling and production facility prior to custody transfer. Therefore, the requirements of 40CFR 60 Subpart K, Ka and Kb do not apply to this source. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit



RECEIVED

OCT -3 2013

SJVAPCD
Southern Region

September 29, 2013

HAND DELIVERED TO BAKERSFIELD OFFICE

Mr. Samir Sheikh
San Joaquin Valley APCD
1990 East Gettysburg Avenue
Fresno, CA 93726-0244

SUBJECT: APPLICATION FOR TITLE V MODIFICATION
FACILITY ID: S-1135
IMPLEMENT ATC S-1135-149-20 and S-1135-339-0

Dear Mr. Sheikh:

Aera Energy LLC (Aera) requests that the Title V permit for Facility S-1135 be modified to implement Authority(s) to Construct (ATC) S-1135-149-20 and S-1135-339-0 into the Title V permit. The ATC for the Anderson Goodwin tanks was originally evaluated as District project number S-1123365.

I have attached the appropriate application form, compliance certification form, and copy of the current Authority to Construct.

Thank you for your attention to this matter. Should you have any questions concerning this application or require additional information, please do not hesitate to contact me at (661) 665-3212 or via e-mail at rmbeebout@aeraenergy.com.

Sincerely,

A handwritten signature in cursive script that reads "Robert M. Beebout".

Robert M. Beebout
Environmental Advisor – Midway Sunset

Attachment

cc: Adean Valenzuela

ATTACHMENT E

Previous Title V Operating Permit
#S-1135-149-19

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-1135-149-19

EXPIRATION DATE: 05/31/2016

SECTION: 21 **TOWNSHIP:** 31S **RANGE:** 22E

EQUIPMENT DESCRIPTION:

126,000 GALLON CRUDE OIL LACT TANK ID# AG-01, WITH VAPOR CONTROL SYSTEM SHARED WITH TANKS S-1135-150, '151, '152, '155, '270, '301 AND '323 (ANDERSON/GOODWIN LEASE)

PERMIT UNIT REQUIREMENTS

1. The tank shall be equipped with a vapor loss prevention system consisting of vapor and condensate collection systems capable of reducing VOC emissions by at least 99%. [District Rule 2201] Federally Enforceable Through Title V Permit
2. Vapor control system shall contain vapor control system piping network and vapor compression system consisting of vapor compressor(s), air-cooled heat exchanger, inlet scrubber, pump, and discharge scrubber. [District NSR Rule] Federally Enforceable Through Title V Permit
3. All collected vapors shall be compressed to the Andersen-Goodwin Lease TEOR skid S-1135-129 for disposal. [District Rule 2201] Federally Enforceable Through Title V Permit
4. Tank shall be designed and maintained to vent only to vapor control system, except during the period of tank cleaning, inspections, and maintenances allowed by this permit. [District Rule 2201] Federally Enforceable Through Title V Permit
5. All tank gauging, hatches, sampling ports, pressure relief valves, vapor control system components, etc. shall be closed and leak-free (as defined in Rule 4623) except during sampling or attended maintenance. [District Rule 2201 and District Rule 4623] Federally Enforceable Through Title V Permit
6. Tanks seams, welds, joints, piping, valves, and fittings shall be inspected and maintained in a leak-free (as defined in Rule 4623) condition. [District Rule 2201 and District Rule 4623] Federally Enforceable Through Title V Permit
7. Tank shall be equipped with stored liquid temperature indicator. [District NSR Rule] Federally Enforceable Through Title V Permit
8. Compressor suction and knockout drum liquids shall be piped only to vapor-controlled tanks. [District NSR Rule] Federally Enforceable Through Title V Permit
9. The operator shall ensure that the vapor control system is functional and is operating as designed at all times. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
10. Operator shall monitor vapor control system pressures on quarterly basis to ensure that system pressure does not exceed pressure relief valve setting. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
11. The fugitive VOC emissions from this tank and the vapor control system shall not exceed 10.0 lb/day. [District Rule 2201] Federally Enforceable Through Title V Permit
12. Maximum VOC content of hydrocarbons in tank vapor shall not exceed 20% by weight. [District Rule 2201] Federally Enforceable Through Title V Permit
13. Permittee shall measure VOC content of tank vapor annually using EPA Method 18, 25, 25a, 25b, or ASTM D-1945. [District Rule 2201] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

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

14. This tank shall only store, place, or hold organic liquid with a true vapor pressure (TVP) not exceeding 0.45 psia under all storage conditions. [District Rule 4623] Federally Enforceable Through Title V Permit
15. Permittee shall conduct true vapor pressure (TVP) testing of the organic liquid stored in this tank at least once every 24 months during summer (July - September), and/or whenever there is a change in the source or type of organic liquid stored in this tank in order to maintain exemption from the rule. [District Rule 4623] Federally Enforceable Through Title V Permit
16. For crude oil with an API gravity of 26 degrees or less, the TVP shall be determined using the latest version of the Lawrence Berkeley National Laboratory "test Method for Vapor pressure of Reactive Organic Compounds in Heavy Crude Oil Using Gas Chromatograph", as approved by ARB and EPA. [District Rule 4623] Federally Enforceable Through Title V Permit
17. The TVP testing shall be conducted at actual storage temperature of the organic liquid in the tank. The permittee shall also conduct an API gravity testing. [District Rule 4623] Federally Enforceable Through Title V Permit
18. Permittee shall submit the records of TVP and API gravity testing to the APCO within 45 days after the date of testing. The records shall include the tank identification number, Permit to Operate number, type of stored organic liquid, TVP and API gravity of the organic liquid, test methods used, and a copy of the test results. [District Rule 4623] Federally Enforceable Through Title V Permit
19. Permittee shall maintain with the permit accurate fugitive component counts for tank and associated vapor recovery system and resulting emissions calculated using using Table 2-4 Oil and Gas Production Operations Average Emissions factors from the EPA Protocol for Equipment Leak Emissions Estimates EPA-453/R-95-017. [District NSR Rule] Federally Enforceable Through Title V Permit
20. This permit authorizes tank cleaning that is not the result of breakdowns or poor maintenance as a routine maintenance activity. [District Rule 2080] Federally Enforceable Through Title V Permit
21. There shall be no throughput during cleaning of this tank. [District Rule 2080] Federally Enforceable Through Title V Permit
22. Prior to opening the tank to allow tank cleaning the following procedure must be followed. Operate PV valve and vapor recovery system (if equipped) during emptying, filling, and flushing. During filling and purging, no vapor leakage is allowed (except for PV valve venting on tanks not required to have a vapor recovery system). Drain all liquid from the tank to the maximum extent feasible prior to opening the tank. [District Rule 2080] Federally Enforceable Through Title V Permit
23. Prior to opening the tank to allow tank cleaning one of the following options must be followed: 1) operate the vapor recovery system for at least 2 hours after all the liquid in the tank has been drained, 2) displace vapors floating the oil pad off with water such that 90% of the tank volume is displaced, 3) vent the tank to the vapor control system until the vapor concentration is less than 10% of the lower explosive limit (LEL) or 5,000 ppmv whichever is less; or 4) vent the tank to the vapor control system for a length of time determined by the following relationship: $t = 2.3 V / Q$, where t = time, V = tank volume (cubic feet), and Q = flow rate to the vapor control system as determined using appropriate engineering calculations. [District Rule 2080] Federally Enforceable Through Title V Permit
24. Allowable methods of cleaning include using steam, diesel, solvents with an initial boiling point of greater than 302 F, solvents with a vapor pressure of less than 0.5 psia, or solvents with 50 grams/liter VOC content or less. Steam cleaning shall be allowed at locations where wastewater treatment facilities are limited or during December through March. [District Rule 2080] Federally Enforceable Through Title V Permit
25. Tank pressure/vacuum valve (Varec) shall be inspected on an annual basis. During the varec inspections, the varec can be removed from the tank and replaced if necessary. The permittee shall minimize emissions from the opening by plugging the opening during the removal of varec valve. [District Rule 2080] Federally Enforceable Through Title V Permit
26. The pressure transmitters shall be inspected and maintained in good operating conditions. The inspections shall be conducted on a quarterly basis. Replacing and repairing of each pressure transmitters shall not exceed one hour per day. [District Rule 2201] Federally Enforceable Through Title V Permit

