



San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT

NOV 08 2010

Ms. Adean Valenzuela
Aera Energy, LLC
P.O. Box 11164
Bakersfield, CA 93389-1164

**Re: Final - Authority to Construct / COC (Significant Mod)
District Facility # S-1135
Project # S-1103951**

Dear Ms. Valenzuela:

The Air Pollution Control Officer has issued an Authority to Construct (S-1135-72-8) with a Certificate of Conformity to Aera Energy, LLC in the Midway Sunset Oilfield. Aera Energy, LLC proposes to remove a temperature indicator and temperature and throughput recordkeeping requirements for this tank equipped with vapor control.

Enclosed is the Authority to Construct. The application and proposal were sent to US EPA Region IX on September 21, 2010. No comments were received following the District's preliminary decision on this project.

The notice of final decision for this project will be published approximately three days from the date of this letter.

Prior to operating with modifications authorized by the Authority to Construct, you must submit an application to modify the Title V permit as an administrative amendment in accordance with District Rule 2520, Section 11.5.

Thank you for your cooperation in this matter. If you have any questions, please contact Mr. Leonard Scandura, Permit Services Manager, at (661) 392-5500.

Sincerely,



David Warner
Director of Permit Services

DW: KTR/cm

Enclosures

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
www.valleyair.org

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



San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT

NOV 08 2010

Mike Tollstrup, Chief
Project Assessment Branch
Air Resources Board
P O Box 2815
Sacramento, CA 95812-2815

**Re: Final - Authority to Construct / COC (Significant Mod)
District Facility # S-1135
Project # S-1103951**

Dear Mr. Tollstrup:

The Air Pollution Control Officer has issued an Authority to Construct (S-1135-72-8) with a Certificate of Conformity to Aera Energy, LLC in the Midway Sunset Oilfield. Aera Energy, LLC proposes to remove a temperature indicator and temperature and throughput recordkeeping requirements for this tank equipped with vapor control.

Enclosed is a copy of the Authority to Construct. The application and proposal were sent to US EPA Region IX on September 21, 2010. No comments were received following the District's preliminary decision on this project.

The notice of final decision for this project will be published approximately three days from the date of this letter.

Thank you for your cooperation in this matter. If you have any questions, please contact Mr. Leonard Scandura, Permit Services Manager, at (661) 392-5500.

Sincerely,

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San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT

NOV 08 2010

Gerardo C. Rios, Chief
Permits Office
Air Division
U.S. EPA - Region IX
75 Hawthorne St
San Francisco, CA 94105

**Re: Final - Authority to Construct / COC (Significant Mod)
District Facility # S-1135
Project # S-1103951**

Dear Mr. Rios:

The Air Pollution Control Officer has issued an Authority to Construct (S-1135-72-8) with a Certificate of Conformity to Aera Energy, LLC in the Midway Sunset Oilfield. Aera Energy, LLC proposes to remove a temperature indicator and temperature and throughput recordkeeping requirements for this tank equipped with vapor control.

Enclosed is a copy of the Authority to Construct. The application and proposal were sent to US EPA Region IX on September 21, 2010. No comments were received following the District's preliminary decision on this project.

The notice of final decision for this project will be published approximately three days from the date of this letter.

Thank you for your cooperation in this matter. If you have any questions, please contact Mr. Leonard Scandura, Permit Services Manager, at (661) 392-5500.

Sincerely,

David Warner
Director of Permit Services

DW: KTR/cm

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**NOTICE OF FINAL DECISION
FOR THE ISSUANCE OF AUTHORITY TO CONSTRUCT**

NOTICE IS HEREBY GIVEN that the San Joaquin Valley Air Pollution Control District has made its final decision to issue an Authority to Construct to Aera Energy, LLC for crude oil and natural gas production operation located in the Midway Sunset Oilfield, California. Aera Energy, LLC proposes to remove a temperature indicator and temperature and throughput recordkeeping requirements for this tank equipped with vapor control.

The District's analysis of the legal and factual basis for this proposed action, project #S-1103951, is available for public inspection at the District office at the address below. For additional information regarding this matter, please contact Mr. Leonard Scandura, Permit Services Manager, at (661) 392-5500, or contact David Warner, Director of Permit Services, in writing at SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308.



AUTHORITY TO CONSTRUCT

PERMIT NO: S-1135-72-8

ISSUANCE DATE: 10/25/2010

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: SW24 **TOWNSHIP:** 11N **RANGE:** 23W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 5,000 BBL FIXED ROOF STANDBY TANK T-120, WITH VAPOR RECOVERY SYSTEM (LISTED ON S-1135-70) - METSON LEASE TANK BATTERY: REMOVAL OF REQUIREMENTS FOR LIQUID TEMPERATURE INDICATOR AND RECORDKEEPING OF THROUGHPUT AND STORAGE TEMPERATURE

