



San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT



HEALTHY AIR LIVING™

OCT 13 2010

Mr. Tim Parcel
Aera Energy LLC
PO Box 11164
Bakersfield, CA 93389-1164

**Re: Final - Authority to Construct / Certificate of Conformity (Minor Mod)
Project # C-1102737**

Dear Mr. Parcel:

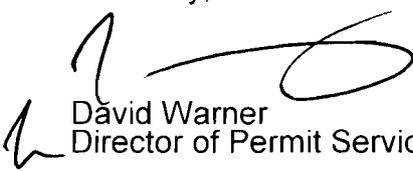
The Air Pollution Control Officer has issued an Authority to Construct (C-1121-39-11) with a Certificate of Conformity to Aera Energy LLC. The applicant proposes to add a second vapor compressor skid to the existing TEOR operation.

Enclosed is the Authority to Construct and invoice. The application and proposal were sent to US EPA Region IX on September 2, 2010. No comments were received following the District's preliminary decision on this project.

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. Jim Swaney, Permit Services Manager, at (559) 230-5900.

Sincerely,


David Warner
Director of Permit Services

Enclosures
jag

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



San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT



OCT 13 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 / Certificate of Conformity (Minor Mod)
Project # C-1102737**

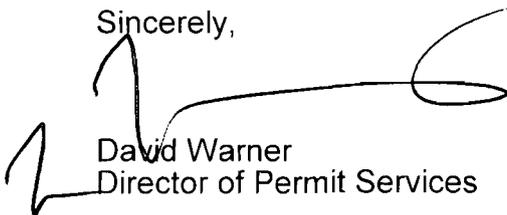
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AUTHORITY TO CONSTRUCT

PERMIT NO: C-1121-39-11

ISSUANCE DATE: 10/12/2010

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: 10000 MING AVE
P O BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL PRODUCTION
FRESNO COUNTY, CA

SECTION: 29 **TOWNSHIP:** 19S **RANGE:** 15E

EQUIPMENT DESCRIPTION:

MODIFICATION OF CVR-2: 213 STEAM-DRIVE WELLS SERVED BY 140 HP CASING VAPOR RECOVERY SYSTEM WITH HEAT EXCHANGER E-200, FIN-FAN COOLER E-210, SEPARATOR V-200, CONDENSATE PUMPS P-200 & P-201, AND GAS COMPRESSOR SKID WITH COMPRESSOR C-20, FIN-FAN COOLER E-20, SEPARATORS V-20 & V-21, AND CONDENSATE PUMP P-20. RECOVERED VAPOR LINE CONNECTED TO RECOVERED VAPOR LINES OF PERMIT UNITS C-1121-116 & C-1121-114: ADD 75 HP VAPOR COMPRESSOR SKID WITH OUTLET FIN-FAN COOLER, GAS LIQUID SEPARATORS, AND CONDENSATE PUMPS

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. Non-condensibles shall be exhausted into a working steam generator firebox or flare for combustion. [District NSR Rule] Federally Enforceable Through Title V Permit
4. The uncontrolled VOC emissions from any well vent shall be reduced by at least 99 percent by weight or, if several steam-enhanced crude oil production well vents are connected to a vapor collection and control system, total uncontrolled VOC emissions shall be reduced by at least 99 percent. [District Rule 4401] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (559) 230-5950 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
C-1121-39-11 : Oct 12 2010 1:16PM - GARCIAJ : Joint Inspection NOT Required

5. If the well casing vent is sealed or "shut-in", then the produced oil is to be routed only to tanks served by the vapor recovery system under permit #C-1121-45 with 99% control efficiency. [District NSR Rule and Rule 4401, 5.5.1] Federally Enforceable Through Title V Permit
6. Permittee shall maintain a well roster listing all wells connected to the well vent vapor recovery system and which well casing vents are shut-in. The well roster shall be kept on site and shall be made available for District inspection upon request. [District NSR Rule] Federally Enforceable Through Title V Permit
7. During the time any steam-enhanced crude oil production well is undergoing service or repair while the well is not producing, it shall be exempt from the emission control requirements of District Rule 4401, 5.0. [District Rule 4401, 4.1] Federally Enforceable Through Title V Permit
8. 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 5.7.3] Federally Enforceable Through Title V Permit
9. Gas and liquid leaks are as defined in Section 3.20 of Rule 4401. [District Rule 4401 3.20] Federally Enforceable Through Title V Permit
10. 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, 5.5.1 and 5.5.2] Federally Enforceable Through Title V Permit
11. Permittee shall maintain an APCO-approved VOC collection and control system that is not open to the atmosphere and that is composed of hard-piping, ductwork connections and, if necessary, flow inducing devices that transport gas or vapor from a piece or pieces of equipment to an APCO-approved control device that has a VOC destruction or removal efficiency of at least 99%, or that transports gases or vapors back to a process system. [District Rules 2201 and 4401] Federally Enforceable Through Title V Permit
12. VOC content of well vent vapor gas shall not exceed 10% by weight. If the VOC content of the well vent vapor gas is less than 10% by weight for 8 consecutive quarterly samplings per District approved plan, sampling frequency shall only be required annually. If an annual source test fails to show compliance, quarterly testing shall resume. [District Rules 2201 and 4401, 4.9] Federally Enforceable Through Title V Permit
13. The annual inspection requirements of Section 5.8.1 through 5.8.5 of Rule 4401 shall not apply to components exclusively handling gas/vapor or liquid with a VOC content of ten percent by weight (10 wt. %) or less, as determined by the test methods in Section 6.3.5 of Rule 4401. [District Rule 4401, 4.9] Federally Enforceable Through Title V Permit
14. The control efficiency of any VOC control device, measured and calculated as carbon, shall be determined by EPA Method 25, except when the outlet concentration must be below 50 ppm in order to meet the standard, in which case EPA Method 25a may be used. EPA Method 18 may be used in lieu of EPA Method 25 or EPA Method 25a provided the identity and approximate concentrations of the analytes/compounds in the sample gas stream are known before analysis with the gas chromatograph and the gas chromatograph is calibrated for each of those known analyte/compound to ensure that the VOC concentrations are neither under- or over-reported. [District Rule 4401 6.3.1] Federally Enforceable Through Title V Permit
15. 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 6.3.5] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

16. An operator shall source test annually all vapor collection and control systems used to control emissions from steam-enhanced crude oil production well vents to determine the control efficiency of the device(s) used for destruction or removal of VOC. Compliance testing shall be performed annually by source testers certified by ARB. Testing shall be performed during June, July, August, or September of each year if the system's control efficiency is dependent upon ambient air temperature. [District Rule 4401 6.2.1] Federally Enforceable Through Title V Permit
17. If approved by EPA, ARB, and the APCO, an operator need not comply with the annual testing requirement of Section 6.2.1 if all uncondensed VOC emissions collected by a vapor collection and control system are incinerated in fuel burning equipment, an internal combustion engine or in a smokeless flare. [District Rule 4401 6.2.2] Federally Enforceable Through Title V Permit
18. Leak inspection, other than audio-visual, and measurements of gaseous leak concentrations shall be conducted annually 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 6.3.3] Federally Enforceable Through Title V Permit
19. 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 5.7.1] Federally Enforceable Through Title V Permit.
20. 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 5.9.1] Federally Enforceable Through Title V Permit
21. 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 5.9.2] Federally Enforceable Through Title V Permit
22. 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 5.9.3] Federally Enforceable Through Title V Permit
23. 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 4 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 5.9.4] Federally Enforceable Through Title V Permit
24. 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 5.9.4] Federally Enforceable Through Title V Permit
25. 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 4 of Rule 4401. [District Rule 4401 5.9.5] Federally Enforceable Through Title V Permit
26. The time of the initial leak detection shall be the start of the repair period specified in Table 4 of Rule 4401. [District Rule 4401 5.9.6] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

27. 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 5.9.7] Federally Enforceable Through Title V Permit
28. 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 5.6.2] Federally Enforceable Through Title V Permit
29. 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 5.6.2] Federally Enforceable Through Title V Permit
30. 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 5.7.2] Federally Enforceable Through Title V Permit
31. 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 6.2.5] Federally Enforceable Through Title V Permit
32. 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 6.1.10] Federally Enforceable Through Title V Permit
33. 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 6.1.11] Federally Enforceable Through Title V Permit
34. Permittee shall maintain a written record of VOC content of the gas (sampled not less than annually) and shall make such records available for District inspection upon request for a period of five years. [District Rule 2201] Federally Enforceable Through Title V Permit
35. 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 6.1.1] Federally Enforceable Through Title V Permit
36. An operator of any steam-enhanced crude oil production well shall keep source test records which demonstrate compliance with the control efficiency requirements of the VOC collection and control system as defined in Section 3.0 of Rule 4401. [District Rule 4401 6.1.3] Federally Enforceable Through Title V Permit
37. The permittee shall submit certifications of compliance with the terms and standards contained in Title V permits, including emission limits, standards and work practices, to the District and the EPA annually (or more frequently as specified in an applicable requirement or as specified by the District). The certification shall include the identification of each permit term or condition, the compliance status, whether compliance was continuous or intermittent, the methods used for determining the compliance status, and any other facts required by the District to determine the compliance status of the source. [District Rule 2520, 9.16] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

38. 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 6.1.6] Federally Enforceable Through Title V Permit
39. 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 6.1.7] Federally Enforceable Through Title V Permit
40. Operator shall keep a copy of the APCO-approved Operator Management Plan at the facility. [District Rule 4401 6.1.8] Federally Enforceable Through Title V Permit
41. All records required by this permit shall be maintained and retained on-site for a minimum of five (5) years and made available for District, ARB, and EPA inspection upon request. [District Rules 2520, 9.5.2 and 4401] Federally Enforceable Through Title V Permit
42. Compliance with permit Condition 4 of this permit (or Condition 2 on the Title V permit after Conditions 1 and 2 are removed) shall be deemed compliance with efficiency specification which have been waived by exhausting non-condensibles into a working steam generator firebox or flare for combustion. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
43. The crude oil production wells associated with this unit do not have production enhanced by in-situ combustion. Therefore, the requirements of SJVUAPCD Rule 4407 (Adopted May 19, 1994) do not apply to this permit unit. A permit shield is granted from this requirement. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit