



JUL 29 2010

Mr. William Fall
Chevron USA
P.O. Box 1392
Bakersfield, CA 93302

**Re: Notice of Final Decision - ATC / Certificate of Conformity
Facility # S-1141
Project # S-1094822**

Dear Mr. Fall:

The Air Pollution Control Officer has issued Authority to Construct permits to Chevron USA for your heavy oil operation at their Heavy Oil Western stationary source, California. The project is to limit the NOx and SOx emissions of fourteen steam generators for Rule 4320 compliance.

Enclosed are copies of the Authority to Construct permits and a copy of the notice of final action to be published approximately three days from the date of this letter.

Notice of the District's preliminary decision to issue the Authority to Construct permits with Certificate of Conformity was published on 5/24/2010. The District's analysis of the proposal was also sent to US EPA Region IX on 5/24/2010. All comments received have been addressed by the District. A summary of the comments and the District's response to each comment is attached.

Also enclosed is an invoice for the engineering evaluation fees pursuant to District Rule 3010. Please remit the amount owed, along with a copy of the attached invoice, within 30 days.

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

Sincerely,


David Warner
Director of Permit Services

Enclosures
c: Dolores Gough, Permit Services

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



JUL 29 2010

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

**Re: Notice of Final Decision - ATC / Certificate of Conformity
Facility # S-1141
Project # S-1094822**

Dear Mr. Rios:

The Air Pollution Control Officer has issued Authority to Construct permits to Chevron USA for its heavy oil operation at their Heavy Oil Western stationary source, California. The project is to limit the NOx and SOx emissions of fourteen steam generators for Rule 4320 compliance.

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JUL 29 2010

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

**Re: Notice of Final Decision - ATC / Certificate of Conformity
Facility # S-1141
Project # S-1094822**

Dear Mr. Tollstrup:

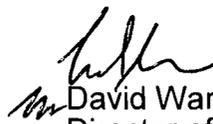
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Enclosed are copies of the Authority to Construct permits and a copy of the notice of final action to be published approximately three days from the date of this letter.

Notice of the District's preliminary decision to issue the Authority to Construct permits with Certificate of Conformity was published on 5/24/2010. The District's analysis of the proposal was also sent to US EPA Region IX on 5/24/2010. All comments received have been addressed by the District. A summary of the comments and the District's response to each comment is attached.

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

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Comments were received from Chevron during the COC and public noticing period.

Comment #1: Chevron requested that ATC S-1141-553-8 be corrected to reflect compliance with Rule 4320 Section 5.4.1 by limiting the sulfur to 5 gr-S/100scf or by reducing SOx to 5% via scrubbing or to an outlet concentration of 9 ppmv @ 3% O₂. This will align the ATC to the equipment description and conditions specifying the SOx limits.

Response #1: Corrected the equipment description of the subject ATC and revised Conditions #18 and 19 to reflect the correct SOx limits. This correction does not represent a change in emissions. The SOx limits will be consistent with those specified in ATC S-1141-553-7 (Rule 4320 NOx/SOx compliance option).

The condition on the recordkeeping of start-up and shutdown periods was revised in line with Rule 4320 as follows: " The operator shall maintain daily records of start-up and shutdown periods. ~~exceeding 2 hours.~~"

Bakersfield Californian

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

NOTICE IS HEREBY GIVEN that the Air Pollution Control Officer has issued Authority to Construct permits to Chevron USA for its heavy oil operation at their Heavy Oil Western stationary source, California. The project is to limit the NOx and SOx emissions of fourteen steam generators for Rule 4320 compliance.

Comments received following the District's preliminary decision on this project have been addressed by the District.

The application review for Project #S-1094822, is available for public inspection at http://www.valleyair.org/notices/public_notices_idx.htm and the District office at the address below. SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308.



San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT

July 23, 2010

Chevron USA Inc
PO Box 1392
Bakersfield, CA 93302

Authority to Construct Number(s): S-1141-26-33, 34, 35, s-1141-55-30, 31, s-1141-60-30, 31, s-1141-515-10, 11, s-1141-549-10, 11, s-1141-550-8, 9, s-1141-551-7, 8, s-1141-552-7, 8, s-1141-553-7, 8, s-1141-555-11, 12, s-1141-556-12, s-1141-556-13, s-1141-557-10, 11, s-1141-558-8, 9.

Rule 2010 3.0 – AUTHORITY TO CONSTRUCT

Enclosed please find Authority to Construct document(s) for your project. Please read the document(s) carefully and contact the Permit Services Division if the information does not appear correct or if you have any questions.

Remember to notify the Compliance Division when you begin operating to schedule a start-up inspection. After the Compliance Division has verified that the operation has satisfied all conditions of the Authority to Construct, a Permit to Operate may be issued. You will receive a Permit to Operate and billing, which must be paid to validate your Permit to Operate.

Contact the Permit Services Division prior to making changes to the equipment or operation, other than those described on the attached Authority to Construct document(s).

Permit Services Division or the Compliance Division can be reached at (661) 392-5500.

SEYED SADREDIN
EXECUTIVE-DIRECTOR/APCO



AUTHORITY TO CONSTRUCT

PERMIT NO: S-1141-26-33

ISSUANCE DATE: 07/21/2010

LEGAL OWNER OR OPERATOR: CHEVRON USA INC
MAILING ADDRESS: PO BOX 1392
BAKERSFIELD, CA 93302

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
CA

SECTION: NW17 **TOWNSHIP:** 32S **RANGE:** 23E

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR STRUTHERS THERMOFLOOD NATURAL GAS/TEOR GAS/TVC VAPORS-FIRED STEAM GENERATOR WITH A NORTH AMERICAN MODEL GLE 4231 ULTRA-LOW NOX BURNER, FGR, A THERMOX O2 CONTROLLER, VAPOR PIPING FROM TEOR SYSTEM, VAPOR PIPING FROM TVC SYSTEMS, AND A SULFA SCRUB HYDROGEN SULFIDE (H2S) SYSTEM (COMMON TO -31, -549, -550, -551, -552, -553, -555, -556, -557 AND -558) (#48, DIS #20660-81, NATIONAL BOARD #1041): LIMIT NOX TO 9 PPM @ 3% O2 (0.011 LB-NOX/MMBTU) OR TO 12 PPMV @ 3% O2 (0.014 LB-NOX/MMBTU) & FUEL GAS SULFUR CONTENT TO 5 GR-S/100 SCF OR REDUCE SOX BY 95% VIA SCRUBBING OR TO AN OUTLET CONCENTRATION NOT EXCEEDING 9 PPMVD SO2 @ 3% O2 FOR RULE 4320 COMPLIANCE

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. This Authority to Construct shall be implemented according to the date proposed in the District-approved Rule 4320 Emission Control Plan. [District Rule 4320]
4. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]

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-1141-26-33 : Jul 22 2010 9:01AM - GOUGHD : Joint Inspection NOT Required

19. If the unit is fired on PUC-regulated natural gas, valid purchase contracts, supplier certifications, tariff sheets, or transportation contracts may be used to satisfy the fuel sulfur content analysis, provided they establish the fuel sulfur concentration and higher heating value. [District Rules 2520, 9.3.2 and 4320] Federally Enforceable Through Title V Permit
20. If the unit is not fired on PUC-regulated natural gas and compliance is achieved through fuel sulfur content limitations, then the sulfur content of the fuel shall be determined by testing sulfur content at a location after all fuel sources are combined prior to incineration; or by performing mass balance calculations based on monitoring the sulfur content and volume of each fuel source. The sulfur content of the fuel shall be determined using the test methods referenced in this permit. [District Rules 2520, 9.3.2 and 4320, 5.7.6] Federally Enforceable Through Title V Permit
21. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by: ASTM D 1826 or D1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rules 2520, 9.4.2, 4305, 6.2.1 and 4320] Federally Enforceable Through Title V Permit
22. Emissions from the steam generator shall not exceed any of the following limits: 1.94 lb-SO_x/MMBtu, 0.096 lb-PM₁₀/MMBtu, or 0.005 lb-VOC/MMBtu. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
23. Except during startup, shutdown and the shakedown period, emissions shall not exceed any of the following limits when this unit is burning 50% or greater by volume PUC quality gas on a monthly average basis: 9 ppmvd NO_x @ 3% O₂ or 0.011 lb-NO_x/MMBtu and 51 ppmvd CO @ 3% O₂ or 0.0375 lb-CO/MMBtu. [District Rules 2201 and 4320]
24. Except during startup, shutdown and the shakedown period, emissions shall not exceed any of the following limits when the unit is burning less than 50% by volume PUC quality gas on a monthly average basis: 12 ppmvd NO_x @ 3% O₂ or 0.014 lb-NO_x/MMBtu and 51 ppmvd CO @ 3% O₂ or 0.0375 lb-CO/MMBtu. [District Rules 2201 and 4320]
25. During start-up and shutdown periods, emissions from the natural gas/vapor recovery gas-fired steam generator shall not exceed either of the following limits: 0.1 lb/MMBtu or 0.084 lb-CO/MMBtu. [District Rule]
26. Fuel gas sulfur shall not exceed 5 g-S/100 scf unless SO_x is reduced by 95% or to 9 ppmv SO₂ @ 3%O₂ in the exhaust with scrubber. [District Rule 4320]
27. The applicable NO_x and CO emissions concentration for each month shall be determined based on the volume and type of fuel combusted in the unit (< 50% by volume PUC quality gas or greater than or equal to 50% by volume PUC quality gas). Permittee shall maintain supporting records that determine the type of fuel combusted. [District Rules 2201 and 4320]
28. Duration of start-up or shutdown shall not exceed two hours each per occurrence. During start-up or shutdown, the emissions control system shall be in operation, and emissions shall be minimized insofar as technologically possible. The operator shall maintain daily records of the duration of start-up and shutdown periods. [District Rules 4305, 5.5.6, 4306, 5.3 and 4320] Federally Enforceable Through Title V Permit
29. Start-up is defined as the period of time during which a unit is brought from a shutdown status to its operating temperature and pressure, including the time required by the unit's emission control system to reach full operation. Shutdown is defined as the period of time during which a unit is taken from an operational to a non-operational status by allowing it to cool down from its operating temperature to ambient temperature as the fuel supply to the unit is completely turned off. [District Rule 4306, 3.25 and 3.22] Federally Enforceable Through Title V Permit
30. Maximum emissions from the steam generator, including start-up and shutdown, shall not exceed any of the following limits: 54.0 lb-NO_x/day, 7,665 lb-NO_x/yr, 56.3 lb-CO/day, and 20,531 lb-CO/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
31. During a shakedown period not to exceed 60 calendar days from initial operation of the modifications authorized by this ATC, NO_x emissions shall not exceed 15 ppmvd @ 3% O₂ or 0.0182 lb/MMBtu. The shakedown period shall be concluded prior to the Rule 4320 compliance deadline selected for this unit. Permittee shall maintain a record of the date of initial operation and shall make such records readily available for District inspection upon request. [District Rules 4305, 5.5.6, 4306, 5.3 and 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

41. The following test methods shall be used: NOX (ppmv) - EPA Method 7E or ARB Method 100, NO_x (lb/MMBtu) - EPA Method 19; CO (ppmv) - EPA Method 10 or ARB Method 100; Stack gas oxygen (O₂) - EPA Method 3 or 3A or ARB Method 100; stack gas velocities - EPA Method 2; and Stack gas moisture content - EPA Method 4. [District Rules 1081, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
42. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 5.5.1, 4306, 5.5.1 and 4320] Federally Enforceable Through Title V Permit
43. All required source testing shall conform to the compliance testing procedures described in District Rule 1081 (Last 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
44. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. No determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. [District Rules 4305, 5.5.2, 4306, 5.5.2, and 4320] Federally Enforceable Through Title V Permit
45. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 5.5.5, 4306, 5.5.5 and 4320] Federally Enforceable Through Title V Permit
46. Source testing shall be conducted using the methods and procedures approved by the District. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. [District Rule 1081] Federally Enforceable Through Title V Permit
47. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 6.1 and 4306, 6.1] Federally Enforceable Through Title V Permit
48. Permittee shall maintain with the permit a current listing of all TEOR and TVC gas systems providing vapors to this steam generator and shall make such listing readily available for District inspection upon request [District NSR Rule] Federally Enforceable Through Title V Permit
49. Permittee shall maintain daily records of total combined volume of fuel gas and vapor recovery gas burned, the dates of any fuel type switching, the monthly NO_x and CO emissions limit determinations, the sulfur content and higher heat value as determined by periodic analytical testing or fuel supplier invoices/certifications, and permit number(s) of systems providing gas for incineration. [District Rules 2201, 2520 and 4320]
50. All records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 6.1, 4306, 6.1 and 4320] Federally Enforceable Through Title V Permit
51. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following requirements: SJVUAPCD Rules 4201 (Amended December 17, 1992), and 4301 (Amended December 17, 1992). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
52. The requirements of SJVUAPCD Rule 4351 (Amended October 19, 1995) do not apply to this source. A permit shield is granted from this requirement. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

5. 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
6. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201] Federally Enforceable Through Title V Permit
7. Steam generator shall be equipped with the following operational instrumentation: fuel gas volume flowmeter, TEOR gas volume flowmeter, TVC gas flowmeter, and flue gas oxygen monitor. [District Rule 2201] Federally Enforceable Through Title V Permit
8. The VOC content of the fluid stream handled by the Sulfa-Scrub system shall be less than ten (10) percent by weight, as determined by ASTM Methods E-260-73, E-168-67, or E-169-63. Test samples shall be taken from sampling ports immediately upstream and downstream of the Sulfa-Scrub system. VOC content shall be determined quarterly, and if compliance with the VOC content limit is demonstrated for eight consecutive quarters, the testing frequency may be changed to annual. Testing frequency shall revert to quarterly if an annual test is failed. [District Rule 2201] Federally Enforceable Through Title V Permit
9. All piping, fittings, and valves shall be inspected annually in accordance with EPA Method 21, with an instrument calibrated with methane. Components located in unsafe areas shall be inspected and repaired at the next process turnaround (the shutdown of a unit for maintenance and repair work). [District Rule 2201] Federally Enforceable Through Title V Permit
10. Except for components that are part of a critical process unit as defined in this permit, leaking components (having a gas leak >10,000 ppmv measured as methane) shall be repaired to a leak-free condition within 15 days of discovery. [District Rule 2201] Federally Enforceable Through Title V Permit
11. If the leaking component is an essential part of a critical process unit which cannot be immediately shut down for repairs, the operator shall 1) Minimize the leak within 15 calendar days; and 2) If the leak which has been minimized still exceeds the concentration allowed by this permit, the essential component shall be repaired to eliminate the leak during the next process unit turnaround, but in no case later than one year from the date of the original leak detection. A critical process unit is any process unit which would result in the automatic shutdown of other process units if it were shut down. [District Rule 2201] Federally Enforceable Through Title V Permit
12. Flue gas recirculation system may be designed such that ambient air may be drawn into flue gas recirculation piping. [District Rule 2201] Federally Enforceable Through Title V Permit
13. When combustion air orifice and flue gas recirculation orifice have been used to demonstrate compliance they shall not be changed without a District-witnessed compliance demonstration. [District Rule 2201] Federally Enforceable Through Title V Permit
14. For each steam generator site downstream of H₂S scavenger vessel, permittee shall monitor sulfur content of the gas prior to incineration in affected steam generators on a weekly basis utilizing gas detection tubes calibrated for existing sulfur species or other District approved fuel sulfur detection method(s) or device(s). [District Rule 1070] Federally Enforceable Through Title V Permit
15. Fuel H₂S, total sulfur, and methane content shall be determined semi-annually using the following test methods H₂S: ASTM D6228; total sulfur: ASTM D1072; ASTM D3246, double GC for H₂S and mercaptans or ASTM D6228; and methane content: ASTM D1945. [District Rule 4320]
16. Each fuel source shall be tested semi-annually for sulfur content and higher heating value. If a fuel content test fails to show compliance, weekly testing is required until compliance is demonstrated for 8 consecutive weeks, after which semi-annual testing may resume. [District Rules 2520, 9.3.2 and 4320, 5.7.6] Federally Enforceable Through Title V Permit
17. If the unit is fired on PUC-regulated natural gas, valid purchase contracts, supplier certifications, tariff sheets, or transportation contracts may be used to satisfy the fuel sulfur content analysis, provided they establish the fuel sulfur concentration and higher heating value. [District Rules 2520, 9.3.2 and 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

31. If either the NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 5.4, 4306, 5.4 and 4320] Federally Enforceable Through Title V Permit
32. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 5.4, 4306, 5.4 and 4320] Federally Enforceable Through Title V Permit
33. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, NO_x (lb/MMBtu) - EPA Method 19; CO (ppmv) - EPA Method 10 or ARB Method 100; Stack gas oxygen (O₂) - EPA Method 3 or 3A or ARB Method 100; stack gas velocities - EPA Method 2; and Stack gas moisture content - EPA Method 4. [District Rules 1081, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
34. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 5.5.1, 4306, 5.5.1 and 4320] Federally Enforceable Through Title V Permit
35. All required source testing shall conform to the compliance testing procedures described in District Rule 1081 (Last 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
36. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. No determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. [District Rules 4305, 5.5.2, 4306, 5.5.2 and 4320] Federally Enforceable Through Title V Permit
37. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 5.5.5, 4306, 5.5.5 and 4320] Federally Enforceable Through Title V Permit
38. Source testing shall be conducted using the methods and procedures approved by the District. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. [District Rule 1081] Federally Enforceable Through Title V Permit
39. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 6.1 and 4306, 6.1] Federally Enforceable Through Title V Permit
40. Permittee shall maintain with the permit a current listing of all TEOR and TVC gas systems providing vapors to this steam generator and shall make such listing readily available for District inspection upon request [District NSR Rule] Federally Enforceable Through Title V Permit
41. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following requirements: SJVUAPCD Rules 4201 (Amended December 17, 1992), and 4301 (Amended December 17, 1992). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
42. The requirements of SJVUAPCD Rule 4351 (Amended October 19, 1995) do not apply to this source. A permit shield is granted from this requirement. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE



AUTHORITY TO CONSTRUCT

PERMIT NO: S-1141-31-34

ISSUANCE DATE: 07/21/2010

LEGAL OWNER OR OPERATOR: CHEVRON USA INC
MAILING ADDRESS: PO BOX 1392
BAKERSFIELD, CA 93302

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
CA

SECTION: NW17 **TOWNSHIP:** 32S **RANGE:** 23E

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL GAS/TEOR/TVC GAS FIRED CE NATCO STEAM GENERATOR #59 (DIS# 20639-81, NATIONAL BOARD #1352), WITH NORTH AMERICAN MAGNA-FLAME GLE ULTRA-LOW NOX BURNER, O2 CONTROLLER AND FGR PERMITTED TO OPERATE WITH EITHER AN AIR-FUEL MIXING ROD OR A MULTI-PORT (AKA GATLING GUN) PRIMARY MIXER: LIMIT NOX TO 9 PPM @ 3% O2 (0.011 LB-NOX/MMBTU) OR TO 12 PPMV @ 3% O2 (0.014 LB-NOX/MMBTU) & FUEL GAS SULFUR CONTENT TO 5 GR-S/100 SCF OR REDUCE SOX BY 95% VIA SCRUBBING OR TO AN OUTLET CONCENTRATION NOT EXCEEDING 9 PPMVD SO2 @ 3% O2 FOR RULE 4320 COMPLIANCE

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. This Authority to Construct shall be implemented according to the date proposed in the District-approved Rule 4320 Emission Control Plan. [District Rule 4320]
4. All required source testing shall conform to the compliance testing procedures described in District Rule 1081 (Last 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

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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-1141-31-34 : Jul 22 2010 9:01AM - GOUGHD : Joint Inspection NOT Required

20. Flue gas recirculation system may be designed such that ambient air may be drawn into flue gas recirculation piping. [District Rule 2201] Federally Enforceable Through Title V Permit
21. Duration of start-up or shutdown shall not exceed 2 hours each per occurrence. During start-up or shutdown, the emissions control system shall be in operation, and emissions shall be minimized insofar as technologically possible. The operator shall maintain records of the duration of each start-up and shutdown periods. [District Rules 4306 and 4320] Federally Enforceable Through Title V Permit
22. During start-up and shutdown periods, emissions from the natural gas/vapor recovery gas-fired steam generator shall not exceed either of the following limits: 0.1 lb/MMBtu or 0.084 lb-CO/MMBtu. [District Rule 2201] Federally Enforceable Through Title V Permit
23. Emission rates shall not exceed: PM10: 144.0 lb/day or 52,560 lb/year, SOx: 2910 lb/day or 1,062,150 lb/year, NOx (as NO2): 54.0 lb/day or 7665 lb/year, VOC: 9.0 lb/day or 3285 lb/year, CO: 40.5 lb/day or 14,783 lb/year. [District Rule 2201] Federally Enforceable Through Title V Permit
24. Emission rates from the steam generator shall not exceed any of the following: PM10: 0.096 lb/MMBtu, SOx (as SO2): 1.94 lb/MMBtu, or VOC: 0.006 lb/MMBtu. [District Rule 2201, 4305, 4306, 4406, and 4320] Federally Enforceable Through Title V Permit
25. Except during startup, shutdown and the shakedown period, emissions shall not exceed any of the following limits when this unit is burning 50% or greater by volume PUC quality gas on a monthly average basis: 9 ppmvd NOx @ 3% O2 or 0.011 lb-NOx/MMBtu and 37 ppmvd CO @ 3% O2 or 0.027 lb-CO/MMBtu [District Rule]
26. Except during startup, shutdown and the shakedown period, emissions shall not exceed any of the following limits when the unit is burning less than 50% by volume PUC quality gas on a monthly average basis: 12 ppmvd NOx @ 3% O2 or 0.014 lb-NOx/MMBtu and 37 ppmvd CO @ 3% O2 or 0.027 lb-CO/MMBtu. [District Rules 2201 and 4320]
27. The applicable NOx and CO emissions concentration for each month shall be determined based on the volume and type of fuel combusted in the unit (< 50% by volume PUC quality gas or greater than or equal to 50% by volume PUC quality gas). Permittee shall maintain supporting records that determine the type of fuel combusted. [District Rules 2201 and 4320]
28. Fuel gas sulfur shall not exceed 5 g-S/100 scf unless SOx is reduced by 95% or to 9 ppmv SO2 @ 3%O2 in the exhaust with scrubber. [District Rule 4320]
29. During a shakedown period not to exceed 60 calendar days from initial operation of the modifications authorized by this ATC, NOx emissions shall not exceed 15 ppmvd @ 3% O2 or 0.0182 lb/MMBtu. The shakedown period shall be concluded prior to the Rule 4320 compliance deadline selected for this unit. Permittee shall maintain a record of the date of initial operation and shall make such records readily available for District inspection upon request. [District Rules 4305, 5.5.6, 3406, 5.3 and 4320] Federally Enforceable Through Title V Permit
30. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. No determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4306. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
31. A source test to demonstrate compliance with NOx and CO emission limits shall be performed within 60 days of startup of this unit. The NOx limit in effect at the time of the startup source testing will be determined based on the volume and type of fuel combusted (greater than or equal to 50% PUC quality or < 50% PUC quality gas) and shall be identified in the source test protocol. Whenever the fuel type is switched from the fuel type combusted during the initial startup of this unit, compliance source testing for NOx and CO shall be conducted within 90 days of the date the fuel type is switched. [District Rules 2201 and 4320]
32. Source testing is required at least once every twelve (12) months from the initial source test date of each fuel type (greater than or equal to 50% PUC quality gas or < 50% PUC quality gas). After an initial compliance demonstration with the NOx and CO emission limits for each fuel type on two (2) consecutive source tests, the unit shall be tested not less than once every thirty-six (36) months from the last test date for that fuel type. Testing shall not be required for any fuel type not in use during the 36 month period until such time the fuel type is switched, after which testing shall be performed within 90 days of switching fuel types. [District Rules 2201 and 4320]

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44. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305 and 4306] Federally Enforceable Through Title V Permit
45. Permittee shall maintain with the permit a current listing of all TEOR and TVC gas systems providing vapors to this steam generator and shall make such listing readily available for District inspection upon request. [District NSR Rule] Federally Enforceable Through Title V Permit
46. Permittee shall maintain daily records of total combined volume of fuel gas and vapor recovery gas burned, the dates of any fuel type switching, the monthly NO_x and CO emissions limit determinations, the sulfur content and higher heat value as determined by periodic analytical testing or fuel supplier invoices/certifications, and permit number(s) of systems providing gas for incineration. [District Rules 2201, 2520 and 4320]
47. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
48. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

