



JUN 14 2010

Mr. Jim Robinson
Vintage Production California LLC
9600 Ming Ave, Suite 300
Bakersfield, CA 93311

**Re: Final - Authority to Construct / Certificate of Conformity (Minor Mod)
Project # S-1095593**

Dear Mr. Robinson:

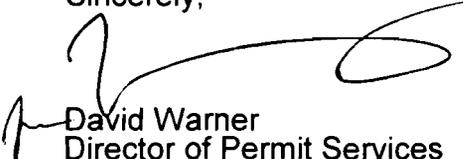
The Air Pollution Control Officer has issued Authorities to Construct (ATCs S-1326-35-11 and S-1326-287-9) with Certificates of Conformity to Vintage Production California LLC. Vintage Production California LLC proposes to increase the number of steam enhanced wells of unit -35 from 100 wells to 150 wells and increase the number of steam enhanced wells of unit -287 from 205 wells to 305 wells.

Enclosed are the Authorities to Construct and invoice. The application and proposal were sent to US EPA Region IX on March 21, 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



JUN 14 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 # S-1095593**

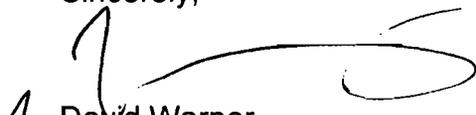
Dear Mr. Rios:

The Air Pollution Control Officer has issued Authorities to Construct (ATCs S-1326-35-11 and S-1326-287-9) with Certificates of Conformity to Vintage Production California LLC. Vintage Production California LLC proposes to increase the number of steam enhanced wells of unit -35 from 100 wells to 150 wells and increase the number of steam enhanced wells of unit -287 from 205 wells to 305 wells.

Enclosed are copies of the Authorities to Construct. The application and proposal were sent to US EPA Region IX on March 21, 2010. No comments were received following the District's preliminary decision on this project.

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
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Tel: 661-392-5500 FAX: 661-392-5585



AUTHORITY TO CONSTRUCT

PERMIT NO: S-1326-35-11

ISSUANCE DATE: 06/10/2010

LEGAL OWNER OR OPERATOR: VINTAGE PRODUCTION CALIFORNIA LLC

MAILING ADDRESS: 9600 MING AVE, SUITE 300
BAKERSFIELD, CA 93311

LOCATION: HEAVY OIL CENTRAL STATIONARY SOURCE
KERN COUNTY, CA

SECTION: 14 **TOWNSHIP:** 28S **RANGE:** 27E

EQUIPMENT DESCRIPTION:

MODIFICATION OF THERMALLY ENHANCED OIL RECOVERY OPERATION WITH WELL VENT VAPOR CONTROL SYSTEM SERVING 100 STEAM ENHANCED WELLS, INCLUDING 50 HP COMPRESSOR, ONE AIR-COOLED VAPOR CONDENSER, AND PIPING TO FIELD FUEL GAS SYSTEM, DOGGR DISPOSAL WELL, AND FLARE (S-1326-260) (SECTION 14 YOUNG): INCREASE THE NUMBER OF STEAM ENHANCED WELLS FROM 100 WELLS TO 150 WELLS

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. TEOR operation shall include 50 hp compressor, one air-cooled vapor condenser, piping to field fuel gas system, DOGGR disposal well, and flare. (SECTION 14 Young). [District Rule 2201] Federally Enforceable Through Title V Permit
4. Wells may be operated with closed casing vents or be vented to vapor control system. [District Rule 2201] Federally Enforceable Through Title V Permit
5. Collected vapors shall discharge to H2S scrubber prior to vapor combustion in flare or in steam generators S-1326-9, '-294, '-314, '-337, and '-338. [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-1326-35-11 : Jun 10 2010 4:35PM -- GARCIAJ : Joint Inspection NOT Required

6. Sulfur scrubber shall be monitored monthly for H₂S content of gas after treatment to determine when recharging is required. [District NSR Rule and District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
7. Sulfur content of gas combusted in flare shall not exceed 1 gr/100 scf. [District NSR Rule, District Rule 4801, and Kern County Rule 407] Federally Enforceable Through Title V Permit
8. Permittee shall test annually the sulfur content of gas combusted in flare using ASTM method D1072, D3031, D4084, or D3246 and make test results readily available for District inspection. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
9. Flare shall operate with no visible emission in excess of 5% opacity. [District NSR Rule] Federally Enforceable Through Title V Permit
10. Maximum amount of gas (pilot and waste gas) combusted by flare shall not exceed 150.0 MMBtu/day. [District Rule 2201] Federally Enforceable Through Title V Permit
11. Emissions from the flare shall not exceed any of the following limits (based on total gas combusted): NO_x (as NO₂): 0.068 lb/MMBtu; PM₁₀: 0.008 lb/MMBtu; CO: 0.37 lb/MMBtu; or VOC: 0.063 lb/MMBtu. [District Rule 2201] Federally Enforceable Through Title V Permit
12. The higher heating value of the flared gas shall be monitored at least quarterly. Measured higher heating value and quantity of gas flared shall be used to determine compliance with heat input limit. [District Rules 1070 and 2201] Federally Enforceable Through Title V Permit
13. The flare shall be operated according to the manufacturer's specifications, a copy of which shall be maintained on site. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
14. If this flare requires a pilot flame, then the flare shall be operated with a flame present at all times, and kept in operation when emissions may be vented to it. The presence of a flare pilot flame shall be monitored using a thermocouple or any other equivalent device to detect the presence of a flame. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
15. This flare shall be inspected every two weeks while in operation for visible emissions. If visible emissions are observed, corrective action shall be taken. If visible emissions continue, an EPA Method 9 test shall be conducted within 72 hours. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
16. This flare shall not be used as a leak control device as described in Rule 4403, 5.3.1, nor as a control device for any permit unit subject to NSPS, without modification of permit requirements to address 40 CFR 60.18. [District Rule 2520, 9.3.3] Federally Enforceable Through Title V Permit
17. A gas leak is defined as the detection of a concentration of total organic compounds, above background (measured in accordance with EPA Method 21) that exceeds the following values: 1) A major gas leak is a detection of greater than 10,000 ppmv as methane; and 2) A minor gas leak is a detection of 400 to 10,000 ppmv as methane for pressure relief devices (PRDs) and 2,000 to 10,000 for components other than PRDs. [District Rule 4401]
18. A liquid leak is defined as the dripping of VOC-containing liquid. A major liquid leak is a visible mist or a continuous flow of liquid that is not seal lubricant. A minor liquid leak is a liquid leak that is not a major liquid leak and drips liquid at a rate of more than three drops per minute, except for seal lubricant. [District Rule 4401]
19. Fluids produced from wells with closed vents shall be introduced only to production equipment served by vapor control system listed on tank S-1326-201 which is 99% efficient. [District NSR Rule] Federally Enforceable Through Title V Permit
20. Well vent vapors shall vent to the field fuel gas system, DOGGR approved injection wells, flare listed on permit S-1326-260, or steam generators S-1326-9, '-294, '-314, '-337, and '-338. [District Rule 2201] Federally Enforceable Through Title V Permit
21. The crude oil production from wells associated with this permit unit shall not lie within 1000 feet of an air injection well used for in-situ combustion. [District Rule 4407, 2.0, 3.4, and 3.5] Federally Enforceable Through Title V Permit
22. All required source testing shall conform to the compliance testing procedures described in District Rule 1081 (as amended December 16, 1993). [District Rule 1081] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

23. Permittee shall keep the steam-enhanced crude oil production well vents closed and the front line production equipment downstream of the wells that carry produced fluids (crude oil or mixture of crude oil and water) shall be connected to a VOC collection and control system. 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. [District Rule 4401]
24. 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 (as amended December 14, 2006). [District Rule 4401, 4.1] Federally Enforceable Through Title V Permit
25. 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. This requirement does not apply to cyclic wells located on contiguous and adjacent oil production properties with less than 10 cyclic wells owned by or under the control of a company. [District Rule 4401, 5.1 and 5.2] Federally Enforceable Through Title V Permit
26. For cyclic wells located on properties with less than 10 cyclic wells and owned by a company, the uncontrolled VOC emissions from any well vent or system of well vents connected to a single control device shall be reduced by at least 50 percent. Properties shall include contiguous and adjacent oil production properties owned by or under control of the company. [District Rule 4401, 5.4] Federally Enforceable Through Title V Permit
27. Total number of leaks from the vapor collection and control system, including condensate handling, shall not exceed the number as allowed by Rule 4401 (as amended December 14, 2006) at any one time. [District Rule 4401, 5.3] Federally Enforceable Through Title V Permit
28. Operator shall affix a readily visible tag bearing the date on which a leak is detected. The tag shall remain in place until the leaking component is repaired. [District Rule 4401, 5.3.1] Federally Enforceable Through Title V Permit
29. Operator shall maintain all components of a well vent vapor collection and control system in good repair. Components of the well vent vapor collection and control system shall include all piping, valves, fittings, pumps, compressors, tanks, etc. used to collect, control, store, or dispose of VOC condensate or non-condensable VOCs and which is prior to any blending of VOC condensate with crude oil or blending of non-condensable VOCs with gases to be used as a fuel. [District Rule 4401, 5.3 and 5.3.2] Federally Enforceable Through Title V Permit
30. Annual control efficiency compliance tests shall be performed on all vapor collection and control systems used to control emissions from steam-enhanced crude oil production wells. Testing shall be performed by source tester certified by the California Air Resource Board (CARB) certified contractors during June, July, August or September of each year if the system's control efficiency is dependent upon ambient air temperature. The APCO may waive the requirements of this condition if the vapor control system does not exhaust to atmosphere or if all uncondensed VOC emissions collected by a vapor collection and control system are burned in fuel burning equipment or in a smokeless open flare and the source's Operating Permit contains adequate periodic monitoring to ensure the source meets 99% control efficiency. [District Rule 4401, 5.1, 5.2 and 6.2.1] Federally Enforceable Through Title V Permit
31. The control efficiency of the vapor collection and control system used to control VOC emissions from steam enhanced crude oil production well shall be determined by mass balance based on most stringent of a source test, USEPA approved emission factors, or Air Pollution (AP)-42 emission factors for components; and the efficiency of destruction devices determined by USEPA Method 25, 25a, or 25b as applicable. [District Rule 4401, 6.3.1] Federally Enforceable Through Title V Permit
32. Permittee shall perform leak inspections at least annually, using a portable hydrocarbon detection instrument in accordance with USEPA Method 21. 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 centimeter or less from the surface of the component interface. [District Rules 2520, 9.3.2 and 4401]
33. The permittee shall not use any components that leak in excess of the applicable leak standards as specified in this permit. Components that have been found leaking in excess of the applicable leak standards of this rule may be used provided such leaking components have been identified with a tag for repair, are repaired, or are awaiting re-inspection after being repaired, within the applicable time period specified in this permit. [District Rule 4401]
34. Permittee shall maintain a copy of the latest APCO-approved Operator Management Plan (OMP) at the facility and make it available to the APCO, ARB, and US EPA upon request. [District Rule 4401]

CONDITIONS CONTINUE ON NEXT PAGE

35. By January 30 of each year, permittee shall submit to the APCO for approval, in writing, an annual report indicating any changes to the existing, approved OMP. [District Rule 4401]
36. During District compliance inspection, the following conditions shall be used to determination of a violation: 1) 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 requiring process fluid flow through the open-ended lines. Attended operations include draining or degassing operations, connection of temporary process equipment, sampling of process streams, emergency venting, and other normal operational needs, provided such operations are done as expeditiously as possible and with minimal spillage of material and VOC emissions to the atmosphere; 2) Existence of a component with a major liquid leak; 3) Existence of a component with a gas leak greater than 50,000 ppmv; or 4) Existence of a component leak consisting of a minor liquid or gas leak, or a gas leak greater than 10,000 ppmv up to 50,000 ppmv, in excess of the allowable number of leaks specified in Table 3 of Rule 4401. [District Rule 4401]
37. Permittee shall keep all hatches 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]
38. Except for pipes and unsafe-to-monitor components, permittee 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 Rule 4401 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 4 of Rule 4401. [District Rule 4401]
39. Permittee shall inspect all unsafe-to-monitor components during each turnaround. [District Rule 4401]
40. Permittee shall inspect audio-visually (by hearing and by sight) for leaks all accessible operating pumps, compressors, and pressure relief devices (PRDs) in service at least once each calendar week. [District Rule 4401]
41. 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 Rule 4401 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 4 of Rule 4401. [District Rule 4401]
42. Permittee shall 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. Permittee shall re-inspect the PRD not earlier than 24 hours after the initial inspection but not later than 15 calendar days after the initial inspection. [District Rule 4401]
43. Permittee shall inspect all new, replaced, or repaired fittings, flanges, and threaded connections within 72 hours of placing the component in service. [District Rule 4401]
44. Except for PRDs, permittee 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]
45. Permittee shall affix a readily visible weatherproof tag to a leaking component upon detection of the leak. The following information shall be included on the tag: 1) the date and time of leak detection; 2) the date and time of leak measurement; 3) leak concentration in ppmv for a gaseous leak; 4) description of whether it is a major liquid leak or a minor liquid leak; and 5) whether the component is an essential component, an unsafe-to-monitor component, or a critical component. [District Rule 4401]
46. Permittee shall keep the tag affixed to the component until all of the following conditions have been met: 1) the leaking component has been repaired or replaced, and 2) the component has been re-inspected using the test methods described in this permit; and 3) the component is found to be in compliance with the requirements of Rule 4401. [District Rule 4401]
47. Permittee 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]
48. Except for leaking critical components or leaking essential components, if the operator has minimized a leak but the leak still exceeds the applicable leak limits, the 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: 1) repair or replace the leaking component; 2) vent the leaking component to a VOC collection and control system; or 3) remove the leaking component from operation. [District Rule 4401]

CONDITIONS CONTINUE ON NEXT PAGE

49. The leak rate, measured after leak minimization has been performed, shall be used to determine the applicable repair period specified in Table 4 of Rule 4401 and the time of initial leak detection shall be the start of the repair period specified in Table 4 of Rule 4401. [District Rule 4401]
50. 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]
51. Permittee shall maintain an inspection log in which, at a minimum, all of the following information shall be recorded for each inspection performed: 1) The total number of components inspected, and the total number and percentage of leaking components found by component type; 2) The location, type, and name or description of each leaking component and description of any unit where the leaking component is found; 3) The date of leak detection and the method of leak detection; 4) 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; 5) The date of repair, replacement, or removal from operation of leaking components; 6) The 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; 7) The 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; 8) The date of re-inspection and the leak concentration in ppmv after the component is repaired or is replaced; 9) The inspector's name, business mailing address, and business telephone number; and 10) The 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]
52. Compliance with permit conditions in the Title V permit shall be deemed compliance with Kern County Rule 108.1. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
53. Compliance with permit conditions in the Title V permit shall be deemed compliance with SJVUAPCD Rule 4401 (Amended December 14, 2006), excluding sections 5.1 and 5.2 for control systems which have been waived from complying with the requirement of section 6.2.1. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
54. The requirements of District Rule 4407 (Adopted May 19, 1994) do not apply to this permit unit because it is not an in situ combustion well vent. A permit shield is granted from this requirement. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
55. Wells authorized by this permit shall comply with all applicable requirements of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
56. Well head casing vent collection piping network shall be limited to 150 steam enhanced wells. [District NSR Rule] Federally Enforceable Through Title V Permit
57. Leaks shall be inspected and repaired as specified in Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
58. 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. Representative samples shall be collected during periods of normal operation and not be within 48 hours after routine maintenance or repair. Records of test shall be maintained for a period of five years and be made readily available for District inspection upon request. [District Rule 2201] Federally Enforceable Through Title V Permit
59. VOC content shall be determined using ASTM Method D1945, D3588, or EPA method 18. [District Rule 4401, 6.2.3] Federally Enforceable Through Title V Permit
60. Permittee shall establish and implement an employee training program for inspecting and repairing components and recordkeeping procedures, as necessary. Permittee shall maintain at the facility the copies of the training records of the training program. [District Rule 4401]

CONDITIONS CONTINUE ON NEXT PAGE

61. The operator shall maintain monitoring records of the date and well identification where steam injection or well stimulation occurs. [District Rule 4401, 6.1] Federally Enforceable Through Title V Permit
62. The permittee shall keep accurate records of the amount of gas (pilot and waste gas) flared, H₂S content and recharging dates, for a period of five years, and shall make such records available for District inspection upon request. [District NSR Rule] Federally Enforceable Through Title V Permit
63. Permittee shall maintain a current well roster of all wells served by collection system, and such roster shall be made readily available for District inspection upon request. [District Rule 2520, 9.3.2 and District Rule 1070] Federally Enforceable Through Title V Permit
64. Records shall be maintained of each calibration of the portable hydrocarbon detection instrument utilized for inspecting components. The records shall include a copy of the current calibration gas certification from the vendor of the calibration gas cylinder, the date of calibration, the concentration of calibration gas, the instrument reading of calibration gas before adjustment, the instrument reading of calibration gas after adjustment, the calibration gas expiration date, and the calibration gas cylinder pressure at the time of calibration. [District Rule 4401]
65. 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 Rule 4401]



AUTHORITY TO CONSTRUCT

PERMIT NO: S-1326-287-9

ISSUANCE DATE: 06/10/2010

LEGAL OWNER OR OPERATOR: VINTAGE PRODUCTION CALIFORNIA LLC

MAILING ADDRESS: 9600 MING AVE, SUITE 300
BAKERSFIELD, CA 93311

LOCATION: HEAVY OIL CENTRAL STATIONARY SOURCE
KERN COUNTY, CA

SECTION: SW23 **TOWNSHIP:** 28S **RANGE:** 27E

EQUIPMENT DESCRIPTION:

MODIFICATION OF THERMALLY ENHANCED OIL RECOVERY OPERATION WITH 205 STEAM ENHANCED PRODUCTION WELLS CONNECTED TO WELL HEAD CASING VENT VAPOR RECOVERY SYSTEM (CVR) VENTING VAPORS TO SECTION 23 TANK VAPOR RECOVERY SYSTEM (S-1326-263): INCREASE THE NUMBER OF STEAM ENHANCED WELLS FROM 205 WELLS TO 305 WELLS

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. Authority to Construct (ATC) S-1326-287-8 shall be implemented concurrently or prior to the modification and startup of the equipment authorized by this ATC. [District Rule 2201] Federally Enforceable Through Title V Permit
4. Well casing vents shall remain closed, connected to well produced fluids lines, or connected to a well vent VOC collection and control system at all times except during periods of actual service or repair when wells are not producing. [District NSR Rule and District Rule 4401] Federally Enforceable Through Title V Permit
5. Collected CVR vapor shall be piped to tank vapor recovery system (TVR) serving S-1326-263. [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-1326-287-9 - JUN 10 2010 4:35PM - GARCIAJ - Joint Inspection NOT Required

6. VOC content of gas collected by the CVR system shall not exceed 10% by weight. Permittee shall maintain a written record of VOC content (sampled not less than annually) and shall make such records available for District inspection upon request for a period of five years. Permittee may use test results obtained from S-1326-263 to demonstrate compliance. [District NSR Rule and District Rule 1070] Federally Enforceable Through Title V Permit
7. Fluids produced from these steam enhanced wells shall be introduced only to tanks listed on permit S-1326-263 that are vented to an approved vapor collection and control system achieving 99% control. [District NSR Rule] Federally Enforceable Through Title V Permit
8. Permittee shall maintain a current list of all steam enhanced wells authorized by this permit and shall update the list whenever a well is added, replaced, or deleted. [District NSR Rule] Federally Enforceable Through Title V Permit
9. Steam enhanced production wells covered by this permit shall each have a visible identification number. Field personnel shall be provided with written instructions concerning proper operation and maintenance of these wells. [District NSR Rule] Federally Enforceable Through Title V Permit
10. The crude oil production from wells associated with this permit unit shall not lie within 1000 feet of an air injection well used for in-situ combustion. [District Rule 4407, 2.0, 3.4, and 3.5] Federally Enforceable Through Title V Permit
11. Total combined fugitive emissions from all components associated with this TEOR operation shall not exceed 0.0 lb VOC/ day. [District NSR Rule] Federally Enforceable Through Title V Permit
12. 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 (as amended December 14, 2006). [District Rule 4401, 4.1] Federally Enforceable Through Title V Permit
13. All required source testing shall conform to the compliance testing procedures described in District Rule 1081 (as amended December 16, 1993). [District Rule 1081 and County Rules 108 (Kings), 108.1 (Fresno, Merced, San Joaquin, Tulare, Kern, and Stanislaus), and 110 (Madera)] Federally Enforceable Through Title V Permit
14. The operator shall maintain monitoring records of the date and well identification where steam injection or well stimulation occurs. [District Rule 4401, 6.1] Federally Enforceable Through Title V Permit
15. The operator shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
16. Permittee shall perform leak inspections at least annually, using a portable hydrocarbon detection instrument in accordance with USEPA Method 21. 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 centimeter or less from the surface of the component interface. [District Rules 2520, 9.4.2 and 4401]
17. The source shall perform leak inspections at least annually, using a portable hydrocarbon detection instrument in accordance with USEPA Method 21. [District Rules 2520, 9.4.2 and 4401, 6.3.3] Federally Enforceable Through Title V Permit
18. A gas leak is defined as the detection of a concentration of total organic compounds, above background (measured in accordance with EPA Method 21) that exceeds the following values: 1) A major gas leak is a detection of greater than 10,000 ppmv as methane; and 2) A minor gas leak is a detection of 400 to 10,000 ppmv as methane for pressure relief devices (PRDs) and 2,000 to 10,000 for components other than PRDs. [District Rule 4401]
19. A liquid leak is defined as the dripping of VOC-containing liquid. A major liquid leak is a visible mist or a continuous flow of liquid that is not seal lubricant. A minor liquid leak is a liquid leak that is not a major liquid leak and drips liquid at a rate of more than three drops per minute, except for seal lubricant. [District Rule 4401]
20. Portable hydrocarbon detection instrument shall be operated and calibrated in accordance with recommendations in CAPCOA/CARB's California Implementation Guidelines for Estimating Mass Emissions of Fugitive Hydrocarbon Leaks at Petroleum Facilities (February, 1999). [District NSR Rule] Federally Enforceable Through Title V Permit

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21. All polish rod stuffing boxes shall be inspected and screened for leaks using EPA method 21 at least quarterly. If less than two percent of the polish rod stuffing boxes are found to leak during each of five consecutive quarterly inspections, the inspection frequency may be changed from quarterly to annually. If any annual inspection shows that more than 2 percent of the polish rod stuffing boxes are leaking, then quarterly inspections shall be resumed. Any polish rod leaking greater than 10,000 ppmv, when measured with a portable hydrocarbon detection instrument calibrated with methane in accordance with EPA method 21 or leaking at a rate of greater than 3 drops of liquid per minute shall be repaired consistent with the procedures specified in Section 5.3.1 of Rule 4401. [District NSR Rule] Federally Enforceable Through Title V Permit
22. Operator shall affix a readily visible tag bearing the date on which a leak is detected. The tag shall remain in place until the leaking component is repaired. [District Rule 4401, 5.3.1] Federally Enforceable Through Title V Permit
23. The permittee shall not use any components that leak in excess of the applicable leak standards as specified in this permit. Components that have been found leaking in excess of the applicable leak standards of this rule may be used provided such leaking components have been identified with a tag for repair, are repaired, or are awaiting re-inspection after being repaired, within the applicable time period specified in this permit. [District Rule 4401]
24. Permittee shall maintain a copy of the latest APCO-approved Operator Management Plan (OMP) at the facility and make it available to the APCO, ARB, and US EPA upon request. [District Rule 4401]
25. By January 30 of each year, permittee shall submit to the APCO for approval, in writing, an annual report indicating any changes to the existing, approved OMP. [District Rule 4401]
26. During District compliance inspection, the following conditions shall be used to determination of a violation: 1) 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 requiring process fluid flow through the open-ended lines. Attended operations include draining or degassing operations, connection of temporary process equipment, sampling of process streams, emergency venting, and other normal operational needs, provided such operations are done as expeditiously as possible and with minimal spillage of material and VOC emissions to the atmosphere; 2) Existence of a component with a major liquid leak; 3) Existence of a component with a gas leak greater than 50,000 ppmv; or 4) Existence of a component leak consisting of a minor liquid or gas leak, or a gas leak greater than 10,000 ppmv up to 50,000 ppmv, in excess of the allowable number of leaks specified in Table 3 of Rule 4401. [District Rule 4401]
27. Permittee shall keep all hatches 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]
28. Except for pipes and unsafe-to-monitor components, permittee 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 Rule 4401 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 4 of Rule 4401. [District Rule 4401]
29. Permittee shall inspect all unsafe-to-monitor components during each turnaround. [District Rule 4401]
30. Permittee shall inspect audio-visually (by hearing and by sight) for leaks all accessible operating pumps, compressors, and pressure relief devices (PRDs) in service at least once each calendar week. [District Rule 4401]
31. 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 Rule 4401 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 4 of Rule 4401. [District Rule 4401]
32. Permittee shall 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. Permittee shall re-inspect the PRD not earlier than 24 hours after the initial inspection but not later than 15 calendar days after the initial inspection. [District Rule 4401]
33. Permittee shall inspect all new, replaced, or repaired fittings, flanges, and threaded connections within 72 hours of placing the component in service. [District Rule 4401]
34. Except for PRDs, permittee 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]

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35. Permittee shall affix a readily visible weatherproof tag to a leaking component upon detection of the leak. The following information shall be included on the tag: 1) the date and time of leak detection; 2) the date and time of leak measurement; 3) leak concentration in ppmv for a gaseous leak; 4) description of whether it is a major liquid leak or a minor liquid leak; and 5) whether the component is an essential component, an unsafe-to-monitor component, or a critical component. [District Rule 4401]
36. Permittee shall keep the tag affixed to the component until all of the following conditions have been met: 1) the leaking component has been repaired or replaced, and 2) the component has been re-inspected using the test methods described in this permit; and 3) the component is found to be in compliance with the requirements of Rule 4401. [District Rule 4401]
37. Permittee 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]
38. Except for leaking critical components or leaking essential components, if the operator has minimized a leak but the leak still exceeds the applicable leak limits, the 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: 1) repair or replace the leaking component; 2) vent the leaking component to a VOC collection and control system; or 3) remove the leaking component from operation. [District Rule 4401]
39. The leak rate, measured after leak minimization has been performed, shall be used to determine the applicable repair period specified in Table 4 of Rule 4401 and the time of initial leak detection shall be the start of the repair period specified in Table 4 of Rule 4401. [District Rule 4401]
40. 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]
41. Permittee shall maintain an inspection log in which, at a minimum, all of the following information shall be recorded for each inspection performed: 1) The total number of components inspected, and the total number and percentage of leaking components found by component type; 2) The location, type, and name or description of each leaking component and description of any unit where the leaking component is found; 3) The date of leak detection and the method of leak detection; 4) 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; 5) The date of repair, replacement, or removal from operation of leaking components; 6) The 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; 7) The 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; 8) The date of re-inspection and the leak concentration in ppmv after the component is repaired or is replaced; 9) The inspector's name, business mailing address, and business telephone number; and 10) The 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]
42. Well casings, casing vents, any casing vent piping and fluid piping associated with these wells shall be screened and inspected for leaks at least quarterly with a minimum of 25% of the wells tested per quarter. Any leak greater than 5000 ppm, when measured with a portable hydrocarbon detection instrument calibrated with methane in accordance with EPA Method 21 or leaking at a rate of greater than 3 drops of liquid per minute, shall be repaired in a manner consistent with the procedures specified in Section 5.3.1 of Rule 4401. [District NSR Rule] Federally Enforceable Through Title V Permit
43. Components to be screened shall be identified and categorized according to the following equipment types: connectors, flanges, open-ended lines, pump seals, valves with visible actuators, polished rods stuffing boxes and other (pressure relief devices, compressor seals, meters, etc.). [District NSR Rule] Federally Enforceable Through Title V Permit
44. Flanges shall be monitored with a portable hydrocarbon detection instrument along the entire circumference of the flange-gasket interface. Threaded connections, tubing fittings, and other types of non-permanent joints shall be monitored along the entire circumference of joint interface. [District NSR Rule] Federally Enforceable Through Title V Permit

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45. Valves shall be monitored with a portable hydrocarbon detection instrument where the stem comes through the packing gland, and at any attached or connected body flange(s), bonnet flange(s), or plug(s). [District NSR Rule] Federally Enforceable Through Title V Permit
46. All other components such as diaphragms, dump arms, instruments, meters shall be monitored at all points of possible emissions. [District NSR Rule] Federally Enforceable Through Title V Permit
47. 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. This requirement does not apply to cyclic wells located on contiguous and adjacent oil production properties with less than 10 cyclic wells owned by or under the control of a company. [District Rule 4401, 5.1 and 5.2] Federally Enforceable Through Title V Permit
48. Operator shall maintain all components of a well vent vapor collection and control system in good repair. Components of the well vent vapor collection and control system shall include all piping, valves, fittings, pumps, compressors, tanks, etc. used to collect, control, store, or dispose of VOC condensate or non-condensable VOCs and which is prior to any blending of VOC condensate with crude oil or blending of non-condensable VOCs with gases to be used as a fuel. [District Rule 4401, 5.3 and 5.3.2] Federally Enforceable Through Title V Permit
49. Total number of leaks from the vapor collection and control system, including condensate handling, shall not exceed the number as allowed by Rule 4401 (as amended December 14, 2006) at any one time. [District Rule 4401, 5.3] Federally Enforceable Through Title V Permit
50. Permittee shall establish and implement an employee training program for inspecting and repairing components and recordkeeping procedures, as necessary. Permittee shall maintain at the facility the copies of the training records of the training program. [District Rule 4401]
51. Annual control efficiency compliance tests shall be performed on all vapor collection and control systems used to control emissions from steam-enhanced crude oil production wells. Testing shall be performed by source testers certified by the California Air Resources Board (CARB) during June, July, August or September of each year if the system's control efficiency is dependent upon ambient air temperature. The APCO may waive the annual testing requirements of this condition if the vapor control system does not exhaust to atmosphere or 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 open flare, and the source's Operating Permit contains adequate periodic monitoring to ensure the source meets 99% control efficiency. [District Rule 4401, 5.1, 5.2 and 6.2.1] Federally Enforceable Through Title V Permit
52. The control efficiency of the vapor collection and control system used to control VOC emissions from steam enhanced crude oil production well shall be determined by mass balance based on most stringent of a source test, USEPA approved emission factors, or Air Pollution (AP)-42 emission factors for components and number of components; and the efficiency of destruction devices determined by USEPA Method 25, 25a, or 25b as applicable. [District Rule 4401, 6.3.1] Federally Enforceable Through Title V Permit
53. VOC content shall be determined using ASTM Method E168, E169, or E260 as applicable, or equivalent test method with prior District approval. Halogenated exempt compounds shall be determined by CARB Method 432. [District Rule 4401, 6.3.2] Federally Enforceable Through Title V Permit
54. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following requirements: County Rules 108 (Kings), 108.1 (Fresno, Merced, San Joaquin, Tulare, Kern, and Stanislaus), and 110 (Madera). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
55. Compliance with permit conditions in the Title V permit shall be deemed compliance with SJVUAPCD Rule 4401 (Amended January 15, 1998), excluding sections 5.1 and 5.2 for control systems which have been waived from complying with the requirement of section 6.2.1. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
56. 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

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57. Permittee shall maintain an accurate component count for the well vent collection and control system serving this operation, in accordance with CAPCOA's "California Implementation Guidelines for Estimating Mass Emissions of Fugitive Hydrocarbon Leaks at Petroleum Facilities," Table IV-2c (Feb 1999), Screening Value Range emission factors. Permittee shall update such records when new components are installed. [District NSR Rule] Federally Enforceable Through Title V Permit
58. Permittee shall keep the steam-enhanced crude oil production well vents closed and the front line production equipment downstream of the wells that carry produced fluids (crude oil or mixture of crude oil and water) shall be connected to a VOC collection and control system. 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. [District Rule 4401]
59. For a period of at least five years, permittee shall maintain records of the component inspections required by this permit, including the components inspected, date of inspection, leak screening level concentration values recorded and manner and date of repair and reinspection of identified leaking components. Records shall be made readily available for District inspection upon request. [District NSR Rule] Federally Enforceable Through Title V Permit
60. Records shall be maintained of each calibration of the portable hydrocarbon detection instrument utilized for inspecting components. The records shall include a copy of the current calibration gas certification from the vendor of the calibration gas cylinder, the date of calibration, the concentration of calibration gas, the instrument reading of calibration gas before adjustment, the instrument reading of calibration gas after adjustment, the calibration gas expiration date, and the calibration gas cylinder pressure at the time of calibration. [District Rule 4401]
61. 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 Rule 4401]