



AUG 28 2015

Jerry Frost
California Resources Production Corp
9600 Ming Ave, Suite 300
Bakersfield, Ca 93311

RE: Final – Authority to Construct/Certificate of Conformity (Minor Mod)
Facility Number: S-1327
Project Number: S-1144505

Dear Mr. Frost:

The Air Pollution Control Officer has issued the Authority to Construct permit to California Resources Production Corp for the modification of their TEOR operation to remove permit exempt heater treaters as disposal devices, at Heavy Oil Western Stationary Source.

Enclosed is the Authority to Construct permit. The District's analysis of the proposal was sent to US EPA Region IX on May 19, 2015. No comments were received following the District's preliminary decision on this project.

Prior to operating with the 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. Application forms have been enclosed for your use. These forms may also be found on the District's website at www.valleyair.org.

Thank you for your cooperation in this matter. If you have any questions, please contact Mr. Jim Swaney at (559) 230-6000.

Sincerely,



Arnaud Marjollet
Director of Permit Services

AM:vg

Enclosures

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

Seyed Sadredin
Executive Director/Air Pollution Control Officer



AUTHORITY TO CONSTRUCT

PERMIT NO: S-1327-110-3

ISSUANCE DATE: 07/06/2015

LEGAL OWNER OR OPERATOR: CALIFORNIA RESOURCES PRODUCTION CORP
MAILING ADDRESS: 9600 MING AVE., SUITE 300
BAKERSFIELD, CA 93311

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
CA

SECTION: NW11 **TOWNSHIP:** 26S **RANGE:** 20E

EQUIPMENT DESCRIPTION:

MODIFICATION OF TEOR OPERATION WITH 500 CYCLIC WELLS, GAS/OIL SEPARATOR, VACUUM PUMP, CASING GAS COLLECTION SYSTEM, SULFATREAT SYSTEM, PIPING TO DOGGR APPROVED GAS INJECTION WELLS, DUCT WORK TO FOUR HEATER TREATERS WITH PERMIT-EXEMPT BURNERS (5 MMBTU/HR OR LESS) AND/OR DISTRICT PERMITTED STEAM GENERATORS; REMOVE PERMIT EXEMPT HEATER TREATERS AS A DISPOSAL DEVICE

CONDITIONS

1. This Authority to Construct serves as a written certificate of conformity with the procedural requirements of 40 CFR 70.7 and 70.8 and with the compliance requirements of 40 CFR 70.6(c). [District Rule 2201] Federally Enforceable Through Title V Permit
2. Prior to operating with modifications authorized by this Authority to Construct, the facility shall submit an application to modify the Title V permit with an administrative amendment in accordance with District Rule 2520 Section 5.3.4. [District Rule 2520, 5.3.4] Federally Enforceable Through Title V Permit
3. No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101] Federally Enforceable Through Title V Permit
4. All casing vents shall be connected to casing vent incineration system or shall be closed and plugged with produced fluids piped to gas/oil separator with gas connected to an incineration system or shall be connected to District approved steam generator intended for combusting casing gas. [District Rules 2201 and 4401] 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



Arnaud Marjollet, Director of Permit Services
S-1327-110-3, Jul 7 2015 8:18AM - GONZALEV : Joint Inspection NOT Required