5. Copies of all fuel invoices, gas purchase contracts, supplier certifications, and test results to determine compliance with the conditions of this permit shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
6. 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
7. Particulate matter emissions shall not exceed 0.1 grain/dscf, calculated to 12% CO₂, nor 10 lb/hr. [District Rules 4201, 3.1 and 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit
8. Fuel H₂S, total sulfur, and methane content shall be determined semi-annually using the following test methods H₂S: ASTM D6228; total sulfur: ASTM D1072; ASTM D3246, double GC for H₂S and mercaptans or ASTM D6228; and methane content: ASTM D1945. [District Rule 4320]
9. Each fuel source shall be tested semi-annually for sulfur content and higher heating value. If a fuel content test fails to show compliance, weekly testing is required until compliance is demonstrated for 8 consecutive weeks, after which semi-annual testing may resume. [District Rules 2520, 9.3.2 and 4320, 5.7.6] Federally Enforceable Through Title V Permit
10. If the unit is fired on PUC-regulated natural gas, valid purchase contracts, supplier certifications, tariff sheets, or transportation contracts may be used to satisfy the fuel sulfur content analysis, provided they establish the fuel sulfur concentration and higher heating value. [District Rules 2520, 9.3.2 and 4320] Federally Enforceable Through Title V Permit
11. If the unit is not fired on PUC-regulated natural gas and compliance is achieved through fuel sulfur content limitations, then the sulfur content of the fuel shall be determined by testing sulfur content at a location after all fuel sources are combined prior to incineration, or by performing mass balance calculations based on monitoring the sulfur content and volume of each fuel source. The sulfur content of the fuel shall be determined using the test methods referenced in this permit. [District Rules 2520, 9.3.2 and 4320, 5.7.6] Federally Enforceable Through Title V Permit
12. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by: ASTM D 1826 or D1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rules 2520, 9.4.2 , 4305, 6.2.1 and 4320] Federally Enforceable Through Title V Permit
13. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following requirements: SJVUAPCD Rules 4201 (Amended December 17, 1992), and 4301 (Amended December 17, 1992). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
14. The requirements of 40 CFR 72.6(b) and 40 CFR 60.40c do not apply to this source because this permit unit has not been modified per 40 CFR 60. A permit shield is granted from this requirement. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
15. The requirements of SJVUAPCD Rule 4351(Amended October 19, 1995) do not apply to this source because this permit unit is located west of Interstate Highway 5. A permit shield is granted from this requirement. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
16. Steam generator shall be equipped with the following operational instrumentation: fuel gas volume flowmeter, TEOR/TVC gas volume flowmeter, and flue gas oxygen monitor. [District NSR Rule, 4305 and 4306] Federally Enforceable Through Title V Permit
17. Exhaust gas stack shall be equipped with adequate provisions facilitating the collection of gas samples consistent with EPA Test Methods. [District NSR Rule and 1081] Federally Enforceable Through Title V Permit
18. Flue gas recirculation system may be designed such that ambient air may be drawn into flue gas recirculation piping. [District Rule 2201] Federally Enforceable Through Title V Permit
19. Duration of start-up and shutdown shall not exceed 2 hours each per occurrence. During a start-up or shutdown, the emissions control system shall be in operation, and emissions shall be minimized insofar as technologically possible. [District Rule 4306] Federally Enforceable Through Title V Permit

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35. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
36. If either the NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
37. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
38. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305 and 4306] Federally Enforceable Through Title V Permit
39. Permittee shall maintain with the permit a current listing of all TEOR and TVC gas systems providing vapors to this steam generator and shall make such listing readily available for District inspection upon request. [District NSR Rule] Federally Enforceable Through Title V Permit
40. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
41. Pursuant to Rule 4320, beginning in 2010 the operator shall pay an annual emission fee to the District for NO_x emissions from this unit for the previous calendar year. Payments are due by July 1 of each year. Payments shall continue annually until either the unit is permanently removed from service in the District or the operator demonstrates compliance with the applicable NO_x emission limit listed in Rule 4320. [District Rule 4320]
42. Permittee shall maintain records of annual heat input (MMBtu) for this unit on a calendar year basis. Such records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070 and Rule 4320]
43. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

6. This Authority to Construct shall be implemented according to the date proposed in the District-approved Rule 4320 Emission Control Plan. [District Rule 4320]
7. All required source testing shall conform to the compliance testing procedures described in District Rule 1081 (Last 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
8. 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, 9.4.2] Federally Enforceable Through Title V Permit
9. Particulate matter emissions shall not exceed 0.1 grain/dscf, calculated to 12% CO₂, nor 10 lb/hr. [District Rules 4201, 3.1 and 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit
10. PUC quality natural gas is any gaseous fuel where the sulfur content is no more than one-fourth (0.25) grain of hydrogen sulfide per one hundred (100) standard cubic feet, no more than five (5) grains of total sulfur per one hundred (100) standard cubic feet, and at least 80% methane by volume. [District Rule 4320]
11. Fuel H₂S, total sulfur, and methane content shall be determined semi-annually using the following test methods H₂S: ASTM D6228; total sulfur: ASTM D1072; ASTM D3246, double GC for H₂S and mercaptans or ASTM D6228; and methane content: ASTM D1945. [District Rule 4320]
12. In months where PUC quality gas is burned, the permittee shall maintain records on a calendar month basis of the volume of PUC quality natural gas and the total gas fired in this unit. Permittee shall keep monthly records of the percentage by volume of PUC quality gas fired and indicate if the volume of PUC quality gas fired is greater or less than 50%. [District Rule 4320]
13. Each fuel source shall be tested semi-annually for sulfur content and higher heating value. If a fuel content test fails to show compliance, weekly testing is required until compliance is demonstrated for 8 consecutive weeks, after which semi-annual testing may resume. [District Rules 2520, 9.3.2 and 4320, 5.7.6]
14. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by: ASTM D 1826 or D1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rules 2520, 9.4.2 , 4305, 6.2.1 and 4320] Federally Enforceable Through Title V Permit
15. If the unit is fired on PUC-regulated natural gas, valid purchase contracts, supplier certifications, tariff sheets, or transportation contracts may be used to satisfy the fuel sulfur content analysis, provided they establish the fuel sulfur concentration and higher heating value. [District Rules 2520, 9.3.2 and 4320]
16. If the unit is not fired on PUC-regulated natural gas and compliance is achieved through fuel sulfur content limitations, then the sulfur content of the fuel shall be determined by testing sulfur content at a location after all fuel sources are combined prior to incineration, or by performing mass balance calculations based on monitoring the sulfur content and volume of each fuel source. The sulfur content of the fuel shall be determined using the test methods referenced in this permit. [District Rules 2520, 9.3.2 and 4320]
17. Nitrogen oxide (NO_x) emissions shall not exceed 140 lb/hr, calculated as NO₂. [District Rules 4301, 5.2.2 and 2520, 9.3.2] Federally Enforceable Through Title V Permit
18. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following requirements: SJVUAPCD Rules 4201 (Amended December 17, 1992), and 4301 (Amended December 17, 1992). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
19. Compliance with permit conditions in the Title V permit shall be deemed in compliance with the following outdated SIP requirements: 108 (Kings), 108.1 (Fresno, Merced, San Joaquin, Tulare, Kern, and Stanislaus), 110 (Madera), 402 (Madera), 404 (Fresno, Kern, Tulare, Kings, Stanislaus, Merced, and San Joaquin), 405 (Madera), 408 (Fresno, Kern, Tulare, Kings, Stanislaus, Merced, and San Joaquin), 407.2 (Kern, Tulare, Kings, Stanislaus, and San Joaquin), and 408.2 (Merced). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

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38. Records required by this permit shall be retained at the facility for a period of no less than 5 years and shall be made readily available for District inspection upon request. [District NSR Rule] Federally Enforceable Through Title V Permit
39. Emission rates shall not exceed any of the following: PM10: 0.005 lb/MMBtu, SOx (as SO2): 0.040 lb/MMBtu, VOC: 0.003 lb/MMBtu or CO: 1.4 ppmv @ 3% O2. [District Rules 2201, 4305 and 4320] Federally Enforceable Through Title V Permit
40. Except during startup, shutdown and the shakedown period, emissions shall not exceed any of the following limits when this unit is burning 50% or greater by volume PUC quality gas on a monthly average basis: 9 ppmvd NOx @ 3% O2 or 0.011 lb-NOx/MMBtu and 1.4 ppmvd CO @ 3% O2 or 0.002 lb-CO/MMBtu. [District Rules 2201 and 4320]
41. Except during startup, shutdown and the shakedown period, emissions shall not exceed any of the following limits when the unit is burning less than 50% by volume PUC quality gas on a monthly average basis: 12 ppmvd NOx @ 3% O2 or 0.014 lb-NOx/MMBtu and 1.4 ppmvd CO @ 3% O2 or 0.002 lb-CO/MMBtu. [District Rules 2201 and 4320]
42. The applicable NOx and CO emissions concentration for each month shall be determined based on the volume and type of fuel combusted in the unit (< 50% by volume PUC quality gas or greater than or equal to 50% by volume PUC quality gas). Permittee shall maintain supporting records that determine the type of fuel combusted. [District Rules 2201 and 4320]
43. During start-up and shutdown periods, emissions from the steam generator shall not exceed the following limits: 0.1 lb-NOx/MMBtu or 0.084 lb-CO/MMBtu. [District Rule 4320]
44. Fuel gas sulfur shall not exceed 5 g-S/100 scf unless SOx is reduced by 95% or to 9 ppmv SO2 @ 3%O2 in the exhaust with scrubber. [District Rule 4320]
45. Duration of start-up or shutdown shall not exceed two hours each per occurrence. During start-up or shutdown, the emissions control system shall be in operation, and emissions shall be minimized insofar as technologically possible. The operator shall maintain daily records of the duration of start-up and shutdown periods. [District Rule 4320]
46. Start-up is defined as the period of time during which a unit is brought from a shutdown status to its operating temperature and pressure, including the time required by the unit's emission control system to reach full operation. Shutdown is defined as the period of time during which a unit is taken from an operational to a non-operational status by allowing it to cool down from its operating temperature to ambient temperature as the fuel supply to the unit is completely turned off. [District Rules 4306 and 4320]
47. The acceptable range of positions of the FGR control valve and fuel firing rates shall be established by testing this unit or other representative units, as approved by the District. The acceptable ranges shall be maintained during operation at levels for which compliance with applicable NOx and CO emission rates have been demonstrated through source testing. [District Rule 2520, 9.3.2 and 4305] Federally Enforceable Through Title V Permit
48. A source test to demonstrate compliance with NOx and CO emission limits shall be performed within 60 days of startup of this unit. The NOx limit in effect at the time of the startup source testing will be determined based on the volume and type of fuel combusted (greater than or equal to 50% PUC quality or < 50% PUC quality gas) and shall be identified in the source test protocol. Whenever the fuel type is switched from the fuel type combusted during the initial startup of this unit, compliance source testing for NOx and CO shall be conducted within 90 days of the date the fuel type is switched. [District Rules 2201 and 4320]
49. Source testing is required at least once every twelve (12) months from the initial source test date of each fuel type (greater than or equal to 50% PUC quality gas or < 50% PUC quality gas). After an initial compliance demonstration with the NOx and CO emission limits for each fuel type on two (2) consecutive source tests, the unit shall be tested not less than once every thirty-six (36) months from the last test date for that fuel type. Testing shall not be required for any fuel type not in use during the 36 month period until such time the fuel type is switched, after which testing shall be performed within 90 days of switching fuel types. [District Rules 2201 and 4320]

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61. Emissions for this unit shall be calculated using the arithmetic mean, pursuant to District Rule 1081 (Amended December 16, 1993), of 3 thirty-minute test runs for NO_x and CO. [District Rules 2520, 9.3.2 and 4320] Federally Enforceable Through Title V Permit
62. Scrubber pressure drop shall be observed and recorded weekly during operation of this unit. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
63. Records of scrubber pressure drop shall be maintained. The records shall include identification of the equipment, date of inspection, corrective action taken, and identification of the individual performing the inspection. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
64. All equipment, facilities, and systems installed or used to achieve compliance with the terms and conditions of this Authority to Construct shall at all times be maintained in good working order and be operated as efficiently as possible so as to minimize air pollutant emissions: [PSD SJ 78-17] Federally Enforceable Through Title V Permit
65. The EPA Regional Administrator shall be notified by telephone, facsimile, or electronic mail transmission within two (2) working days following any failure of air pollution control equipment, process equipment, or of a process to operate in a normal manner, which results in an increase in emissions above any allowable emission limit stated in the condition below. In addition, the Regional Administrator shall be notified in writing within fifteen (15) days of any such failure. The notification shall include a description of the malfunctioning equipment or abnormal operation, the date of the initial failure, the period of time over which emissions were increased due to the failure, the cause of the failure, the estimated resultant emissions in excess of those allowed under the condition below, and the methods utilized to mitigate emissions and restore normal operations. Compliance with this malfunction notification provision shall not excuse or otherwise constitute a defense to any violations of this permit or of any law or regulations which such malfunction may cause. [PSD SJ 78-17] Federally Enforceable Through Title V Permit
66. The EPA Regional Administrator, the head of the State Air Pollution Control Agency, the head of the responsible local Air Pollution Control Agency, and/or their authorized representative, upon the presentation of credentials, shall be permitted: A. to enter the premises where the source is located or where any records are required to be kept under the terms and conditions of this Authority to Construct; and B. at reasonable times to have access to and copy any records required to be kept under the terms and conditions of this Authority to Construct; and C. to inspect any equipment, operation, or method required in this Authority to Construct; and D. to sample emissions from the source(s). [PSD SJ 78-17] Federally Enforceable Through Title V Permit
67. In the event of any changes in control or ownership of the facilities to be constructed, the Authority to Construct shall be binding on all subsequent owners and operators. The applicant shall notify the succeeding owner and operator of the existence of this Authority to Construct and its conditions by letter, a copy of which shall be forwarded to the EPA Regional Administrator and the State and local Air Pollution Control Agency. [PSD SJ 78-17] Federally Enforceable Through Title V Permit
68. The provisions of this Authority to Construct are severable, and, if any provision of the Authority to Construct is held invalid, the remainder of this Authority to Construct shall not be affected thereby. [PSD SJ 78-17] Federally Enforceable Through Title V Permit
69. The owner and operator of the proposed facility shall construct and operate the proposed stationary source in compliance with all other applicable provisions of 40 CFR Parts 52, 60, and 61 and all other applicable federal, state, and local air quality regulations. [PSD SJ 78-17] Federally Enforceable Through Title V Permit
70. Permittee shall consume no more than 6290 barrels per day of oil on a daily maximum average and no more than 5700 barrels per day of oil on an annual average basis. [PSD SJ 78-17] Federally Enforceable Through Title V Permit
71. The sulfur content of the fuel shall be no greater than 1.5% by weight on a daily maximum average and no greater than 1.5% by weight on an annual average basis, as determined by ASTM Methods D115-68, D129-64, or D151-64, or equivalent methods approved by the EPA. [PSD SJ 78-17] Federally Enforceable Through Title V Permit
72. The amount of fuel burned and the sulfur content of the fuel shall be recorded in a permanent record and shall be available for periodic inspection by the District, the California Air Resource Board, and the EPA. [PSD SJ 78-17] Federally Enforceable Through Title V Permit
73. Permittee shall have installed operable scrubbers on the equipment. Exhaust gases from the generators shall be ducted through operable scrubbers. [PSD SJ 78-17] Federally Enforceable Through Title V Permit

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AUTHORITY TO CONSTRUCT

PERMIT NO: S-1141-55-31

ISSUANCE DATE: 07/21/2010

LEGAL OWNER OR OPERATOR: CHEVRON USA INC
MAILING ADDRESS: PO BOX 1392
BAKERSFIELD, CA 93302

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
CA

SECTION: NE22 **TOWNSHIP:** 31S **RANGE:** 22E

EQUIPMENT DESCRIPTION:

MODIFICATION OF DORMANT EMISSION UNIT: 62.5 MMBTU/HR NATURAL GAS/TEOR GAS/TVC GAS FIRED STRUTHERS STEAM GENERATOR #105 (SN 81-37411-16, NB 1027, DIS 39622-90) WITH FLUE GAS RECIRCULATION, NORTH AMERICAN BURNER, O2 CONTROLLER, SO2 SCRUBBER, AND VAPOR PIPING FROM TEOR AND TVC SYSTEMS: INSTALL NORTH AMERICAN GLE ULTRA LOW-NOX BURNER; REDUCE SOX BY 95% VIA SCRUBBING OR TO 9 PPMV @3% O2 IN EXHAUST FOR 4320 COMPLIANCE

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. When designated as dormant, the fuel supply line shall be physically disconnected from this unit. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
4. The permittee shall notify the District at least seven calendar days prior to the designation of this permit unit as a dormant emissions unit or an active emissions unit. [District Rule 1070]
5. When designated as a dormant emissions unit, the permittee shall not be required to perform source testing or monitoring requirements otherwise required by this permit. [District Rule 1070]

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-1141-55-31 - Jul 22 2010 9:02AM - GOUGHD : Joint Inspection NOT Required

20. This unit is located west of interstate 5 in Kern county. Therefore, the requirements of District Rule 4351(Amended October 19, 1995) do not apply to this source. A permit shield is granted from this requirement. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
21. Permit unit shall include TEOR/TVC/natural gas-fired steam generator with North American burner, O2 controller, FGR, SO2 scrubber shared with S-1141--60 and vapor piping from TEOR operations. [District NSR Rule] Federally Enforceable Through Title V Permit
22. Steam generator shall be equipped with the following operational instrumentation: fuel gas volume flowmeter, TEOR gas volume flowmeter, TVC gas flowmeter, and flue gas oxygen monitor. [District NSR Rule and 4305] Federally Enforceable Through Title V Permit
23. Exhaust gas stack shall be equipped with adequate provisions facilitating the collection of gas samples consistent with EPA Test Methods. [District NSR Rule and 1081] Federally Enforceable Through Title V Permit
24. The scrubber shall be equipped with a differential pressure gauge to indicate the pressure drop across the unit. The gauge shall be maintained in good working condition at all times. [District NSR Rule] Federally Enforceable Through Title V Permit
25. Scrubber liquid supply (at inlet to scrubber) shall have an operational pressure indicator. [District NSR Rule] Federally Enforceable Through Title V Permit
26. Scrubber liquid supply (at inlet to scrubber) shall have an operational flow meter. [District NSR Rule] Federally Enforceable Through Title V Permit
27. Scrubber sprays and/or nozzles shall be maintained as required to achieve compliance with emission limits. [District NSR Rule] Federally Enforceable Through Title V Permit
28. Dissolved and suspended solids and condensed organics shall not exceed 20% of the scrubbing stream. [District NSR Rule] Federally Enforceable Through Title V Permit
29. Scrubber stack shall be equipped with adequate provisions facilitating the collection of gas samples consistent with EPA test methods. [District Rule 1081] Federally Enforceable Through Title V Permit
30. Scrubber shall be equipped with recirculation liquor pH indicator and pump discharge pressure indicator. [District NSR Rule] Federally Enforceable Through Title V Permit
31. Steam generator firebox convection section, scrubber bypass valve, and all flue gas ductwork shall have no detectible leaks. [District NSR Rule] Federally Enforceable Through Title V Permit
32. Scrubber recirculation liquor pH shall be maintained between 6.2 and 7.5. [District NSR Rule] Federally Enforceable Through Title V Permit
33. Scrubber recirculation liquor pH shall be maintained only with soda ash unless District approval is granted for substitution. [District NSR Rule] Federally Enforceable Through Title V Permit
34. Compliance source testing for SOx shall be conducted not less than once every 12 months. [District Rule 1081] Federally Enforceable Through Title V Permit
35. Upon recommencing operation, permittee shall measure and record, at least monthly, the sulfur content and BTU content of the TEOR/TVC gas incinerated in this unit. [District NSR Rule and 4406] Federally Enforceable Through Title V Permit
36. Permittee shall maintain with the permit a current listing of all TEOR and TVC systems providing vapors to this steam generator and shall make such listing readily available for District inspection upon request [District NSR Rule] Federally Enforceable Through Title V Permit
37. Records required by this permit shall be retained at the facility for a period of no less than 5 years and shall be made readily available for District inspection upon request. [District NSR Rule] Federally Enforceable Through Title V Permit
38. Emission rates shall not exceed any of the following: PM10: 0.005 lb/MMBtu, SOx (as SO2): 0.040 lb/MMBtu, NOx (as NO2): 0.018 lb/MMBtu or 15 ppmv @ 3% O2, VOC: 0.003 lb/MMBtu or CO: 1.4 ppmv @ 3% O2. [District Rules 2201, 4305 and 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

39. During start-up and shutdown periods, emissions from the steam generator shall not exceed the following limits: 0.1 lb-NO_x/MMBtu or 0.084 lb-CO/MMBtu. [District Rule 4320]
40. Duration of start-up or shutdown shall not exceed two hours each per occurrence. During start-up or shutdown, the emissions control system shall be in operation, and emissions shall be minimized insofar as technologically possible. The operator shall maintain daily records of the duration of start-up and shutdown periods. [District Rule 4320]
41. Start-up is defined as the period of time during which a unit is brought from a shutdown status to its operating temperature and pressure, including the time required by the unit's emission control system to reach full operation. Shutdown is defined as the period of time during which a unit is taken from an operational to a non-operational status by allowing it to cool down from its operating temperature to ambient temperature as the fuel supply to the unit is completely turned off. [District Rules 4306 and 4320]
42. The acceptable range of positions of the FGR control valve and fuel firing rates shall be established by testing this unit or other representative units, as approved by the District. The acceptable ranges shall be maintained during operation at levels for which compliance with applicable NO_x and CO emission rates have been demonstrated through source testing. [District Rule 2520, 9.3.2 and 4305] Federally Enforceable Through Title V Permit
43. Source testing to measure natural gas-combustion NO_x and CO emissions from this unit shall be conducted at least once every twelve (12) months. After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months. If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
44. Compliance demonstration (source testing) shall be by District witnessed, or authorized, sample collection by ARB certified testing laboratory. [District Rule 1081] Federally Enforceable Through Title V Permit
45. Source testing shall be conducted using the methods and procedures approved by the District. The District must be notified 30 days prior to any compliance source test, and a source test plan must be submitted for approval 15 days prior to testing. [District Rule 1081] Federally Enforceable Through Title V Permit
46. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
47. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, NO_x (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, PM₁₀ - EPA Method 5, SO_x (lb/MMBtu) - ARB Method 100 and EPA method 19. [District Rules 1081, 4305 and 4320] Federally Enforceable Through Title V Permit
48. Permittee shall pave and maintain with asphalt no less than 0.45 miles of roadway. The 0.45 miles of roadways constructed are in addition to new roadways associated with other steam injection and oil production well projects. [District NSR Rule] Federally Enforceable Through Title V Permit
49. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rule 4305] Federally Enforceable Through Title V Permit
50. If either the NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305 and 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