CONDITIONS

1. This Authority to Construct serves as a written certificate of conformity with the procedural requirements of 40 CFR 70.7 and 70.8 and with the compliance requirements of 40 CFR 70.6(c). [District NSR Rule] Federally Enforceable Through Title V Permit
2. Prior to operating with modifications authorized by this Authority to Construct, the facility shall submit an application to modify the Title V permit with an administrative amendment in accordance with District Rule 2520 Section 5.3.4. [District Rule 2520, 5.3.4] Federally Enforceable Through Title V Permit
3. Operation shall include vapor recovery system described on the requirements for permit unit S-1135-70. [District NSR Rule] Federally Enforceable Through Title V Permit
4. Operation shall include provisions for connecting tank to existing TEOR operation and Vapor Control System. [District NSR Rule] Federally Enforceable Through Title V Permit
5. The tank shall be equipped with a fixed roof with no holes or openings. [District NSR Rule] Federally Enforceable Through Title V Permit
6. All tanks and separators shall vent only to vapor control system. [District NSR Rule] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

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

Seyed Sadredin, Executive Director / APCO

DAVID WARNER, Director of Permit Services

S-1135-72-8 : Oct 25 2010 9:09AM - RICKARDK : Joint Inspection NOT Required

7. This tank shall only vent to a vapor recovery system. The vapor recovery system shall be an APCO-approved system consisting of a closed vent system that collects all VOCs from the storage tank and a VOC control device. The vapor recovery system shall be maintained in a leak-free condition. The VOC control device shall be either of the following: a vapor return or condensation system that connects to a gas pipeline distribution system, or an approved VOC destruction device that reduces the inlet VOC emissions by at least 95% by weight as determined by the test method specified in Section 6.4 of District Rule 4623 (amended May 19, 2005). [District Rule 4623, 5.6.1] Federally Enforceable Through Title V Permit
8. The tank and all piping, valves, and fittings shall be constructed and maintained in a leak-free condition. [District Rule 4623, 5.6.3] Federally Enforceable Through Title V Permit
9. A leak-free condition is a condition without a gas leak or a liquid leak. A gas leak is defined as a reading in excess of 10,000 ppmv, above background, as measured by a portable hydrocarbon detection instrument that is calibrated with methane in accordance with the procedures specified in EPA Test Method 21. A liquid leak is defined as the dripping of organic liquid at a rate of more than 3 drops per minute. [District Rule 4623, 3.17 and 6.4.8] Federally Enforceable Through Title V Permit
10. Any tank gauging or sampling device on a tank vented to the vapor recovery system shall be equipped with a leak-free cover which shall be closed at all times except during gauging or sampling. [District Rule 4623, 5.6.2] Federally Enforceable Through Title V Permit
11. Operator shall visually inspect tank shell, hatches, seals, seams, cable seals, valves, flanges, connectors, and any other piping components directly affixed to the tank and within five feet of the tank at least once per year for liquid leaks, and with a portable hydrocarbon detection instrument conducted in accordance with EPA Method 21 for gas leaks. Operator shall also visually or ultrasonically inspect as appropriate, the external shells and roofs of uninsulated tanks for structural integrity annually. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
12. Upon detection of a liquid leak, defined as a leak rate of greater than or equal to 30 drops per minute, operator shall repair the leak within 8 hours. For leaks with a liquid leak rate of between 3 and 30 drops per minute, the leaking component shall be repaired within 24 hours after detection. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
13. Upon detection of a gas leak, defined as a VOC concentration of greater than 10,000 ppmv measured in accordance with EPA Method 21, operator shall take on of the following actions: 1) eliminate the leak within 8 hours after detection; or 2) if the leak cannot be eliminated, then minimize the leak to the lowest possible level within 8 hours after detection by using best maintenance practices, and eliminate the leak within 48 hours after minimization. In no event shall the total time to minimize and eliminate a leak exceed 56 hours after detection. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
14. Components found to be leaking either liquids or gases shall be immediately affixed with a tag showing the component to be leaking. Operator shall maintain records of the liquid or gas leak detection readings, date/time the leak was discovered, and date/time the component was repaired to a leak-free condition. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
15. Leaking components that have been discovered by the operator that have been immediately tagged and repaired within the timeframes specified in District Rule 4623, Table 3 shall not constitute a violation of District Rule 4623. Leaking components as defined by District Rule 4623 discovered by District staff that were not previously identified and/or tagged by the operator, and/or any leaks that were not repaired within the timeframes specified in District Rule 4623, Table 3 shall constitute a violation of District Rule 4623. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
16. If a component type for a given tank is found to leak during an annual inspection, operator shall conduct quarterly inspections of that component type on the tank or tank system for four consecutive quarters. If no components are found to leak after four consecutive quarters, the operator may revert to annual inspections. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
17. Any component found to be leaking on two consecutive annual inspections is in violation of District Rule 4623, even if covered under the voluntary inspection and maintenance program. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

18. Operator shall maintain an inspection log containing the following: 1) Date of all inspections; 2) Type and identification of leaking components; 3) Date of leak detection and method of detection; 4) Method used to minimize leak; and 5) Date and emission level of recheck after leak is repaired. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
19. The permittee shall maintain, and make available for District inspection, all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
20. 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