5. TEOR operation is authorized to receive vapors from tank vapor control system S-1327-126. [District Rule 2201] Federally Enforceable Through Title V Permit
6. The VOC content of hydrocarbons in gas processed from the cyclic steam enhanced wells shall be less than or equal to 10% by weight. [District Rule 2201] Federally Enforceable Through Title V Permit
7. Permittee shall sample and record the VOC content of hydrocarbons in the gas processed from steam enhanced wells at least once every 12 months. [District Rule 2201] Federally Enforceable Through Title V Permit
8. The crude oil production from wells associated with this permit unit shall not lie within 1,000 feet of an air injection well used for in-situ combustion. [District Rule 4407] Federally Enforceable Through Title V Permit
9. Permittee shall keep and maintain a record of all VOC content sampling results. [District Rule 2201] Federally Enforceable Through Title V Permit
10. Gas and liquid leaks are as defined in Section 3.20 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
11. An operator shall not operate a steam-enhanced crude oil production well unless the operator complies with either of the following requirements: The steam-enhanced crude oil production well vent is closed and the front line production equipment downstream of the wells that carry produced fluids (crude oil or mixture of crude oil and water) is connected to a VOC collection and control system as defined in Section 3.0 of Rule 4401, the well vent may be temporarily opened during periods of attended service or repair of the well provided such activity is done as expeditiously as possible with minimal spillage of material and VOC emissions to the atmosphere, or the steam-enhanced crude oil production well vent is open and the well vent is connected to a VOC collection and control system as defined in Section 3.0 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
12. An operator shall be in violation of this rule if any District inspection demonstrates or if any operator inspection conducted pursuant to Section 5.8 of Rule 4401 demonstrates the existence of an open-ended line or a valve located at the end of the line that is not sealed with a blind flange, plug, cap, or a second closed valve that is not closed at all times, except during attended operations as defined by Section 5.6.2.1 of Rule 4401 requiring process fluid flow through the open-ended lines, a component with a major liquid leak, or a component with a gas leak greater than 50,000 ppmv. [District Rule 4401] Federally Enforceable Through Title V Permit
13. An operator shall be in violation of this rule if any District inspection demonstrates or if any operator inspection conducted pursuant to Section 5.8 of Rule 4401 demonstrates the existence of any combination of components with minor liquid leaks, minor gas leaks, or a gas leaks greater than 10,000 ppmv up to 50,000 ppmv that totals more than number of leaks allowed by Table 3 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
14. An operator shall not use any component with a leak as defined in Section 3.0 of Rule 4401, or that is found to be in violation of the provisions of Section 5.6.2 of Rule 4401. However, components that were found leaking may be used provided such leaking components have been identified with a tag for repair, are repaired, or awaiting re-inspection after being repaired within the applicable time frame specified in Section 5.9 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
15. Each hatch shall be closed at all times except during sampling or adding of process material through the hatch, or during attended repair, replacement, or maintenance operations, provided such activities are done as expeditiously as possible with minimal spillage of material and VOC emissions to the atmosphere. [District Rule 4401] Federally Enforceable Through Title V Permit
16. An operator shall comply with the requirements of Section 6.7 of Rule 4401 if there is any change in the description of major components or critical components. [District Rule 4401] Federally Enforceable Through Title V Permit
17. Except for pipes and unsafe-to-monitor components, an operator shall inspect all other components pursuant to the requirements of Section 6.3.3 of Rule 4401 at least once every year. [District Rule 4401] Federally Enforceable Through Title V Permit
18. An operator shall visually inspect all pipes at least once every year. Any visual inspection of pipes that indicates a leak that cannot be immediately repaired to meet the leak standards of this rule shall be inspected within 24 hours after detecting the leak. If a leak is found, the leak shall be repaired as soon as practicable but not later than the time frame specified in Table 3 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