62. The owner and operator of the proposed facility shall construct and operate the proposed stationary source in compliance with all other applicable provisions of 40 CFR Parts 52, 60, and 61 and all other applicable federal, state, and local air quality regulations. [PSD SJ 78-17] Federally Enforceable Through Title V Permit
63. Permittee shall consume no more than 6290 barrels per day of oil on a daily maximum average and no more than 5700 barrels per day of oil on an annual average basis. [PSD SJ 78-17] Federally Enforceable Through Title V Permit
64. The sulfur content of the fuel shall be no greater than 1.5% by weight on a daily maximum average and no greater than 1.5% by weight on an annual average basis, as determined by ASTM Methods D115-68, D129-64, or D151-64, or equivalent methods approved by the EPA. [PSD SJ 78-17] Federally Enforceable Through Title V Permit
65. The amount of fuel burned and the sulfur content of the fuel shall be recorded in a permanent record and shall be available for periodic inspection by the District, the California Air Resource Board, and the EPA. [PSD SJ 78-17] Federally Enforceable Through Title V Permit
66. Permittee shall have installed operable scrubbers on the equipment. Exhaust gases from the generators shall be ducted through operable scrubbers. [PSD SJ 78-17] Federally Enforceable Through Title V Permit
67. Permittee shall not discharge into the atmosphere SO₂ in excess of 0.063 lbs/MMBtu. [PSD SJ 78-17] Federally Enforceable Through Title V Permit
68. Within 60 days after achieving the maximum production rate of the proposed facility, but not later than 180 days after initial start-up of this facility (as defined in 40 CFR 60.2(o)), and at such other times as specified by the EPA, permittee shall conduct performance tests for SO₂, and furnish the District and the EPA a written report of the results of such tests. The tests for SO₂ shall be conducted on an annual basis. The performance tests shall be conducted for each scrubber required for the generator. [PSD SJ 78-17] Federally Enforceable Through Title V Permit
69. Permittee shall not discharge into the atmosphere NO_x in excess of 0.277 lb/MMBtu (maximum 2-hour average). [PSD SJ 78-17] Federally Enforceable Through Title V Permit
70. Within 60 days after achieving the maximum production rate of the proposed facility, but not later than 180 days after initial start-up of this facility (as defined in 40 CFR 60.2(o)), and at such other times as specified by the EPA, permittee shall conduct performance test for NO_x, and furnish the District and the EPA written report of the results of such tests. The tests for NO_x shall be conducted on an annual basis and at the maximum operating capacity of the facilities being tested. [PSD SJ 78-17] Federally Enforceable Through Title V Permit
71. Permittee shall install and operate ammonia injection equipment to control nitrogen oxide emissions on the steam generator. This condition may be amended if other control technologies are determined by EPA to satisfy BACT requirements, in accordance with the periodic BACT review procedure below. [PSD SJ 78-17] Federally Enforceable Through Title V Permit
72. Permittee shall submit updated Best Available Control Technology (BACT) proposals every six months. Based on the information submitted and on other information which is available at that time, EPA may impose more stringent emission limits for NO_x. In no event shall EPA set a higher emission limit for NO_x. [PSD SJ 78-17] Federally Enforceable Through Title V Permit
73. Performance tests for the emission of NO_x and SO₂ shall be conducted and results reported in accordance with the methods set forth in Parts 60.8 and 60.46 of the Standards of Performance for New Sources. The EPA shall be notified at least 30 days in advance of such test to allow an observer to be present. In lieu of the above mentioned test methods, equivalent methods may be used if approved by the EPA. [PSD SJ 78-17] Federally Enforceable Through Title V Permit
74. Pursuant to Rule 4320, beginning in 2010 the operator shall pay an annual emission fee to the District for NO_x emissions from this unit for the previous calendar year. Payments are due by July 1 of each year. Payments shall continue annually until either the unit is permanently removed from service in the District or the operator demonstrates compliance with the applicable NO_x emission limit listed in Rule 4320. [District Rule 4320]
75. Permittee shall maintain records of annual heat input (MMBtu) for this unit on a calendar year basis. Such records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070 and Rule 4320]

6. This Authority to Construct shall be implemented according to the date proposed in the District-approved Rule 4320 Emission Control Plan. [District Rule 4320]
7. All required source testing shall conform to the compliance testing procedures described in District Rule 1081 (Last 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
8. 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, 9.4.2] Federally Enforceable Through Title V Permit
9. Particulate matter emissions shall not exceed 0.1 grain/dscf, calculated to 12% CO₂, nor 10 lb/hr. [District Rules 4201, 3.1 and 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit
10. PUC quality natural gas is any gaseous fuel where the sulfur content is no more than one-fourth (0.25) grain of hydrogen sulfide per one hundred (100) standard cubic feet, no more than five (5) grains of total sulfur per one hundred (100 standard cubic feet) and at least 80% methane by volume. [District Rule 4320]
11. Fuel H₂S, total sulfur, and methane content shall be determined semi-annually using the following test methods H₂S: ASTM D6228; total sulfur; ASTM D1072; ASTM D3246, double GC for H₂S and mercaptans or ASTM D6228; and methane content: ASTM D1945. [District Rule 4320]
12. In months where PUC quality gas is burned, the permittee shall maintain records on a calendar month basis of the volume of PUC quality natural gas and the total gas fired in this unit. Permittee shall keep monthly records of the percentage by volume of PUC quality gas fired and indicate if the volume of PUC quality gas fired is greater or less than 50%. [District Rule 4320]
13. Each fuel source shall be tested semi-annually for sulfur content and higher heating value. If a fuel content test fails to show compliance, weekly testing is required until compliance is demonstrated for 8 consecutive weeks, after which semi-annual testing may resume. [District Rules 2520, 9.3.2 and 4320, 5.7.6] Federally Enforceable Through Title V Permit
14. If the unit is fired on PUC-regulated natural gas, valid purchase contracts, supplier certifications, tariff sheets, or transportation contracts may be used to satisfy the fuel sulfur content analysis, provided they establish the fuel sulfur concentration and higher heating value. [District Rules 2520, 9.3.2 and 4320] Federally Enforceable Through Title V Permit
15. If the unit is not fired on PUC-regulated natural gas and compliance is achieved through fuel sulfur content limitations, then the sulfur content of the fuel shall be determined by testing sulfur content at a location after all fuel sources are combined prior to incineration, or by performing mass balance calculations based on monitoring the sulfur content and volume of each fuel source. The sulfur content of the fuel shall be determined using the test methods referenced in this permit. [District Rules 2520, 9.3.2 and 4320, 5.7.6] Federally Enforceable Through Title V Permit
16. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by: ASTM D 1826 or D1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rules 2520, 9.4.2 , 4305, 6.2.1 and 4320] Federally Enforceable Through Title V Permit
17. Nitrogen oxide (NO_x) emissions shall not exceed 140 lb/hr, calculated as NO₂. [District Rules 4301, 5.2.2 and 2520, 9.3.2] Federally Enforceable Through Title V Permit
18. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following requirements: SJVUAPCD Rules 4201 (Amended December 17, 1992), and 4301 (Amended December 17, 1992). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
19. Compliance with permit conditions in the Title V permit shall be deemed in compliance with the following outdated SIP requirements: 108 (Kings), 108.1 (Fresno, Merced, San Joaquin, Tulare, Kern, and Stanislaus), 110 (Madera), 402 (Madera), 404 (Fresno, Kern, Tulare, Kings, Stanislaus, Merced, and San Joaquin), 405 (Madera), 408 (Fresno, Kern, Tulare, Kings, Stanislaus, Merced, and San Joaquin), 407.2 (Kern, Tulare, Kings, Stanislaus, and San Joaquin), and 408.2 (Merced). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

38. Records required by this permit shall be retained at the facility for a period of no less than 5 years and shall be made readily available for District inspection upon request. [District NSR Rule] Federally Enforceable Through Title V Permit
39. Emission rates shall not exceed any of the following: PM10: 0.005 lb/MMBtu, SOx (as SO₂): 0.040 lb/MMBtu, VOC: 0.003 lb/MMBtu or CO: 1.4 ppmv @ 3% O₂. [District Rules 2201, 4305 and 4230] Federally Enforceable Through Title V Permit
40. Except during startup, shutdown and the shakedown period, emissions shall not exceed any of the following limits when this unit is burning 50% or greater by volume PUC quality gas on a monthly average basis: 9 ppmvd NOx @ 3% O₂ or 0.011 lb-NOx/MMBtu and 1.4 ppmvd CO @ 3% O₂ or 0.002 lb-CO/MMBtu. [District Rules 2201 and 4320]
41. Except during startup, shutdown and the shakedown period, emissions shall not exceed any of the following limits when the unit is burning less than 50% by volume PUC quality gas on a monthly average basis: 12 ppmvd NOx @ 3% O₂ or 0.014 lb-NOx/MMBtu and 1.4 ppmvd CO @ 3% O₂ or 0.002 lb-CO/MMBtu. [District Rules 2201 and 4320]
42. The applicable NOx and CO emissions concentration for each month shall be determined based on the volume and type of fuel combusted in the unit (< 50% by volume PUC quality gas or greater than or equal to 50% by volume PUC quality gas). Permittee shall maintain supporting records that determine the type of fuel combusted. [District Rules 2201 and 4320]
43. During start-up and shutdown periods, emissions from the steam generator shall not exceed the following limits: 0.1 lb-NOx/MMBtu or 0.084 lb-CO/MMBtu. [District Rule 4320]
44. Fuel gas sulfur shall not exceed 5 g-S/100 scf unless SOx is reduced by 95% or to 9 ppmv SO₂ @ 3%O₂ in the exhaust with scrubber. [District Rule 4320]
45. Duration of start-up or shutdown shall not exceed two hours each per occurrence. During start-up or shutdown, the emissions control system shall be in operation, and emissions shall be minimized insofar as technologically possible. The operator shall maintain daily records of the duration of start-up and shutdown periods. [District Rule 4320]
46. Start-up is defined as the period of time during which a unit is brought from a shutdown status to its operating temperature and pressure, including the time required by the unit's emission control system to reach full operation. Shutdown is defined as the period of time during which a unit is taken from an operational to a non-operational status by allowing it to cool down from its operating temperature to ambient temperature as the fuel supply to the unit is completely turned off. [District Rules 4306 and 4320]
47. The acceptable range of positions of the FGR control valve and fuel firing rates shall be established by testing this unit or other representative units, as approved by the District. The acceptable ranges shall be maintained during operation at levels for which compliance with applicable NOx and CO emission rates have been demonstrated through source testing. [District Rule 2520, 9.3.2, 4305 and 4320] Federally Enforceable Through Title V Permit
48. A source test to demonstrate compliance with NOx and CO emission limits shall be performed within 60 days of startup of this unit. The NOx limit in effect at the time of the startup source testing will be determined based on the volume and type of fuel combusted (greater than or equal to 50% PUC quality or < 50% PUC quality gas) and shall be identified in the source test protocol. Whenever the fuel type is switched from the fuel type combusted during the initial startup of this unit, compliance source testing for NOx and CO shall be conducted within 90 days of the date the fuel type is switched. [District Rules 2201 and 4320]
49. Source testing is required at least once every twelve (12) months from the initial source test date of each fuel type (greater than or equal to 50% PUC quality gas or < 50% PUC quality gas). After an initial compliance demonstration with the NOx and CO emission limits for each fuel type on two (2) consecutive source tests, the unit shall be tested not less than once every thirty-six (36) months from the last test date for that fuel type. Testing shall not be required for any fuel type not in use during the 36 month period until such time the fuel type is switched, after which testing shall be performed within 90 days of switching fuel types. [District Rules 2201 and 4320]

CONDITIONS CONTINUE ON NEXT PAGE

61. Emissions for this unit shall be calculated using the arithmetic mean, pursuant to District Rule 1081 (Amended December 16, 1993), of 3 thirty-minute test runs for NOx and CO. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
62. Scrubber pressure drop shall be observed and recorded weekly during operation of this unit. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
63. Records of scrubber pressure drop shall be maintained. The records shall include identification of the equipment, date of inspection, corrective action taken, and identification of the individual performing the inspection. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
64. All equipment, facilities, and systems installed or used to achieve compliance with the terms and conditions of this Authority to Construct shall at all times be maintained in good working order and be operated as efficiently as possible so as to minimize air pollutant emissions. [PSD SJ 78-17] Federally Enforceable Through Title V Permit
65. The EPA Regional Administrator shall be notified by telephone, facsimile, or electronic mail transmission within two (2) working days following any failure of air pollution control equipment, process equipment, or of a process to operate in a normal manner, which results in an increase in emissions above any allowable emission limit stated in the condition below. In addition, the Regional Administrator shall be notified in writing within fifteen (15) days of any such failure. The notification shall include a description of the malfunctioning equipment or abnormal operation, the date of the initial failure, the period of time over which emissions were increased due to the failure, the cause of the failure, the estimated resultant emissions in excess of those allowed under the condition below, and the methods utilized to mitigate emissions and restore normal operations. Compliance with this malfunction notification provision shall not excuse or otherwise constitute a defense to any violations of this permit or of any law or regulations which such malfunction may cause. [PSD SJ 78-17] Federally Enforceable Through Title V Permit
66. The EPA Regional Administrator, the head of the State Air Pollution Control Agency, the head of the responsible local Air Pollution Control Agency, and/or their authorized representative, upon the presentation of credentials, shall be permitted: A. to enter the premises where the source is located or where any records are required to be kept under the terms and conditions of this Authority to Construct; and B. at reasonable times to have access to and copy any records required to be kept under the terms and conditions of this Authority to Construct; and C. to inspect any equipment, operation, or method required in this Authority to Construct; and D. to sample emissions from the source(s). [PSD SJ 78-17] Federally Enforceable Through Title V Permit
67. In the event of any changes in control or ownership of the facilities to be constructed, the Authority to Construct shall be binding on all subsequent owners and operators. The applicant shall notify the succeeding owner and operator of the existence of this Authority to Construct and its conditions by letter, a copy of which shall be forwarded to the EPA Regional Administrator and the State and local Air Pollution Control Agency. [PSD SJ 78-17] Federally Enforceable Through Title V Permit
68. The provisions of this Authority to Construct are severable, and, if any provision of the Authority to Construct is held invalid, the remainder of this Authority to Construct shall not be affected thereby. [PSD SJ 78-17] Federally Enforceable Through Title V Permit
69. The owner and operator of the proposed facility shall construct and operate the proposed stationary source in compliance with all other applicable provisions of 40 CFR Parts 52, 60, and 61 and all other applicable federal, state, and local air quality regulations. [PSD SJ 78-17] Federally Enforceable Through Title V Permit
70. Permittee shall consume no more than 6290 barrels per day of oil on a daily maximum average and no more than 5700 barrels per day of oil on an annual average basis. [PSD SJ 78-17] Federally Enforceable Through Title V Permit
71. The sulfur content of the fuel shall be no greater than 1.5% by weight on a daily maximum average and no greater than 1.5% by weight on an annual average basis, as determined by ASTM Methods D115-68, D129-64, or D151-64, or equivalent methods approved by the EPA. [PSD SJ 78-17] Federally Enforceable Through Title V Permit
72. The amount of fuel burned and the sulfur content of the fuel shall be recorded in a permanent record and shall be available for periodic inspection by the District, the California Air Resource Board, and the EPA. [PSD SJ 78-17] Federally Enforceable Through Title V Permit
73. Permittee shall have installed operable scrubbers on the equipment. Exhaust gases from the generators shall be ducted through operable scrubbers. [PSD SJ 78-17] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE



AUTHORITY TO CONSTRUCT

PERMIT NO: S-1141-60-31

ISSUANCE DATE: 07/21/2010

LEGAL OWNER OR OPERATOR: CHEVRON USA INC
MAILING ADDRESS: PO BOX 1392
BAKERSFIELD, CA 93302

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
CA

SECTION: NE22 **TOWNSHIP:** 31S **RANGE:** 22E

EQUIPMENT DESCRIPTION:

MODIFICATION OF DORMANT EMISSION UNIT: 62.5 MMBTU/HR NATURAL GAS/TEOR/TVC GAS FIRED STRUTHERS STEAM GENERATOR #112 (SN 81-37411-12, NB 1022, DIS 39623-90) WITH FLUE GAS RECIRCULATION, NORTH AMERICAN BURNER, O2 CONTROLLER, SO2 SCRUBBER, AND VAPOR PIPING FROM TEOR SYSTEMS AND TVC SYSTEMS: INSTALL NORTH AMERICAN GLE ULTRA LOW-NOX BURNER; REDUCE SOX BY 95% VIA SCRUBBING OR TO 9 PPMV @3% O2 IN EXHAUST FOR 4320 COMPLIANCE

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. When designated as dormant, the fuel supply line shall be physically disconnected from this unit. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
4. The permittee shall notify the District at least seven calendar days prior to the designation of this permit unit as a dormant emissions unit or an active emissions unit. [District Rule 1070]
5. When designated as a dormant emissions unit, the permittee shall not be required to perform source testing or monitoring requirements otherwise required by this permit. [District Rule 1070]

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-1141-60-31: Jul 22 2010 9:02AM - GOUGHD : Joint Inspection NOT Required

20. This unit is located west of interstate 5 in Kern county. Therefore, the requirements of District Rule 4351(Amended October 19, 1995) do not apply to this source. A permit shield is granted from this requirement. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
21. Permit unit shall include TEOR/TVC/natural gas-fired steam generator with North American burner, O2 controller, FGR, SO2 scrubber shared with S-1141-55 and vapor piping from TEOR operations. [District NSR Rule] Federally Enforceable Through Title V Permit
22. Steam generator shall be equipped with the following operational instrumentation: fuel gas volume flowmeter, TEOR gas volume flowmeter, TVC gas flowmeter, and flue gas oxygen monitor. [District NSR Rule and 4305] Federally Enforceable Through Title V Permit
23. Exhaust gas stack shall be equipped with adequate provisions facilitating the collection of gas samples consistent with EPA Test Methods. [District NSR Rule and 1081] Federally Enforceable Through Title V Permit
24. The scrubber shall be equipped with a differential pressure gauge to indicate the pressure drop across the unit. The gauge shall be maintained in good working condition at all times. [District NSR Rule] Federally Enforceable Through Title V Permit
25. Scrubber liquid supply (at inlet to scrubber) shall have an operational pressure indicator. [District NSR Rule] Federally Enforceable Through Title V Permit
26. Scrubber liquid supply (at inlet to scrubber) shall have an operational flow meter. [District NSR Rule] Federally Enforceable Through Title V Permit
27. Scrubber sprays and/or nozzles shall be maintained as required to achieve compliance with emission limits. [District NSR Rule] Federally Enforceable Through Title V Permit
28. Dissolved and suspended solids and condensed organics shall not exceed 20% of the scrubbing stream. [District NSR Rule] Federally Enforceable Through Title V Permit
29. Scrubber stack shall be equipped with adequate provisions facilitating the collection of gas samples consistent with EPA test methods. [District Rule 1081] Federally Enforceable Through Title V Permit
30. Scrubber shall be equipped with recirculation liquor pH indicator and pump discharge pressure indicator. [District NSR Rule] Federally Enforceable Through Title V Permit
31. Steam generator firebox convection section, scrubber bypass valve, and all flue gas ductwork shall have no detectible leaks. [District NSR Rule] Federally Enforceable Through Title V Permit
32. Scrubber recirculation liquor pH shall be maintained between 6.2 and 7.5. [District NSR Rule] Federally Enforceable Through Title V Permit
33. Scrubber recirculation liquor pH shall be maintained only with soda ash unless District approval is granted for substitution. [District NSR Rule] Federally Enforceable Through Title V Permit
34. Compliance source testing for SOx shall be conducted not less than once every 12 months. [District Rule 1081] Federally Enforceable Through Title V Permit
35. Permittee shall maintain with the permit a current listing of all TEOR and TVC systems providing vapors to this steam generator and shall make such listing readily available for District inspection upon request [District NSR Rule] Federally Enforceable Through Title V Permit
36. Records required by this permit shall be retained at the facility for a period of no less than 5 years and shall be made readily available for District inspection upon request. [District NSR Rule] Federally Enforceable Through Title V Permit
37. During start-up and shutdown periods, emissions from the steam generator shall not exceed the following limits: 0.01 lb-NOx/MMBtu or 0.084 lb-CO/MMBtu [District Rule 4320]
38. Duration of start-up or shutdown shall not exceed two hours each per occurrence. During start-up or shutdown, the emissions control system shall be in operation, and emissions shall be minimized insofar as technologically possible. The operator shall maintain daily records of the duration of start-up and shutdown periods. [District Rule 4320]

CONDITIONS CONTINUE ON NEXT PAGE

50. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305 and 4320] Federally Enforceable Through Title V Permit
51. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rule 4305] Federally Enforceable Through Title V Permit
52. The portable analyzer shall be calibrated prior to each use with a two-point calibration method (zero and span). Calibration shall be performed with certified calibration gases. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
53. Emissions for this unit shall be calculated using the arithmetic mean, pursuant to District Rule 1081 (Amended December 16, 1993), of 3 thirty-minute test runs for NO_x and CO. [District Rules 2520, 9.3.2 and 4320] Federally Enforceable Through Title V Permit
54. Scrubber pressure drop shall be observed and recorded weekly during operation of this unit. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
55. Records of scrubber pressure drop shall be maintained. The records shall include identification of the equipment, date of inspection, corrective action taken, and identification of the individual performing the inspection. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
56. All equipment, facilities, and systems installed or used to achieve compliance with the terms and conditions of this Authority to Construct shall at all times be maintained in good working order and be operated as efficiently as possible so as to minimize air pollutant emissions. [PSD SJ 78-17] Federally Enforceable Through Title V Permit
57. The EPA Regional Administrator shall be notified by telephone, facsimile, or electronic mail transmission within two (2) working days following any failure of air pollution control equipment, process equipment, or of a process to operate in a normal manner, which results in an increase in emissions above any allowable emission limit stated in the condition below. In addition, the Regional Administrator shall be notified in writing within fifteen (15) days of any such failure. The notification shall include a description of the malfunctioning equipment or abnormal operation, the date of the initial failure, the period of time over which emissions were increased due to the failure, the cause of the failure, the estimated resultant emissions in excess of those allowed under the condition below, and the methods utilized to mitigate emissions and restore normal operations. Compliance with this malfunction notification provision shall not excuse or otherwise constitute a defense to any violations of this permit or of any law or regulations which such malfunction may cause. [PSD SJ 78-17] Federally Enforceable Through Title V Permit
58. The EPA Regional Administrator, the head of the State Air Pollution Control Agency, the head of the responsible local Air Pollution Control Agency, and/or their authorized representative, upon the presentation of credentials, shall be permitted: A. to enter the premises where the source is located or where any records are required to be kept under the terms and conditions of this Authority to Construct; and B. at reasonable times to have access to and copy any records required to be kept under the terms and conditions of this Authority to Construct; and C. to inspect any equipment, operation, or method required in this Authority to Construct; and D. to sample emissions from the source(s). [PSD SJ 78-17] Federally Enforceable Through Title V Permit
59. In the event of any changes in control or ownership of the facilities to be constructed, the Authority to Construct shall be binding on all subsequent owners and operators. The applicant shall notify the succeeding owner and operator of the existence of this Authority to Construct and its conditions by letter, a copy of which shall be forwarded to the EPA Regional Administrator and the State and local Air Pollution Control Agency. [PSD SJ 78-17] Federally Enforceable Through Title V Permit
60. The provisions of this Authority to Construct are severable, and, if any provision of the Authority to Construct is held invalid, the remainder of this Authority to Construct shall not be affected thereby. [PSD SJ 78-17] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE



AUTHORITY TO CONSTRUCT

PERMIT NO: S-1141-515-10

ISSUANCE DATE: 07/21/2010

LEGAL OWNER OR OPERATOR: CHEVRON USA INC
MAILING ADDRESS: PO BOX 1392
BAKERSFIELD, CA 93302

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
CA

SECTION: NW17 **TOWNSHIP:** 32S **RANGE:** 23E

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL GAS/TEOR GAS-FIRED SMITH MOON STEEL STEAM GENERATOR WITH A NORTH AMERICAN MODEL #GLE MAGNA-FLAME WITH FGR AND O2 ANALYZER/CONTROLLER (N.B. #826): LIMIT NOX TO 9 PPM @ 3% O2 (0.011 LB-NOX/MMBTU) OR TO 12 PPMV @ 3% O2 (0.014 LB-NOX/MMBTU) & FUEL GAS SULFUR CONTENT TO 5 GR-S/100 SCF OR REDUCE SOX BY 95% VIA SCRUBBING OR TO AN OUTLET CONCENTRATION NOT EXCEEDING 9 PPMVD SO2 @ 3% O2 FOR RULE 4320 COMPLIANCE

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. This Authority to Construct shall be implemented according to the date proposed in the District-approved Rule 4320 Emission Control Plan. [District Rule 4320]
4. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
5. 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

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-1141-515-10 - Jul 22 2010 9:19AM -- GOUHGD : Joint Inspection NOT Required