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

27. All piping, fittings, and valves 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 provisions of this permit. If any of the tank components are found to leak during an annual inspection, the inspection frequency for that component type shall be changed from annual to quarterly. If no tank components are subsequently found to be leaking during five consecutive inspections, the inspection frequency may be changed from quarterly to annual. Components located in inaccessible (over 15 feet above ground when access is required from the ground or over 6 feet away from a platform when access is required from the platform) locations shall be inspected at least annually and components located in unsafe areas shall be inspected and repaired at the next process unit turnaround (the scheduled shutdown of a unit for maintenance and repair work). [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
28. A facility operator, upon detection of a leaking component, shall affix to that component a weatherproof readily visible tag bearing the date on which the leak is detected. The tag shall remain in place until the leaking component is repaired, reinspected and found to be in compliance with the requirements of this rule. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
29. An operator shall reinspect a component for leaks within thirty working days after the date on which the component is repaired. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
30. Emissions from components which have been tagged by the facility operator for repair within 15 calendar days or which have been repaired and are awaiting re-inspection shall not be in violation of this permit. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
31. Any component leak shall be repaired to a leak-free condition or vented to a flare satisfying the requirements of 40 CFR 60.18 or to a vapor control device that is at least 99 percent efficient as measured by EPA Method 18 within fifteen (15) calendar days of detection. The APCO may grant a ten (10) calendar day extension provided the operator demonstrates that necessary and sufficient actions are being taken to correct the leak within this time period. Any vapor control device, other than a flare, used to comply with this condition shall demonstrate at least 99% control efficiency as measured by EPA Method 18 at least annually. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
32. If the leaking component is an essential part of a critical process unit which cannot be immediately shut down for repairs, the operator shall 1) Minimize the leak within 15 calendar days; and 2) If the leak which has been minimized still exceeds the concentration allowed by this permit, the essential component shall be repaired to eliminate the leak during the next process unit turnaround, but in no case later than one year from the date of the original leak detection. A critical process unit is any process unit which would result in the automatic shutdown of other process units if it were shut down. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
33. Operator shall maintain an inspection log containing the following 1) Type of component leaking; 2) Date of leak detection, and method of detection; 3) Date and emission level of recheck after leak is repaired; 4) Identification and location of essential parts of critical process units found leaking that cannot be repaired until the next process unit turnaround; and 5) Method used to minimize the leak from essential parts of critical process units which cannot be repaired until the next process unit turnaround. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
34. Permittee shall keep accurate records of throughput, storage temperature, and TVP of liquids stored in each tank and such records shall be made readily available for District inspection at any time for a time period of five years. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
35. Permittee shall maintain records of the date and duration of the vapor control system maintenance operation. Such records shall be made available for district inspection upon request for a period of at least five years. [District Rule 2201 and District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
36. Permittee shall keep records of VOC content of tank vapor and such records shall be made available for District inspection upon request for a period of 5 years. [District Rule 1070] Federally Enforceable Through Title V Permit
37. This unit has a storage capacity less than 420,000 gallons and is used for petroleum or condensate stored, processed and/or treated at a drilling and production facility prior to custody transfer. Therefore, the requirements of 40CFR 60 Subpart K, Ka and Kb do not apply to this source. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

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