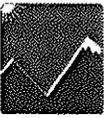
19. In addition to the inspections required by Section 5.8.1 of Rule 4401, an operator shall inspect for leaks all accessible operating pumps, compressors, and PRDs in service as follows: An operator shall audio-visually (by hearing and by sight) inspect for leaks all accessible operating pumps, compressors, and PRDs in service at least once each calendar week. Any audio-visual inspection of an accessible operating pump, compressor, and PRD performed by an operator that indicates a leak that cannot be immediately repaired to meet the leak standards of this rule shall be inspected not later than 24 hours after conducting the audio-visual inspection. If a leak is found, the leak shall be repaired as soon as practicable but not later than the time frame specified in Table 3 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
20. In addition to the inspections required by Sections 5.8.1, 5.8.2 and 5.8.3 of Rule 4401, operator shall perform the following: initially inspect a PRD that releases to the atmosphere as soon as practicable but not later than 24 hours after the discovery of the release, re-inspect the PRD not earlier than 24 hours after the initial inspection but not later than 15 calendar days after the initial inspection, inspect all new, replaced, or repaired fittings, flanges, and threaded connections within 72 hours of placing the component in service. Except for PRDs subject to the requirements of Section 5.8.4.1 of Rule 4401, an operator shall inspect a component that has been repaired or replaced not later than 15 calendar days after the component was repaired or replaced. [District Rule 4401] Federally Enforceable Through Title V Permit
21. An operator shall inspect all unsafe-to-monitor components during each turnaround. [District Rule 4401] Federally Enforceable Through Title V Permit
22. District inspection in no way fulfills any of the mandatory inspection requirements that are placed upon operators and cannot be used or counted as an inspection required of an operator. [District Rule 4401] Federally Enforceable Through Title V Permit
23. An operator shall affix a readily visible weatherproof tag to a leaking component upon detection of the leak and shall include the following information on the tag: date and time of leak detection, date and time of leak measurement, for a gaseous leak, the leak concentration in ppmv, for a liquid leak, whether it is a major liquid leak or a minor liquid leak, whether the component is an essential component, an unsafe-to monitor component, or a critical component. [District Rule 4401] Federally Enforceable Through Title V Permit
24. An operator shall keep the tag affixed to the component until an operator has met all of the following conditions: repaired or replaced the leaking component, re-inspected the component using the test method in Section 6.3.3, and 5.9.2.3 of Rule 4401, or the component is found to be in compliance with the requirements of this rule. [District Rule 4401] Federally Enforceable Through Title V Permit
25. An operator shall minimize a component leak in order to stop or reduce leakage to the atmosphere immediately to the extent possible, but not later than one (1) hour after detection of the leak. [District Rule 4401] Federally Enforceable Through Title V Permit
26. Except for leaking critical components or leaking essential components subject to the requirements of Section 5.9.7 of Rule 4401, if an operator has minimized a leak but the leak still exceeds the applicable leak limits as defined in Section 3.0 of Rule 4401, an operator shall comply with at least one of the following requirements as soon as practicable but not later than the time period specified in Table 3 of Rule 4401: Repair or replace the leaking component; or vent the leaking component to a VOC collection and control system as defined in Section 3.0 of Rule 4401, or remove the leaking component from operation. [District Rule 4401] Federally Enforceable Through Title V Permit
27. The repair period in calendar days shall not exceed 14 days for minor gas leaks, 5 days for major gas leaks less than or equal to 50,000 ppmv, 2 days for gas leak greater than 50,000 ppmv, 3 days for minor liquid leaks, 2 days for major liquid leaks. [District Rule 4401] Federally Enforceable Through Title V Permit
28. The leak rate measured after leak minimization has been performed shall be the leak rate used to determine the applicable repair period specified in Table 3 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
29. The time of the initial leak detection shall be the start of the repair period specified in Table 3 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