19. Start-up is defined as the period of time during which a unit is brought from a shutdown status to its operating temperature and pressure, including the time required by the unit's emission control system to reach full operation. Shutdown is defined as the period of time during which a unit is taken from an operational to a non-operational status by allowing it to cool down from its operating temperature to ambient temperature as the fuel supply to the unit is completely turned off. [District Rule 4306, 3.25 and 3.22] Federally Enforceable Through Title V Permit
20. Maximum emissions from the steam generator, including start-up and shutdown, shall not exceed any of the following limits: 32.7 lb-NOx/day, 7665 lb-NOx/yr, 41.0 lb-CO/day, and 20,531 lb-CO/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
21. During start-up and shutdown periods, emissions from the natural gas/vapor recovery gas-fired steam generator shall not exceed either of the following limits: 0.1 lb/MMBtu or 0.084 lb-CO/MMBtu. [District Rule 2201]
22. Fuel gas sulfur shall not exceed 5 g-S/100 scf unless SOx is reduced by 95% or to 9 ppmv SO2 @ 3%O2 in the exhaust with scrubber. [District Rule 4320]
23. During a shakedown period not to exceed 60 calendar days from initial operation of the modifications authorized by this ATC, NOx emissions shall not exceed 15 ppmvd @ 3% O2 or 0.0182 lb/MMBtu. The shakedown period shall be concluded prior to the Rule 4320 compliance deadline selected for this unit. Permittee shall maintain a record of the date of initial operation and shall make such records readily available for District inspection upon request. [District Rules 4305, 5.5.6, 3406, 5.3 and 4320] Federally Enforceable Through Title V Permit
24. A source test to demonstrate compliance with NOx and CO emission limits shall be performed within 60 days of startup of this unit. The NOx limit in effect at the time of the startup source testing will be determined based on the volume and type of fuel combusted (greater than or equal to 50% PUC quality or < 50% PUC quality gas) and shall be identified in the source test protocol. Whenever the fuel type is switched from the fuel type combusted during the initial startup of this unit, compliance source testing for NOx and CO shall be conducted within 90 days of the date the fuel type is switched. [District Rules 2201 and 4320]
25. Source testing is required at least once every twelve (12) months from the initial source test date of each fuel type (greater than or equal to 50% PUC quality gas or < 50% PUC quality gas). After an initial compliance demonstration with the NOx and CO emission limits for each fuel type on two (2) consecutive source tests, the unit shall be tested not less than once every thirty-six (36) months from the last test date for that fuel type. Testing shall not be required for any fuel type not in use during the 36 month period until such time the fuel type is switched, after which testing shall be performed within 90 days of switching fuel types. [District Rules 2201 and 4320]
26. Compliance source testing after switching fuel types is not required if the unit continues to demonstrate compliance with 9 ppmvd NOx @ 3% O2 or 0.011 lb-NOx/MMBtu and 51 ppmvd CO @ 3% O2 or 0.0375 lb-CO/MMBtu while firing on less than 50% by volume PUC quality gas. In which case, source testing shall only be required every thirty-six(36) months for the less than 50% by PUC quality gas. If the result of a source test demonstrates that the unit does not meet 9 ppmvd NOx @ 3% O2 or 0.011 lb-NOx/MMBtu and 51 ppmvd CO @ 3% O2 or 0.0375 lb-CO/MMBtu while firing on less than 50% by volume PUC quality gas, the source test frequency shall revert to at least one test every 36 months for each fuel type. [District Rules 2201 and 4320]
27. Compliance with SOx emission limits shall be demonstrated within 60 days of initial operation under this ATC. [District Rule 4320]
28. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
29. Permittee shall submit an analysis to the District demonstrating compliance with the fuel sulfur content and higher heating value within 60 days of startup and at least once every 12 months. The sulfur content and higher heating value of the fuel shall be determined using the test methods referenced in this permit or certified by a third party fuel supplier. [District Rule 4320]
30. The permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 5.4, 4306, 5.4 and 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE



AUTHORITY TO CONSTRUCT

PERMIT NO: S-1141-515-11

ISSUANCE DATE: 07/21/2010

LEGAL OWNER OR OPERATOR: CHEVRON USA INC
MAILING ADDRESS: PO BOX 1392
BAKERSFIELD, CA 93302

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
CA

SECTION: NW17 **TOWNSHIP:** 32S **RANGE:** 23E

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL GAS/TEOR GAS-FIRED SMITH MOON STEEL STEAM GENERATOR WITH A NORTH AMERICAN MODEL #GLE MAGNA-FLAME WITH FGR AND O2 ANALYZER/CONTROLLER (N.B. #826); LIMIT FUEL GAS SULFUR CONTENT TO 5 GR-S/100 SCF OR REDUCE SOX BY 95% VIA SCRUBBING OR TO AN OUTLET CONCENTRATION NOT EXCEEDING 9 PPMVD @ 3% O2 FOR RULE 4320 COMPLIANCE

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. This Authority to Construct shall be implemented according to the date proposed in the District-approved Rule 4320 Emission Control Plan. [District Rule 4320]
4. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
5. 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
6. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

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Seyed Sadredin, Executive Director / APCO

DAVID WARNER, Director of Permit Services

S-1141-515-11 : Jul 22 2010 9:20AM -- GOUGHD : Joint Inspection NOT Required

21. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
22. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 5.4, 4306, 5.4 and 4320] Federally Enforceable Through Title V Permit
23. If either the NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 5.4, 4306, 5.4 and 4320] Federally Enforceable Through Title V Permit
24. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 5.4, 4306, 5.4 and 4320] Federally Enforceable Through Title V Permit
25. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, NO_x (lb/MMBtu) - EPA Method 19; CO (ppmv) - EPA Method 10 or ARB Method 100; Stack gas oxygen (O₂) - EPA Method 3 or 3A or ARB Method 100; stack gas velocities - EPA Method 2; Stack gas moisture content - EPA Method 4; SO_x - EPA Method 6C or 8 or ARB Method 100; fuel gas sulfur as H₂S content - EPA Method 11 or 15; and fuel hhv (MMBtu) - ASTM D 1826 or D 1945 in conjunction with ASTM D 3588. [District Rules 1081, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
26. All required source testing shall conform to the compliance testing procedures described in District Rule 1081 (Last 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
27. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. No determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. [District Rules 4305, 5.5.2, 4306, 5.5.2 and 4320] Federally Enforceable Through Title V Permit
28. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 5.5.5, 4306, 5.5.5 and 4320] Federally Enforceable Through Title V Permit
29. Source testing shall be conducted using the methods and procedures approved by the District. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. [District Rule 1081] Federally Enforceable Through Title V Permit
30. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 5.5.1, 4306, 5.5.1 and 4320] Federally Enforceable Through Title V Permit
31. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 6.1 and 4306, 6.1] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE



AUTHORITY TO CONSTRUCT

PERMIT NO: S-1141-549-10

ISSUANCE DATE: 07/21/2010

LEGAL OWNER OR OPERATOR: CHEVRON USA INC
MAILING ADDRESS: PO BOX 1392
BAKERSFIELD, CA 93302

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
CA

SECTION: NW17 **TOWNSHIP:** 32S **RANGE:** 23E

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL/TEOR/TVC GAS-FIRED STRUTHERS STEEL STEAM GENERATOR WITH A NORTH AMERICAN MAGNA-FLAME GLE ULTRA LOW-NOX BURNER, WITH AN O2 ANALYZER/CONTROLLER AND FLUE GAS RECIRCULATION (FGR) SYSTEM WITH VARIABLE SPEED INTAKE AIR BLOWER, ORIFICE PLATE(S), AND ELECTRONIC CONTROLS (NATIONAL BOARD #1026): LIMIT NOX TO 9 PPM @ 3% O2 (0.011 LB-NOX/MMBTU) OR TO 12 PPMV @ 3% O2 (0.014 LB-NOX/MMBTU) & FUEL GAS SULFUR CONTENT TO 5 GR-S/100 SCF OR REDUCE SOX BY 95% VIA SCRUBBING OR TO AN OUTLET CONCENTRATION NOT EXCEEDING 9 PPMVD SO2 @ 3% O2 FOR RULE 4320 COMPLIANCE

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. This Authority to Construct shall be implemented according to the date proposed in the District-approved Rule 4320 Emission Control Plan. [District Rule 4320]
4. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201]

CONDITIONS CONTINUE ON NEXT PAGE

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Seyed Sadredin, Executive Director / APCO

DAVID WARNER, Director of Permit Services

S-1141-549-10 : Jul 22 2010 9:20AM -- GOUGHD : Joint Inspection NOT Required

19. Fuel gas sulfur shall not exceed 5 g-S/100 scf unless SO_x is reduced by 95% or to 9 ppmv SO₂ @ 3% O₂ in the exhaust with scrubber. [District Rule 4320]
20. During a shakedown period not to exceed 60 calendar days from initial operation of the modifications authorized by this ATC, NO_x emissions shall not exceed 15 ppmvd @ 3% O₂ or 0.0182 lb/MMBtu. The shakedown period shall be concluded prior to the Rule 4320 compliance deadline selected for this unit. Permittee shall maintain a record of the date of initial operation and shall make such records readily available for District inspection upon request. [District Rules 4305, 5.5.6, 3406, 5.3 and 4320] Federally Enforceable Through Title V Permit
21. Duration of start-up or shutdown shall not exceed two hours each per occurrence. During start-up or shutdown, the emissions control system shall be in operation, and emissions shall be minimized insofar as technologically possible. The operator shall maintain daily records of the duration of start-up and shutdown periods. [District Rules 4305, 5.5.6, 4306, 5.3 and 4320] Federally Enforceable Through Title V Permit
22. Start-up is defined as the period of time during which a unit is brought from a shutdown status to its operating temperature and pressure, including the time required by the unit's emission control system to reach full operation. Shutdown is defined as the period of time during which a unit is taken from an operational to a non-operational status by allowing it to cool down from its operating temperature to ambient temperature as the fuel supply to the unit is completely turned off. [District Rules 4306, 3.25 and 3.22, and 4320] Federally Enforceable Through Title V Permit
23. Maximum emissions from the steam generator, including start-up and shutdown, shall not exceed any of the following limits: 54.0 lb-NO_x/day or 7665 lb-NO_x/yr, and 56.3 lb-CO/day or 20,531 lb-CO/yr. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
24. A source test to demonstrate compliance with NO_x and CO emission limits shall be performed within 60 days of startup of this unit. The NO_x limit in effect at the time of the startup source testing will be determined based on the volume and type of fuel combusted (greater than or equal to 50% PUC quality or < 50% PUC quality gas) and shall be identified in the source test protocol. Whenever the fuel type is switched from the fuel type combusted during the initial startup of this unit, compliance source testing for NO_x and CO shall be conducted within 90 days of the date the fuel type is switched. [District Rules 2201 and 4320]
25. Source testing is required at least once every twelve (12) months from the initial source test date of each fuel type (greater than or equal to 50% PUC quality gas or < 50% PUC quality gas). After an initial compliance demonstration with the NO_x and CO emission limits for each fuel type on two (2) consecutive source tests, the unit shall be tested not less than once every thirty-six (36) months from the last test date for that fuel type. Testing shall not be required for any fuel type not in use during the 36 month period until such time the fuel type is switched, after which testing shall be performed within 90 days of switching fuel types. [District Rules 2201 and 4320]
26. Compliance source testing after switching fuel types is not required if the unit continues to demonstrate compliance with 9 ppmvd NO_x @ 3% O₂ or 0.011 lb-NO_x/MMBtu and 51 ppmvd CO @ 3% O₂ or 0.0375 lb-CO/MMBtu while firing on less than 50% by volume PUC quality gas. In which case, source testing shall only be required every thirty-six(36) months for the less than 50% by PUC quality gas. If the result of a source test demonstrates that the unit does not meet 9 ppmvd NO_x @ 3% O₂ or 0.011 lb-NO_x/MMBtu and 51 ppmvd CO @ 3% O₂ or 0.0375 lb-CO/MMBtu while firing on less than 50% by volume PUC quality gas, the source test frequency shall revert to at least one test every 36 months for each fuel type. [District Rules 2201 and 4320]
27. Compliance with SO_x emission limits shall be demonstrated within 60 days of initial operation under this ATC. [District Rule 4320]
28. Permittee shall submit an analysis to the District demonstrating compliance with the fuel sulfur content and higher heating value within 60 days of startup and at least once every 12 months. The sulfur content and higher heating value of the fuel shall be determined using the test methods referenced in this permit or certified by a third party fuel supplier. [District Rule 4320]
29. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
30. If the steam generator is fired on PUC-regulated natural gas, then the permittee shall maintain on file copies of all natural gas bills or fuel throughput records for a period of five years. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

41. Permittee shall maintain with the permit a current listing of all TEOR and TVC gas systems providing vapors to this steam generator and shall make such listing readily available for District inspection upon request. [District Rule 2201]
42. Permittee shall maintain daily records of total combined volume of fuel gas and vapor recovery gas burned, the dates of any fuel type switching, the monthly NOx and CO emissions limit determinations, the sulfur content and higher heat value as determined by periodic analytical testing or fuel supplier invoices/certifications, and permit number(s) of systems providing gas for incineration. [District Rules 2201, 2520 and 4320]
43. All records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 6.1, 4306, 6.1 and 4320] Federally Enforceable Through Title V Permit

6. Each fuel source shall be tested semi-annually for sulfur content and higher heating value. If a fuel content test fails to show compliance, weekly testing is required until compliance is demonstrated for 8 consecutive weeks, after which semi-annual testing may resume. [District Rules 2520, 9.3.2 and 4320, 5.7.6] Federally Enforceable Through Title V Permit
7. If the unit is fired on PUC-regulated natural gas, valid purchase contracts, supplier certifications, tariff sheets, or transportation contracts may be used to satisfy the fuel sulfur content analysis, provided they establish the fuel sulfur concentration and higher heating value. [District Rules 2520, 9.3.2 and 4320] Federally Enforceable Through Title V Permit
8. If the unit is not fired on PUC-regulated natural gas and compliance is achieved through fuel sulfur content limitations, then the sulfur content of the fuel shall be determined by testing sulfur content at a location after all fuel sources are combined prior to incineration, or by performing mass balance calculations based on monitoring the sulfur content and volume of each fuel source. The sulfur content of the fuel shall be determined using the test methods referenced in this permit. [District Rules 2520, 9.3.2 and 4320, 5.7.6] Federally Enforceable Through Title V Permit
9. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by: ASTM D 1826 or D1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rules 2520, 9.4.2, 4305, 6.2.1 and 4320] Federally Enforceable Through Title V Permit
10. When combustion air orifice and flue gas recirculation orifice have been used to demonstrate compliance they shall not be changed without a District-witnessed compliance demonstration. [District NSR Rule] Federally Enforceable Through Title V Permit
11. Emissions from the steam generator shall not exceed any of the following limits: 0.126 lb-SO_x/MMBtu, 0.096 lb-PM₁₀/MMBtu, or 0.003 lb-VOC/MMBtu. [District Rule 2201 and 4320] Federally Enforceable Through Title V Permit
12. Except during start-up and shutdown periods emissions from the steam generator shall not exceed any of the following limits: 15 ppmvd NO_x @ 3% O₂ or 0.0182 lb-NO_x/MMBtu or 51 ppmvd CO @ 3% O₂ or 0.0375 lb-CO/MMBtu. [District Rules 2201, 4301, 5.2, 4305, 5.1, 4306, 5.1 and 4320] Federally Enforceable Through Title V Permit
13. Fuel gas sulfur content shall not exceed 5 gr S/100 dscf unless SO_x emissions are reduced by 95% or to 9 ppmv SO_x @ 3% O₂ in the exhaust with scrubber. [District Rule 4320]
14. During start-up and shutdown periods, emissions from the steam generator shall not exceed the following limits: 0.1 lb-NO_x/MMBtu or 0.084 lb-CO/MMBtu. [District Rule 2201] Federally Enforceable Through Title V Permit
15. Duration of start-up or shutdown shall not exceed two hours each per occurrence. During start-up or shutdown, the emissions control system shall be in operation, and emissions shall be minimized insofar as technologically possible. The operator shall maintain daily records of the duration of start-up and shutdown periods. [District Rules 4305, 5.5.6, 4306, 5.3 and 4320] Federally Enforceable Through Title V Permit
16. Start-up is defined as the period of time during which a unit is brought from a shutdown status to its operating temperature and pressure, including the time required by the unit's emission control system to reach full operation. Shutdown is defined as the period of time during which a unit is taken from an operational to a non-operational status by allowing it to cool down from its operating temperature to ambient temperature as the fuel supply to the unit is completely turned off. [District Rule 4306, 3.25 and 3.22] Federally Enforceable Through Title V Permit
17. Maximum emissions from the steam generator, including start-up and shutdown, shall not exceed any of the following limits: 54.0 lb-NO_x/day, 9,965 lb-NO_x/yr, 56.3 lb-CO/day, and 20,531 lb-CO/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
18. Source testing to measure NO_x and CO emissions from this unit shall be conducted at least once every twelve (12) months. After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months. If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 6.3.1, 4306, 6.3.1 and 4320] Federally Enforceable Through Title V Permit
19. Compliance with SO_x emission limits shall be demonstrated within 60 days of initial operation under this ATC [District Rules 2201 and 4320]

CONDITIONS CONTINUE ON NEXT PAGE

31. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 6.1 and 4306, 6.1] Federally Enforceable Through Title V Permit
32. Permittee shall maintain with the permit a current listing of all TEOR and TVC gas systems providing vapors to this steam generator and shall make such listing readily available for District inspection upon request [District NSR Rule] Federally Enforceable Through Title V Permit
33. Pursuant to Rule 4320, beginning in 2010 the operator shall pay an annual emission fee to the District for NO_x emissions from this unit for the previous calendar year. Payments are due by July 1 of each year. Payments shall continue annually until either the unit is permanently removed from service in the District or the operator demonstrates compliance with the applicable NO_x emission limit listed in Rule 4320. [District Rule 4320]
34. Permittee shall maintain records of annual heat input (MMBtu) for this unit on a calendar year basis. Such records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070 and Rule 4320]
35. All records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 6.1, 4306, 6.1 and 4320] Federally Enforceable Through Title V Permit



AUTHORITY TO CONSTRUCT

PERMIT NO: S-1141-550-8

ISSUANCE DATE: 07/21/2010

LEGAL OWNER OR OPERATOR: CHEVRON USA INC
MAILING ADDRESS: PO BOX 1392
BAKERSFIELD, CA 93302

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
CA

SECTION: NW17 **TOWNSHIP:** 32S **RANGE:** 23E

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL/TEOR/TVC GAS-FIRED SMITH MOON STEEL STEAM GENERATOR WITH A NORTH AMERICAN MAGNA-FLAME GLE ULTRA-LOW NOX BURNER WITH AN O2 ANALYZER/CONTROLLER AND FGR WITH VARIABLE SPEED INTAKE AIR BLOWER, ORIFICE PLATE(S), AND ELECTRONIC CONTROLS (NATIONAL BOARD #879); LIMIT NOX TO 9 PPM @ 3% O2 (0.011 LB-NOX/MMBTU) OR TO 12 PPMV @ 3% O2 (0.014 LB-NOX/MMBTU) & FUEL GAS SULFUR CONTENT TO 5 GR-S/100 SCF OR REDUCE SOX BY 95% VIA SCRUBBING OR TO AN OUTLET CONCENTRATION NOT EXCEEDING 9 PPMVD SO2 @ 3% O2 FOR RULE 4320 COMPLIANCE

CONDITIONS

1. 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
2. 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
3. This Authority to Construct shall be implemented according to the date proposed in the District-approved Rule 4320 Emission Control Plan. [District Rule 4320]
4. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
5. 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

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-1141-550-8 : Jul 22 2010 9:20AM - GOUGHD : Joint Inspection NOT Required

21. Duration of start-up or shutdown shall not exceed two hours each per occurrence. During start-up or shutdown, the emissions control system shall be in operation, and emissions shall be minimized insofar as technologically possible. The operator shall maintain daily records of the duration of start-up and shutdown periods. [District Rules 4305, 5.5.6, 4306, 5.3 and 4320] Federally Enforceable Through Title V Permit
22. Start-up is defined as the period of time during which a unit is brought from a shutdown status to its operating temperature and pressure, including the time required by the unit's emission control system to reach full operation. Shutdown is defined as the period of time during which a unit is taken from an operational to a non-operational status by allowing it to cool down from its operating temperature to ambient temperature as the fuel supply to the unit is completely turned off. [District Rules 4306, 3.25 and 3.22, and 4320] Federally Enforceable Through Title V Permit
23. Maximum emissions from the steam generator, including start-up and shutdown, shall not exceed any of the following limits: 54.0 lb-NO_x/day, 7665 lb-NO_x/yr, 56.3 lb-CO/day, and 20,531 lb-CO/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
24. During a shakedown period not to exceed 60 calendar days from initial operation of the modifications authorized by this ATC, NO_x emissions shall not exceed 15 ppmvd @ 3% O₂ or 0,0182 lb/MMBtu. The shakedown period shall be concluded prior to the Rule 4320 compliance deadline selected for this unit. Permittee shall maintain a record of the date of initial operation and shall make such records readily available for District inspection upon request. [District Rules 4305, 5.5.6, 3406, 5.3 and 4320] Federally Enforceable Through Title V Permit
25. A source test to demonstrate compliance with NO_x and CO emission limits shall be performed within 60 days of startup of this unit. The NO_x limit in effect at the time of the startup source testing will be determined based on the volume and type of fuel combusted (greater than or equal to 50% PUC quality or < 50% PUC quality gas) and shall be identified in the source test protocol. Whenever the fuel type is switched from the fuel type combusted during the initial startup of this unit, compliance source testing for NO_x and CO shall be conducted within 90 days of the date the fuel type is switched. [District Rules 2201 and 4320]
26. Source testing is required at least once every twelve (12) months from the initial source test date of each fuel type (greater than or equal to 50% PUC quality gas or < 50% PUC quality gas). After an initial compliance demonstration with the NO_x and CO emission limits for each fuel type on two (2) consecutive source tests, the unit shall be tested not less than once every thirty-six (36) months from the last test date for that fuel type. Testing shall not be required for any fuel type not in use during the 36 month period until such time the fuel type is switched, after which testing shall be performed within 90 days of switching fuel types. [District Rules 2201 and 4320]
27. Compliance source testing after switching fuel types is not required if the unit continues to demonstrate compliance with 9 ppmvd NO_x @ 3% O₂ or 0.011 lb-NO_x/MMBtu and 51 ppmvd CO @ 3% O₂ or 0.0375 lb-CO/MMBtu while firing on less than 50% by volume PUC quality gas. In which case, source testing shall only be required every thirty-six(36) months for the less than 50% by PUC quality gas. If the result of a source test demonstrates that the unit does not meet 9 ppmvd NO_x @ 3% O₂ or 0.011 lb-NO_x/MMBtu and 51 ppmvd CO @ 3% O₂ or 0.0375 lb-CO/MMBtu while firing on less than 50% by volume PUC quality gas, the source test frequency shall revert to at least one test every 36 months for each fuel type. [District Rules 2201 and 4320]
28. Permittee shall submit an analysis to the District demonstrating compliance with the fuel sulfur content and higher heating value within 60 days of startup and at least once every 12 months. The sulfur content and higher heating value of the fuel shall be determined using the test methods referenced in this permit or certified by a third party fuel supplier. [District Rules 2520 and 4320]
29. Compliance with SO_x emission limits shall be demonstrated within 60 days of initial operation under this ATC. [District Rule 4320]
30. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
31. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 5.4, 4306, 5.4 and 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

43. All records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 6.1, 4306, 6.1 and 4320] Federally Enforceable Through Title V Permit

6. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201] Federally Enforceable Through Title V Permit
7. Fuel H₂S, total sulfur, and methane content shall be determined semi-annually using the following test methods H₂S: ASTM D6228; total sulfur: ASTM D1072; ASTM D3246, double GC for H₂S and mercaptans or ASTM D6228; and methane content: ASTM D1945. [District Rule 4320]
8. Each fuel source shall be tested semi-annually for sulfur content and higher heating value. If a fuel content test fails to show compliance, weekly testing is required until compliance is demonstrated for 8 consecutive weeks, after which semi-annual testing may resume. [District Rules 2520, 9.3.2 and 4320, 5.7.6] Federally Enforceable Through Title V Permit
9. If the unit is fired on PUC-regulated natural gas, valid purchase contracts; supplier certifications, tariff sheets, or transportation contracts may be used to satisfy the fuel sulfur content analysis, provided they establish the fuel sulfur concentration and higher heating value. [District Rules 2520, 9.3.2 and 4320] Federally Enforceable Through Title V Permit
10. If the unit is not fired on PUC-regulated natural gas and compliance is achieved through fuel sulfur content limitations, then the sulfur content of the fuel shall be determined by testing sulfur content at a location after all fuel sources are combined prior to incineration, or by performing mass balance calculations based on monitoring the sulfur content and volume of each fuel source. The sulfur content of the fuel shall be determined using the test methods referenced in this permit. [District Rules 2520, 9.3.2 and 4320, 5.7.6] Federally Enforceable Through Title V Permit
11. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by: ASTM D 1826 or D1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rules 2520, 9.4.2 , 4305, 6.2.1 and 4320] Federally Enforceable Through Title V Permit
12. Flue gas recirculation system may be designed such that ambient air may be drawn into flue gas recirculation piping. [District Rule 2201]
13. When combustion air orifice and flue gas recirculation orifice have been used to demonstrate compliance they shall not be changed without a District-witnessed compliance demonstration. [District NSR Rule] Federally Enforceable Through Title V Permit
14. Emissions from the steam generator shall not exceed any of the following limits: 0.126 lb-SO_x/MMBtu, 0.073 lb-PM₁₀/MMBtu, or 0.003 lb-VOC/MMBtu. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
15. Except during start-up and shutdown periods emissions from the steam generator shall not exceed any of the following limits: 15 ppmvd NO_x @ 3% O₂ or 0.0182 lb-NO_x/MMBtu or 51 ppmvd CO @ 3% O₂ or 0.0375 lb-CO/MMBtu. [District Rules 2201, 4301, 5.2, 4305, 5.1, 4306, 5.1 and 4320] Federally Enforceable Through Title V Permit
16. Fuel gas sulfur content shall not exceed 5 gr S/100 dscf unless SO_x emissions are reduced by 95% or to 9 ppmv SO_x @ 3% O₂ in the exhaust with scrubber. [District Rule 4320]
17. During start-up and shutdown periods emissions from the steam generator shall not exceed either of the following limits: 0.1 lb-NO_x/MMBtu or 0.084 lb-CO/MMBtu. [District Rule 2201] Federally Enforceable Through Title V Permit
18. Duration of start-up or shutdown shall not exceed two hours each per occurrence. During start-up or shutdown, the emissions control system shall be in operation, and emissions shall be minimized insofar as technologically possible. The operator shall maintain daily records of the duration of start-up and shutdown periods. [District Rules 4305, 5.5.6 and 4306, 5.3] Federally Enforceable Through Title V Permit
19. Start-up is defined as the period of time during which a unit is brought from a shutdown status to its operating temperature and pressure, including the time required by the unit's emission control system to reach full operation. Shutdown is defined as the period of time during which a unit is taken from an operational to a non-operational status by allowing it to cool down from its operating temperature to ambient temperature as the fuel supply to the unit is completely turned off. [District Rule 4306, 3.25 and 3.22] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

31. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. No determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. [District Rules 4305, 5.5.2, 4306, 5.5.2 and 4320] Federally Enforceable Through Title V Permit
32. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 5.5.5, 4306, 5.5.5 and 4320] Federally Enforceable Through Title V Permit
33. Source testing shall be conducted using the methods and procedures approved by the District. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. [District Rule 1081] Federally Enforceable Through Title V Permit
34. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 6.1 and 4306, 6.1] Federally Enforceable Through Title V Permit
35. Permittee shall maintain with the permit a current listing of all TEOR and TVC gas systems providing vapors to this steam generator and shall make such listing readily available for District inspection upon request [District NSR Rule] Federally Enforceable Through Title V Permit
36. Pursuant to Rule 4320, beginning in 2010 the operator shall pay an annual emission fee to the District for NO_x emissions from this unit for the previous calendar year. Payments are due by July 1 of each year. Payments shall continue annually until either the unit is permanently removed from service in the District or the operator demonstrates compliance with the applicable NO_x emission limit listed in Rule 4320. [District Rule 4320]
37. Permittee shall maintain records of annual heat input (MMBtu) for this unit on a calendar year basis. Such records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070 and Rule 4320]
38. All records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 6.1, 4306, 6.1 and 4320] Federally Enforceable Through Title V Permit

5. Copies of all fuel invoices, gas purchase contracts, supplier certifications, and test results to determine compliance with the conditions of this permit shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
6. 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, 9.4.2] Federally Enforceable Through Title V Permit
7. Particulate matter emissions shall not exceed 0.1 grain/dscf, calculated to 12% CO₂, nor 10 lb/hr. [District Rules 4201, 3.1 and 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit
8. PUC quality natural gas is any gaseous fuel where the sulfur content is no more than one-fourth (0.25) grain of hydrogen sulfide per one hundred (100) standard cubic feet, no more than five (5) grains of total sulfur per one hundred (100 standard cubic feet) and at least 80% methane by volume. [District Rule 4320]
9. Fuel H₂S, total sulfur, and methane content shall be determined semi-annually using the following test methods H₂S: ASTM D6228; total sulfur; ASTM D1072; ASTM D3246, double GC for H₂S and mercaptans or ASTM D6228; and methane content: ASTM D1945. [District Rule 4320]
10. In months where PUC quality gas is burned, the permittee shall maintain records on a calendar month basis of the volume of PUC quality natural gas and the total gas fired in this unit. Permittee shall keep monthly records of the percentage by volume of PUC quality gas fired and indicate if the volume of PUC quality gas fired is greater or less than 50%. [District Rule 4320]
11. Each fuel source shall be tested semi-annually for sulfur content and higher heating value. If a fuel content test fails to show compliance, weekly testing is required until compliance is demonstrated for 8 consecutive weeks, after which semi-annual testing may resume. [District Rules 2520, 9.3.2 and 4320, 5.7.6] Federally Enforceable Through Title V Permit
12. If the unit is fired on PUC-regulated natural gas, valid purchase contracts, supplier certifications, tariff sheets, or transportation contracts may be used to satisfy the fuel sulfur content analysis, provided they establish the fuel sulfur concentration and higher heating value. [District Rules 2520, 9.3.2 and 4320] Federally Enforceable Through Title V Permit
13. If the unit is not fired on PUC-regulated natural gas and compliance is achieved through fuel sulfur content limitations, then the sulfur content of the fuel shall be determined by testing sulfur content at a location after all fuel sources are combined prior to incineration, or by performing mass balance calculations based on monitoring the sulfur content and volume of each fuel source. The sulfur content of the fuel shall be determined using the test methods referenced in this permit. [District Rules 2520, 9.3.2 and 4320, 5.7.6] Federally Enforceable Through Title V Permit
14. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by: ASTM D 1826 or D1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rules 2520, 9.4.2, 4305, 6.2.1 and 4320] Federally Enforceable Through Title V Permit
15. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following requirements: SJVUAPCD Rules 4201 (Amended December 17, 1992), and 4301 (Amended December 17, 1992). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
16. This unit commenced construction, modification, or reconstruction prior to June 19, 1984. This unit has not been used to produce electricity for sale in 1985 or on or after November 15, 1990. Therefore, the requirements of 40 CFR 72.6(b) and 40 CFR 60.40c do not apply to this source. A permit shield is granted from this requirement. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
17. This unit is located west of interstate 5 in Kern county. Therefore, the requirements of District Rule 4351 (Amended October 19, 1995) do not apply to this source. A permit shield is granted from this requirement. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
18. Exhaust gas stack shall be equipped with adequate provisions facilitating the collection of gas samples consistent with EPA Test Methods. [District Rules 1081 and District NSR Rule] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

33. Source testing is required at least once every twelve (12) months from the initial source test date of each fuel type (greater than or equal to 50% PUC quality gas or < 50% PUC quality gas). After an initial compliance demonstration with the NOx and CO emission limits for each fuel type on two (2) consecutive source tests, the unit shall be tested not less than once every thirty-six (36) months from the last test date for that fuel type. Testing shall not be required for any fuel type not in use during the 36 month period until such time the fuel type is switched, after which testing shall be performed within 90 days of switching fuel types. [District Rules 2201 and 4320]
34. Compliance source testing after switching fuel types is not required if the unit continues to demonstrate compliance with 9 ppmvd NOx @ 3% O2 or 0.011 lb-NOx/MMBtu and 45 ppmvd CO @ 3% O2 or 0.033 lb-CO/MMBtu while firing on less than 50% by volume PUC quality gas. In which case, source testing shall only be required every thirty-six(36) months for the less than 50% by PUC quality gas. If the result of a source test demonstrates that the unit does not meet 9 ppmvd NOx @ 3% O2 or 0.011 lb-NOx/MMBtu and 45 ppmvd CO @ 3% O2 or 0.033 lb-CO/MMBtu while firing on less than 50% by volume PUC quality gas, the source test frequency shall revert to at least one test every 36 months for each fuel type. [District Rules 2201 and 4320]
35. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
36. Compliance demonstration (source testing) shall be by District witnessed, or authorized, sample collection by ARB certified testing laboratory. [District Rule 1081] Federally Enforceable Through Title V Permit
37. Source testing shall be conducted using the methods and procedures approved by the District. The District must be notified 30 days prior to any compliance source test, and a source test plan must be submitted for approval 15 days prior to testing. [District Rule 1081] Federally Enforceable Through Title V Permit
38. Compliance with SOx emission limits shall be demonstrated within 60 days of initial operation under this ATC. [District Rule 4320]
39. Permittee shall submit an analysis to the District demonstrating compliance with the fuel sulfur content and higher heating value within 60 days of startup and at least once every 12 months. The sulfur content and higher heating value of the fuel shall be determined using the test methods referenced in this permit or certified by a third party fuel supplier. [District Rule 2520 and 4320]
40. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
41. The following test methods shall be used: NOx (ppmv) - EPA Method 7E or ARB Method 100, NOx (lb/MMBtu) - EPA Method 19; CO (ppmv) - EPA Method 10 or ARB Method 100; Stack gas oxygen (O2) - EPA Method 3 or 3A or ARB Method 100, PM10 - EPA 5, and gas sulfur content - ASTM D1072, D3031, D4084, D3246 or double GC for H2S and mercaptans. [District Rules 1081, 2520, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
42. The permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
43. If either the NOx or CO concentrations corrected to 3% O2, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

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54. The amount of fuel burned and the sulfur content of the fuel shall be recorded in a permanent record and shall be available for periodic inspection by the District, the California Air Resource Board, and the EPA. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
55. Permittee shall have installed operable scrubbers on the equipment. Exhaust gases from the generators shall be ducted through operable scrubbers. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
56. Within 60 days after achieving the maximum production rate of the proposed facility, but not later than 180 days after initial start-up of this facility (as defined in 40 CFR 60.2(o)), and at such other times as specified by the EPA, permittee shall conduct performance tests for SO₂, and furnish the District and the EPA a written report of the results of such tests. The tests for SO₂ shall be conducted on an annual basis. The performance tests shall be conducted for each scrubber required for the generator. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
57. Permittee shall not discharge into the atmosphere NO_x in excess of 0.277 lb/MMBtu (maximum 2-hour average). [PSD SJ 78-16] Federally Enforceable Through Title V Permit
58. Within 60 days after achieving the maximum production rate of the proposed facility, but not later than 180 days after initial start-up of this facility (as defined in 40 CFR 60.2(o)), and at such other times as specified by the EPA, permittee shall conduct performance test for NO_x, and furnish the District and the EPA written report of the results of such tests. The tests for NO_x shall be conducted on an annual basis and at the maximum operating capacity of the facilities being tested. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
59. Permittee shall install and operate ammonia injection equipment to control nitrogen oxide emissions on the steam generator. This condition may be amended if other control technologies are determined by EPA to satisfy BACT requirements, in accordance with the periodic BACT review procedure below. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
60. Permittee shall submit updated Best Available Control Technology (BACT) proposals every six months. Based on the information submitted and on other information which is available at that time, EPA may impose more stringent emission limits for NO_x. In no event shall EPA set a higher emission limit for NO_x. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
61. Performance tests for the emission of NO_x and SO₂ shall be conducted and results reported in accordance with the methods set forth in Parts 60.8 and 60.46 of the Standards of Performance for New Sources. The EPA shall be notified at least 30 days in advance of such test to allow an observer to be present. In lieu of the above mentioned test methods, equivalent methods may be used if approved by the EPA. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
62. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

5. Copies of all fuel invoices, gas purchase contracts, supplier certifications, and test results to determine compliance with the conditions of this permit shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
6. 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, 9.4.2] Federally Enforceable Through Title V Permit
7. Particulate matter emissions shall not exceed 0.1 grain/dscf, calculated to 12% CO₂, nor 10 lb/hr. [District Rules 4201, 3.1 and 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit
8. Fuel H₂S, total sulfur, and methane content shall be determined semi-annually using the following test methods H₂S: ASTM D6228; total sulfur: ASTM D1072; ASTM D3246, double GC for H₂S and mercaptans or ASTM D6228; and methane content: ASTM D1945. [District Rule 4320]
9. Each fuel source shall be tested semi-annually for sulfur content and higher heating value. If a fuel content test fails to show compliance, weekly testing is required until compliance is demonstrated for 8 consecutive weeks, after which semi-annual testing may resume. [District Rules 2520, 9.3.2 and 4320, 5.7.6] Federally Enforceable Through Title V Permit
10. If the unit is fired on PUC-regulated natural gas, valid purchase contracts, supplier certifications, tariff sheets, or transportation contracts may be used to satisfy the fuel sulfur content analysis, provided they establish the fuel sulfur concentration and higher heating value. [District Rules 2520, 9.3.2 and 4320] Federally Enforceable Through Title V Permit
11. If the unit is not fired on PUC-regulated natural gas and compliance is achieved through fuel sulfur content limitations, then the sulfur content of the fuel shall be determined by testing sulfur content at a location after all fuel sources are combined prior to incineration, or by performing mass balance calculations based on monitoring the sulfur content and volume of each fuel source. The sulfur content of the fuel shall be determined using the test methods referenced in this permit. [District Rules 2520, 9.3.2 and 4320, 5.7.6] Federally Enforceable Through Title V Permit
12. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by: ASTM D 1826 or D1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rules 2520, 9.4.2 , 4305, 6.2.1 and 4320] Federally Enforceable Through Title V Permit
13. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following requirements: SJVUAPCD Rules 4201 (Amended December 17, 1992), and 4301 (Amended December 17, 1992). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
14. This unit commenced construction, modification, or reconstruction prior to June 19, 1984. This unit has not been used to produce electricity for sale in 1985 or on or after November 15, 1990. Therefore, the requirements of 40 CFR 72.6(b) and 40 CFR 60.40c do not apply to this source. A permit shield is granted from this requirement. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
15. This unit is located west of interstate 5 in Kern county. Therefore, the requirements of District Rule 4351(Amended October 19, 1995) do not apply to this source. A permit shield is granted from this requirement. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
16. Exhaust gas stack shall be equipped with adequate provisions facilitating the collection of gas samples consistent with EPA Test Methods. [District Rules 1081 and District NSR Rule] Federally Enforceable Through Title V Permit
17. Flue gas recirculation system may be designed such that ambient air may be drawn into flue gas recirculation piping. [District NSR Rule] Federally Enforceable Through Title V Permit
18. When combustion air orifice and flue gas recirculation orifice have been used to demonstrate compliance they shall not be changed without a District-witnessed compliance demonstration. [District NSR Rule] Federally Enforceable Through Title V Permit
19. Permittee shall maintain records of duration of each start-up and shutdown, for a period of five years and make such records readily available for District inspection upon request. [District Rule 4306] Federally Enforceable Through Title V Permit

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36. The following test methods shall be used: NOX (ppmv) - EPA Method 7E or ARB Method 100, NO_x (lb/MMBtu) - EPA Method 19; CO (ppmv) - EPA Method 10 or ARB Method 100; Stack gas oxygen (O₂) - EPA Method 3 or 3A or ARB Method 100; stack gas velocities - EPA Method 2; and Stack gas moisture content - EPA Method 4. [District Rules 1081, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
37. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
38. If either the NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
39. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
40. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
41. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
42. All equipment, facilities, and systems installed or used to achieve compliance with the terms and conditions of this Authority to Construct shall at all times be maintained in good working order and be operated as efficiently as possible so as to minimize air pollutant emissions. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
43. The EPA Regional Administrator shall be notified by telephone, facsimile, or electronic mail transmission within two (2) working days following any failure of air pollution control equipment, process equipment, or of a process to operate in a normal manner, which results in an increase in emissions above any allowable emission limit stated in the condition below. In addition, the Regional Administrator shall be notified in writing within fifteen (15) days of any such failure. The notification shall include a description of the malfunctioning equipment or abnormal operation, the date of the initial failure, the period of time over which emissions were increased due to the failure, the cause of the failure, the estimated resultant emissions in excess of those allowed under the condition below, and the methods utilized to mitigate emissions and restore normal operations. Compliance with this malfunction notification provision shall not excuse or otherwise constitute a defense to any violations of this permit or of any law or regulations which such malfunction may cause. [PSD SJ 78-16] Federally Enforceable Through Title V Permit

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56. Performance tests for the emission of NO_x and SO₂ shall be conducted and results reported in accordance with the methods set forth in Parts 60.8 and 60.46 of the Standards of Performance for New Sources. The EPA shall be notified at least 30 days in advance of such test to allow an observer to be present. In lieu of the above mentioned test methods, equivalent methods may be used if approved by the EPA. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
57. Pursuant to Rule 4320, beginning in 2010 the operator shall pay an annual emission fee to the District for NO_x emissions from this unit for the previous calendar year. Payments are due by July 1 of each year. Payments shall continue annually until either the unit is permanently removed from service in the District or the operator demonstrates compliance with the applicable NO_x emission limit listed in Rule 4320. [District Rule 4320]
58. Permittee shall maintain records of annual heat input (MMBtu) for this unit on a calendar year basis. Such records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070 and Rule 4320]
59. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

6. Particulate matter emissions shall not exceed 0.1 grain/dscf, calculated to 12% CO₂, nor 10 lb/hr. [District Rules 4201, 3.1 and 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit
7. PUC quality natural gas is any gaseous fuel where the sulfur content is no more than one-fourth (0.25) grain of hydrogen sulfide per one hundred (100) standard cubic feet, no more than five (5) grains of total sulfur per one hundred (100 standard cubic feet) and at least 80% methane by volume. [District Rule 4320]
8. Fuel H₂S, total sulfur, and methane content shall be determined semi-annually using the following test methods H₂S: ASTM D6228; total sulfur; ASTM D1072; ASTM D3246, double GC for H₂S and mercaptans or ASTM D6228; and methane content: ASTM D1945. [District Rule 4320]
9. In months where PUC quality gas is burned, the permittee shall maintain records on a calendar month basis of the volume of PUC quality natural gas and the total gas fired in this unit. Permittee shall keep monthly records of the percentage by volume of PUC quality gas fired and indicate if the volume of PUC quality gas fired is greater or less than 50%. [District Rule 4320]
10. Each fuel source shall be tested semi-annually for sulfur content and higher heating value. If a fuel content test fails to show compliance, weekly testing is required until compliance is demonstrated for 8 consecutive weeks, after which annual testing may resume. [District Rules 2520, 9.3.2 and 4320, 5.7.6] Federally Enforceable Through Title V Permit
11. If the unit is fired on PUC-regulated natural gas, valid purchase contracts, supplier certifications, tariff sheets, or transportation contracts may be used to satisfy the fuel sulfur content analysis, provided they establish the fuel sulfur concentration and higher heating value. [District Rules 2520, 9.3.2 and 4320] Federally Enforceable Through Title V Permit
12. If the unit is not fired on PUC-regulated natural gas and compliance is achieved through fuel sulfur content limitations, then the sulfur content of the fuel shall be determined by testing sulfur content at a location after all fuel sources are combined prior to incineration, or by performing mass balance calculations based on monitoring the sulfur content and volume of each fuel source. The sulfur content of the fuel shall be determined using the test methods referenced in this permit. [District Rules 2520, 9.3.2 and 4320, 5.7.6] Federally Enforceable Through Title V Permit
13. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by: ASTM D 1826 or D1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rules 2520, 9.4.2 , 4305, 6.2.1 and 4320] Federally Enforceable Through Title V Permit
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17. Exhaust gas stack shall be equipped with adequate provisions facilitating the collection of gas samples consistent with EPA Test Methods. [District Rules 1081 and District NSR Rule] Federally Enforceable Through Title V Permit
18. Flue gas recirculation system may be designed such that ambient air may be drawn into flue gas recirculation piping. [District NSR Rule] Federally Enforceable Through Title V Permit
19. When combustion air orifice and flue gas recirculation orifice have been used to demonstrate compliance they shall not be changed without a District-witnessed compliance demonstration. [District NSR Rule] Federally Enforceable Through Title V Permit

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33. Source testing is required at least once every twelve (12) months from the initial source test date of each fuel type (greater than or equal to 50% PUC quality gas or < 50% PUC quality gas). After an initial compliance demonstration with the NO_x and CO emission limits for each fuel type on two (2) consecutive source tests, the unit shall be tested not less than once every thirty-six (36) months from the last test date for that fuel type. Testing shall not be required for any fuel type not in use during the 36 month period until such time the fuel type is switched, after which testing shall be performed within 90 days of switching fuel types. [District Rules 2201 and 4320]
34. Compliance source testing after switching fuel types is not required if the unit continues to demonstrate compliance with 9 ppmvd NO_x @ 3% O₂ or 0.011 lb-NO_x/MMBtu and 45 ppmvd CO @ 3% O₂ or 0.033 lb-CO/MMBtu while firing on less than 50% by volume PUC quality gas. In which case, source testing shall only be required every thirty-six(36) months for the less than 50% by PUC quality gas. If the result of a source test demonstrates that the unit does not meet 9 ppmvd NO_x @ 3% O₂ or 0.011 lb-NO_x/MMBtu and 45 ppmvd CO @ 3% O₂ or 0.033 lb-CO/MMBtu while firing on less than 50% by volume PUC quality gas, the source test frequency shall revert to at least one test every 36 months for each fuel type. [District Rules 2201 and 4320]
35. Compliance with SO_x emission limits shall be demonstrated within 60 days of initial operation under this ATC. [District Rule 4320]
36. Permittee shall submit an analysis to the District demonstrating compliance with the fuel sulfur content and higher heating value within 60 days of startup and at least once every 12 months. The sulfur content and higher heating value of the fuel shall be determined using the test methods referenced in this permit or certified by a third party fuel supplier. [District Rules 2520 and 4320]
37. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. No determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
38. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
39. Compliance demonstration (source testing) shall be by District witnessed, or authorized, sample collection by ARB certified testing laboratory. [District Rule 1081] Federally Enforceable Through Title V Permit
40. Source testing shall be conducted using the methods and procedures approved by the District. The District must be notified 30 days prior to any compliance source test, and a source test plan must be submitted for approval 15 days prior to testing. [District Rule 1081] Federally Enforceable Through Title V Permit
41. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
42. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, NO_x (lb/MMBtu) - EPA Method 19; CO (ppmv) - EPA Method 10 or ARB Method 100; Stack gas oxygen (O₂) - EPA Method 3 or 3A or ARB Method 100, PM₁₀ - EPA 5, and gas sulfur content - ASTM D1072, D3031, D4084, D3246 or double GC for H₂S and mercaptans. [District Rules 1081, 2520, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
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52. The provisions of this Authority to Construct are severable, and, if any provision of the Authority to Construct is held invalid, the remainder of this Authority to Construct shall not be affected thereby. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
53. The owner and operator of the proposed facility shall construct and operate the proposed stationary source in compliance with all other applicable provisions of 40 CFR Parts 52, 60, and 61 and all other applicable federal, state, and local air quality regulations. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
54. Permittee shall consume no more than 5125 barrels per day of oil on a daily maximum average and no more than 4648 barrels per day of oil on an annual average basis. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
55. The amount of fuel burned and the sulfur content of the fuel shall be recorded in a permanent record and shall be available for periodic inspection by the District, the California Air Resource Board, and the EPA. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
56. Permittee shall have installed operable scrubbers on the equipment. Exhaust gases from the generators shall be ducted through operable scrubbers. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
57. Within 60 days after achieving the maximum production rate of the proposed facility, but not later than 180 days after initial start-up of this facility (as defined in 40 CFR 60.2(o)), and at such other times as specified by the EPA, permittee shall conduct performance tests for SO₂, and furnish the District and the EPA a written report of the results of such tests. The tests for SO₂ shall be conducted on an annual basis. The performance tests shall be conducted for each scrubber required for the generator. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
58. Within 60 days after achieving the maximum production rate of the proposed facility, but not later than 180 days after initial start-up of this facility (as defined in 40 CFR 60.2(o)), and at such other times as specified by the EPA, permittee shall conduct performance test for NO_x, and furnish the District and the EPA written report of the results of such tests. The tests for NO_x shall be conducted on an annual basis and at the maximum operating capacity of the facilities being tested. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
59. Permittee shall install and operate ammonia injection equipment to control nitrogen oxide emissions on the steam generator. This condition may be amended if other control technologies are determined by EPA to satisfy BACT requirements, in accordance with the periodic BACT review procedure below. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
60. Permittee shall submit updated Best Available Control Technology (BACT) proposals every six months. Based on the information submitted and on other information which is available at that time, EPA may impose more stringent emission limits for NO_x. In no event shall EPA set a higher emission limit for NO_x. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
61. Performance tests for the emission of NO_x and SO₂ shall be conducted and results reported in accordance with the methods set forth in Parts 60.8 and 60.46 of the Standards of Performance for New Sources. The EPA shall be notified at least 30 days in advance of such test to allow an observer to be present. In lieu of the above mentioned test methods, equivalent methods may be used if approved by the EPA. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
62. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

6. Each fuel source shall be tested semi-annually for sulfur content and higher heating value. If a fuel content test fails to show compliance, weekly testing is required until compliance is demonstrated for 8 consecutive weeks, after which semi-annual testing may resume. [District Rules 2520, 9.3.2 and 4320, 5.7.6] Federally Enforceable Through Title V Permit
7. If the unit is fired on PUC-regulated natural gas, valid purchase contracts, supplier certifications, tariff sheets, or transportation contracts may be used to satisfy the fuel sulfur content analysis, provided they establish the fuel sulfur concentration and higher heating value. [District Rules 2520, 9.3.2 and 4320] Federally Enforceable Through Title V Permit
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9. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by: ASTM D 1826 or D1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rules 2520, 9.4.2, 4305, 6.2.1 and 4320] Federally Enforceable Through Title V Permit
10. 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, 9.4.2] Federally Enforceable Through Title V Permit
11. Particulate matter emissions shall not exceed 0.1 grain/dscf, calculated to 12% CO₂, nor 10 lb/hr. [District Rules 4201, 3.1 and 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit
12. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following requirements: SJVUAPCD Rules 4201 (Amended December 17, 1992), and 4301 (Amended December 17, 1992). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
13. This unit commenced construction, modification, or reconstruction prior to June 19, 1984. This unit has not been used to produce electricity for sale in 1985 or on or after November 15, 1990. Therefore, the requirements of 40 CFR 72.6(b) and 40 CFR 60.40c do not apply to this source. A permit shield is granted from this requirement. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
14. This unit is located west of Interstate 5 in Kern county. Therefore, the requirements of District Rule 4351 (Amended October 19, 1995) do not apply to this source. A permit shield is granted from this requirement. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
15. Exhaust gas stack shall be equipped with adequate provisions facilitating the collection of gas samples consistent with EPA Test Methods. [District Rules 1081 and District NSR Rule] Federally Enforceable Through Title V Permit
16. Flue gas recirculation system may be designed such that ambient air may be drawn into flue gas recirculation piping. [District NSR Rule] Federally Enforceable Through Title V Permit
17. When combustion air orifice and flue gas recirculation orifice have been used to demonstrate compliance they shall not be changed without a District-witnessed compliance demonstration. [District NSR Rule] Federally Enforceable Through Title V Permit
18. Duration of start-up or shutdown shall not exceed 2 hours each per occurrence. During start-up or shutdown, the emissions control system shall be in operation, and emissions shall be minimized insofar as technologically possible. The operator shall maintain records of the duration of each start-up and shutdown periods. [District Rule 4306 and 4320]
19. Start-up is defined as the period of time during which a unit is brought from a shutdown status to its operating temperature and pressure, including the time required by the unit's emission control system to reach full operation. Shutdown is defined as the period of time during which a unit is taken from an operational to a non-operational status by allowing it to cool down from its operating temperature to ambient temperature as the fuel supply to the unit is completely turned off. [District Rule 4306] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

35. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
36. If either the NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
37. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
38. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305 and 4306] Federally Enforceable Through Title V Permit
39. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
40. All equipment, facilities, and systems installed or used to achieve compliance with the terms and conditions of this Authority to Construct shall at all times be maintained in good working order and be operated as efficiently as possible so as to minimize air pollutant emissions. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
41. The EPA Regional Administrator shall be notified by telephone, facsimile, or electronic mail transmission within two (2) working days following any failure of air pollution control equipment, process equipment, or of a process to operate in a normal manner, which results in an increase in emissions above any allowable emission limit stated in the condition below. In addition, the Regional Administrator shall be notified in writing within fifteen (15) days of any such failure. The notification shall include a description of the malfunctioning equipment or abnormal operation, the date of the initial failure, the period of time over which emissions were increased due to the failure, the cause of the failure, the estimated resultant emissions in excess of those allowed under the condition below, and the methods utilized to mitigate emissions and restore normal operations. Compliance with this malfunction notification provision shall not excuse or otherwise constitute a defense to any violations of this permit or of any law or regulations which such malfunction may cause. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
42. The EPA Regional Administrator, the head of the State Air Pollution Control Agency, the head of the responsible local Air Pollution Control Agency, and/or their authorized representative, upon the presentation of credentials, shall be permitted: A. to enter the premises where the source is located or where any records are required to be kept under the terms and conditions of this Authority to Construct; and B. at reasonable times to have access to and copy any records required to be kept under the terms and conditions of this Authority to Construct; and C. to inspect any equipment, operation, or method required in this Authority to Construct; and D. to sample emissions from the source(s). [PSD SJ 78-16] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

56. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

5. 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, 9.4.2] Federally Enforceable Through Title V Permit
6. Particulate matter emissions shall not exceed 0.1 grain/dscf, calculated to 12% CO₂, nor 10 lb/hr. [District Rules 4201, 3.1 and 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit
7. PUC quality natural gas is any gaseous fuel where the sulfur content is no more than one-fourth (0.25) grain of hydrogen sulfide per one hundred (100) standard cubic feet, no more than five (5) grains of total sulfur per one hundred (100 standard cubic feet) and at least 80% methane by volume. [District Rule 4320]
8. Fuel H₂S, total sulfur, and methane content shall be determined semi-annually using the following test methods H₂S: ASTM D6228; total sulfur; ASTM D1072; ASTM D3246, double GC for H₂S and mercaptans or ASTM D6228; and methane content: ASTM D1945. [District Rule 4320]
9. In months where PUC quality gas is burned, the permittee shall maintain records on a calendar month basis of the volume of PUC quality natural gas and the total gas fired in this unit. Permittee shall keep monthly records of the percentage by volume of PUC quality gas fired and indicate if the volume of PUC quality gas fired is greater or less than 50%. [District Rule 4320]
10. Each fuel source shall be tested semi-annually for sulfur content and higher heating value. If a fuel content test fails to show compliance, weekly testing is required until compliance is demonstrated for 8 consecutive weeks, after which semi-annual testing may resume. [District Rules 2520, 9.3.2 and 4320, 5.7.6] Federally Enforceable Through Title V Permit
11. If the unit is fired on PUC-regulated natural gas, valid purchase contracts, supplier certifications, tariff sheets, or transportation contracts may be used to satisfy the fuel sulfur content analysis, provided they establish the fuel sulfur concentration and higher heating value. [District Rules 2520, 9.3.2 and 4320] Federally Enforceable Through Title V Permit
12. If the unit is not fired on PUC-regulated natural gas and compliance is achieved through fuel sulfur content limitations, then the sulfur content of the fuel shall be determined by testing sulfur content at a location after all fuel sources are combined prior to incineration, or by performing mass balance calculations based on monitoring the sulfur content and volume of each fuel source e. The sulfur content of the fuel shall be determined using the test methods referenced in this permit. [District Rules 2520, 9.3.2 and 4320, 5.7.6] Federally Enforceable Through Title V Permit
13. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by: ASTM D 1826 or D1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rules 2520, 9.4.2 , 4305, 6.2.1 and 4320] Federally Enforceable Through Title V Permit
14. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following requirements: SJVUAPCD Rules 4201 (Amended December 17, 1992), and 4301 (Amended December 17, 1992). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
15. This unit commenced construction, modification, or reconstruction prior to June 19, 1984. This unit has not been used to produce electricity for sale in 1985 or on or after November 15, 1990. Therefore, the requirements of 40 CFR 72.6(b) and 40 CFR 60.40c do not apply to this source. A permit shield is granted from this requirement. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
16. This unit is located west of Interstate 5 in Kern county. Therefore, the requirements of District Rule 4351(Amended October 19, 1995) do not apply to this source. A permit shield is granted from this requirement. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
17. Exhaust gas stack shall be equipped with adequate provisions facilitating the collection of gas samples consistent with EPA Test Methods. [District Rules 1081 and District NSR Rule] Federally Enforceable Through Title V Permit
18. Flue gas recirculation system may be designed such that ambient air may be drawn into flue gas recirculation piping. [District Rule 2201]
19. When combustion air orifice and flue gas recirculation orifice have been used to demonstrate compliance they shall not be changed without a District-witnessed compliance demonstration. [District NSR Rule] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

20. During a "shakedown" period not to exceed 60 calendar days from initial operation of the modifications authorized by this ATC, NOx emission rate shall not exceed 15 ppmvd @ 3% O2 or 0.018 lb/MMBtu. The shakedown period shall be concluded prior to the applicable Rule 4320 compliance deadline selected for this unit. Permittee shall maintain a record of the date of initial operation and shall make such records readily available for District inspection upon request. [District Rules 4306 and 4320] Federally Enforceable Through Title V Permit
21. Duration of start-up or shutdown shall not exceed 2 hours each per occurrence. During start-up or shutdown, the emissions control system shall be in operation, and emissions shall be minimized insofar as technologically possible. The operator shall maintain records of the duration of each start-up and shutdown periods. [District Rule 4306 and 4320]
22. Emission rates shall not exceed: PM10: 117.0 lb/day or 42,705 lb/year, SOx: 189.0 lb/day or 68,985 lb/year, NOx (as NO2): 54.0 lb/day or 7665 lb/year, VOC: 9.0 lb/day or 3285 lb/year, CO: 49.5 lb/day or 18,068 lb/year. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
23. Emission rates from the steam generator shall not exceed any of the following: PM10: 0.078 lb/MMBtu, SOx (as SO2): 0.126 lb/MMBtu, or VOC: 0.006 lb/MMBtu. [District Rule 2201,4305, 4306 and 4320] Federally Enforceable Through Title V Permit
24. Except during startup, shutdown and the shakedown period, emissions shall not exceed any of the following limits when this unit is burning 50% or greater by volume PUC quality gas on a monthly average basis: 9 ppmvd NOx @ 3% O2 or 0.011 lb-NOx/MMBtu and 45 ppmvd CO @ 3% O2 or 0.033 lb-CO/MMBtu. [District Rules 2201 and 4320]
25. Except during startup, shutdown and the shakedown period, emissions shall not exceed any of the following limits when the unit is burning less than 50% by volume PUC quality gas on a monthly average basis: 12 ppmvd NOx @ 3% O2 or 0.014 lb-NOx/MMBtu and 45 ppmvd CO @ 3% O2 or 0.033 lb-CO/MMBtu. [District Rules 2201 and 4320]
26. The applicable NOx and CO emissions concentration for each month shall be determined based on the volume and type of fuel combusted in the unit (< 50% by volume PUC quality gas or greater than or equal to 50% by volume PUC quality gas). Permittee shall maintain supporting records that determine the type of fuel combusted. [District Rules 2201 and 4320]
27. Permittee shall pave and maintain with asphalt no less than 0.45 miles of roadway. The 0.45 miles of roadways constructed are in addition to new roadways associated with other steam injection and oil production well projects [District NSR Rule] Federally Enforceable Through Title V Permit
28. Permittee shall maintain daily records of volume of natural gas burned, TEOR and TVC gas incinerated, and permit number(s) of systems providing gas for incineration and shall make the preceding five years records available for District inspection upon request. [District NSR Rule] Federally Enforceable Through Title V Permit
29. A source test to demonstrate compliance with NOx and CO emission limits shall be performed within 60 days of startup of this unit. The NOx limit in effect at the time of the startup source testing will be determined based on the volume and type of fuel combusted (greater than or equal to 50% PUC quality or < 50% PUC quality gas) and shall be identified in the source test protocol. Whenever the fuel type is switched from the fuel type combusted during the initial startup of this unit, compliance source testing for NOx and CO shall be conducted within 90 days of the date the fuel type is switched. [District Rule 2201 and 4320]
30. Source testing is required at least once every twelve (12) months from the initial source test date of each fuel type (greater than or equal to 50% PUC quality gas or < 50% PUC quality gas). After an initial compliance demonstration with the NOx and CO emission limits for each fuel type on two (2) consecutive source tests, the unit shall be tested not less than once every thirty-six (36) months from the last test date for that fuel type. Testing shall not be required for any fuel type not in use during the 36 month period until such time the fuel type is switched, after which testing shall be performed within 90 days of switching fuel types. [District Rules 2201 and 4320]
31. Compliance source testing after switching fuel type is not required if the unit continues to demonstrate compliance with 9 ppmvd NOx @ 3% O2 or 0.011 lb-NOx/MMBtu and 45 ppmvd CO @ 3% O2 or 0.033 lb-CO/MMBtu while firing on less than 50% by volume PUC quality gas. In which case, source testing shall only be required every thirty-six(36) months for the less than 50% by PUC quality gas. If the result of a source test demonstrates that the unit does not meet 9 ppmvd NOx @ 3% O2 or 0.011 lb-NOx/MMBtu and 45 ppmvd CO @ 3% O2 or 0.033 lb-CO/MMBtu while firing on less than 50% by volume PUC quality gas, the source test frequency shall revert to at least one test every 36 months for each fuel type. [District Rules 2201 and 4320]

CONDITIONS CONTINUE ON NEXT PAGE

43. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305 and 4306] Federally Enforceable Through Title V Permit
44. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305 and 4306] Federally Enforceable Through Title V Permit
45. All equipment, facilities, and systems installed or used to achieve compliance with the terms and conditions of this Authority to Construct shall at all times be maintained in good working order and be operated as efficiently as possible so as to minimize air pollutant emissions. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
46. The EPA Regional Administrator shall be notified by telephone, facsimile, or electronic mail transmission within two (2) working days following any failure of air pollution control equipment, process equipment, or of a process to operate in a normal manner, which results in an increase in emissions above any allowable emission limit stated in the condition below. In addition, the Regional Administrator shall be notified in writing within fifteen (15) days of any such failure. The notification shall include a description of the malfunctioning equipment or abnormal operation, the date of the initial failure, the period of time over which emissions were increased due to the failure, the cause of the failure, the estimated resultant emissions in excess of those allowed under the condition below, and the methods utilized to mitigate emissions and restore normal operations. Compliance with this malfunction notification provision shall not excuse or otherwise constitute a defense to any violations of this permit or of any law or regulations which such malfunction may cause. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
47. The EPA Regional Administrator, the head of the State Air Pollution Control Agency, the head of the responsible local Air Pollution Control Agency, and/or their authorized representative, upon the presentation of credentials, shall be permitted: A. to enter the premises where the source is located or where any records are required to be kept under the terms and conditions of this Authority to Construct; and B. at reasonable times to have access to and copy any records required to be kept under the terms and conditions of this Authority to Construct; and C. to inspect any equipment, operation, or method required in this Authority to Construct; and D. to sample emissions from the source(s). [PSD SJ 78-16] Federally Enforceable Through Title V Permit
48. In the event of any changes in control or ownership of the facilities to be constructed, the Authority to Construct shall be binding on all subsequent owners and operators. The applicant shall notify the succeeding owner and operator of the existence of this Authority to Construct and its conditions by letter, a copy of which shall be forwarded to the EPA Regional Administrator and the State and local Air Pollution Control Agency. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
49. The provisions of this Authority to Construct are severable, and, if any provision of the Authority to Construct is held invalid, the remainder of this Authority to Construct shall not be affected thereby. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
50. The owner and operator of the proposed facility shall construct and operate the proposed stationary source in compliance with all other applicable provisions of 40 CFR Parts 52, 60, and 61 and all other applicable federal, state, and local air quality regulations. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
51. Permittee shall consume no more than 5125 barrels per day of oil on a daily maximum average and no more than 4648 barrels per day of oil on an annual average basis. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
52. The amount of fuel burned and the sulfur content of the fuel shall be recorded in a permanent record and shall be available for periodic inspection by the District, the California Air Resource Board, and the EPA. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
53. Permittee shall have installed operable scrubbers on the equipment. Exhaust gases from the generators shall be ducted through operable scrubbers. [PSD SJ 78-16] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE



AUTHORITY TO CONSTRUCT

PERMIT NO: S-1141-553-8

ISSUANCE DATE: 07/21/2010

LEGAL OWNER OR OPERATOR: CHEVRON USA INC
MAILING ADDRESS: PO BOX 1392
BAKERSFIELD, CA 93302

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
CA

SECTION: NW17 **TOWNSHIP:** 32S **RANGE:** 23E

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL/TEOR/TVC GAS FIRED SMITH MOON STEEL STEAM GENERATOR (NATIONAL BOARD #552) WITH NORTH AMERICAN GLE MAGNA FLAME LOW NOX BURNER, O2 ANALYZER/CONTROLLER, AND FGR WITH VARIABLE SPEED INTAKE AIR BLOWER, ORIFICE PLATE(S), AND ELECTRONIC CONTROLS: LIMIT SOX TO 5 GR-S/100 SCF OR REDUCE SOX BY 95% VIA SCRUBBING OR TO AN OUTLET CONCENTRATION OF 9 PPMVD @ 3% O2 FOR RULE 4320 COMPLIANCE

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. This Authority to Construct shall be implemented according to the date proposed in the District-approved Rule 4320 Emission Control Plan. [District Rule 4320]
4. All required source testing shall conform to the compliance testing procedures described in District Rule 1081 (Last 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

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-1141-553-8 Jul 22 2010 9:20AM - GOUGHD Joint Inspection NOT Required

20. Emission rates, except during startup and shutdown, shall not exceed any of the following: NO_x (as NO₂): 0.018 lb/MMBtu or 15 ppmv @ 3% O₂, or CO: 45 ppmv @ 3% O₂. [District Rule 2201, 4305, 4306 and 4320, PSD SJ78-16] Federally Enforceable Through Title V Permit
21. During start-up and shutdown periods, emissions from the steam generator shall not exceed the following limits: 0.1 lb-NO_x/MMBtu or 0.084 lb-CO/MMBtu. [District Rule 2201] Federally Enforceable Through Title V Permit
22. Duration of start-up or shutdown shall not exceed 2 hours each per occurrence. During start-up or shutdown, the emissions control system shall be in operation, and emissions shall be minimized insofar as technologically possible. The operator shall maintain records of the duration of each start-up and shutdown periods. [District Rules 4306 and 4320] Federally Enforceable Through Title V Permit
23. Start-up is defined as the period of time during which a unit is brought from a shutdown status to its operating temperature and pressure, including the time required by the unit's emission control system to reach full operation. Shutdown is defined as the period of time during which a unit is taken from an operational to a non-operational status by allowing it to cool down from its operating temperature to ambient temperature as the fuel supply to the unit is completely turned off. [District Rule] Federally Enforceable Through Title V Permit
24. Permittee shall pave and maintain with asphalt no less than 0.45 miles of roadway. The 0.45 miles of roadways constructed are in addition to new roadways associated with other steam injection and oil production well projects [District NSR Rule] Federally Enforceable Through Title V Permit
25. Permittee shall maintain daily records of volume of natural gas burned, TEOR and TVC gas incinerated, and permit number(s) of systems providing gas for incineration and shall make the preceding five years records available for District inspection upon request. [District NSR Rule] Federally Enforceable Through Title V Permit
26. Compliance with SO_x emission limits shall be demonstrated within 60 days of initial operation under this ATC. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
27. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. No determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
28. Source testing to measure natural gas-combustion NO_x and CO emissions from this unit shall be conducted at least once every twelve (12) months. After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months. If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
29. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
30. Compliance demonstration (source testing) shall be by District witnessed, or authorized, sample collection by ARB certified testing laboratory. [District Rule 1081] Federally Enforceable Through Title V Permit
31. Source testing shall be conducted using the methods and procedures approved by the District. The District must be notified 30 days prior to any compliance source test, and a source test plan must be submitted for approval 15 days prior to testing. [District Rule 1081] Federally Enforceable Through Title V Permit
32. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
33. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, NO_x (lb/MMBtu) - EPA Method 19; CO (ppmv) - EPA Method 10 or ARB Method 100; Stack gas oxygen (O₂) - EPA Method 3 or 3A or ARB Method 100; stack gas velocities - EPA Method 2; and Stack gas moisture content - EPA Method 4. [District Rules 1081, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

42. In the event of any changes in control or ownership of the facilities to be constructed, the Authority to Construct shall be binding on all subsequent owners and operators. The applicant shall notify the succeeding owner and operator of the existence of this Authority to Construct and its conditions by letter, a copy of which shall be forwarded to the EPA Regional Administrator and the State and local Air Pollution Control Agency. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
43. The provisions of this Authority to Construct are severable, and, if any provision of the Authority to Construct is held invalid, the remainder of this Authority to Construct shall not be affected thereby. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
44. The owner and operator of the proposed facility shall construct and operate the proposed stationary source in compliance with all other applicable provisions of 40 CFR Parts 52, 60, and 61 and all other applicable federal, state, and local air quality regulations. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
45. Permittee shall consume no more than 5125 barrels per day of oil on a daily maximum average and no more than 4648 barrels per day of oil on an annual average basis. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
46. The amount of fuel burned and the sulfur content of the fuel shall be recorded in a permanent record and shall be available for periodic inspection by the District, the California Air Resource Board, and the EPA. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
47. Permittee shall have installed operable scrubbers on the equipment. Exhaust gases from the generators shall be ducted through operable scrubbers. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
48. Within 60 days after achieving the maximum production rate of the proposed facility, but not later than 180 days after initial start-up of this facility (as defined in 40 CFR 60.2(o)), and at such other times as specified by the EPA, permittee shall conduct performance tests for SO₂, and furnish the District and the EPA a written report of the results of such tests. The tests for SO₂ shall be conducted on an annual basis. The performance tests shall be conducted for each scrubber required for the generator. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
49. Within 60 days after achieving the maximum production rate of the proposed facility, but not later than 180 days after initial start-up of this facility (as defined in 40 CFR 60.2(o)), and at such other times as specified by the EPA, permittee shall conduct performance test for NO_x, and furnish the District and the EPA written report of the results of such tests. The tests for NO_x shall be conducted on an annual basis and at the maximum operating capacity of the facilities being tested. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
50. Permittee shall install and operate ammonia injection equipment to control nitrogen oxide emissions on the steam generator. This condition may be amended if other control technologies are determined by EPA to satisfy BACT requirements, in accordance with the periodic BACT review procedure below. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
51. Permittee shall submit updated Best Available Control Technology (BACT) proposals every six months. Based on the information submitted and on other information which is available at that time, EPA may impose more stringent emission limits for NO_x. In no event shall EPA set a higher emission limit for NO_x. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
52. Performance tests for the emission of NO_x and SO₂ shall be conducted and results reported in accordance with the methods set forth in Parts 60.8 and 60.46 of the Standards of Performance for New Sources. The EPA shall be notified at least 30 days in advance of such test to allow an observer to be present. In lieu of the above mentioned test methods, equivalent methods may be used if approved by the EPA. [PSD SJ 78-16] Federally Enforceable Through Title V Permit
53. Pursuant to Rule 4320, beginning in 2010 the operator shall pay an annual emission fee to the District for NO_x emissions from this unit for the previous calendar year. Payments are due by July 1 of each year. Payments shall continue annually until either the unit is permanently removed from service in the District or the operator demonstrates compliance with the applicable NO_x emission limit listed in Rule 4320. [District Rule 4320]
54. Permittee shall maintain records of annual heat input (MMBtu) for this unit on a calendar year basis. Such records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070 and Rule 4320]

CONDITIONS CONTINUE ON NEXT PAGE



AUTHORITY TO CONSTRUCT

PERMIT NO: S-1141-555-11

ISSUANCE DATE: 07/21/2010

LEGAL OWNER OR OPERATOR: CHEVRON USA INC
MAILING ADDRESS: PO BOX 1392
BAKERSFIELD, CA 93302

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
CA

SECTION: NW17 **TOWNSHIP:** 32S **RANGE:** 23E

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL/TEOR/TVC GAS FIRED SMITH MOON STEEL STEAM GENERATOR (NATIONAL BOARD #7953) WITH NORTH AMERICAN MAGNA-FLAME GLE ULTRA-LOW NOX BURNER, O2 CONTROLLER, FGR AND SO2 SCRUBBER SHARED WITH '-556 AND '-557: LIMIT NOX TO 9 PPM @ 3% O2 (0.011 LB-NOX/MMBTU) OR TO 12 PPMV @ 3% O2 (0.014 LB-NOX/MMBTU) & REDUCE SOX BY 95% VIA SCRUBBING OR TO AN OUTLET CONCENTRATION NOT EXCEEDING 9 PPMVD SO2 @ 3% O2 FOR RULE 4320 COMPLIANCE