30. If the leaking component is an essential component or a critical component that cannot be immediately shut down for repairs, and if the leak has been minimized but the leak still exceeds the applicable leak standard of this rule, the operator shall repair or replace the essential component or critical component to eliminate the leak during the next process unit turnaround, but in no case later than one year from the date of the original leak detection, whichever comes earlier. [District Rule 4401] Federally Enforceable Through Title V Permit
31. The operator of any steam-enhanced crude oil production well shall maintain records of the date and well identification where steam injection or well stimulation occurs. [District Rule 4401] Federally Enforceable Through Title V Permit
32. Operator of any steam-enhanced crude oil production well shall keep an inspection log maintained pursuant to Section 6.4 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
33. Records of each calibration of the portable hydrocarbon detection instrument utilized for inspecting components, including a copy of current calibration gas certification from the vendor of said calibration gas cylinder, the date of calibration, concentration of calibration gas, instrument reading of calibration gas before adjustment, instrument reading of calibration gas after adjustment, calibration gas expiration date, and calibration gas cylinder pressure at the time of calibration shall be maintained. [District Rule 4401] Federally Enforceable Through Title V Permit
34. An operator shall maintain copies at the facility of the training records of the training program operated pursuant to Section 6.5 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
35. Operator shall keep a copy of the APCO-approved Operator Management Plan at the facility. [District Rule 4401] Federally Enforceable Through Title V Permit
36. Operator shall submit to the APCO not later than June 14, 2007 a list of all gauge tanks, as defined in Section 3.17. The list shall contain the size, identification number, the location of each gauge tank and specify whether the gauge tank is upstream of all front line production equipment. [District Rule 4401] Federally Enforceable Through Title V Permit
37. The results of gauge tank TVP testing conducted pursuant to Section 6.2.5 shall be submitted to the APCO within 60 days after the completion of the testing. [District Rule 4401] Federally Enforceable Through Title V Permit
38. An operator that discovers that a PRD has released shall record the date that the release was discovered, and the identity and location of the PRD that released. An operator shall submit such information recorded during the calendar year to the APCO no later than 60 days after the end of the calendar year. [District Rule 4401] Federally Enforceable Through Title V Permit
39. An operator shall comply with the following requirements for each gauge tank, as defined in Section 3.17 of Rule 4401: Conduct an initial TVP testing of the produced fluid in each gauge tank not later than June 14, 2007. Thereafter, an operator shall conduct periodic TVP testing of each gauge tank at least once every 24 months during summer (July - September), and whenever there is a change in the source or type of produced fluid in the gauge tank. The TVP testing shall be conducted at the actual storage temperature of the produced fluid in the gauge tank using the applicable TVP test method specified in Section 6.4 of Rule 4623 (Storage of Organic Liquids). The operator shall submit the TVP testing results to the APCO as specified in Section 6.1.10 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
40. VOC content shall be analyzed by using the latest revision of ASTM Method E168, E169, or E260 as applicable. Analysis of halogenated exempt compounds shall be performed by using ARB Method 432. [District Rule 4401] Federally Enforceable Through Title V Permit
41. Leak inspection, other than audio-visual, and measurements of gaseous leak concentrations shall be conducted according to EPA Method 21 using an appropriate portable hydrocarbon detection instrument calibrated with methane. The instrument shall be calibrated in accordance with the procedures specified in EPA Method 21 or the manufacturer's instruction, as appropriate, not more than 30 days prior to its use. The operator shall record the calibration date of the instrument. Where safety is a concern, such as measuring leaks from compressor seals or pump seals when the shaft is rotating, a person shall measure leaks by placing the instrument probe inlet at a distance of one (1) centimeter or less from the surface of the component interface. [District Rule 4401] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

42. The VOC content by weight percent (wt.%) shall be determined using American Society of Testing and Materials (ASTM) D1945 for gases and South Coast Air Quality Management District (SCAQMD) Method 304-91 or the latest revision of ASTM Method E168, E169 or E260 for liquids. [District Rule 4401] Federally Enforceable Through Title V Permit
43. Operator shall maintain an inspection log in which an operator records, at a minimum, all of the following information for each inspection performed: The total number of components inspected, total number and percentage of leaking components found by component type, location, type, and name or description of each leaking component and description of any unit where the leaking component is found, date of leak detection and the method of leak detection. For gaseous leaks, the leak concentration in ppmv, and for liquid leaks record whether the leak is a major liquid leak or a minor liquid leak. the date of repair, replacement, or removal from operation of leaking components, identify and location of essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier, methods used to minimize the leak from essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier, the date of re-inspection and the leak concentration in ppmv after the component is repaired or is replaced, the inspector's name, business mailing address, and business telephone number, date and signature of the facility operator responsible for the inspection and repair program certifying the accuracy of the information recorded in the log. [District Rule 4401] Federally Enforceable Through Title V Permit
44. All records shall be maintained and retained on-site for a period of at least 5 years and shall be made available for District inspection upon request. [District Rules 1070 and 4401] Federally Enforceable Through Title V Permit



San Joaquin Valley Air Pollution Control District

www.valleyair.org



Permit Application For:

ADMINISTRATIVE AMENDMENT MINOR MODIFICATION SIGNIFICANT MODIFICATION

1. PERMIT TO BE ISSUED TO:	
2. MAILING ADDRESS:	
STREET/P.O. BOX: _____	
CITY: _____	STATE: _____
	9-DIGIT ZIP CODE: _____
3. LOCATION WHERE THE EQUIPMENT WILL BE OPERATED:	INSTALLATION DATE:
STREET: _____	CITY: _____
_____ ¼ SECTION _____ TOWNSHIP _____ RANGE _____	
4. GENERAL NATURE OF BUSINESS:	
5. DESCRIPTION OF EQUIPMENT OR MODIFICATION FOR WHICH APPLICATION IS MADE (include Permit #'s if known, and use additional sheets if necessary)	
6. TYPE OR PRINT NAME OF APPLICANT:	TITLE OF APPLICANT:
7. SIGNATURE OF APPLICANT:	DATE:
	PHONE: ()
	FAX: ()
	EMAIL:

For APCD Use Only:

DATE STAMP	FILING FEE RECEIVED: \$ _____ CHECK#: _____
	DATE PAID: _____
	PROJECT NO: _____ FACILITY ID: _____

APPLICATION FOR TITLE V MODIFICATION

- Instructions -

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On the application form, mark the box to indicate what type of Title V modification this is. Only one application form is needed for each facility.

- Line 1.** Indicate the name of the business exactly as it appears on the Permit to Operate.
- Line 2.** List the mailing address where correspondence regarding the application and the Permit to Operate may be sent. Please include your nine-digit zip code.
- Line 3.** List the physical location where the emissions unit(s) will be operated. If a street address is not applicable, provide the United States Geological Survey (USGS) quarter-section, township, and range or the Universal Transverse Mercator (UTM) coordinates. Indicate the installation date of any equipment changes from this modification.
- Line 4.** Indicate the general nature of the business performed by the facility.
- Line 5.** Describe each emissions unit. You may reference existing valid District Permits to Operate for each permitted emissions unit. A summary listing of all emissions units with valid District operating permits can be obtained from the District and may be attached and referenced. Reference and attach a copy of the Authority to Construct (ATC) issued by the District for this modification, if one is available.
- Line 6.** Type or print the name of the applicant followed by the title of the applicant.
- Line 7.** Sign and date the application in ink. Also include the daytime telephone number, FAX number, and e-mail address of the applicant.

OTHER REQUIRED INFORMATION

Please attach a Title V Modification – Compliance Certification Form (TVFORM-009). If needed to complete the processing of your Title V permit application, the District may request additional information.

APPLICATION FOR TITLE V MODIFICATION

- Instructions -

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FEES

A nonrefundable filing fee of \$20 per emissions unit, up to a maximum of \$1,468 per stationary source, is required. The applicant may submit the necessary filing fees along with this application, or the District will issue a bill for the appropriate fee. Checks or money orders shall be made payable to the SJVUAPCD. All filing fees paid will be credited toward the hourly evaluation fee.

Every applicant for a Title V permit modification, administrative amendment, or certificate of conformity, shall also pay an evaluation fee for the issuance of the Title V permit. The fee shall be calculated using the staff hours expended and a weighted labor rate. All filing fees paid will be credited towards the evaluation fee.

The fee requirements are specified in District Rule 3010 (Permit Fee).

APPLICATION SUBMITTAL

Title V sources are encouraged to schedule a meeting with District personnel prior to submitting Title V applications. Applications, including all supporting documents, must be submitted in duplicate since EPA requires that a copy of each application be forwarded to them. It is recommended that applications be submitted to the Central Regional Office. However, applications may be submitted either by mail or in person at the following locations:

<u>Northern Region Office</u> (Serving San Joaquin, Stanislaus, and Merced Counties): 4800 Enterprise Way Modesto, CA 95356-8718 (209) 557-6400 FAX: (209) 557-6475 SBA Hotline: (209) 557-6446	<u>Central Region Office</u> (Serving Madera, Fresno, and Kings Counties): 1990 E. Gettysburg Avenue Fresno, California 93726-0244 (559) 230-5900 FAX: (559) 230-6061 SBA Hotline: (559) 230-5888	<u>Southern Region Office</u> (Serving Tulare and Kern Counties): 34946 Flyover Court Bakersfield, California 93308 (661) 392-5500 FAX: (661) 392-5585 SBA Hotline: (661) 392-5665
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