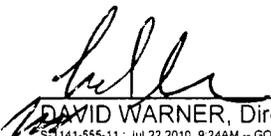
CONDITIONS

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. This Authority to Construct shall be implemented according to the date proposed in the District-approved Rule 4320 Emission Control Plan. [District Rule 4320]
4. Exhaust from unit shall be directed to SOx scrubber authorized herein except when unit is combusting only PUC quality natural gas with a sulfur content not exceeding 1.0 gr S/100scf. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

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

Seyed Sadredin, Executive Director / APCO


DAVID WARNER, Director of Permit Services

SJ-1141-555-11 - Jul 22 2010 9:24AM -- GOUGHD - Joint Inspection NOT Required

19. During a "shakedown" period not to exceed 60 calendar days from initial operation of the modifications authorized by this ATC, NOx emission rate shall not exceed 15 ppmvd @ 3% O2 or 0.018 lb/MMBtu. The shakedown period shall be concluded prior to the applicable Rule 4320 compliance deadline selected for this unit. Permittee shall maintain a record of the date of initial operation and shall make such records readily available for District inspection upon request [District Rules 4305, 4306 and 4320]
20. Annual combined emissions of PM10 from units '-555, '-556, and '-557 shall not exceed 115,687 lb/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
21. Permittee shall demonstrate compliance with the annual PM10 combined emission limit for units '-555, '-556, and '-557 by calculation using the amount of fuel combusted, and either the results from the latest source test or the permitted emission factor if there is no PM10 source test data. [District Rule 2201] Federally Enforceable Through Title V Permit
22. Emission rates shall not exceed any of the following: PM10: 109.5 lb/day, SOx: 94.5 lb/day, NOx (as NO2): 54.0 lb/day and 7665 lb/year, VOC: 9.0 lb/day, CO: 41.0 lb/day. [District Rule 2201] Federally Enforceable Through Title V Permit
23. Emission rates from the steam generator shall not exceed any of the following: PM10: 0.073 lb/MMBtu, SOx (as SO2): 0.063 lb/MMBtu or 9 ppmvd @3%O2, or VOC: 0.006 lb/MMBtu. [District Rules 2201, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
24. Except during startup, shutdown and the shakedown period, emissions shall not exceed any of the following limits when this unit is burning 50% or greater by volume PUC quality gas on a monthly average basis: 9 ppmvd NOx @ 3% O2 or 0.011 lb-NOx/MMBtu and 37 ppmvd CO @ 3% O2 or 0.0273 lb-CO/MMBtu. [District Rules 2201 and 4320]
25. Except during startup, shutdown and the shakedown period, emissions shall not exceed any of the following limits when the unit is burning less than 50% by volume PUC quality gas on a monthly average basis: 12 ppmvd NOx @ 3% O2 or 0.014 lb-NOx/MMBtu and 37 ppmvd CO @ 3% O2 or 0.0273 lb-CO/MMBtu. [District Rules 2201 and 4320]
26. The applicable NOx and CO emissions concentration for each month shall be determined based on the volume and type of fuel combusted in the unit (< 50% by volume PUC quality gas or greater than or equal to 50% by volume PUC quality gas). Permittee shall maintain supporting records that determine the type of fuel combusted. [District Rules 2201 and 4320]
27. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. No determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
28. Compliance with PM10 emissions limits shall be demonstrated by source testing, at startup and at least once every twelve (12) months thereafter. After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months. If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 2201, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
29. If required, compliance with the scrubber control efficiency requirement shall be demonstrated within 60 days of startup and at least once every twelve (12) months thereafter. [District Rules 2201 and 4320]
30. Whenever the unit is switched to scrubbed operation, compliance source testing for SOx shall be conducted within 60 days of initial scrubbing date unless source testing has occurred within the previous 12 months. [District NSR Rule] Federally Enforceable Through Title V Permit
31. The following test methods shall be used: NOx (ppmv) - EPA Method 7E or ARB Method 100, NOx (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, stack gas velocities - EPA Method 2, stack gas moisture content - EPA Method 4, SOx (lb/MMBtu)- ARB 100 and EPA Method 19, EPA Method 6, and fuel gas sulfur content - ASTM D1072, D3031, D3246, D4084 or double GC for H2S and mercaptans, PM10 (lb/scf) - EPA Methods 5, 201A and 202. [District Rules 1081, 2520, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

44. If either the NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
45. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
46. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305 and 4306] Federally Enforceable Through Title V Permit
47. Permittee shall pave and maintain with asphalt no less than 0.45 miles of roadway. The 0.45 miles of roadways constructed are in addition to new roadways associated with other steam injection and oil production well projects. [District NSR Rule] Federally Enforceable Through Title V Permit
48. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
49. All required source testing shall conform to the compliance testing procedures described in District Rule 1081 (Amended December 16, 1993). [District Rule 1081, and Kern County Rule 108.1] Federally Enforceable Through Title V Permit
50. 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, 9.4.2] Federally Enforceable Through Title V Permit
51. Particulate matter emissions shall not exceed 0.1 grain/dscf, calculated to 12% CO₂, nor 10 lb/hr. [District Rules 4201, 3.1 and 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit
52. Emissions of sulfur compounds from this unit shall not exceed 200 lb per hour, calculated as SO₂. Compliance with this requirement may be demonstrated by firing the unit only on PUC or FERC regulated natural gas; or by testing the sulfur content of each fuel and determining the maximum hourly emissions of sulfur compounds by multiplying the sulfur content of each fuel in lb/MMBtu by the maximum heat input rating of the unit; or by source testing in combination with fuel analysis. [District Rules 2520, 9.3.2 and 4301, 5.2.1] Federally Enforceable Through Title V Permit
53. When complying with SO_x emission limits by testing of stack emissions, testing shall be performed not less than once every 12 months using EPA Method 6B; or Method 8 or ARB Method 1-100; or, for units using gaseous fuel scrubbed for sulfur pre-combustion, a grab sample analysis by GC-FPD/TCD or double GC performed in the laboratory and EPA Method 19 to calculated emissions. Gaseous fuel fired units demonstrating compliance on two consecutive annual source tests shall be tested not less than once every thirty-six months; however, annual source testing shall resume if any test fails to show compliance. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
54. Permittee shall maintain with the permit a current listing of all TEOR and TVC gas systems providing vapors to this steam generator and shall make such listing readily available for District inspection upon request. [District NSR Rule and Rule 4306] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE



AUTHORITY TO CONSTRUCT

PERMIT NO: S-1141-557-10

ISSUANCE DATE: 07/21/2010

LEGAL OWNER OR OPERATOR: CHEVRON USA INC
MAILING ADDRESS: PO BOX 1392
BAKERSFIELD, CA 93302

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
CA

SECTION: NW17 **TOWNSHIP:** 32S **RANGE:** 23E

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL/TEOR/TVC GAS-FIRED C.E. NATCO STEAM GENERATOR WITH A NORTH AMERICAN MAGNA-FLAME GLE ULTRA LOW-NOX BURNER, WITH AN O2 ANALYZER/CONTROLLER AND FLUE GAS RECIRCULATION (FGR) SYSTEM WITH VARIABLE SPEED INTAKE AIR BLOWER, ORIFICE PLATE(S), ELECTRONIC CONTROLS (NATIONAL BOARD #9333, TEXACO ID SMSP #8), AND SO2 SCRUBBER SHARED WITH '555 AND '556: LIMIT NOX TO 9 PPM @ 3% O2 (0.011 LB-NOX/MMBTU) OR TO 12 PPMV @ 3% O2 (0.014 LB-NOX/MMBTU) & REDUCE SOX BY 95% VIA SCRUBBING OR TO AN OUTLET CONCENTRATION NOT EXCEEDING 9 PPMVD SO2 @ 3% O2 FOR RULE 4320 COMPLIANCE

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. This Authority to Construct shall be implemented according to the date proposed in the District-approved Rule 4320 Emission Control Plan. [District Rule 4320]
4. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201] 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-1141-557-10: Jul 22 2010 9:24AM - GOUGHD : Joint Inspection NOT Required

34. If either the NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 5.4, 4306, 5.4 and 4320] Federally Enforceable Through Title V Permit
35. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 5.4, 4306, 5.4 and 4320] Federally Enforceable Through Title V Permit
36. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 5.5.1, 4306, 5.5.1 and 4320] Federally Enforceable Through Title V Permit
37. All required source testing shall conform to the compliance testing procedures described in District Rule 1081 (Last Amended December 16, 1993). [District Rule 1081 and County Rule 108.1 (Kern)] Federally Enforceable Through Title V Permit
38. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. No determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. [District Rules 4305, 5.5.2, 4306, 5.5.2 and 4320] Federally Enforceable Through Title V Permit
39. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 5.5.5, 4306, 5.5.5 and 4320] Federally Enforceable Through Title V Permit
40. Source testing shall be conducted using the methods and procedures approved by the District. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. [District Rule 1081] Federally Enforceable Through Title V Permit
41. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 6.1 and 4306, 6.1] Federally Enforceable Through Title V Permit
42. Permittee shall maintain with the permit a current listing of all TEOR and TVC gas systems providing vapors to this steam generator and shall make such listing readily available for District inspection upon request [District NSR Rule] Federally Enforceable Through Title V Permit
43. Permittee shall maintain records of H₂S loading (lb H₂S/min) and dates and duration of Brinks Mist Eliminator operation and shall make such records readily available for District. [District Rule 2201] Federally Enforceable Through Title V Permit
44. Pursuant to Rule 4320, beginning in 2010 the operator shall pay an annual emission fee to the District for NO_x emissions from this unit for the previous calendar year. Payments are due by July 1 of each year. Payments shall continue annually until either the unit is permanently removed from service in the District or the operator demonstrates compliance with the applicable NO_x emission limit listed in Rule 4320. [District Rule 4320]

CONDITIONS CONTINUE ON NEXT PAGE

6. Scrubber control efficiency shall be maintained at least 95% by weight sulfur compounds or greater, or SO₂ concentration at the stack gas outlet that shall not exceed 9 ppmvd corrected to 3% O₂. [District Rule 2201] Federally Enforceable Through Title V Permit
7. Scrubber recirculation liquid pH shall be maintained only by the addition of caustic unless prior approval for an alternative pH maintenance method is received from the District. [District NSR Rule] Federally Enforceable Through Title V Permit
8. Daily average pH of scrubber liquor (calculated from hourly averages) shall be maintained between 6 and 8, and shall be continuously monitored. [District NSR Rule] Federally Enforceable Through Title V Permit
9. SO₂ scrubber exhaust shall be vented to operational Brinks mist eliminator prior to being exhausted to atmosphere when total H₂S loading to any one of the steam generators exceeds 1.24 lb/min for an aggregate of three or more minutes in any one hour period. H₂S concentration of the TEOR gas shall be determined and entered into the generator fuel throughput processor weekly using gas detection tubes to determine H₂S concentration. The H₂S loading shall be calculated using the generator actual fuel volumetric flow rate and H₂S concentration of the TEOR and fuel gas. [District Rules 2201 and 4101] Federally Enforceable Through Title V Permit
10. Fuel H₂S, total sulfur, and methane content shall be determined semi-annually using the following test methods H₂S: ASTM D6228; total sulfur: ASTM D1072; ASTM D3246, double GC for H₂S and mercaptans or ASTM D6228; and methane content: ASTM D1945. [District Rule 4320]
11. Each fuel source shall be tested semi-annually for sulfur content and higher heating value. If a fuel content test fails to show compliance, weekly testing is required until compliance is demonstrated for 8 consecutive weeks, after which semi-annual testing may resume. [District Rules 2520, 9.3.2 and 4320; 5.7.6] Federally Enforceable Through Title V Permit
12. If the unit is fired on PUC-regulated natural gas, valid purchase contracts, supplier certifications, tariff sheets, or transportation contracts may be used to satisfy the fuel sulfur content analysis, provided they establish the fuel sulfur concentration and higher heating value. [District Rules 2520, 9.3.2 and 4320] Federally Enforceable Through Title V Permit
13. If the unit is not fired on PUC-regulated natural gas and compliance is achieved through fuel sulfur content limitations, then the sulfur content of the fuel shall be determined by testing sulfur content at a location after all fuel sources are combined prior to incineration, or by performing mass balance calculations based on monitoring the sulfur content and volume of each fuel source. The sulfur content of the fuel shall be determined using the test methods referenced in this permit. [District Rules 2520, 9.3.2 and 4320, 5.7.6] Federally Enforceable Through Title V Permit
14. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by: ASTM D 1826 or D1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rules 2520, 9.4.2 , 4305, 6.2.1 and 4320] Federally Enforceable Through Title V Permit
15. Scrubber mist eliminator shall be properly cleaned and maintained. [District NSR Rule] Federally Enforceable Through Title V Permit
16. Flue gas recirculation system may be designed such that ambient air may be drawn into flue gas recirculation piping. [District NSR Rule] Federally Enforceable Through Title V Permit
17. When combustion air orifice and flue gas recirculation orifice have been used to demonstrate compliance they shall not be changed without a District-witnessed compliance demonstration. [District NSR Rule] Federally Enforceable Through Title V Permit
18. Permittee shall pave and maintain with asphalt no less than 0.45 miles of roadway. The 0.45 miles of roadways constructed are in addition to new roadways associated with other steam injection and oil production well projects [District NSR Rule] Federally Enforceable Through Title V Permit
19. Annual combined emissions of PM₁₀ from units '-555, '-556, and '-557 shall not exceed 115,687 lb/yr. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

44. If either the NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 5.4, 4306, 5.4 and 4320] Federally Enforceable Through Title V Permit
45. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 5.4, 4306, 5.4 and 4320] Federally Enforceable Through Title V Permit
46. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 5.5.1, 4306, 5.5.1 and 4320] Federally Enforceable Through Title V Permit
47. All required source testing shall conform to the compliance testing procedures described in District Rule 1081 (Last Amended December 16, 1993). [District Rule 1081 and County Rule 108.1 (Kern)] Federally Enforceable Through Title V Permit
48. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. No determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. [District Rules 4305, 5.5.2, 4306, 5.5.2 and 4320] Federally Enforceable Through Title V Permit
49. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 5.5.5, 4306, 5.5.5 and 4320] Federally Enforceable Through Title V Permit
50. Source testing shall be conducted using the methods and procedures approved by the District. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. [District Rule 1081] Federally Enforceable Through Title V Permit
51. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 6.1 and 4306, 6.1] Federally Enforceable Through Title V Permit
52. Copies of all gas purchase contracts, supplier certifications, and test results to determine compliance with the conditions of this permit shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any non-certified fuel. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
53. Permittee shall maintain records of H₂S loading (lb H₂S/min) and dates and duration of Brinks Mist Eliminator operation and shall make such records readily available for District. [District Rule 2201] Federally Enforceable Through Title V Permit
54. All records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 6.1, 4306, 6.1 and 4320] Federally Enforceable Through Title V Permit
55. ATC S-1141-556-8 shall be implemented prior to or concurrently with this ATC. [District Rule 2201] Federally Enforceable Through Title V Permit

20. When combustion air orifice and flue gas recirculation orifice have been used to demonstrate compliance they shall not be changed without a District-witnessed compliance demonstration. [District NSR Rule] Federally Enforceable Through Title V Permit
21. Permittee shall pave and maintain with asphalt no less than 0.45 miles of roadway. The 0.45 miles of roadways constructed are in addition to new roadways associated with other steam injection and oil production well projects [District NSR Rule] Federally Enforceable Through Title V Permit
22. Annual combined emissions of PM10 from units '-555, '-556, and '-557 shall not exceed 115,687 lb/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
23. Emission rates shall not exceed any of the following: PM10: 109.5 lb/day, SOx: 94.5 lb/day, NOx (as NO2): 54.0 lb/day and 7665 lb/year, VOC: 9.0 lb/day, CO: 56.3 lb/day. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
24. Except during startup, shutdown and the shakedown period, emissions shall not exceed any of the following limits when this unit is burning 50% or greater by volume PUC quality gas on a monthly average basis: 9 ppmvd NOx @ 3% O2 or 0.011 lb-NOx/MMBtu and 50 ppmvd CO @ 3% O2 or 0.0375 lb-CO/MMBtu. [District Rules 2201 and 4320]
25. Except during startup, shutdown and the shakedown period, emissions shall not exceed any of the following limits when the unit is burning less than 50% by volume PUC quality gas on a monthly average basis: 12 ppmvd NOx @ 3% O2 or 0.014 lb-NOx/MMBtu and 50 ppmvd CO @ 3% O2 or 0.0375 lb-CO/MMBtu. [District Rules 2201 and 4320]
26. The applicable NOx and CO emissions concentration for each month shall be determined based on the volume and type of fuel combusted in the unit (< 50% by volume PUC quality gas or greater than or equal to 50% by volume PUC quality gas). Permittee shall maintain supporting records that determine the type of fuel combusted. [District Rules 2201 and 4320]
27. Permittee shall demonstrate compliance with the annual PM10 combined emission limit for units '-555, '-556, and '-557 by calculation using the amount of fuel combusted, and either the results from the latest source test or the permitted emission factor if there is no PM10 source test data. [District Rule 2201] Federally Enforceable Through Title V Permit
28. Emission rates from the steam generator shall not exceed any of the following: PM10: 0.073 lb/MMBtu, SOx (as SO2): 0.063 lb/MMBtu or 9 ppmvd @ 3% O2, or VOC: 0.006 lb/MMBtu. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
29. Start-up is defined as the period of time during which a unit is brought from a shutdown status to its operating temperature and pressure, including the time required by the unit's emission control system to reach full operation. Shutdown is defined as the period of time during which a unit is taken from an operational to a non-operational status by allowing it to cool down from its operating temperature to ambient temperature as the fuel supply to the unit is completely turned off. [District Rule 4306, 3.25 and 3.22] Federally Enforceable Through Title V Permit
30. During a shakedown period not to exceed 60 calendar days from initial operation of the modifications authorized by this ATC, NOx emissions shall not exceed 15 ppmvd @ 3% O2 or 0,0182 lb/MMBtu. The shakedown period shall be concluded prior to the Rule 4320 compliance deadline selected for this unit. Permittee shall maintain a record of the date of initial operation and shall make such records readily available for District inspection upon request. [District Rules 4305, 5.5.6, 3406, 5.3 and 4320] Federally Enforceable Through Title V Permit
31. Compliance with PM10 emissions limits shall be demonstrated by source testing, at startup and at least once every twelve (12) months thereafter. After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months. If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 2201, 4305 and 4306] Federally Enforceable Through Title V Permit
32. If required, compliance with the scrubber control efficiency requirement shall be demonstrated within 60 days of startup and at least once every twelve (12) months thereafter. [District Rule 2201]
33. Whenever the unit is switched to scrubbed operation, compliance source testing for SOx shall be conducted within 60 days of initial scrubbing date unless source testing has occurred within the previous 12 months. [District NSR Rule] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE



AUTHORITY TO CONSTRUCT

PERMIT NO: S-1141-556-12

ISSUANCE DATE: 07/21/2010

LEGAL OWNER OR OPERATOR: CHEVRON USA INC
MAILING ADDRESS: PO BOX 1392
BAKERSFIELD, CA 93302

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
CA

SECTION: NW17 **TOWNSHIP:** 32S **RANGE:** 23E

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL/TEOR/TVC GAS-FIRED SMITH MOON STEEL STEAM GENERATOR WITH A NORTH AMERICAN MAGNA-FLAME GLE ULTRA-LOW NOX BURNER WITH AN O2 ANALYZER/CONTROLLER AND FGR WITH VARIABLE SPEED INTAKE AIR BLOWER, ORIFICE PLATE(S), ELECTRONIC CONTROLS (NATIONAL BOARD #653), AND SO2 SCRUBBER SHARED WITH '-555 AND '-557: LIMIT NOX TO 9 PPM @ 3% O2 (0.011 LB-NOX/MMBTU) OR TO 12 PPMV @ 3% O2 (0.014 LB-NOX/MMBTU) & REDUCE SOX BY 95% VIA SCRUBBING OR TO AN OUTLET CONCENTRATION NOT EXCEEDING 9 PPMVD SO2 @ 3% O2 FOR RULE 4320 COMPLIANCE

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. This Authority to Construct shall be implemented according to the date proposed in the District-approved Rule 4320 Emission Control Plan. [District Rule 4320]
4. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201] Federally Enforceable Through Title V Permit
5. Sulfur compound emissions shall not exceed 0.2% by volume, 2000 ppmv, on a dry basis averaged over 15 consecutive minutes. [County Rule 407 (Kern)] 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-1141-556-12 : Jul 22 2010 9:24AM -- GOUGH0 : Joint Inspection NOT Required

34. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
35. If either the NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
36. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
37. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
38. Permittee shall pave and maintain with asphalt no less than 0.45 miles of roadway. The 0.45 miles of roadways constructed are in addition to new roadways associated with other steam injection and oil production well projects. [District NSR Rule] Federally Enforceable Through Title V Permit
39. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
40. All required source testing shall conform to the compliance testing procedures described in District Rule 1081 (Amended December 16, 1993). [District Rule 1081, and Kern County Rule 108.1] Federally Enforceable Through Title V Permit
41. Copies of all fuel invoices, gas purchase contracts, supplier certifications, and test results to determine compliance with the conditions of this permit shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
42. 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, 9.4.2] Federally Enforceable Through Title V Permit
43. Particulate matter emissions shall not exceed 0.1 grain/dscf, calculated to 12% CO₂, nor 10 lb/hr. [District Rules 4201, 3.1 and 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit
44. Emissions of sulfur compounds from this unit shall not exceed 200 lb per hour, calculated as SO₂. Compliance with this requirement may be demonstrated by firing the unit only on PUC or FERC regulated natural gas; or by testing the sulfur content of each fuel and determining the maximum hourly emissions of sulfur compounds by multiplying the sulfur content of each fuel in lb/MMBtu by the maximum heat input rating of the unit; or by source testing in combination with fuel analysis. [District Rules 2520, 9.3.2 and 4301, 5.2.1] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

6. Scrubber recirculation liquid pH shall be maintained only by the addition of caustic unless prior approval for an alternative pH maintenance method is received from the District. [District NSR Rule] Federally Enforceable Through Title V Permit
7. Daily average pH of scrubber liquor (calculated from hourly averages) shall be maintained between 6 and 8, and shall be continuously monitored. [District NSR Rule] Federally Enforceable Through Title V Permit
8. SO₂ scrubber exhaust shall be vented to operational Brinks mist eliminator prior to being exhausted to atmosphere when total H₂S loading to any one of the steam generators exceeds 1.24 lb/min for an aggregate of three or more minutes in any one hour period. H₂S concentration of the TEOR gas shall be determined and entered into the generator fuel throughput processor weekly using gas detection tubes to determine H₂S concentration. The H₂S loading shall be calculated using the generator actual fuel volumetric flow rate and H₂S concentration of the TEOR and fuel gas. [District Rules 2201 and 4101] Federally Enforceable Through Title V Permit
9. Fuel H₂S, total sulfur, and methane content shall be determined semi-annually using the following test methods H₂S: ASTM D6228; total sulfur: ASTM D1072; ASTM D3246, double GC for H₂S and mercaptans or ASTM D6228; and methane content: ASTM D1945. [District Rule 4320]
10. Each fuel source shall be tested semi-annually for sulfur content and higher heating value. If a fuel content test fails to show compliance, weekly testing is required until compliance is demonstrated for 8 consecutive weeks, after which semi-annual testing may resume. [District Rules 2520, 9.3.2 and 4320, 5.7.6] Federally Enforceable Through Title V Permit
11. If the unit is fired on PUC-regulated natural gas, valid purchase contracts, supplier certifications, tariff sheets, or transportation contracts may be used to satisfy the fuel sulfur content analysis, provided they establish the fuel sulfur concentration and higher heating value. [District Rules 2520, 9.3.2 and 4320] Federally Enforceable Through Title V Permit
12. If the unit is not fired on PUC-regulated natural gas and compliance is achieved through fuel sulfur content limitations, then the sulfur content of the fuel shall be determined by testing sulfur content at a location after all fuel sources are combined prior to incineration, or by performing mass balance calculations based on monitoring the sulfur content and volume of each fuel source. The sulfur content of the fuel shall be determined using the test methods referenced in this permit. [District Rules 2520, 9.3.2 and 4320, 5.7.6] Federally Enforceable Through Title V Permit
13. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by: ASTM D 1826 or D1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rules 2520, 9.4.2, 4305, 6.2.1 and 4320] Federally Enforceable Through Title V Permit
14. Scrubber mist eliminator shall be properly cleaned and maintained. [District NSR Rule] Federally Enforceable Through Title V Permit
15. Exhaust gas stack shall be equipped with adequate provisions facilitating the collection of gas samples consistent with EPA Test Methods. [District NSR Rule and District Rule 1081] Federally Enforceable Through Title V Permit
16. Flue gas recirculation system may be designed such that ambient air may be drawn into flue gas recirculation piping. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Annual combined emissions of PM₁₀ from units '-555, '-556, and '-557 shall not exceed 115,687 lb/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
18. Permittee shall demonstrate compliance with the annual PM₁₀ combined emission limit for units '-555, '-556, and '-557 by calculation using the amount of fuel combusted, and either the results from the latest source test or the permitted emission factor if there is no PM₁₀ source test data. [District Rule 2201] Federally Enforceable Through Title V Permit
19. Emission rates shall not exceed any of the following: PM₁₀: 109.5 lb/day, SO_x: 94.5 lb/day, NO_x (as NO₂): 54.0 lb/day and 9855 lb/year, VOC: 9.0 lb/day, CO: 41.0 lb/day. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

5. Exhaust from unit shall be directed to SO_x scrubber authorized herein except when unit is combusting only PUC quality natural gas with a sulfur content not exceeding 1.0 gr S/100scf. [District Rule 2201] Federally Enforceable Through Title V Permit
6. Scrubber control efficiency shall be maintained at least 95% by weight sulfur compounds or greater, or SO₂ concentration at the stack gas outlet that shall not exceed 9 ppmvd corrected to 3% O₂. [District Rule 2201] Federally Enforceable Through Title V Permit
7. Scrubber recirculation liquid pH shall be maintained only by the addition of caustic unless prior approval for an alternative pH maintenance method is received from the District. [District NSR Rule] Federally Enforceable Through Title V Permit
8. Daily average pH of scrubber liquor (calculated from hourly averages) shall be maintained between 6 and 8, and shall be continuously monitored. [District NSR Rule] Federally Enforceable Through Title V Permit
9. SO₂ scrubber exhaust shall be vented to operational Brinks mist eliminator prior to being exhausted to atmosphere when total H₂S loading to any one of the steam generators exceeds 1.24 lb/min for an aggregate of three or more minutes in any one hour period. H₂S concentration of the TEOR gas shall be determined and entered into the generator fuel throughput processor weekly using gas detection tubes to determine H₂S concentration. The H₂S loading shall be calculated using the generator actual fuel volumetric flow rate and H₂S concentration of the TEOR and fuel gas. [District Rules 2201 and 4101] Federally Enforceable Through Title V Permit
10. Scrubber mist eliminator shall be properly cleaned and maintained. [District NSR Rule] Federally Enforceable Through Title V Permit
11. PUC quality natural gas is any gaseous fuel where the sulfur content is no more than one-fourth (0.25) grain of hydrogen sulfide per one hundred (100) standard cubic feet, no more than five (5) grains of total sulfur per one hundred (100 standard cubic feet) and at least 80% methane by volume. [District Rule 4320]
12. Fuel H₂S, total sulfur, and methane content shall be determined semi-annually using the following test methods H₂S: ASTM D6228; total sulfur; ASTM D1072; ASTM D3246, double GC for H₂S and mercaptans or ASTM D6228; and methane content: ASTM D1945. [District Rule 4320]
13. In months where PUC quality gas is burned, the permittee shall maintain records on a calendar month basis of the volume of PUC quality natural gas and the total gas fired in this unit. Permittee shall keep monthly records of the percentage by volume of PUC quality gas fired and indicate if the volume of PUC quality gas fired is greater or less than 50%. [District Rule 4320]
14. Each fuel source shall be tested semi-annually for sulfur content and higher heating value. If a fuel content test fails to show compliance, weekly testing is required until compliance is demonstrated for 8 consecutive weeks, after which semi-annual testing may resume. [District Rules 2520, 9.3.2 and 4320, 5.7.6] Federally Enforceable Through Title V Permit
15. If the unit is fired on PUC-regulated natural gas, valid purchase contracts, supplier certifications, tariff sheets, or transportation contracts may be used to satisfy the fuel sulfur content analysis, provided they establish the fuel sulfur concentration and higher heating value. [District Rules 2520, 9.3.2 and 4320] Federally Enforceable Through Title V Permit
16. If the unit is not fired on PUC-regulated natural gas and compliance is achieved through fuel sulfur content limitations, then the sulfur content of the fuel shall be determined by testing sulfur content at a location after all fuel sources are combined prior to incineration, or by performing mass balance calculations based on monitoring the sulfur content and volume of each fuel source. The sulfur content of the fuel shall be determined using the test methods referenced in this permit. [District Rules 2520, 9.3.2 and 4320, 5.7.6] Federally Enforceable Through Title V Permit
17. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by: ASTM D 1826 or D1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rules 2520, 9.4.2 , 4305, 6.2.1 and 4320] Federally Enforceable Through Title V Permit
18. Flue gas recirculation system may be designed such that ambient air may be drawn into flue gas recirculation piping. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

33. Permittee shall submit an analysis to the District demonstrating compliance with the fuel sulfur content and higher heating value within 60 days of startup and at least once every 12 months. The sulfur content and higher heating value of the fuel shall be determined using the test methods referenced in this permit or certified by a third party fuel supplier. [District Rules 2520 and 4320]
34. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, NO_x (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, stack gas velocities - EPA Method 2, stack gas moisture content - EPA Method 4, SO_x (lb/MMBtu)- ARB 100 and EPA Method 19, EPA Method 6, and fuel gas sulfur content - ASTM D1072, D3031, D3246, D4084 or double GC for H₂S and mercaptans, PM₁₀ (lb/scf) - EPA Methods 5, 201A and 202. [District Rules 1081, 2520, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
35. Fuel gas sulfur content shall not exceed 5 gr S/100 dscf unless SO_x emissions are reduced by 95% or to 9 ppmv SO_x @ 3% O₂ in the exhaust with scrubber. [District Rule 4320]
36. During start-up and shutdown periods, emissions from the steam generator shall not exceed the following limits: 0.1 lb-NO_x/MMBtu or 0.084 lb-CO/MMBtu. [District Rule 2201] Federally Enforceable Through Title V Permit
37. Duration of start-up or shutdown shall not exceed two hours each per occurrence. During start-up or shutdown, the emissions control system shall be in operation, and emissions shall be minimized insofar as technologically possible. The operator shall maintain daily records of the duration of start-up and shutdown periods. [District Rule 4306]
38. A source test to demonstrate compliance with NO_x and CO emission limits shall be performed within 60 days of startup of this unit. The NO_x limit in effect at the time of the startup source testing will be determined based on the volume and type of fuel combusted (greater than or equal to 50% PUC quality or < 50% PUC quality gas) and shall be identified in the source test protocol. Whenever the fuel type is switched from the fuel type combusted during the initial startup of this unit, compliance source testing for NO_x and CO shall be conducted within 90 days of the date the fuel type is switched. [District Rule 2201 and 4320]
39. Source testing is required at least once every twelve (12) months from the initial source test date of each fuel type (greater than or equal to 50% PUC quality gas or < 50% PUC quality gas). After an initial compliance demonstration with the NO_x and CO emission limits for each fuel type on two (2) consecutive source tests, the unit shall be tested not less than once every thirty-six (36) months from the last test date for that fuel type. Testing shall not be required for any fuel type not in use during the 36 month period until such time the fuel type is switched, after which testing shall be performed within 90 days of switching fuel types. [District Rules 2201 and 4320]
40. Compliance source testing after switching fuel types is not required if the unit continues to demonstrate compliance with 9 ppmvd NO_x @ 3% O₂ or 0.011 lb-NO_x/MMBtu and 45 ppmvd CO @ 3% O₂ or 0.033 lb-CO/MMBtu while firing on less than 50% by volume PUC quality gas. In which case, source testing shall only be required every thirty-six(36) months for the less than 50% by PUC quality gas. If the result of a source test demonstrates that the unit does not meet 9 ppmvd NO_x @ 3% O₂ or 0.011 lb-NO_x/MMBtu and 50 ppmvd CO @ 3% O₂ or 0.0375 lb-CO/MMBtu while firing on less than 50% by volume PUC quality gas, the source test frequency shall revert to at least one test every 36 months for each fuel type. [District Rules 2201 and 4320]
41. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
42. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 5.4, 4306, 5.4, and 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

54. All records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 6.1, 4306, 6.1 and 4320] Federally Enforceable Through Title V Permit
55. ATC S-1141-557-8 shall be implemented prior to or concurrently with this ATC. [District Rule 2201]

6. Exhaust from unit shall be directed to SOx scrubber authorized herein except when unit is combusting only PUC quality natural gas with a sulfur content not exceeding 1.0 gr S/100scf. [District Rule 2201] Federally Enforceable Through Title V Permit
7. Scrubber control efficiency shall be maintained at least 95% by weight sulfur compounds or greater, or SO₂ concentration at the stack gas outlet that shall not exceed 9 ppmvd corrected to 3% O₂. [District Rule 2201] Federally Enforceable Through Title V Permit
8. Scrubber recirculation liquid pH shall be maintained only by the addition of caustic unless prior approval for an alternative pH maintenance method is received from the District. [District NSR Rule] Federally Enforceable Through Title V Permit
9. Daily average pH of scrubber liquor (calculated from hourly averages) shall be maintained between 6 and 8, and shall be continuously monitored. [District NSR Rule] Federally Enforceable Through Title V Permit
10. SO₂ scrubber exhaust shall be vented to operational Brinks mist eliminator prior to being exhausted to atmosphere when total H₂S loading to any one of the steam generators exceeds 1.24 lb/min for an aggregate of three or more minutes in any one hour period. H₂S concentration of the TEOR gas shall be determined and entered into the generator fuel throughput processor weekly using gas detection tubes to determine H₂S concentration. The H₂S loading shall be calculated using the generator actual fuel volumetric flow rate and H₂S concentration of the TEOR and fuel gas. [District Rules 2201 and 4101] Federally Enforceable Through Title V Permit
11. Fuel H₂S, total sulfur, and methane content shall be determined semi-annually using the following test methods H₂S: ASTM D6228; total sulfur: ASTM D1072; ASTM D3246, double GC for H₂S and mercaptans or ASTM D6228; and methane content: ASTM D1945. [District Rule 4320]
12. Each fuel source shall be tested semi-annually for sulfur content and higher heating value. If a fuel content test fails to show compliance, weekly testing is required until compliance is demonstrated for 8 consecutive weeks, after which semi-annual testing may resume. [District Rules 2520, 9.3.2 and 4320, 5.7.6] Federally Enforceable Through Title V Permit
13. If the unit is fired on PUC-regulated natural gas, valid purchase contracts, supplier certifications, tariff sheets, or transportation contracts may be used to satisfy the fuel sulfur content analysis, provided they establish the fuel sulfur concentration and higher heating value. [District Rules 2520, 9.3.2 and 4320] Federally Enforceable Through Title V Permit
14. If the unit is not fired on PUC-regulated natural gas and compliance is achieved through fuel sulfur content limitations, then the sulfur content of the fuel shall be determined by testing sulfur content at a location after all fuel sources are combined prior to incineration, or by performing mass balance calculations based on monitoring the sulfur content and volume of each fuel source. The sulfur content of the fuel shall be determined using the test methods referenced in this permit. [District Rules 2520, 9.3.2 and 4320, 5.7.6] Federally Enforceable Through Title V Permit
15. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by: ASTM D 1826 or D1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rules 2520, 9.4.2, 4305, 6.2.1 and 4320] Federally Enforceable Through Title V Permit
16. Scrubber mist eliminator shall be properly cleaned and maintained. [District NSR Rule] Federally Enforceable Through Title V Permit
17. Flue gas recirculation system may be designed such that ambient air may be drawn into flue gas recirculation piping. [District Rule 2201] Federally Enforceable Through Title V Permit
18. When combustion air orifice and flue gas recirculation orifice have been used to demonstrate compliance they shall not be changed without a District-witnessed compliance demonstration. [District NSR Rule] Federally Enforceable Through Title V Permit
19. Permittee shall pave and maintain with asphalt no less than 0.45 miles of roadway. The 0.45 miles of roadways constructed are in addition to new roadways associated with other steam injection and oil production well projects [District NSR Rule] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

33. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 5.4 and 4306, 5.4] Federally Enforceable Through Title V Permit
34. If either the NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 5.4, 4306, 5.4 and 4320] Federally Enforceable Through Title V Permit
35. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 5.4, 4306, 5.4 and 4320] Federally Enforceable Through Title V Permit
36. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 5.5.1, 4306, 5.5.1 and 4320] Federally Enforceable Through Title V Permit
37. All required source testing shall conform to the compliance testing procedures described in District Rule 1081 (Last 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
38. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. No determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. [District Rules 4305, 5.5.2, 4306, 5.5.2 and 4320] Federally Enforceable Through Title V Permit
39. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 5.5.5, 4306, 5.5.5 and 4320] Federally Enforceable Through Title V Permit
40. Source testing shall be conducted using the methods and procedures approved by the District. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. [District Rule 1081] Federally Enforceable Through Title V Permit
41. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305, 6.1 and 4306, 6.1] Federally Enforceable Through Title V Permit
42. Copies of all gas purchase contracts, supplier certifications, and test results to determine compliance with the conditions of this permit shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any non-certified fuel. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
43. Permittee shall maintain with the permit a current listing of all TEOR and TVC gas systems providing vapors to this steam generator and shall make such listing readily available for District inspection upon request [District NSR Rule] Federally Enforceable Through Title V Permit

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AUTHORITY TO CONSTRUCT

PERMIT NO: S-1141-558-8

ISSUANCE DATE: 07/21/2010

LEGAL OWNER OR OPERATOR: CHEVRON USA INC
MAILING ADDRESS: PO BOX 1392
BAKERSFIELD, CA 93302

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
CA

SECTION: NW17 **TOWNSHIP:** 32S **RANGE:** 23E

EQUIPMENT DESCRIPTION:

MODIFICATION OF 62.5 MMBTU/HR NATURAL/TEOR/TVC GAS FIRED CE NATCO STEAM GENERATOR (NATIONAL BOARD #2398) WITH A NORTH AMERICAN MAGNA-FLAME MODEL GLE ULTRA LOW NOX BURNER, FGR AND O2 CONTROLLER: LIMIT NOX TO 9 PPM @ 3% O2 (0.011 LB-NOX/MMBTU) OR TO 12 PPMV @ 3% O2 (0.014 LB-NOX/MMBTU) & FUEL GAS SULFUR CONTENT TO 5 GR-S/100 SCF OR REDUCE SOX BY 95% VIA SCRUBBING OR TO AN OUTLET CONCENTRATION NOT EXCEEDING 9 PPMVD SO2 @ 3% O2 FOR RULE 4320 COMPLIANCE

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. This Authority to Construct shall be implemented according to the date proposed in the District-approved Rule 4320 Emission Control Plan. [District Rule 4320]
4. PUC quality natural gas is any gaseous fuel where the sulfur content is no more than one-fourth (0.25) grain of hydrogen sulfide per one hundred (100) standard cubic feet, no more than five (5) grains of total sulfur per one hundred (100) standard cubic feet and at least 80% methane by volume. [District Rule 4320]

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-1141-558-8 : Jul 22 2010 9:24AM - GOUGHD : Joint Inspection NOT Required

20. Exhaust gas stack shall be equipped with adequate provisions facilitating the collection of gas samples consistent with EPA Test Methods. [District NSR Rule and 1081] Federally Enforceable Through Title V Permit
21. Flue gas recirculation system may be designed such that ambient air may be drawn into flue gas recirculation piping. [District Rule 2201] Federally Enforceable Through Title V Permit
22. When combustion air orifice and flue gas recirculation orifice have been used to demonstrate compliance they shall not be changed without a District-witnessed compliance demonstration. [District Rule 2201] Federally Enforceable Through Title V Permit
23. Emission rates shall not exceed: PM10: 144.0 lb/day or 52,560 lb/year, SOx: 21.5 lb/day or 7829 lb/year, NOx (as NO2): 54.0 lb/day or 7665 lb/year, VOC: 9.0 lb/day or 3285 lb/year, CO: 40.5 lb/day or 14,783 lb/year. [District Rule 2201] Federally Enforceable Through Title V Permit
24. Emission rates from the steam generator shall not exceed any of the following: PM10: 0.096 lb/MMBtu, SOx (as SO2): 0.126 lb/MMBtu, or VOC: 0.006 lb/MMBtu. [District Rule 2201, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
25. Except during startup, shutdown and the shakedown period, emissions shall not exceed any of the following limits when this unit is burning 50% or greater by volume PUC quality gas on a monthly average basis: 9 ppmvd NOx @ 3% O2 or 0.011 lb-NOx/MMBtu and 37 ppmvd CO @ 3% O2 or 0.027 lb-CO/MMBtu. [District Rules 2201 and 4320]
26. Except during startup, shutdown and the shakedown period, emissions shall not exceed any of the following limits when the unit is burning less than 50% by volume PUC quality gas on a monthly average basis: 12 ppmvd NOx @ 3% O2 or 0.014 lb-NOx/MMBtu and 37 ppmvd CO @ 3% O2 or 0.027 lb-CO/MMBtu. [District Rules 2201 and 4320]
27. The applicable NOx and CO emissions concentration for each month shall be determined based on the volume and type of fuel combusted in the unit (< 50% by volume PUC quality gas or greater than or equal to 50% by volume PUC quality gas). Permittee shall maintain supporting records that determine the type of fuel combusted. [District Rules 2201 and 4320]
28. During a shakedown period not to exceed 60 calendar days from initial operation of the modifications authorized by this ATC, NOx emissions shall not exceed 15 ppmvd @ 3% O2 or 0,0182 lb/MMBtu. The shakedown period shall be concluded prior to the Rule 4320 compliance deadline selected for this unit. Permittee shall maintain a record of the date of initial operation and shall make such records readily available for District inspection upon request. [District Rules 4305, 5.5.6, 3406, 5.3 and 4320] Federally Enforceable Through Title V Permit
29. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. No determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
30. Source testing to measure natural gas-combustion NOx and CO emissions from this unit shall be conducted within 60 days of initial operation under this ATC. [District Rules 2201 and 4320]
31. Fuel gas sulfur content shall not exceed 5 gr S/100 dscf unless SOx emissions are reduced by 95% or to 9 ppmv SOx @ 3% O2 in the exhaust with scrubber. [District Rule 4320]
32. During start-up and shutdown periods, emissions from the steam generator shall not exceed the following limits: 0.1 lb-NOx/MMBtu or 0.084 lb-CO/MMBtu. [District Rule 2201] Federally Enforceable Through Title V Permit
33. Start-up is defined as the period of time during which a unit is brought from a shutdown status to its operating temperature and pressure, including the time required by the unit's emission control system to reach full operation. Shutdown is defined as the period of time during which a unit is taken from an operational to a non-operational status by allowing it to cool down from its operating temperature to ambient temperature as the fuel supply to the unit is completely turned off. [District Rules 4306] Federally Enforceable Through Title V Permit
34. Duration of start-up or shutdown shall not exceed two hours each per occurrence. During start-up or shutdown, the emissions control system shall be in operation, and emissions shall be minimized insofar as technologically possible. The operator shall maintain daily records of the duration of start-up and shutdown periods. [District Rule 4306]

CONDITIONS CONTINUE ON NEXT PAGE

46. If either the NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
47. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
48. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305 and 4306] Federally Enforceable Through Title V Permit
49. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
50. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit

5. All required source testing shall conform to the compliance testing procedures described in District Rule 1081 (Last 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
6. Copies of all fuel invoices, gas purchase contracts, supplier certifications, and test results to determine compliance with the conditions of this permit shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
7. 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
8. Particulate matter emissions shall not exceed 0.1 grain/dscf, calculated to 12% CO₂, nor 10 lb/hr. [District Rules 4201, 3.1 and 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit
9. Fuel H₂S, total sulfur, and methane content shall be determined semi-annually using the following test methods H₂S: ASTM D6228; total sulfur: ASTM D1072; ASTM D3246, double GC for H₂S and mercaptans or ASTM D6228; and methane content: ASTM D1945. [District Rule 4320]
10. Each fuel source shall be tested semi-annually for sulfur content and higher heating value. If a fuel content test fails to show compliance, weekly testing is required until compliance is demonstrated for 8 consecutive weeks, after which semi-annual testing may resume. [District Rules 2520, 9.3.2 and 4320, 5.7.6] Federally Enforceable Through Title V Permit
11. If the unit is fired on PUC-regulated natural gas, valid purchase contracts, supplier certifications, tariff sheets, or transportation contracts may be used to satisfy the fuel sulfur content analysis, provided they establish the fuel sulfur concentration and higher heating value. [District Rules 2520, 9.3.2 and 4320] Federally Enforceable Through Title V Permit
12. If the unit is not fired on PUC-regulated natural gas and compliance is achieved through fuel sulfur content limitations, then the sulfur content of the fuel shall be determined by testing sulfur content at a location after all fuel sources are combined prior to incineration, or by performing mass balance calculations based on monitoring the sulfur content and volume of each fuel source. The sulfur content of the fuel shall be determined using the test methods referenced in this permit. [District Rules 2520, 9.3.2 and 4320, 5.7.6] Federally Enforceable Through Title V Permit
13. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by: ASTM D 1826 or D1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rules 2520, 9.4.2, 4305, 6.2.1 and 4320] Federally Enforceable Through Title V Permit
14. Nitrogen oxide (NO_x) emissions shall not exceed 140 lb/hr, calculated as NO₂. [District Rules 4301, 5.2.2 and 2520, 9.4.2] Federally Enforceable Through Title V Permit
15. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following requirements: SJVUAPCD Rules 4201 (Amended December 17, 1992), and 4301 (Amended December 17, 1992). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
16. The requirements of 40 CFR 72.6(b) and 40 CFR 60.40c do not apply to this source. A permit shield is granted from this requirement. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
17. The requirements of SJVUAPCD Rule 4351 (Amended October 19, 1995) do not apply to this source. A permit shield is granted from this requirement. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
18. Exhaust gas stack shall be equipped with adequate provisions facilitating the collection of gas samples consistent with EPA Test Methods. [District NSR Rule and 1081] Federally Enforceable Through Title V Permit
19. Flue gas recirculation system may be designed such that ambient air may be drawn into flue gas recirculation piping. [District Rule 2201] Federally Enforceable Through Title V Permit
20. When combustion air orifice and flue gas recirculation orifice have been used to demonstrate compliance they shall not be changed without a District-witnessed compliance demonstration. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

36. The following test methods shall be used: NOX (ppmv) - EPA Method 7E or ARB Method 100, NOx (lb/MMBtu) - EPA Method 19; CO (ppmv) - EPA Method 10 or ARB Method 100; Stack gas oxygen (O2) - EPA Method 3 or 3A or ARB Method 100; stack gas velocities - EPA Method 2; Stack gas moisture content - EPA Method 4; SOx - EPA Method 6C or 8 or ARB Method 100; fuel gas sulfur as H2S content - EPA Method 11 or 15; and fuel hhv (MMBtu) - ASTM D 1826 or D 1945 in conjunction with ASTM D 3588. [District Rules 1081, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
37. The permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
38. If either the NOx or CO concentrations corrected to 3% O2, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
39. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
40. The permittee shall maintain records of: (1) the date and time of NOx, CO, and O2 measurements, (2) the O2 concentration in percent and the measured NOx and CO concentrations corrected to 3% O2, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305 and 4306] Federally Enforceable Through Title V Permit
41. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
42. Permittee shall maintain with the permit a current listing of all TEOR and TVC gas systems providing vapors to this steam generator and shall make such listing readily available for District inspection upon request [District NSR Rule] Federally Enforceable Through Title V Permit
43. Pursuant to Rule 4320, beginning in 2010 the operator shall pay an annual emission fee to the District for NOx emissions from this unit for the previous calendar year. Payments are due by July 1 of each year. Payments shall continue annually until either the unit is permanently removed from service in the District or the operator demonstrates compliance with the applicable NOx emission limit listed in Rule 4320. [District Rule 4320]
44. Permittee shall maintain records of annual heat input (MMBtu) for this unit on a calendar year basis. Such records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070 and Rule 4320]
45. All records shall be maintained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit