



DEC 24 2014

Mr. Steve Fisher
All American Oil & Gas
P.O. Box 10207
Bakersfield, CA 93389

**Re: Proposed Authority to Construct/Certificate of Conformity (Minor Mod)
District Facility # S-7858
Project # S-1143400**

Dear Mr. Fisher:

Enclosed for your review is the District's analysis of an application for Authorities to Construct for the facility identified above. You requested that Certificates of Conformity with the procedural requirements of 40 CFR Part 70 be issued with this project. All American Oil & Gas, Inc. proposes the installation of seven tanks replacing an existing heavy crude oil dehydration operation

After addressing all comments made during the 45-day EPA comment period, the District intends to issue the Authorities to Construct with Certificates of Conformity. Prior to operating with modifications authorized by the Authorities to Construct, the facility must submit an application to modify the Title V permit as an administrative amendment, in accordance with District Rule 2520, Section 11.5.

If you have any questions, please contact Mr. Leonard Scandura, Permit Services Manager, at (661) 392-5500.

Thank you for your cooperation in this matter.

Sincerely,



Arnaud Marjollet
Director of Permit Services

Enclosures

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

Seyed Sadredin
Executive Director/Air Pollution Control Officer

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Rule 4101 Visible Emissions (2/17/05)
Rule 4102 Nuisance (12/17/92)
Rule 4401 Steam Enhanced Crude Oil Production Well Vents (6/16/11)
Rule 4623 Storage of Organic Liquids (5/19/05)
CH&SC 41700 Health Risk Assessment
CH&SC 42301.6 School Notice
Public Resources Code 21000-21177: California Environmental Quality Act (CEQA)
California Code of Regulations, Title 14, Division 6, Chapter 3, Sections 15000-15387: CEQA Guidelines

III. Project Location

The equipment will be located at the Jerry Lee, Ferne, and Nukern Leases near the Kern River Oilfield within AAO&G's Heavy Oil Central Stationary Source (NE ¼ of Section 6, Township 29S, Range 28E). The equipment is not located within 1,000 feet of the outer boundary of a K-12 school. Therefore, the public notification requirement of California Health and Safety Code 42301.6 is not applicable to this project.

IV. Process Description

In heavy oil production, steam generators are used to produce large quantities of steam. The steam is injected under great pressure into an oil production zone. The steam heats the crude oil, reducing its viscosity, making the oil easier to pump.

Crude oil production tank batteries receive produced fluids from enhanced oil recovery operations. These facilities separate the produced water from the crude oil prior to shipment. Produced water is piped to a permitted disposal well or produced water tank and the dehydrated oil is pumped into a sales line for delivery to a refining operation. A slop oil tank is used to collect sand dumps from the FWKO vessel and the discharge of the sample drains from the storage tanks.

Produced vapors may be collected and used as fuel for combustion equipment, combusted in a waste gas flare, or injected into a DOGGR-approved disposal well. Noncondensable vapors with a high H₂S content must be treated in a sulfur removal system prior to reaching the combustion source or they must be injected into a DOGGR-approved disposal well.

Oilfield equipment is expected to operate 24 hours a day, 365 days a year.

V. Equipment Listing

Pre-Project Equipment Description:

S-724-2-5: THERMALLY ENHANCED OIL RECOVERY WELL VENT VAPOR CONTROL SYSTEM SERVING 52 STEAM ENHANCED WELLS WITH: UP TO 5 GAS/LIQUID SEPARATORS, UP TO 3 AIR-COOLED HEAT EXCHANGERS, AND 54'X54'X6' EMERGENCY SUMP - KERN RIVER FIELD

- S-724-3-4: 750 BBL FIXED ROOF WASH TANK #T-401 WITH VAPOR CONTROL SYSTEM INCLUDING VAPOR LINES, GAS BLANKETING LINES, AND UP TO 2 HIRT INCINERATORS, SHARED WITH PERMIT UNITS S-724-2, -4, & -5
- S-724-4-4: 1,000 BARREL FIXED ROOF PETROLEUM STORAGE TANK #F5395ST WITH VAPOR PIPING TO VAPOR CONTROL SYSTEM LISTED ON S-724-3
- S-724-5-4: 1,000 BARREL FIXED ROOF PETROLEUM STORAGE TANK #ST5396ST WITH VAPOR PIPING TO VAPOR CONTROL SYSTEM LISTED ON S-724-3
- S-724-11-3: 1000 BARREL FIXED ROOF TANK T-1003
- S-724-19-3: 1,500 BARREL WASH TANK T-402
- S-7858-3-2: 80 THERMALLY ENHANCED OIL WELLS SERVED BY A WELL CASING VENT VAPOR CONTROL SYSTEM INCLUDING ONE COMPRESSOR SKID AND ONE ADDITIONAL COMPRESSOR SKID SHARED WITH THE VAPOR CONTROL SYSTEM LISTED ON TANK S-7858-5 (NUKERN LEASE)

Permits to be Canceled:

- S-724-2-5: THERMALLY ENHANCED OIL RECOVERY WELL VENT VAPOR CONTROL SYSTEM SERVING 52 STEAM ENHANCED WELLS WITH: UP TO 5 GAS/LIQUID SEPARATORS, UP TO 3 AIR-COOLED HEAT EXCHANGERS, AND 54'X54'X6' EMERGENCY SUMP - KERN RIVER FIELD
- S-724-3-4: 750 BBL FIXED ROOF WASH TANK #T-401 WITH VAPOR CONTROL SYSTEM INCLUDING VAPOR LINES, GAS BLANKETING LINES, AND UP TO 2 HIRT INCINERATORS, SHARED WITH PERMIT UNITS S-724-2, -4, & -5
- S-724-4-4: 1,000 BARREL FIXED ROOF PETROLEUM STORAGE TANK #F5395ST WITH VAPOR PIPING TO VAPOR CONTROL SYSTEM LISTED ON S-724-3
- S-724-5-4: 1,000 BARREL FIXED ROOF PETROLEUM STORAGE TANK #ST5396ST WITH VAPOR PIPING TO VAPOR CONTROL SYSTEM LISTED ON S-724-3
- S-724-11-3: 1000 BARREL FIXED ROOF TANK T-1003
- S-724-19-3: 1,500 BARREL WASH TANK T-402

Proposed Modified Permits:

- S-7858-3-3: MODIFICATION OF 120 THERMALLY ENHANCED OIL WELLS SERVED BY A WELL CASING VENT VAPOR CONTROL SYSTEM INCLUDING ONE COMPRESSOR SKID AND ONE ADDITIONAL COMPRESSOR SKID SHARED WITH THE VAPOR CONTROL SYSTEM LISTED ON TANK S-7858-5 (NUKERN LEASE), SULFUR REMOVAL SYSTEM AND DISCHARGE TO FIELD FUEL GAS

SYSTEM: ADD SEPARATORS, HEAT EXCHANGERS, EMERGENCY SUMP, 52 WELLS FROM S-724-2-5, AND 128 ADDITIONAL WELLS

Proposed New Permits:

- S-7858-14-0: 1,500 BBL FIXED ROOF CRUDE OIL WASH TANK WITH VAPOR CONTROL SYSTEM SHARED WITH S-7858-15, '-16, '-17, & '-18 INCLUDING GAS BLANKETING PIPING, VAPOR RECOVERY PIPING, AND VAPOR COMPRESSOR DISCHARGING TO TEOR VCS LISTED ON S-7858-3
- S-7858-15-0: 2,000 BBL FIXED ROOF CRUDE OIL STORAGE TANK WITH GAS BLANKETING AND PIPING TO VAPOR CONTROL SYSTEM LISTED ON S-7858-14
- S-7858-16-0: 2,000 BBL FIXED ROOF CRUDE OIL STORAGE TANK WITH GAS BLANKETING AND PIPING TO VAPOR CONTROL SYSTEM LISTED ON S-7858-14
- S-7858-17-0: 12 FT X 60 FT HORIZONTAL FREE WATER KNOCKOUT TANK WITH GAS BLANKETING AND PIPING TO VAPOR CONTROL SYSTEM LISTED ON S-7858-14
- S-7858-18-0: 500 BBL FIXED ROOF CRUDE OIL DRAIN TANK WITH GAS BLANKETING AND PIPING TO VAPOR CONTROL SYSTEM LISTED ON S-7858-14
- S-7858-19-0: 2,000 BBL FIXED ROOF PRODUCED WATER TANK WITH VAPOR CONTROL SYSTEM SHARED WITH S-7858-20 INCLUDING GAS BLANKETING PIPING, VAPOR RECOVERY PIPING, AND VAPOR COMPRESSOR DISCHARGING TO TEOR VCS LISTED ON S-7858-3
- S-7858-20-0: 2,000 BBL FIXED ROOF PRODUCED WATER TANK WITH GAS BLANKETING PIPING AND PIPING TO VAPOR CONTROL SYSTEM LISTED S-7858-19

Post Project Equipment Description:

- S-7858-3-3: 300 THERMALLY ENHANCED OIL WELLS SERVED BY A WELL CASING VENT VAPOR CONTROL SYSTEM INCLUDING ONE COMPRESSOR SKID AND ONE ADDITIONAL COMPRESSOR SKID SHARED WITH THE VAPOR CONTROL SYSTEM LISTED ON TANK S-7858-14, SULFUR REMOVAL SYSTEM AND DISCHARGE TO FIELD FUEL GAS SYSTEM, SEPARATORS, HEAT EXCHANGERS, EMERGENCY SUMP
- S-7858-14-0: 1,500 BBL FIXED ROOF CRUDE OIL WASH TANK WITH VAPOR CONTROL SYSTEM SHARED WITH S-7858-15, '-16, '-17, & '-18 INCLUDING GAS BLANKETING PIPING, VAPOR RECOVERY PIPING, AND VAPOR COMPRESSOR DISCHARGING TO TEOR VCS LISTED ON S-7858-3

- S-7858-15-0: 2,000 BBL FIXED ROOF CRUDE OIL STORAGE TANK WITH GAS BLANKETING AND PIPING TO VAPOR CONTROL SYSTEM LISTED ON S-7858-14
- S-7858-16-0: 2,000 BBL FIXED ROOF CRUDE OIL STORAGE TANK WITH GAS BLANKETING AND PIPING TO VAPOR CONTROL SYSTEM LISTED ON S-7858-14
- S-7858-17-0: 12 FT X 60 FT HORIZONTAL FREE WATER KNOCKOUT TANK WITH GAS BLANKETING AND PIPING TO VAPOR CONTROL SYSTEM LISTED ON S-7858-14
- S-7858-18-0: 500 BBL FIXED ROOF CRUDE OIL DRAIN TANK WITH GAS BLANKETING AND PIPING TO VAPOR CONTROL SYSTEM LISTED ON S-7858-14
- S-7858-19-0: 2,000 BBL FIXED ROOF PRODUCED WATER TANK WITH VAPOR CONTROL SYSTEM SHARED WITH S-7858-20 INCLUDING GAS BLANKETING PIPING, VAPOR RECOVERY PIPING, AND VAPOR COMPRESSOR DISCHARGING TO TEOR VCS LISTED ON S-7858-3
- S-7858-20-0: 2,000 BBL FIXED ROOF PRODUCED WATER TANK WITH GAS BLANKETING PIPING AND PIPING TO VAPOR CONTROL SYSTEM LISTED S-7858-19

VI. Emission Control Technology Evaluation

All production and processing equipment is equipped with either a well head casing vent vapor recovery (CVR) system or tank vapor recovery (TVR) system. Vapors from the CVR and TVR systems are collected and used as fuel for combustion equipment, combusted in a waste gas flare, or injected into a permitted disposal well. Non-condensable vapors with a high H₂S content must be treated in a sulfur removal system prior to reaching the combustion source or they must be injected into a permitted disposal well.

VII. General Calculations

A. Assumptions

- Facility will operate 8,760 hours per year
- Fugitive emissions for gas streams consisting of <10% by weight VOCs are not assessed (per policy SSP 2015)
- Only Fugitive oilfield emissions are associated with this project.
- Pre-project emissions were calculated in projects S-1133496 and S-1133495

B. Emission Factors

The VOC content of the vapors is less than 10% by weight (see gas analysis, Appendix B). Per SSP -2015, Procedures for Quantifying Fugitive VOC Emissions at Petroleum and SOCFI Facilities, piping and components handling fluid streams with a VOC content of

10% or less by weight (i.e. VOCs as a percentage of the entire gas stream) are not assessed emissions.

C. Calculations

1. Pre-Project Potential to Emit (PE1)

Daily PE1 (lb)					
Permit Unit	NO _x	SO _x	PM ₁₀	CO	VOC
S-724-2-5	0.0	0.0	0.0	0.0	5.2
S-724-3-4	0.7	0.0	0.1	0.6	0.0
S-724-4-4	0.0	0.0	0.0	0.0	0.0
S-724-5-4	0.0	0.0	0.0	0.0	0.0
S-724-11-3	0.0	0.0	0.0	0.0	0.0
S-724-19-3	0.0	0.0	0.0	0.0	0.0
S-7858-3-2	0.0	0.0	0.0	0.0	0.0

Annual PE1 (lb)					
Permit Unit	NO _x	SO _x	PM ₁₀	CO	VOC
S-724-2-5	0	0	0	0	1898
S-724-3-4	263	7	20	221	14
S-724-4-4	0	0	0	0	0
S-724-5-4	0	0	0	0	0
S-724-11-3	0	0	0	0	0
S-724-19-3	0	0	0	0	0
S-7858-3-0	0	0	0	0	0

2. Post Project Potential to Emit (PE2)

The only difference in the potential to emit for these units is due to the vapor control system moving to the tank listed on S-724-4 and permits '-3 and '-11 being cancelled . The emissions from the post project ATCs are listed in the tables below:

Daily PE2 (lb)					
Permit Unit	NO _x	SO _x	PM ₁₀	CO	VOC
S-7858-3-1	0.0	0.0	0.0	0.0	0.0
S-7858-14-0	0.0	0.0	0.0	0.0	0.0
S-7858-15-0	0.0	0.0	0.0	0.0	0.0
S-7858-16-0	0.0	0.0	0.0	0.0	0.0
S-7858-17-0	0.0	0.0	0.0	0.0	0.0
S-7858-18-0	0.0	0.0	0.0	0.0	0.0
S-7858-19-0	0.0	0.0	0.0	0.0	0.0
S-7858-20-0	0.0	0.0	0.0	0.0	0.0

Annual PE2 (lb)					
Permit Unit	NO _x	SO _x	PM ₁₀	CO	VOC
S-7858-3-1	0	0	0	0	0
S-7858-14-0	0	0	0	0	0
S-7858-15-0	0	0	0	0	0
S-7858-16-0	0	0	0	0	0
S-7858-17-0	0	0	0	0	0
S-7858-18-0	0	0	0	0	0
S-7858-19-0	0	0	0	0	0
S-7858-20-0	0	0	0	0	0

3. Pre-Project Stationary Source Potential to Emit (SSPE1)

Pursuant to District Rule 2201, the SSPE1 is the Potential to Emit (PE) from all units with valid Authorities to Construct (ATC) or Permits to Operate (PTO) at the Stationary Source and the quantity of Emission Reduction Credits (ERC) which have been banked since September 19, 1991 for Actual Emissions Reductions (AER) that have occurred at the source, and which have not been used on-site.

The SSPE1 is calculated in Appendix D and presented in the following table.

SSPE1 (lb/year)					
	NO _x	SO _x	PM ₁₀	CO	VOC
SSPE1	74,329	7201	62,123	262,718	62,721

4. Post Project Stationary Source Potential to Emit (SSPE2)

Pursuant to District Rule 2201, the SSPE2 is the PE from all units with valid ATCs or PTOs at the Stationary Source and the quantity of ERCs which have been banked since September 19, 1991 for AER that have occurred at the source, and which have not been used on-site.

The SSPE2 is calculated and presented in the following table.

SSPE2 (lb/year)					
	NO _x	SO _x	PM ₁₀	CO	VOC
SSPE1	74,329	7201	62,123	262,718	62,721
<S-724-2-5>	0	0	0	0	-1898
<S-724-3-4>	-263	-7	-20	-221	-14
<S-724-4-4>	0	0	0	0	0
<S-724-5-4>	0	0	0	0	0
<S-724-11-3>	0	0	0	0	0
<S-724-19-3>	0	0	0	0	0
<S-7858-3-2>	0	0	0	0	0
S-7858-3-3	0	0	0	0	0
S-7858-14-0	0	0	0	0	0
S-7858-15-0	0	0	0	0	0
S-7858-16-0	0	0	0	0	0
S-7858-17-0	0	0	0	0	0
S-7858-18-0	0	0	0	0	0
S-7858-19-0	0	0	0	0	0
S-7858-20-0	0	0	0	0	0
SSPE2	74,066	7,194	62,103	262,497	60,809

5. Major Source Determination

Rule 2201 Major Source Determination:

Pursuant to District Rule 2201, a Major Source is a stationary source with a SSPE2 equal to or exceeding one or more of the following threshold values. For the purposes of determining major source status the following shall not be included:

- any ERCs associated with the stationary source
- Emissions from non-road IC engines (i.e. IC engines at a particular site at the facility for less than 12 months)
- Fugitive emissions, except for the specific source categories specified in 40 CFR 51.165

Rule 2201 Major Source Determination (lb/year)						
	NO _x	SO _x	PM ₁₀	PM _{2.5}	CO	VOC
SSPE1	74,329	7,201	62,123	62,123	262,718	62,721
SSPE2	74,066	7,194	62,103	62,103	262,497	60,809
Major Source Threshold	20,000	140,000	140,000	200,000	200,000	20,000
Major Source?	Yes	No	No	No	Yes	Yes

Note: PM2.5 assumed to be equal to PM10

As seen in the table above, the facility is an existing Major Source for NO_x, CO, and VOC and will remain a Major Source for these criteria pollutants.

6. Baseline Emissions (BE)

The BE calculation (in lb/year) is performed pollutant-by-pollutant for each unit within the project to calculate the QNEC, and if applicable, to determine the amount of offsets required.

Pursuant to District Rule 2201, BE = PE1 for:

- Any unit located at a non-Major Source,
- Any Highly-Utilized Emissions Unit, located at a Major Source,
- Any Fully-Offset Emissions Unit, located at a Major Source, or
- Any Clean Emissions Unit, located at a Major Source.

otherwise,

BE = Historic Actual Emissions (HAE), calculated pursuant to District Rule 2201.

Since units S-7858-14-0, '-15-0, '-16-0, '-17-0, '-18-0, '-19-0, and '-20-0 are new emissions unit, BE = PE1 = 0 for all pollutants.

S-7858-3-3

As shown in Section VII.C.5 above, the facility is not a Major Source for SO_x, PM_{2.5} and PM₁₀; therefore, for SO_x, PM_{2.5} and PM₁₀:

BE=PE1.

Pursuant to Rule 2201, a Clean Emissions Unit is defined as an emissions unit that is "equipped with an emissions control technology with a minimum control efficiency of at least 95% or is equipped with emission control technology that meets the requirements for achieved-in-practice BACT as accepted by the APCO during the five years immediately prior to the submission of the complete application.

This TEOR system is a clean emissions unit for NO_x, CO, and VOC. Therefore, BE=PE1.

BE is summarized in the following table:

BE (lb/year)						
	NO _x	SO _x	PM ₁₀	PM _{2.5}	CO	VOC
S-7858-3-3	0	0	0	0	0	0

7. SB 288 Major Modification

SB 288 Major Modification is defined in 40 CFR Part 51.165 as "any physical change in or change in the method of operation of a major stationary source that would result in a significant net emissions increase of any pollutant subject to regulation under the Act."

Since this source is not included in the 28 specific source categories specified in 40 CFR 51.165, the increases in fugitive emissions are not included in the SB 288 Major Modification calculation.

Since this facility is a major source for NO_x and VOC, the project's PE2 is compared to the SB 288 Major Modification Thresholds in the following table in order to determine if the SB 288 Major Modification calculation is required.

SB 288 Major Modification Thresholds			
Pollutant	Project PE2 (lb/year)	Threshold (lb/year)	SB 288 Major Modification Calculation Required?
NO _x	0	50,000	No
VOC	0	50,000	No

Since none of the SB 288 Major Modification thresholds are surpassed with this project, this project does not constitute an SB 288 Major Modification.

8. Federal Major Modification

District Rule 2201 states that a Federal Major Modification is the same as a "Major Modification" as defined in 40 CFR 51.165 and part D of Title I of the CAA.

Since this source is not included in the 28 specific source categories specified in 40 CFR 51.165, the increases in fugitive emissions are not included in the Federal Major Modification determination.

The determination of Federal Major Modification is based on a two-step test. For the first step, only the emission *increases* are counted. Emission decreases may not cancel out the increases for this determination.

Step 1

For new emissions units, the increase in emissions is equal to the PE2 for each new unit included in this project.

The project's combined total emission increases are calculated in Appendix X and compared to the Federal Major Modification Thresholds in the following table.

Federal Major Modification Thresholds for Emission Increases			
Pollutant	Total Emissions Increases (lb/yr)	Thresholds (lb/yr)	Federal Major Modification?
NO _x *	0	0	No
VOC*	0	0	No
PM ₁₀	0	30,000	No
PM _{2.5}	0	20,000	No
SO _x	0	80,000	No

Since none of the Federal Major Modification Thresholds are being surpassed with this project, this project does not constitute a Federal Major Modification and no further analysis is required.

9. Quarterly Net Emissions Change (QNEC)

The QNEC is calculated solely to establish emissions that are used to complete the District's PAS emissions profile screen. Detailed QNEC calculations are included in Appendix E.

VIII. Compliance

Rule 2201 New and Modified Stationary Source Review Rule

A. Best Available Control Technology (BACT)

1. BACT Applicability

BACT requirements are triggered on a pollutant-by-pollutant basis and on an emissions unit-by-emissions unit basis. Unless specifically exempted by Rule 2201, BACT shall be required for the following actions*:

- a. Any new emissions unit with a potential to emit exceeding two pounds per day,
- b. The relocation from one Stationary Source to another of an existing emissions unit with a potential to emit exceeding two pounds per day,
- c. Modifications to an existing emissions unit with a valid Permit to Operate resulting in an AIPE exceeding two pounds per day, and/or
- d. Any new or modified emissions unit, in a stationary source project, which results in an SB 288 Major Modification or a Federal Major Modification, as defined by the rule.

*Except for CO emissions from a new or modified emissions unit at a Stationary Source with an SSPE2 of less than 200,000 pounds per year of CO.

a. New emissions units – PE > 2 lb/day

As seen in Section VII.C.2 above, the applicant is proposing to install seven new tanks, all with a PE less than 2 lb/day. Therefore, BACT for new units with PE > 2 lb/day purposes is not triggered.

b. Relocation of emissions units – PE > 2 lb/day

As discussed in Section I above, there are no emissions units being relocated from one stationary source to another; therefore, BACT is not triggered.

c. Modification of emissions units – AIPE > 2 lb/day

Permit Unit S-7858-3 is being modified.

$$AIPE = PE2 - HAPE$$

Where,

AIPE = Adjusted Increase in Permitted Emissions, (lb/day)

PE2 = Post-Project Potential to Emit, (lb/day)

HAPE = Historically Adjusted Potential to Emit, (lb/day)

HAPE = PE1 x (EF2/EF1)

Where,

PE1 = The emissions unit's PE prior to modification or relocation, (lb/day)

EF2 = The emissions unit's permitted emission factor for the pollutant after modification or relocation. If EF2 is greater than EF1 then EF2/EF1 shall be set to 1

EF1 = The emissions unit's permitted emission factor for the pollutant before the modification or relocation

$$AIPE = PE2 - (PE1 * (EF2 / EF1))$$

Since EF2 = EF1 for all pollutants for all units, the AIPE is calculated as PE2 - PE1:

PE2 and PE1 summary (lb/day)										
Permit Unit	NO _x		SO _x		PM ₁₀		CO		VOC	
	PE2	PE1	PE2	PE1	PE2	PE1	PE2	PE1	PE2	PE1
S-7858-3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

AIPE (lb/day)					
Permit Unit	NO _x	SO _x	PM ₁₀	CO	VOC
S-7858-3	0.0	0.0	0.0	0.0	0.0

As demonstrated above, the AIPE is not greater than 2.0 lb/day for any criteria pollutant. Therefore, BACT is not triggered.

d. SB 288/Federal Major Modification

As discussed in Sections VII.C.7 and VII.C.8 above, this project does not constitute an SB 288 or Federal Major Modification for any pollutant. Therefore BACT is not triggered for any pollutant.

B. Offsets

1. Offset Applicability

Offset requirements shall be triggered on a pollutant by pollutant basis and shall be required if the SSPE2 equals to or exceeds the offset threshold levels in Table 4-1 of Rule 2201.

The SSPE2 is compared to the offset thresholds in the following table.

Offset Determination (lb/year)					
	NO _x	SO _x	PM ₁₀	CO	VOC
SSPE2	74,066	7,194	62,103	262,497	60,809
Offset Thresholds	20,000	54,750	29,200	200,000	20,000
Offsets triggered?	Yes	No	Yes	Yes	Yes

2. Quantity of Offsets Required

As seen above, the SSPE2 is greater than the offset thresholds for NO_x, PM₁₀, CO, and VOC. Therefore, offset calculations are required for this project.

The quantity of offsets in pounds per year for these pollutants is calculated as follows for sources with an SSPE1 greater than the offset threshold levels before implementing the project being evaluated.

Offsets Required (lb/year) = $(\sum[PE2 - BE] + ICCE) \times DOR$, for all new or modified emissions units in the project,

Where,

PE2 = Post Project Potential to Emit, (lb/year)

BE = Baseline Emissions, (lb/year)

ICCE = Increase in Cargo Carrier Emissions, (lb/year)

DOR = Distance Offset Ratio, determined pursuant to Section 4.8

BE = PE1 for:

- Any unit located at a non-Major Source,
- Any Highly-Utilized Emissions Unit, located at a Major Source,
- Any Fully-Offset Emissions Unit, located at a Major Source, or

- Any Clean Emissions Unit, Located at a Major Source.
otherwise,

BE = HAE

Since this equipment is all equipped with achieved in practice BACT they are considered Clean Emissions Units and BE = PE1.

There are no increases in cargo carrier emissions; therefore emissions that need to be offset can be determined as follows and summarized in the following tables: $\Sigma(\text{PE2} - \text{BE})$

Permit No.	Post Project Potential to Emit [PE2] (lb/ yr)			
	NO _x	PM ₁₀	CO	VOC
S-724-2	0	0	0	0
S-724-3	0	0	0	0
S-724-4	0	0	0	0
S-724-5	0	0	0	0
S-724-11	0	0	0	0
S-724-19	0	0	0	0
S-7858-3	0	0	0	0
S-7858-14	0	0	0	0
S-7858-15	0	0	0	0
S-7858-16	0	0	0	0
S-7858-17	0	0	0	0
S-7858-18	0	0	0	0
S-7858-19	0	0	0	0
S-7858-20	0	0	0	0

Permit No.	Baseline Emissions [BE] (lb/yr)			
	NO _x	PM ₁₀	CO	VOC
S-724-2	0	0	0	1898
S-724-3	263	20	221	14
S-724-4	0	0	0	0
S-724-5	0	0	0	0
S-724-11	0	0	0	0
S-724-19	0	0	0	0
S-7858-3	0	0	0	0
S-7858-14	0	0	0	0
S-7858-15	0	0	0	0
S-7858-16	0	0	0	0
S-7858-17	0	0	0	0
S-7858-18	0	0	0	0
S-7858-19	0	0	0	0
S-7858-20	0	0	0	0

Permit No.	Offsets Required [PE2 – BE] (lb/yr)			
	NO _x	PM ₁₀	CO	VOC
S-724-2	0	0	0	-1898
S-724-3	-263	-20	-221	-14
S-724-4	0	0	0	0
S-724-5	0	0	0	0
S-724-11	0	0	0	0
S-724-19	0	0	0	0
S-7858-3	0	0	0	0
S-7858-14	0	0	0	0
S-7858-15	0	0	0	0
S-7858-16	0	0	0	0
S-7858-17	0	0	0	0
S-7858-18	0	0	0	0
S-7858-19	0	0	0	0
S-7858-20	0	0	0	0
Total Offsets Required	-263	-20	-221	-1884

As demonstrated in the calculation above, no offsets are required for this project.

C. Public Notification

1. Applicability

Public noticing is required for:

- a. New Major Sources, Federal Major Modifications, and SB 288 Major Modifications,
- b. Any new emissions unit with a Potential to Emit greater than 100 pounds during any one day for any one pollutant,
- c. Any project which results in the offset thresholds being surpassed, and/or
- d. Any project with an SSPE of greater than 20,000 lb/year for any pollutant.
- e. Any project which results in a Title V significant permit modification

a. New Major Sources, Federal Major Modifications, and SB 288 Major Modifications

New Major Sources are new facilities, which are also Major Sources. Since this is not a new facility, public noticing is not required for this project for New Major Source purposes.

As demonstrated in Sections VII.C.7 and VII.C.8, this project does not constitute an SB 288 or Federal Major Modification; therefore, public noticing for SB 288 or Federal Major Modification purposes is not required.

b. PE > 100 lb/day

Applications which include a new emissions unit with a PE greater than 100 pounds during any one day for any pollutant will trigger public noticing requirements. As seen in Section VII.C.2 above, this project does not include a new emissions unit which has daily emissions greater than 100 lb/day for any pollutant; therefore, public noticing for PE > 100 lb/day purposes is not required.

c. Offset Threshold

The SSPE1 and SSPE2 are compared to the offset thresholds in the following table.

Offset Thresholds				
Pollutant	SSPE1 (lb/year)	SSPE2 (lb/year)	Offset Threshold	Public Notice Required?
NO _x	74,329	74,066	20,000 lb/year	No
SO _x	7,201	7,194	54,750 lb/year	No
PM ₁₀	62,123	62,103	29,200 lb/year	No
CO	262,718	262,497	200,000 lb/year	No
VOC	62,721	60,809	20,000 lb/year	No

As detailed above, there were no thresholds surpassed with this project; therefore public noticing is not required for offset purposes.

d. SSIPE > 20,000 lb/year

Public notification is required for any permitting action that results in a SSIPE of more than 20,000 lb/year of any affected pollutant. According to District policy, the SSIPE = SSPE2 – SSPE1. The SSIPE is compared to the SSIPE Public Notice thresholds in the following table.

SSIPE Public Notice Thresholds					
Pollutant	SSPE2 (lb/year)	SSPE1 (lb/year)	SSIPE (lb/year)	SSIPE Public Notice Threshold	Public Notice Required?
NO _x	74,066	74,329	-263	20,000 lb/year	No
SO _x	7,194	7,201	-7	20,000 lb/year	No
PM ₁₀	62,103	62,123	-20	20,000 lb/year	No
CO	262,497	262,718	-221	20,000 lb/year	No
VOC	60,809	62,721	-1,912	20,000 lb/year	No

As demonstrated above, the SSIPEs for all pollutants were less than 20,000 lb/year; therefore public noticing for SSIPE purposes is not required.

e. Title V Significant Permit Modification

As shown in the Discussion of Rule 2520 below, this project does not constitute a Title V significant modification. Therefore, public noticing for Title V significant modifications is not required for this project.

2. Public Notice Action

As discussed above, this project will not result in emissions, for any pollutant, which would subject the project to any of the noticing requirements listed above. Therefore, public notice will not be required for this project.

D. Daily Emission Limits (DELs)

DELs and other enforceable conditions are required by Rule 2201 to restrict a unit's maximum daily emissions, to a level at or below the emissions associated with the maximum design capacity. The DEL must be contained in the latest ATC and contained in or enforced by the latest PTO and enforceable, in a practicable manner, on a daily basis. DELs are also required to enforce the applicability of BACT.

S-7858-3-3:

- The VOC content of produced gas shall not exceed 10% by weight. [District Rules 2201 and 4401, 4.9]

- Operator shall conduct quarterly gas sampling for gas exiting the separator pressure vessel to qualify for exemption from fugitive component counts for components handling fluids with VOC content equal to or less than 10% by weight. If gas samples are equal to or less than 10% VOC by weight for 8 consecutive quarterly samplings, sampling frequency shall only be required annually. [District Rules 2201 and 4401, 4.9]
- Permittee shall maintain an APCO-approved VOC collection and control system that is not open to the atmosphere and that is composed of hard-piping, ductwork connections and, if necessary, flow inducing devices that transport gas or vapor from a piece or pieces of equipment to an APCO-approved control device that has a VOC destruction or removal efficiency of at least 99%, that transports gases or vapors back to a process system, or injects vapors into DOGGR approved wells. [District Rules 2201 and 4401, 3.50]

S-7858-14-0, '-15-0, '-16-0, '-17-0, '-18-0, '-19-0, and '-20-0:

- The VOC content of produced gas shall not exceed 10% by weight. [District Rules 2201 and 4401, 4.9]
- Operator shall conduct quarterly gas sampling to qualify for exemption from fugitive component counts for components handling fluids with VOC content equal to or less than 10% by weight. If gas samples are equal to or less than 10% VOC by weight for 8 consecutive quarterly samplings, sampling frequency shall only be required annually. [District Rule 2201]
- All piping, valves, and fittings shall be constructed and maintained in a leak-free condition. [District Rule 2201]

E. Compliance Assurance

1. Source Testing

Pursuant to District Policy APR 1705, source testing is not required to demonstrate compliance with Rule 2201.

2. Monitoring

The following testing conditions are required to maintain the exemption from Rule 4623 and to demonstrate compliance with the incinerated gas sulfur limit:

- Operator shall conduct quarterly gas sampling to qualify for exemption from fugitive component counts for components handling fluids with VOC content equal to or less than 10% by weight. If gas samples are equal to or less than 10% VOC by weight for 8 consecutive quarterly samplings, sampling frequency shall only be required annually. [District Rule 2201]

3. Recordkeeping

Recordkeeping is required to demonstrate compliance with the offset, public notification and daily emission limit requirements of Rule 2201. The following condition(s) are listed on the permit to operate:

- All records required to be maintained by this permit shall be maintained for a period of at least five years and shall be made readily available for District inspection upon request. [District Rule 1070]

4. Reporting

No reporting is required to demonstrate compliance with Rule 2201.

Rule 2520 Federally Mandated Operating Permits

This facility is subject to this Rule, and has received their Title V Operating Permit. The proposed modification is a Minor Modification to the Title V Permit.

In accordance with Rule 2520, these modifications:

1. Do not violate requirements of any applicable federally enforceable local or federal requirement;
2. Do not relax monitoring, reporting, or recordkeeping requirements in the permit and are not significant changes in existing monitoring permit terms or conditions;
3. Do not require or change a case-by-case determination of an emission limitation or other standard, or a source-specific determination for temporary sources of ambient impacts, or a visibility or increment analysis;
4. Do not seek to establish or change a permit term or condition for which there is no corresponding underlying applicable requirement and that the source has assumed to avoid an applicable requirement to which the source would otherwise be subject. Such terms and conditions include:
 - a. A federally enforceable emission cap assumed to avoid classification as a modification under any provisions of Title I of the Federal Clean Air Act; and
 - b. An alternative emissions limit approved pursuant to regulations promulgated under section 112(i)(5) of the Federal Clean Air Act; and
5. Are not Title I modifications as defined in District Rule 2520 or modifications as defined in section 111 or 112 of the Federal Clean Air Act; and
6. Do not seek to consolidate overlapping applicable requirements.

As discussed above, the facility has applied for a Certificate of Conformity (COC). Therefore, the facility must apply to modify their Title V permit with an administrative amendment, prior to operating with the proposed modifications. Continued compliance with this rule is expected. The facility may construct/operate under the ATC upon submittal of the Title V administrative amendment/minor modification application.

Rule 4001 New Source Performance Standards (NSPS)

This rule incorporates the New Source Performance Standards from 40 CFR Part 60. 40 CFR Part 60, Subparts, K, Ka, Kb, and OOOO and could potentially apply to the storage tanks located at this facility.

40 CFR Part 60, Subparts, K, Ka, and Kb could potentially apply to the storage tanks located at this facility. However, pursuant to 40 CFR 60.110 (b), 60.110(a) (b), and 60.110(b) (b),

these subparts do not apply to storage vessels less than 10,000 bbls, used for petroleum or condensate, that is stored, processed, and/or treated at a drilling and production facility prior to custody transfer.

40 CFR Part 60, Subpart OOOO—Standards of Performance for Crude Oil and Natural Gas Production, Transmission and Distribution (constructed, reconstructed, or modified after 8/23/11) applies to single storage vessel, located in the oil and natural gas production segment, natural gas processing segment or natural gas transmission and storage segment. The subject tanks are subject to this subpart. However, Subpart OOOO has no standards for tanks with annual VOC emissions less than 6 tons per year. Therefore, the subject tanks are not an affected facility and subpart OOOO does not apply.

40 CFR Part 60, Subpart A, Section 14, defines the meaning of modification to which the standards are applicable. §60.14, paragraph (e)(5) states that the following will not be considered as a modification: *“the addition or use of any system or device whose primary function is the reduction of air pollutants, except when an emission control system is removed or replaced by a system which the Administrator determines to be less environmentally beneficial”*.

The proposed modification to the TEOR system is not considered newly constructed or reconstructed, nor is this unit being modified (as defined above). Therefore, no subparts of 40 CFR Part 60 apply to steam enhanced oil well operations.

The requirements of these subparts are not applicable to this project.

Rule 4002 National Emission Standards for Hazardous Air Pollutants (NESHAPs)

This rule incorporates NESHAPs from Part 61, Chapter I, Subchapter C, Title 40, CFR and the NESHAPs from Part 63, Chapter I, Subchapter C, Title 40, CFR; and applies to all sources of hazardous air pollution listed in 40 CFR Part 61 or 40 CFR Part 63. However, no subparts of 40 CFR Part 61 or 40 CFR Part 63 apply to these operations.

Rule 4101 Visible Emissions

Rule 4101 states that no person shall discharge into the atmosphere emissions of any air contaminant aggregating more than 3 minutes in any hour which is as dark as or darker than Ringelmann 1 (or 20% opacity).

As long as the equipment is properly maintained and operated, compliance with visible emissions limits is expected under normal operating conditions.

Rule 4102 Nuisance

Rule 4102 prohibits discharge of air contaminants which could cause injury, detriment, nuisance or annoyance to the public. Public nuisance conditions are not expected as a result of these operations, provided the equipment is well maintained. Therefore, compliance with this rule is expected.

California Health & Safety Code 41700 (Health Risk Assessment)

District Policy APR 1905 – *Risk Management Policy for Permitting New and Modified Sources* specifies that for an increase in emissions associated with a proposed new source or modification, the District perform an analysis to determine the possible impact to the nearest resident or worksite.

An HRA is not required for a project with a total facility prioritization score of less than or equal to one. According to the Technical Services Memo for this project (**Appendix C**), the total facility prioritization score including this project was less than or equal to one. Therefore, no future analysis is required to determine the impact from this project and compliance with the District's Risk Management Policy is expected.

Discussion of T-BACT

BACT for toxic emission control (T-BACT) is required if the cancer risk exceeds one in one million. As demonstrated above, T-BACT is not required for this project because the HRA indicates that the risk is not above the District's thresholds for triggering T-BACT requirements; therefore, compliance with the District's Risk Management Policy is expected.

Rule 4401 Steam-enhanced Crude Oil Production Well Vents

The purpose of this rule is to limit the VOC emissions from steam-enhanced crude oil production well vents. This rule is applicable to all steam-enhanced crude oil production wells and any associated vapor collection and control systems.

The permit is currently in compliance with this Rule. Continued compliance is expected.

Rule 4623 Storage of Organic Liquids

The purpose of this rule is to limit volatile organic compound (VOC) emissions from the storage of organic liquids. This rule applies to any tank with a design capacity of 1,100 gallons or greater used to store organic liquid.

Section 4.4 allows tanks exclusively receiving and/or storing an organic liquid with a TVP less than 0.5 psia to comply only with the following requirements of this rule:

- TVP and API Gravity Testing provisions pursuant to Section 6.2,
- Recordkeeping provisions pursuant to Section 6.3.6,
- Test Methods provisions pursuant to Section 6.4, and
- Compliance schedules pursuant to Section 7.2.

The following conditions will be listed on the permits to maintain this exemption:

- {2480} This tank shall only store, place, or hold organic liquid with a true vapor pressure (TVP) of less than 0.5 psia under all storage conditions. [District Rule 4623] N

- Permittee shall conduct true vapor pressure (TVP) testing of the organic liquid stored in this tank at least once every 24 months during summer (July - September), and/or whenever there is a change in the source or type of organic liquid stored in this tank in order to maintain exemption from the rule. [District Rule 4623]

Section 6.2 applies to uncontrolled fixed roof tanks. Since these tanks are controlled by a vapor recovery system, the requirements of Section 6.2 are not applicable.

Section 6.3.6 requires an operator to submit the records of TVP and API gravity testing conducted in accordance with the requirements of Section 6.2 to the APCO within 45 days after the date of testing. The record shall include the tank identification number, PTO number, type of stored organic liquid, TVP and API gravity of the stored organic liquid, test methods used, and a copy of the test results. An operator who uses the information in Appendix A to demonstrate the TVP and/or API gravity of the stored organic liquid shall submit information to the APCO within 45 days after the date that the type of organic liquid stored in the tank has been determined.

The following condition will ensure compliance with this section:

- Permittee shall submit the records of TVP and API gravity testing to the APCO within 45 days after the date of testing. The records shall include the tank identification number, Permit to Operate number, type of stored organic liquid, TVP and API gravity of the organic liquid, test methods used, and a copy of the test results. [District Rule 2201]

Section 6.4 lists the following test methods to be used unless otherwise approved by the APCO and the United States Environmental Protection Agency (US EPA).

6.4.1 Analysis of halogenated exempt compounds shall be conducted using California Air Resources Board (ARB) Method 432.

6.4.2 The API gravity of crude oil or petroleum distillate shall be determined by using ASTM Method D 287-92 (2000) e1 "Standard Test Method for API Gravity of Crude Petroleum and Petroleum Products (Hydrometer Method)". Sampling for API gravity shall be performed in accordance with ASTM Method D 4057-95 "Standard Practices for Manual Sampling of Petroleum and Petroleum Products".

6.4.3 Except for crude oil subject to Section 6.4.4, the TVP of any organic liquid shall be determined by measuring the Reid Vapor Pressure (RVP) using ASTM D 323-94 (Test Method for Vapor Pressure for Petroleum Products), and converting the RVP to TVP at the tank's maximum organic liquid storage temperature. The conversion of RVP to TVP shall be done in accordance with the procedures in Appendix B. Appendix B is an excerpt from the oil and gas section of "ARB Technical Guidance Document to the Criteria and Guidelines Regulation for AB 2588", dated August 1989. As an alternative to using ASTM D 323-94, the TVP of crude oil with an API gravity range of greater than 26° up to 30° may be determined by using other equivalent test methods approved by APCO, ARB and US EPA.

6.4.4 The latest version of the Lawrence Berkeley National Laboratory "Test Method for Vapor Pressure of Reactive Organic Compounds in Heavy Crude Oil Using Gas

Chromatograph", as approved by ARB and US EPA, shall be used to determine the TVP of crude oil with an API gravity of 26° or less, or for any API gravity that is specified in this test method.

6.4.5 An operator may use the information in Appendix A to determine the TVP of the stored organic liquid in a tank provided the storage temperature listed in Appendix A is not exceeded at any time.

6.4.6 The control efficiency of any VOC destruction device, measured and calculated as carbon, shall be determined by US EPA Method 25, except when the outlet concentration must be below 50 ppm in order to meet the standard, in which case US EPA Method 25a may be used. US EPA Method 18 may be used in lieu of US EPA Method 25 or US EPA Method 25A provided the identity and approximate concentrations of the analytes/compounds in the sample gas stream are known before analysis with the gas chromatograph and the gas chromatograph is calibrated for each of the known analytes/compounds to ensure that the VOC concentrations are neither under- or over-reported.

6.4.7 Analysis of halogenated exempt compounds shall be analyzed by ARB Method 422 "Exempt Halogenated VOCs in Gases September 12, 1990".

6.4.8 Measurements of a gas-leak concentration shall be determined by US EPA Method 21.

The following conditions will appear on the ATC to ensure compliance with these testing conditions:

- The API gravity of crude oil or petroleum distillate shall be determined by using ASTM Method D 287 e1 "Standard Test Method for API Gravity of Crude Petroleum and Petroleum Products (Hydrometer Method). Sampling for API gravity shall be performed in accordance with ASTM Method D 4057 "Standard Practices for Manual Sampling of Petroleum and Petroleum Products." [District Rule 2201]
- For crude oil with an API gravity of 26 degrees or less, the TVP shall be determined using the latest version of the Lawrence Berkeley National Laboratory "test Method for Vapor pressure of Reactive Organic Compounds in Heavy Crude Oil Using Gas Chromatograph", as approved by ARB and EPA. [District Rule 2201]

California Health & Safety Code 42301.6 (School Notice)

The District has verified that this site is not located within 1,000 feet of a school. Therefore, pursuant to California Health and Safety Code 42301.6, a school notice is not required.

California Environmental Quality Act (CEQA)

CEQA requires each public agency to adopt objectives, criteria, and specific procedures consistent with CEQA Statutes and the CEQA Guidelines for administering its responsibilities under CEQA, including the orderly evaluation of projects and preparation of environmental

documents. The District adopted its *Environmental Review Guidelines* (ERG) in 2001. The basic purposes of CEQA are to:

- Inform governmental decision-makers and the public about the potential, significant environmental effects of proposed activities;
- Identify the ways that environmental damage can be avoided or significantly reduced;
- Prevent significant, avoidable damage to the environment by requiring changes in projects through the use of alternatives or mitigation measures when the governmental agency finds the changes to be feasible; and
- Disclose to the public the reasons why a governmental agency approved the project in the manner the agency chose if significant environmental effects are involved.

The District performed an Engineering Evaluation (this document) for the proposed project and determined that all project specific emission unit(s) are exempt from Best Available Control Technology (BACT) requirements. Furthermore, the District has determined that potential emission increases would have a less than significant health impact on sensitive receptors.

Issuance of permits for emissions units not subject to BACT requirements and with health impact less than significant is a matter of ensuring conformity with applicable District rules and regulations and does not require discretionary judgment or deliberation. Thus, the District concludes that this permitting action constitutes a ministerial approval. Section 21080 of the Public Resources Code exempts from the application of CEQA those projects over which a public agency exercises only ministerial approval. Therefore, the District finds that this project is exempt from the provisions of CEQA.

IX. Recommendation

Compliance with all applicable rules and regulations is expected. Issue ATCs S-7858-3-3, '-14-0, '-15-0, '-16-0, '-17-0, '-18-0, '-19-0, and '-20-0 subject to the permit conditions on the attached draft ATCs in **Appendix G**.

X. Billing Information

Annual Permit Fees			
Permit Number	Fee Schedule	Fee Description	Annual Fee
S-7858-3-3	3020-02-B	300 TEOR Wells	\$2802.00
S-7858-14-0	3020-05-D	1500 BBLs	\$185.00
S-7858-15-0	3020-05-D	2000 BBLs	\$185.00
S-7858-16-0	3020-05-D	2000 BBLs	\$185.00
S-7858-17-0	3020-05-D	1200 BBLs	\$185.00
S-7858-18-0	3020-05-D	2100 BBLs	\$185.00
S-7858-19-0	3020-05-D	2000 BBLs	\$185.00
S-7858-20-0	3020-05-D	2000 BBLs	\$185.00

Appendices

- A: Current PTOs
- B: Gas Analysis
- C: HRA Summary
- D: SSPE1 Calculations
- E: Quarterly Net Emissions Change
- F: Emissions Profiles
- G: Draft ATCs

Appendix A

Current PTOs

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-724-2-5

EXPIRATION DATE: 12/31/2016

SECTION: 06 **TOWNSHIP:** 29S **RANGE:** 28E

EQUIPMENT DESCRIPTION:

THERMALLY ENHANCED OIL RECOVERY WELL VENT VAPOR CONTROL SYSTEM SERVING 52 STEAM ENHANCED WELLS WITH: UP TO 5 GAS/LIQUID SEPARATORS, UP TO 3 AIR-COOLED HEAT EXCHANGERS, AND 54'X54'X6' EMERGENCY SUMP - KERN RIVER FIELD

PERMIT UNIT REQUIREMENTS

1. Fugitive components installed for 38 new wells authorized by ATC 4188002B shall not exceed 114 ball valves and 78 unions. [District NSR Rule] Federally Enforceable Through Title V Permit
2. Well vapors shall vent only to the Hirt incinerator(s) listed in permit S-724-3. [District NSR Rule] Federally Enforceable Through Title V Permit
3. Total uncontrolled VOC emissions from all well vents shall be reduced by at least 99%. [District Rules 2201 and 4401] Federally Enforceable Through Title V Permit
4. All wells served by vapor collection system shall be shut in and shall not vent to the atmosphere in event of failure of incineration system. [District NSR Rule] Federally Enforceable Through Title V Permit
5. All components of well vent vapor collection and control systems shall be maintained in good working condition. [District NSR Rule] Federally Enforceable Through Title V Permit
6. The number of leaks from the vapor collection and control system, including condensate handling, shall not exceed 8 leaks at any one time. [District Rules 2201 and 4401] Federally Enforceable Through Title V Permit
7. VOC emission rate shall not exceed 5.2 lb/day. [District NSR Rule] Federally Enforceable Through Title V Permit
8. A listing of all steam enhanced wells connected to this system shall be submitted to the District at least 60 days prior to the permit anniversary date. [District NSR Rule] Federally Enforceable Through Title V Permit
9. The crude oil production from wells associated with this permit unit shall not lie within 1000 feet of an air injection well used for in-situ combustion. [District Rule 4407, 2.0, 3.4, and 3.5] Federally Enforceable Through Title V Permit
10. Permittee shall annually submit monthly records of sump use showing days of operation. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
11. Gas and liquid leaks are as defined in Section 3.20 of Rule 4401. [District Rule 4401 3.20] Federally Enforceable Through Title V Permit
12. An operator shall not operate a steam-enhanced crude oil production well unless the operator complies with either of the following requirements: The steam-enhanced crude oil production well vent is closed and the front line production equipment downstream of the wells that carry produced fluids (crude oil or mixture of crude oil and water) is connected to a VOC collection and control system as defined in Section 3.0 of Rule 4401, the well vent may be temporarily opened during periods of attended service or repair of the well provided such activity is done as expeditiously as possible with minimal spillage of material and VOC emissions to the atmosphere, or the steam-enhanced crude oil production well vent is open and the well vent is connected to a VOC collection and control system as defined in Section 3.0 of Rule 4401. [District Rule 4401, 5.1.1 and 5.1.2] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

These terms and conditions are part of the Facility-wide Permit to Operate.

13. An operator shall be in violation of this rule if any District inspection demonstrates or if any operator inspection conducted pursuant to Section 5.3 of Rule 4401 demonstrates the existence of an open-ended line or a valve located at the end of the line that is not sealed with a blind flange, plug, cap, or a second closed valve that is not closed at all times, except during attended operations as defined by Section 5.2.2.1 of Rule 4401 requiring process fluid flow through the open-ended lines, a component with a major liquid leak, or a component with a gas leak greater than 50,000 ppmv. [District Rule 4401 5.2.2.1] Federally Enforceable Through Title V Permit
14. An operator shall be in violation of this rule if any District inspection demonstrates or if any operator inspection conducted pursuant to Section 5.3 of Rule 4401 demonstrates the existence of any combination of components with minor liquid leaks, minor gas leaks, or a gas leaks greater than 10,000 ppmv up to 50,000 ppmv that totals more than number of leaks allowed by Table 2 of Rule 4401. [District Rule 4401 5.2.2.4] Federally Enforceable Through Title V Permit
15. An operator shall not use any component with a leak as defined in Section 3.0 of Rule 4401, or that is found to be in violation of the provisions of Section 5.2.2 of Rule 4401. However, components that were found leaking may be used provided such leaking components have been identified with a tag for repair, are repaired, or awaiting re-inspection after being repaired within the applicable time frame specified in Section 5.5 of Rule 4401. [District Rule 4401 5.3.1] Federally Enforceable Through Title V Permit
16. Each hatch shall be closed at all times except during sampling or adding of process material through the hatch, or during attended repair, replacement, or maintenance operations, provided such activities are done as expeditiously as possible with minimal spillage of material and VOC emissions to the atmosphere. [District Rule 4401 5.3.2] Federally Enforceable Through Title V Permit
17. An operator shall comply with the requirements of Section 6.7 of Rule 4401 if there is any change in the description of major components or critical components. [District Rule 4401 5.3.3] Federally Enforceable Through Title V Permit
18. Except for pipes and unsafe-to-monitor components, an operator shall inspect all other components pursuant to the requirements of Section 6.3.3 of Rule 4401 at least once every year. [District Rule 4401 5.4.1] Federally Enforceable Through Title V Permit
19. An operator shall visually inspect all pipes at least once every year. Any visual inspection of pipes that indicates a leak that cannot be immediately repaired to meet the leak standards of this rule shall be inspected within 24 hours after detecting the leak. If a leak is found, the leak shall be repaired as soon as practicable but not later than the time frame specified in Table 3 of Rule 4401. [District Rule 4401 5.4.2] Federally Enforceable Through Title V Permit
20. In addition to the inspections required by Section 5.4.1 of Rule 4401, an operator shall inspect for leaks all accessible operating pumps, compressors, and PRDs in service as follows: An operator shall audio-visually (by hearing and by sight) inspect for leaks all accessible operating pumps, compressors, and PRDs in service at least once each calendar week. Any audio-visual inspection of an accessible operating pump, compressor, and PRD performed by an operator that indicates a leak that cannot be immediately repaired to meet the leak standards of this rule shall be inspected not later than 24 hours after conducting the audio-visual inspection. If a leak is found, the leak shall be repaired as soon as practicable but not later than the time frame specified in Table 4 of Rule 4401. [District Rule 4401 5.4.3] Federally Enforceable Through Title V Permit
21. In addition to the inspections required by Sections 5.4.1, 5.4.2 and 5.4.3 of Rule 4401, operator shall perform the following: initially inspect a PRD that releases to the atmosphere as soon as practicable but not later than 24 hours after the discovery of the release, re-inspect the PRD not earlier than 24 hours after the initial inspection but not later than 15 calendar days after the initial inspection, inspect all new, replaced, or repaired fittings, flanges, and threaded connections within 72 hours of placing the component in service. Except for PRDs subject to the requirements of Section 5.4.4.1 of Rule 4401, an operator shall inspect a component that has been repaired or replaced not later than 15 calendar days after the component was repaired or replaced. [District Rule 4401 5.4.4] Federally Enforceable Through Title V Permit
22. An operator shall inspect all unsafe-to-monitor components during each turnaround. [District Rule 4401 5.4.5] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE
These terms and conditions are part of the Facility-wide Permit to Operate.

23. District inspection in no way fulfills any of the mandatory inspection requirements that are placed upon operators and cannot be used or counted as an inspection required of an operator. [District Rule 4401 5.4.6] Federally Enforceable Through Title V Permit
24. An operator shall affix a readily visible weatherproof tag to a leaking component upon detection of the leak and shall include the following information on the tag: date and time of leak detection, date and time of leak measurement, for a gaseous leak, the leak concentration in ppmv, for a liquid leak, whether it is a major liquid leak or a minor liquid leak, whether the component is an essential component, an unsafe-to monitor component, or a critical component. [District Rule 4401 5.5.1] Federally Enforceable Through Title V Permit
25. An operator shall keep the tag affixed to the component until an operator has met all of the following conditions: repaired or replaced the leaking component, re-inspected the component using the test method in Section 6.3.3, of Rule 4401, or the component is found to be in compliance with the requirements of this rule. [District Rule 4401 5.5.2] Federally Enforceable Through Title V Permit
26. An operator shall minimize a component leak in order to stop or reduce leakage to the atmosphere immediately to the extent possible, but not later than one (1) hour after detection of the leak. [District Rule 4401 5.5.3] Federally Enforceable Through Title V Permit
27. Except for leaking critical components or leaking essential components subject to the requirements of Section 5.5.7 of Rule 4401, if an operator has minimized a leak but the leak still exceeds the applicable leak limits as defined in Section 3.0 of Rule 4401, an operator shall comply with at least one of the following requirements as soon as practicable but not later than the time period specified in Table 3 of Rule 4401: Repair or replace the leaking component; or vent the leaking component to a VOC collection and control system as defined in Section 3.0 of Rule 4401, or remove the leaking component from operation. [District Rule 4401 5.5.4] Federally Enforceable Through Title V Permit
28. The repair period in calendar days shall not exceed 14 days for minor gas leaks, 5 days for major gas leaks less than or equal to 50,000 ppmv, 2 days for gas leak greater than 50,000 ppmv, 3 days for minor liquid leaks, 2 days for major liquid leaks. [District Rule 4401 5.5.4] Federally Enforceable Through Title V Permit
29. The leak rate measured after leak minimization has been performed shall be the leak rate used to determine the applicable repair period specified in Table 3 of Rule 4401. [District Rule 4401 5.5.5] Federally Enforceable Through Title V Permit
30. The time of the initial leak detection shall be the start of the repair period specified in Table 3 of Rule 4401. [District Rule 4401 5.5.6] Federally Enforceable Through Title V Permit
31. If the leaking component is an essential component or a critical component that cannot be immediately shut down for repairs, and if the leak has been minimized but the leak still exceeds the applicable leak standard of this rule, the operator shall repair or replace the essential component or critical component to eliminate the leak during the next process unit turnaround, but in no case later than one year from the date of the original leak detection, whichever comes earlier. [District Rule 4401 5.5.7] Federally Enforceable Through Title V Permit
32. The operator of any steam-enhanced crude oil production well shall maintain records of the date and well identification where steam injection or well stimulation occurs. [District Rule 4401 6.1.1] Federally Enforceable Through Title V Permit
33. A small producer shall maintain monthly records of county-specific crude oil production. For the purpose of this rule, the monthly crude oil production records required by the California Division of Oil, Gas, and Geothermal Resources may be used to satisfy Section 6.1.2 or Rule 4401. [District Rule 4401 6.1.2] Federally Enforceable Through Title V Permit
34. An operator of any steam-enhanced crude oil production well shall keep source test records which demonstrate compliance with the control efficiency requirements of the VOC collection and control system as defined in Section 3.0 of Rule 4401. [District Rule 4401 6.1.3] Federally Enforceable Through Title V Permit
35. Operator of any steam-enhanced crude oil production well shall keep an inspection log maintained pursuant to Section 6.4 of Rule 4401. [District Rule 4401 6.1.4] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

These terms and conditions are part of the Facility-wide Permit to Operate.

36. Records of each calibration of the portable hydrocarbon detection instrument utilized for inspecting components, including a copy of current calibration gas certification from the vendor of said calibration gas cylinder, the date of calibration, concentration of calibration gas, instrument reading of calibration gas before adjustment, instrument reading of calibration gas after adjustment, calibration gas expiration date, and calibration gas cylinder pressure at the time of calibration shall be maintained. [District Rule 4401 6.1.5] Federally Enforceable Through Title V Permit
37. An operator shall maintain copies at the facility of the training records of the training program operated pursuant to Section 6.5 of Rule 4401. [District Rule 4401 6.1.6] Federally Enforceable Through Title V Permit
38. Operator shall keep a copy of the APCO-approved Operator Management Plan at the facility. [District Rule 4401 6.1.7] Federally Enforceable Through Title V Permit
39. Operator shall keep a list of all gauge tanks, as defined in Section 3.0. The list shall contain the size, identification number, the location of each gauge tank and specify whether the gauge tank is upstream of all front line production equipment. [District Rule 4401 6.1.8] Federally Enforceable Through Title V Permit
40. The results of gauge tank TVP testing conducted pursuant to Section 6.2.3 shall be submitted to the APCO within 60 days after the completion of the testing. [District Rule 4401 6.1.9] Federally Enforceable Through Title V Permit
41. An operator that discovers that a PRD has released shall record the date that the release was discovered, and the identity and location of the PRD that released. An operator shall submit such information recorded during the calendar year to the APCO no later than 60 days after the end of the calendar year. [District Rule 4401 6.1.10] Federally Enforceable Through Title V Permit
42. An operator shall source test annually all vapor collection and control systems used to control emissions from steam-enhanced crude oil production well vents to determine the control efficiency of the device(s) used for destruction or removal of VOC. Compliance testing shall be performed annually by source testers certified by ARB. Testing shall be performed during June, July, August, or September of each year if the system's control efficiency is dependent upon ambient air temperature. [District Rule 4401 6.2.1] Federally Enforceable Through Title V Permit
43. An operator shall comply with the following requirements for each gauge tank, as defined in Section 3.0 of Rule 4401: Conduct periodic TVP testing of each gauge tank at least once every 24 months during summer (July - September), and whenever there is a change in the source or type of produced fluid in the gauge tank. The TVP testing shall be conducted at the actual storage temperature of the produced fluid in the gauge tank using the applicable TVP test method specified in Section 6.4 of Rule 4623 (Storage of Organic Liquids). The operator shall submit the TVP testing results to the APCO as specified in Section 6.1.9 of Rule 4401. [District Rule 4401 6.2.3] Federally Enforceable Through Title V Permit
44. The control efficiency of any VOC control device, measured and calculated as carbon, shall be determined by EPA Method 25, except when the outlet concentration must be below 50 ppm in order to meet the standard, in which case EPA Method 25a may be used. EPA Method 18 may be used in lieu of EPA Method 25 or EPA Method 25a provided the identity and approximate concentrations of the analytes/compounds in the sample gas stream are known before analysis with the gas chromatograph and the gas chromatograph is calibrated for each of those known analyte/compound to ensure that the VOC concentrations are neither under- or over-reported. [District Rule 4401 6.3.1] Federally Enforceable Through Title V Permit
45. VOC content shall be analyzed by using the latest revision of ASTM Method E168, E169, or E260 as applicable. Analysis of halogenated exempt compounds shall be performed by using ARB Method 432. [District Rule 4401 6.3.2] Federally Enforceable Through Title V Permit
46. Leak inspection, other than audio-visual, and measurements of gaseous leak concentrations shall be conducted according to EPA Method 21 using an appropriate portable hydrocarbon detection instrument calibrated with methane. The instrument shall be calibrated in accordance with the procedures specified in EPA Method 21 or the manufacturer's instruction, as appropriate, not more than 30 days prior to its use. The operator shall record the calibration date of the instrument. Where safety is a concern, such as measuring leaks from compressor seals or pump seals when the shaft is rotating, a person shall measure leaks by placing the instrument probe inlet at a distance of one (1) centimeter or less from the surface of the component interface. [District Rule 4401 6.3.3] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

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47. The VOC content by weight percent (wt.%) shall be determined using American Society of Testing and Materials (ASTM) D1945 for gases and South Coast Air Quality Management District (SCAQMD) Method 304-91 or the latest revision of ASTM Method E168, E169 or E260 for liquids. [District Rule 4401 6.3.4] Federally Enforceable Through Title V Permit
48. Operator shall maintain an inspection log in which an operator records, at a minimum, all of the following information for each inspection performed: The total number of components inspected, total number and percentage of leaking components found by component type, location, type, and name or description of each leaking component and description of any unit where the leaking component is found, date of leak detection and the method of leak detection. For gaseous leaks, the leak concentration in ppmv, and for liquid leaks record whether the leak is a major liquid leak or a minor liquid leak. the date of repair, replacement, or removal from operation of leaking components, identify and location of essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier, methods used to minimize the leak from essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier, the date of re-inspection and the leak concentration in ppmv after the component is repaired or is replaced, the inspector's name, business mailing address, and business telephone number, date and signature of the facility operator responsible for the inspection and repair program certifying the accuracy of the information recorded in the log. [District Rule 4401 6.4] Federally Enforceable Through Title V Permit
49. Operator shall establish and implement an employee training program for inspecting and repairing components and recordkeeping procedures, as necessary. [District Rule 4401, 6.5] Federally Enforceable Through Title V Permit
50. The operator shall maintain a copy of the latest APCO-approved Operator Management Plan (OMP) at the facility and make it available to the APCO, ARB, and US EPA upon request. [District Rule 4401] Federally Enforceable Through Title V Permit
51. By January 30 of each year, the operator shall submit to the APCO for approval, in writing, an annual report indicating any changes to the existing, approved OMP. [District Rule 4401] Federally Enforceable Through Title V Permit
52. In accordance with the approved OMP, the operator shall meet all applicable operating, inspection and re-inspection, maintenance, process pressure relief device (PRD), component identification, record keeping, and notification requirements of Rule 4401 for all components containing or contacting VOC's at this facility except for those components specifically exempted in Section 4.0 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
53. All records required by this permit shall be maintained and retained on-site for a minimum of five (5) years and made available for District, ARB, and EPA inspection upon request. [District Rule 4401] Federally Enforceable Through Title V Permit

These terms and conditions are part of the Facility-wide Permit to Operate.

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-724-3-4

EXPIRATION DATE: 12/31/2016

SECTION: 06 **TOWNSHIP:** 29S **RANGE:** 28E

EQUIPMENT DESCRIPTION:

750 BBL FIXED ROOF WASH TANK #T-401 WITH VAPOR CONTROL SYSTEM INCLUDING VAPOR LINES, GAS BLANKETING LINES, AND UP TO 2 HIRT INCINERATORS, SHARED WITH PERMIT UNITS S-724-2, -4, & -5

PERMIT UNIT REQUIREMENTS

1. Tank vapors shall vent only to vapor control system. [District NSR Rule] Federally Enforceable Through Title V Permit
2. Hirt incinerators shall be equipped with 5,000 volt spark ignition system and alternate fuel (propane) system. [District NSR Rule] Federally Enforceable Through Title V Permit
3. Hirt incinerators shall be equipped with vapor flow monitor, combustion chamber temperature monitor, and propane flow monitor. [District NSR Rule] Federally Enforceable Through Title V Permit
4. Vapor flow to each Hirt incinerator shall not exceed 2.5 scfm. [District NSR Rule] Federally Enforceable Through Title V Permit
5. Hirt incinerator combustion chamber temperature shall be maintained at no less than 1170 F. [District NSR Rule] Federally Enforceable Through Title V Permit
6. True vapor pressure of liquids introduced or stored in tank shall not exceed 1.0 psia. [District NSR Rule] Federally Enforceable Through Title V Permit
7. Tank throughput shall not exceed 990 bbl oil/day. [District NSR Rule] Federally Enforceable Through Title V Permit
8. Crude oil throughput shall not exceed 50 barrels per day based on a monthly average. [District Rule 4623, 4.3] Federally Enforceable Through Title V Permit
9. Emission rate from permits S-724-3, -4, and -5 shall not exceed PM10: 0.0 lb/day, SOx (as SO2): 0.4 lb/day, NOx (as NO2): 0.4 lb/day, VOC: 1.2 lb/day, and CO: 0.1 lb/day. [District NSR Rule] Federally Enforceable Through Title V Permit
10. Permittee shall keep records of daily throughput, storage temperature, and Reid vapor pressure for a period of five years and make such records readily available for District inspection upon request. [District Rule 1070 and District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
11. Incinerator outlet shall be inspected weekly while in operation for visible emissions. If excessive visible emissions are observed, appropriate action shall be taken. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
12. 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
13. Operator shall determine the true vapor pressure of the petroleum liquid stored in the tank at least once per year in accordance with methods described in Section 6.2 of District Rule 4623 (Amended 5/19/05). Determinations shall be made annually during summer and whenever there is a change in the source or type of petroleum entering the tank. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

These terms and conditions are part of the Facility-wide Permit to Operate.

14. Permittee shall maintain monthly records of average daily crude oil throughput and shall submit such information to the APCO 30 days prior to the expiration date indicated in the Permit to Operate. [District Rule 4623, 6.3.4] Federally Enforceable Through Title V Permit
15. As used in this permit, the term "source or type of petroleum" shall mean petroleum liquids with similar characteristics. The operator shall maintain records of the API gravity of petroleum liquids stored in this unit to determine which oils are from a common source. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
16. Records of control system maintenance, inspections, and repair 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, 9.4.2] Federally Enforceable Through Title V Permit

These terms and conditions are part of the Facility-wide Permit to Operate.

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-724-5-4

EXPIRATION DATE: 12/31/2016

SECTION: 06 **TOWNSHIP:** 29S **RANGE:** 28E

EQUIPMENT DESCRIPTION:

1,000 BARREL FIXED ROOF PETROLEUM STORAGE TANK #ST5396ST WITH VAPOR PIPING TO VAPOR CONTROL SYSTEM LISTED ON S-724-3

PERMIT UNIT REQUIREMENTS

1. Tank vapors shall vent to only vapor control system. [District NSR Rule] Federally Enforceable Through Title V Permit
2. True vapor pressure of liquids introduced or stored in tank shall not exceed 1.0 psia. [District NSR Rule] Federally Enforceable Through Title V Permit
3. Tank throughput shall not exceed 990 bbl oil/day. [District NSR Rule] Federally Enforceable Through Title V Permit
4. Crude oil throughput shall not exceed 50 barrels per day based on a monthly average. [District Rule 4623, 4.3] Federally Enforceable Through Title V Permit
5. Permittee shall maintain monthly records of average daily crude oil throughput and shall submit such information to the APCO 30 days prior to the expiration date indicated in the Permit to Operate. [District Rule 4623, 6.3.4] Federally Enforceable Through Title V Permit
6. Permittee shall keep records of throughput, storage temperature, and Reid vapor pressure for a period of five years and make such records readily available for District inspection upon request. [District Rule 1070 and District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
7. Incinerator outlet shall be inspected weekly while in operation for visible emissions. If excessive visible emissions are observed, appropriate action shall be taken. [District Rule 2520, 9.3.2] 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. Operator shall determine the true vapor pressure of the petroleum liquid stored in the tank at least once per year in accordance with methods described in Section 6.2 of District Rule 4623 (Amended 5/19/05). Determinations shall be made annually during summer and whenever there is a change in the source or type of petroleum entering the tank. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
10. As used in this permit, the term "source or type of petroleum" shall mean petroleum liquids with similar characteristics. The operator shall maintain records of the API gravity of petroleum liquids stored in this unit to determine which oils are from a common source. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
11. Records of control system maintenance, inspections, and repair 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, 9.4.2] Federally Enforceable Through Title V Permit

These terms and conditions are part of the Facility-wide Permit to Operate.

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-724-11-3

EXPIRATION DATE: 12/31/2016

SECTION: 06 **TOWNSHIP:** 29S **RANGE:** 28E

EQUIPMENT DESCRIPTION:

1000 BARREL FIXED ROOF TANK T-1003

PERMIT UNIT REQUIREMENTS

1. Crude oil throughput shall not exceed 50 barrels per day based on a monthly average. [District Rule 4623, 4.3] Federally Enforceable Through Title V Permit
2. Permittee shall maintain monthly records of average daily crude oil throughput and shall submit such information to the APCO 30 days prior to the expiration date indicated in the Permit to Operate. [District Rule 4623, 6.3.4] Federally Enforceable Through Title V Permit
3. All records required to be maintained by this permit shall be maintained for a period of at least five years and shall be made readily available for District inspection upon request. [District Rule 4623] Federally Enforceable Through Title V Permit

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San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-724-19-3

EXPIRATION DATE: 12/31/2016

SECTION: 06 **TOWNSHIP:** 29S **RANGE:** 28E

EQUIPMENT DESCRIPTION:
1500 BARREL WASH TANK T-402

PERMIT UNIT REQUIREMENTS

1. Crude oil throughput shall not exceed 50 barrels per day based on a monthly average. [District Rule 4623, 4.3] Federally Enforceable Through Title V Permit
2. Permittee shall maintain monthly records of average daily crude oil throughput and shall submit such information to the APCO 30 days prior to the expiration date indicated in the Permit to Operate. [District Rule 4623, 6.3.4] Federally Enforceable Through Title V Permit
3. All records required to be maintained by this permit shall be maintained for a period of at least five years and shall be made readily available for District inspection upon request. [District Rule 4623] Federally Enforceable Through Title V Permit

These terms and conditions are part of the Facility-wide Permit to Operate.

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-7858-3-2

EXPIRATION DATE: 07/31/2019

SECTION: NE6 **TOWNSHIP:** 29S **RANGE:** 28E

EQUIPMENT DESCRIPTION:

80 THERMALLY ENHANCED OIL WELLS SERVED BY A WELL CASING VENT VAPOR CONTROL SYSTEM INCLUDING ONE COMPRESSOR SKID AND ONE ADDITIONAL COMPRESSOR SKID SHARED WITH THE VAPOR CONTROL SYSTEM LISTED ON TANK S-7858-5 (NUKERN LEASE)

PERMIT UNIT REQUIREMENTS

1. The VOC content of produced gas shall not exceed 10% by weight. [District Rules 2201 and 4401] Federally Enforceable Through Title V Permit
2. Operator shall conduct quarterly gas sampling for gas exiting the separator pressure vessel to qualify for exemption from fugitive component counts for components handling fluids with VOC content equal to or less than 10% by weight. If gas samples are equal to or less than 10% VOC by weight for 8 consecutive quarterly samplings, sampling frequency shall only be required annually. [District Rules 2201 and 4401] Federally Enforceable Through Title V Permit
3. Permittee shall maintain an APCO-approved VOC collection and control system that is not open to the atmosphere and that is composed of hard-piping, ductwork connections and, if necessary, flow inducing devices that transport gas or vapor from a piece or pieces of equipment to an APCO-approved control device that has a VOC destruction or removal efficiency of at least 99%, that transports gases or vapors back to a process system, or injects vapors into DOGGR approved wells. [District Rules 2201 and 4401] Federally Enforceable Through Title V Permit
4. Gas and liquid leaks are as defined in Section 3.20 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
5. An operator shall not operate a steam-enhanced crude oil production well unless the operator complies with either of the following requirements: The steam-enhanced crude oil production well vent is closed and the front line production equipment downstream of the wells that carry produced fluids (crude oil or mixture of crude oil and water) is connected to a VOC collection and control system as defined in Section 3.0 of rule 4401, the well vent may be temporarily opened during periods of attended service or repair of the well provided such activity is done as expeditiously as possible with minimal spillage of material and VOC emissions to the atmosphere, or the steam enhanced crude oil production well vent is open and the well vent is connected to a VOC collection and control system as defined in Section 3.0 of rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
6. An operator shall be in violation of this rule if any District inspection demonstrates or if any operator inspection conducted pursuant to Section 5.4 of Rule 4401 demonstrates the existence of an open-ended line or a valve located at the end of the line that is not sealed with a blind flange, plug, cap, or a second closed valve that is not closed at all times, except during attended operations as defined by Section 5.2.2.1 of Rule 4401 requiring process fluid flow through the open-ended lines; a component with a major liquid leak; or a component with a gas leak greater than 50,000 ppmv. [District Rule 4401] Federally Enforceable Through Title V Permit
7. An operator shall be in violation of this rule if any District inspection demonstrates or if any operator inspection conducted pursuant to Section 5.4 of Rule 4401 demonstrates the existence of any combination of components with minor liquid leaks, minor gas leaks, or a gas leaks greater than 10,000 ppmv up to 50,000 ppmv that totals more than number of leaks allowed by Table 2 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

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8. An operator shall not use any component with a leak as defined in Section 3.0 of Rule 4401, or that is found to be in violation of the provisions of Section 5.2.2 of Rule 4401. However, components that were found leaking may be used provided such leaking components have been identified with a tag for repair, are repaired, or awaiting re-inspection after being repaired within the applicable time frame specified in Section 5.5 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
9. Each hatch shall be closed at all times except during sampling or adding of process material through the hatch, or during attended repair, replacement, or maintenance operations, provided such activities are done as expeditiously as possible with minimal spillage of material and VOC emissions to the atmosphere. [District Rule 4401] Federally Enforceable Through Title V Permit
10. An operator shall comply with the requirements of Section 6.7 of Rule 4401 if there is any change in the description of major components or critical components. [District Rule 4401] Federally Enforceable Through Title V Permit
11. An operator shall affix a readily visible weatherproof tag to a leaking component upon detection of the leak and shall include the following information on the tag: date and time of leak detection, date and time of leak measurement, for a gaseous leak, the leak concentration in ppmv, for a liquid leak, whether it is a major liquid leak or a minor liquid leak, whether the component is an essential component, an unsafe-to monitor component, or a critical component. [District Rule 4401] Federally Enforceable Through Title V Permit
12. An operator shall keep the tag affixed to the component until an operator has met all of the following conditions: repaired or replaced the leaking component, re-inspected the component using the test method in Section 6.3.3 of Rule 4401, and the component is found to be in compliance with the requirements of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
13. An operator shall minimize a component leak in order to stop or reduce leakage to the atmosphere immediately to the extent possible, but not later than one (1) hour after detection of the leak. [District Rule 4401] Federally Enforceable Through Title V Permit
14. Except for leaking critical components or leaking essential components subject to the requirements of Section 5.5.7 of Rule 4401, if an operator has minimized a leak but the leak still exceeds the applicable leak limits as defined in Section 3.0 of Rule 4401, an operator shall comply with at least one of the following requirements as soon as practicable but not later than the time period specified in Table 3 of Rule 4401: repair or replace the leaking component; or vent the leaking component to a VOC collection and control system as defined in Section 3.0 of Rule 4401; or remove the leaking component from operation. [District Rule 4401] Federally Enforceable Through Title V Permit
15. The repair period in calendar days shall not exceed 14 days for minor gas leaks, 5 days for major gas leaks less than or equal to 50,000 ppmv, 2 days for gas leak greater than 50,000 ppmv, 3 days for minor liquid leaks, 2 days for major liquid leaks. [District Rule 4401] Federally Enforceable Through Title V Permit
16. The leak rate measured after leak minimization has been performed shall be the leak rate used to determine the applicable repair period specified in Table 3 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
17. The time of the initial leak detection shall be the start of the repair period specified in Table 3 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
18. If the leaking component is an essential component or a critical component that cannot be immediately shut down for repairs, and if the leak has been minimized but the leak still exceeds the applicable leak standard of this rule, the operator shall repair or replace the essential component or critical component to eliminate the leak during the next process unit turnaround, but in no case later than one year from the date of the original leak detection, whichever comes earlier. [District Rule 4401] Federally Enforceable Through Title V Permit
19. The operator of any steam-enhanced crude oil production well shall maintain records of the date and well identification where steam injection or well stimulation occurs. [District Rule 4401] Federally Enforceable Through Title V Permit
20. Operator of any steam-enhanced crude oil production well shall keep an inspection log maintained pursuant to Section 6.4 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

These terms and conditions are part of the Facility-wide Permit to Operate.

21. Records of each calibration of the portable hydrocarbon detection instrument utilized for inspecting components, including a copy of current calibration gas certification from the vendor of said calibration gas cylinder, the date of calibration, concentration of calibration gas, instrument reading of calibration gas before adjustment, instrument reading of calibration gas after adjustment, calibration gas expiration date, and calibration gas cylinder pressure at the time of calibration shall be maintained. [District Rule 4401] Federally Enforceable Through Title V Permit
22. An operator shall maintain copies at the facility of the training records of the training program operated pursuant to Section 6.5 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
23. Operator shall keep a copy of the APCO-approved Operator Management Plan at the facility. [District Rule 4401] Federally Enforceable Through Title V Permit
24. An operator that discovers that a PRD has released shall record the date that the release was discovered, and the identity and location of the PRD that released. An operator shall submit such information recorded during the calendar year to the APCO no later than 60 days after the end of the calendar year. [District Rule 4401] Federally Enforceable Through Title V Permit
25. An operator shall comply with the following requirements for each gauge tank, as defined in Section 3.0 of Rule 4401: Conduct periodic TVP testing of each gauge tank at least once every 24 months during summer (July - September), and whenever there is a change in the source or type of produced fluid in the gauge tank. The TVP testing shall be conducted at the actual storage temperature of the produced fluid in the gauge tank using the applicable TVP test method specified in Section 6.4 of Rule 4623 (Storage of Organic Liquids). The operator shall submit the TVP testing results to the APCO as specified in Section 6.1.9 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
26. The control efficiency of any VOC control device, measured and calculated as carbon, shall be determined by EPA Method 25, except when the outlet concentration must be below 50 ppm in order to meet the standard, in which case EPA Method 25a may be used. EPA Method 18 may be used in lieu of EPA Method 25 or EPA Method 25a provided the identity and approximate concentrations of the analytes/compounds in the sample gas stream are known before analysis with the gas chromatograph and the gas chromatograph is calibrated for each of those known analyte/compound to ensure that the VOC concentrations are neither under- or over-reported. [District Rule 4401] Federally Enforceable Through Title V Permit
27. VOC content shall be analyzed by using the latest revision of ASTM Method E168, E169, or E260 as applicable. Analysis of halogenated exempt compounds shall be performed by using ARB Method 432. [District Rule 4401] Federally Enforceable Through Title V Permit
28. Leak inspection, other than audio-visual, and measurements of gaseous leak concentrations shall be conducted according to EPA Method 21 using an appropriate portable hydrocarbon detection instrument calibrated with methane. The instrument shall be calibrated in accordance with the procedures specified in EPA Method 21 or the manufacturer's instruction, as appropriate, not more than 30 days prior to its use. The operator shall record the calibration date of the instrument. Where safety is a concern, such as measuring leaks from compressor seals or pump seals when the shaft is rotating, a person shall measure leaks by placing the instrument probe inlet at a distance of one (1) centimeter or less from the surface of the component interface. [District Rule 4401] Federally Enforceable Through Title V Permit
29. The VOC content by weight percent (wt.%) shall be determined using American Society of Testing and Materials (ASTM) D1945 for gases and South Coast Air Quality Management District (SCAQMD) Method 304-91 or the latest revision of ASTM Method E168, E169 or E260 for liquids. [District Rule 4401] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

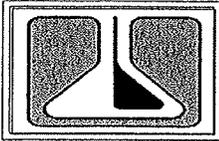
These terms and conditions are part of the Facility-wide Permit to Operate.

30. Operator shall maintain an inspection log in which an operator records, at a minimum, all of the following information for each inspection performed: The total number of components inspected, total number and percentage of leaking components found by component type, location, type, and name or description of each leaking component and description of any unit where the leaking component is found, date of leak detection and the method of leak detection. For gaseous leaks, the leak concentration in ppmv, and for liquid leaks record whether the leak is a major liquid leak or a minor liquid leak. the date of repair, replacement, or removal from operation of leaking components, identify and location of essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier, methods used to minimize the leak from essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier, the date of re-inspection and the leak concentration in ppmv after the component is repaired or is replaced, the inspector's name, business mailing address, and business telephone number, date and signature of the facility operator responsible for the inspection and repair program certifying the accuracy of the information recorded in the log. [District Rule 4401] Federally Enforceable Through Title V Permit
31. Operator shall establish and implement an employee training program for inspecting and repairing components and recordkeeping procedures, as necessary. [District Rule 4401] Federally Enforceable Through Title V Permit
32. The operator shall maintain a copy of the latest APCO-approved Operator Management Plan (OMP) at the facility and make it available to the APCO, ARB, and US EPA upon request. [District Rule 4401] Federally Enforceable Through Title V Permit
33. By January 30 of each year, the operator shall submit to the APCO for approval, in writing, an annual report indicating any changes to the existing, approved OMP. [District Rule 4401] Federally Enforceable Through Title V Permit
34. In accordance with the approved OMP, the operator shall meet all applicable operating, inspection and re-inspection, maintenance, process pressure relief device (PRD), component identification, record keeping, and notification requirements of Rule 4401 for all components containing or contacting VOC's at this facility except for those components specifically exempted in Section 4.0 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
35. All records required by this permit shall be maintained and retained on-site for a minimum of five (5) years and made available for District, ARB, and EPA inspection upon request. [District Rule 4401] Federally Enforceable Through Title V Permit

These terms and conditions are part of the Facility-wide Permit to Operate.

Appendix B

Gas Analysis



ZALCO LABORATORIES, INC.

4309 Armour Avenue, Bakersfield, CA 93308 (661) 395-0539 FAX (661) 395-3069 www.zalcolabs.com
 2186 Eastman Avenue, Suite 103, Ventura, CA 93003 (805) 477-0114 FAX (805) 477-0125

Kern River Holdings
P O BOX 10207
Bakersfield CA 93389

Laboratory No: 1403315-01
Date Received: 03/27/14
Date Analyzed: 03/28/14

Attention: Jeff Fisher

Sample Description: Fern Facility
 Sampled: 03/27/2014 by Client

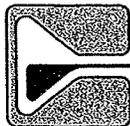
Chromatographic Analysis, ASTM D-1945-03, ASTM D-3588-98, GPA 2145-09, ASTM D-3246-11

Constituent:	Mole %	Weight %	GPM	GPM	
				Fractions	CHONS%
					Carbon, C
Oxygen	1.817	3.136	(Gallons per		58.71
Nitrogen	8.112	12.255	1000.000		
			cubic feet)		Hydrogen, H
Carbon Dioxide	4.142	9.831			18.75
Carbon Monoxide	0.000	0.000			
Hydrogen Sulfide	0.002	0.004			Oxygen, O
Methane	85.778	74.212			10.29
Ethane	0.028	0.045			
Propane	0.012	0.029	0.003	(C3....C3) =	0.003 Nitrogen, N
IsoButane	0.001	0.004	0.000		12.26
n-Butane	0.011	0.036	0.004	(C3....C4) =	0.007
IsoPentane	0.000	0.000	0.000		Sulfur, S
n-Pentane	0.000	0.000	0.000	(C3....C5) =	0.007 0.00
Hexanes	0.097	0.450	0.042	(C3....C6+) =	0.049
Totals:	100.00	100.00	0.049		0.067 100.00

Flammable Gases:	85.927	
Gas Properties calculated @ STP: degrees F.	60	
Measurement Base Pressure @ STP: psia	14.696	H/C Ratio: 0.32

Gas State	Dry		Wet
	Btu / Cu. Ft	Btu / lb	Btu / Cu. Ft
Gross, Ideal Gas	872.17	17849.17	857.00
Net, Ideal Gas	785.44	16073.92	771.78
Gross, Real Gas	873.83		858.62
Net, Real Gas	786.93		773.24

Relative Gas Density; [Air=1] Ideal:	0.6402	"F" Factor, DSCF/MMBtu @ 60F	8556.3	9501.3
Specific Gravity, [Air=1] Real gas:	0.6411	"F" Factor, DSCF/MMBtu @ 68F	8686.6	9646.0
Real Gas Density, Lb/Cu.Ft.:	0.0490	"F" Factor, DSCF/MMBtu @ 70F	8719.6	9682.7
Specific Volume, Cu.Ft./Lb:	20.4261	"FC" Factor, DSCF CO2/MMBtu @ 60F	1040.0	1154.9
Relative Liquid Density @ 60F/60F:	0.3594	"FC" Factor, DSCF CO2/MMBtu @ 68F	1055.8	1172.5
Compressibility, 'z':	0.9981			
Fuel kg per kg-mole Molecular wt avg	18.542			



ZALCO LABORATORIES INC. CHAIN OF CUSTODY, ID# 1403315
 4309 Armour Avenue, Bakersfield, CA 93309 (805) 644-3955 FAX (805) 395-3069 www.zalcolabs.com
 2186 Eastman Avenue, Suite 100, Bakersfield, CA 93309 (805) 477-0114 Fax (805) 477-0125

Page 1 of 1
 Zalco Lab # 1403315
 Client PO # _____

REPORT INFO

INVOICE INFO

ANALYSIS

Client: Fern River Holdings

Invoice To: Same as Client

Address: Box 10207

Address: _____

City, State, Zip: Bakersfield CA 93309

Attention: HR

Attention: _____

Phone: 805-333-0777

Phone: _____

Fax: _____

Fax: _____

Email: lmcmeierholdings@gmail.com

SAMPLED BY: _____

EMPLOYED BY: _____

Sample No. _____

CONTAINERS

TEMPERATURE (C)

County: Butte

Sample Description: Fern Facility

Date: 07/14

Time: _____

Sample Type: 6

ANALYSIS

COMMENTS: Compliance

Turnaround Time: working days

Routing: working days

Rush By: working days

Send Copy to State of CA? Yes No

Attention To: _____

Send Copy to County? Yes No

Log in Subord within _____

Scanned Show Mid Time _____

Signature: Per Jimenez

RELINQUISHED BY: Signature _____

PRINT

COMPANY

Date Time

RECEIVED BY: Signature _____

PRINT

Signature: [Signature]

Signature: Deer Fisher

Signature: KRH

Date: 07/14/15

Signature: Walter Johnson

Signature: F. JOHNSON

NOTE: Samples are discarded 30 days after results unless other arrangements are made. Hazardous samples will be returned to client or disposed of at the client's expense.

*Sample Type Key: AQ-Aqueous; BS-Biosolid; DW-Drinking Water; GW-Ground Water; G-Gas; LPG-Liquid Petroleum Gas; OL-Oil; O-Other; P-Petroleum; S-Soil/Solid; ST-Storm Water; WW-Wastewater

*Sample No.: FOR OFFICE USE ONLY

Appendix C

HRA Summary

San Joaquin Valley Air Pollution Control District Risk Management Review

To: Steve Davidson – Permit Services
 From: Cheryl Lawler – Technical Services
 Date: December 11, 2014
 Facility Name: All American Oil and Gas
 Location: NE/4 Sec 6, T29S, R28E
 Application #(s): S-7858-3-3, 14-0 thru 20-0
 Project #: S-1143400

A. RMR SUMMARY

RMR Summary			
Categories	Fugitive Emissions from Tanks & TEOR Wells (Units 3-3, & 14-0 thru 20-0)	Project Totals	Facility Totals
Prioritization Score	0.00*	0.00	0.07
Acute Hazard Index	N/A	N/A	N/A
Chronic Hazard Index	N/A	N/A	N/A
Maximum Individual Cancer Risk	N/A	N/A	N/A
T-BACT Required?	No		
Special Permit Conditions?	No		

*The project passed on prioritization with a score less than 1; therefore, no further analysis was required.

I. Project Description

Technical Services received a request on December 4, 2014, to perform a Risk Management Review for the installation of 7 tanks connected to vapor control and the addition of 128 TEOR wells.

II. Analysis

Toxic emissions from the project were calculated using emission factors for toxic fugitive emissions from oilfield equipment, along with VOC fugitive emission rates calculated and supplied by the processing engineer. In accordance with the District's *Risk Management Policy for Permitting New and Modified Sources* (APR 1905-1, March 2, 2001), risks from the project were prioritized using the procedures in the 1990 CAPCOA Facility Prioritization Guidelines and incorporated in the District's HEART's database. The prioritization score for the project was less than 1.0 (see RMR Summary Table). Therefore, no further analysis was necessary.

The following parameters were used for the review:

Analysis Parameters			
VOC Emission Rates from Tanks (lbs – all tanks combined)	0.003 hr 2.7 yr	Closest Receptor (m)	152.4
VOC Emission Rates from TEOR Wells (lbs – all wells combined)	0.0083 hr 73 yr	Type of Receptor	Residence

III. Conclusions

The prioritization score for the project is not above 1.0. In accordance with the District's Risk Management Policy, the project is approved **without** Toxic Best Available Control Technology (T-BACT).

These conclusions are based on the data provided by the applicant and the project engineer. Therefore, this analysis is valid only as long as the proposed data and parameters do not change.

Attachments

RMR Request Form
Prioritization
Facility Summary

Cheryl Lawler

From: Steven Davidson
Sent: Thursday, December 04, 2014 2:43 PM
To: HRAModeler
Subject: HRA Request
Attachments: 4563_001.pdf

Categories: Cheryl Lawler

Hi,

Please find the attached HRA request for 7 tanks and a TEOR operation.

Let me know if you need additional information

Thanks

Steve Davidson

Air Quality Engineer II
661-392-5618
San Joaquin Valley Air Pollution Control District



Make one change for clean air!

From: SouthCopier
Sent: Thursday, December 04, 2014 2:36 PM
To: Steven Davidson
Subject: Attached Image

HRA/RMR REQUEST Form

Please send this request to: HRAModeler@valleyair.org

Facility Name:	All American Oil and Gas	Processing Engineer:	Steve Davidson
Mailing Address:	PO Box 10207 Bakersfield, CA 93389	Tec Svces Processing Staff:	
Location:	NE/4 Sec: 6, Town: 29S, Range: 28E	Tec Svces Reviewer:	
Contact Name:	Rachael Startin (Insight Environmental)		
Telephone:	(661) 589-2507		
Application #:	S-7858-3-3, '-14-0, '-15-0, '-16-0, '-17-0, '-18-0, '-19-0, and '-20-0	Completed Date:	August 28, 2014
Project #:	S1143400		

Information Required

Please check which information is provided to Tec. Services:

Information ALWAYS Required

- Receptor Distances
- Process Rates (hour & annual)
- Emission Rates (hour & annual)
- Hours of Operation
- Life of Project: 70 years

Additional Info Required Based on the Source Category

*Oil Facilities / Glass Plant/ Power Plant
Plasma Cutting / Soil Remediation / Concrete Batch*

- Stack Velocity
- Stack Height
- Stack temperature
- MSDS
- Other (for area sources)

Source of Information

Please check which form is attached to this HRA request (it can be a combination of any of the following):

- Supplemental Application Form
- HRA Request - Project Information Form
- Information supplied by the applicant (attached)

Notification Requirement

- | | | | |
|--|---------------------|--|---|
| Is it obvious that notification is required? | NSR (Public Notice) | Yes: <input type="checkbox"/> | No: <input checked="" type="checkbox"/> |
| | COC (EPA Notice) | Yes: <input checked="" type="checkbox"/> | No: <input type="checkbox"/> |
| | School Notice | Yes: <input type="checkbox"/> | No: <input checked="" type="checkbox"/> |

Please note that in case notification is required, please provide distance to fence line in all four directions

Prevention of Significant Deterioration (PSD)

AQE:

1. Based on the prelim review, is the Project subject to PSD for other pollutant than GHG? Yes: No:
2. Is the facility a PSD Major Source located within 10 km of a Class I area? Yes: No:

If either "Yes" box is checked, please provide all modeling and impact analyses submitted by the applicant to Technical Services. In this case, the project cannot be deemed complete until Technical Services indicates it is complete.

Tec Svces:

PSD Major Source located within 10 km of a Class I area AND project impact $\geq 1 \mu\text{g}/\text{m}^3$? Yes: No:

Supervisor Review: Application Complete for PSD Modeling Date Returned to AQE: _____

Reimbursable Overtime

Has the applicant requested reimbursable overtime processing?
 If YES, please send HRA request to Tech Services before deeming complete

Yes: No:

Supervisor's signature: _____

Comments and References:
 This will be sent out with a "COC" No public notice, just EPA

HRA/RMR REQUEST PROJECT INFORMATION Form

I. Project Description: Installation of 7 tanks connected to vapor control and the addition of 128 new TEOR wells.

II Receptor Location(s)

Receptor Description	Distance From Source
Residence	500' S
Business	1220 NW

15214 Meters
 371,86

III. Process Rate to be Modeled

Process Description	Process Rates	
	Hourly Rate	Annual Rate
7 oilfield tanks (Fugitive Oilfield Emission) S-7858-14-0, '-15-0, '-16-0, '-17-0, '-18-0, '-19-0, and '-20-0	0.003 lb-VOC/hr (each)	2.7 lb-VOC/year
TEOR Operation S-7858-3-3,	0.0083 lb-VOC/hr	73.0 lb-VOC/year

IV. Emission Rate Or Substances to be Modeled

Process Description	Emission Rates	
	Hourly Rate	Annual Rate

V. Project Location (Select One)

- Urban – Area of dense population
- Rural – Area of sparse population

VI. Point Sources

Stack Parameters:

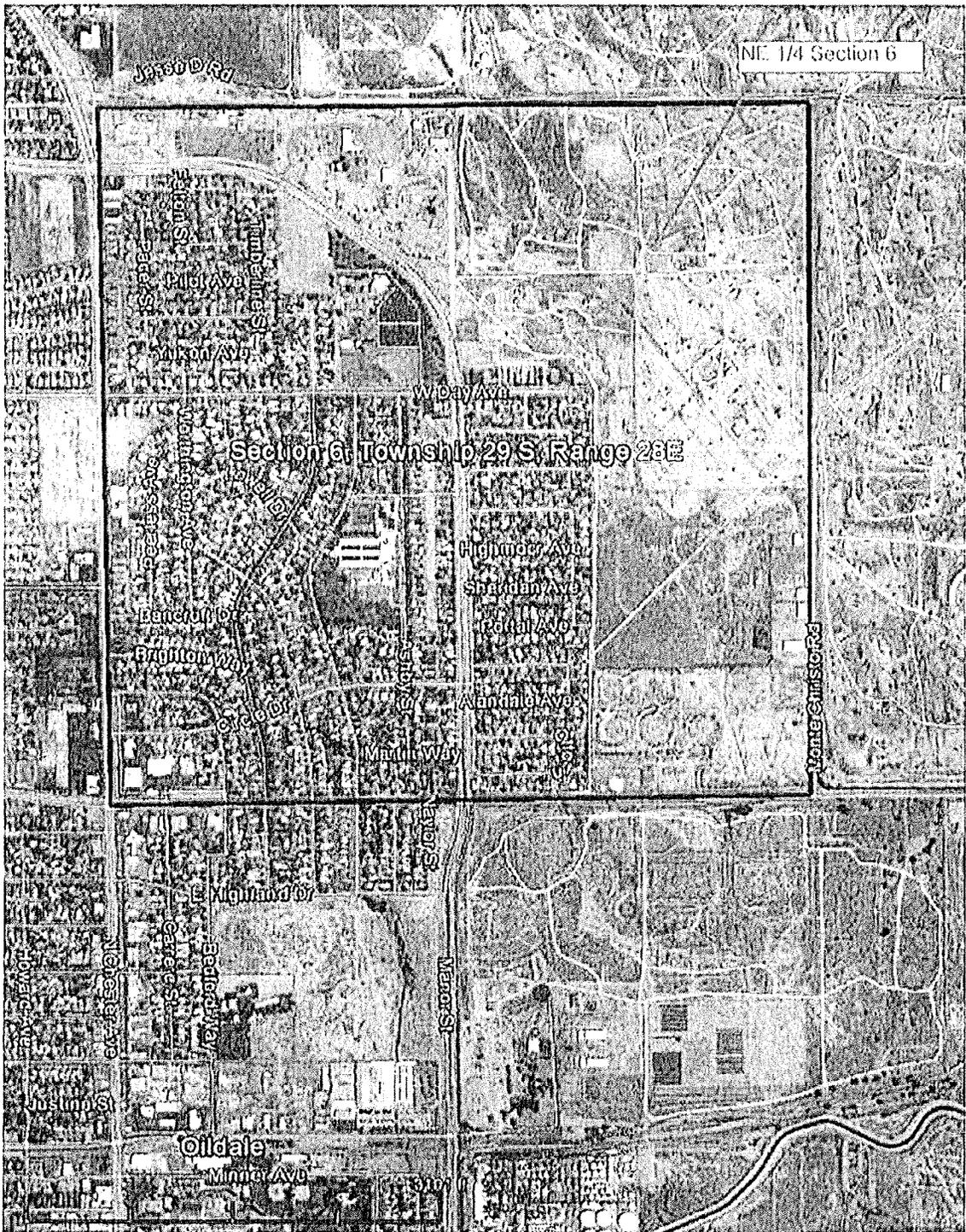
Stack Height (Units)	Rain Cap or Pressure Plate	Inside Diameter (Units)	Gas Exit Velocity (Units)	Exhaust Discharge Direction	Gas Exit Temperature (Units)
	Yes / No				

VII. Area Sources¹ Parameters

Emissions Unit	Release Height ² (Units)	Length Of Side (Units)

Each Tank	21'	21' Diameter
TEOR Operation	Average 6'	¼ mi x ¼ mi

1. An area source is defined as in an area with four equal sides.
2. Release height is defined as the physical height of the source. For example, if a sump has a three meter brim surrounding it. The physical height of the sump is three meters. Height is measured from the ground to the top of the source.



**PRIORITIZATION
FOR**

**ALL AMERICAN OIL & GAS INC.
Project # 1143400
Region (S) Facility (7858)**

**Emissions and Potency
Method**

Prioritization Scores	
Cancer	ACUTE
2.37E-04	4.86E-04
CHRONIC	
2.25E-05	

TS = Total Score
 t = Specific Toxic Substance
 EYR = Emissions Lbs / Year
 EHR = Emissions Lbs / Hour
 NF = Normalization Factor (Cancer = 1700, Acute = 1500, Chronic = 150)
 URF = Unit Risk Factor
 AREL = Acute Reference Exposure Level
 CREL = Chronic Reference Exposure Level
 RP = Receptor Proximity Adjustment Factor
 R = Receptor Distance

RP	0m < R < 100m	100m < R < 250m	250m < R < 500m	500m < R < 1000m	1000m < R < 1500m	1500m < R < 2000m	R > 2000m
RP	1.0	0.25	0.04	0.011	0.003	0.002	0.001

Cancer Score:
 $TS(t) = EYR(t) * URF(t) * RP * 1700$

Acute Score:
 $TS(t) = [EHR(t) / AREL(t)] * RP * 1500$

Chronic Score:
 $TS(t) = \{ ([EYR(t) / Hours Of Operation] / CREL(t)) * RP * 150 \}$

**Dispersion Adjustment
Method**

Prioritization Scores	
Cancer	CHRONIC
1.56E-05	1.50E-06
ACUTE	
	3.24E-05

TS = Total Score
 t = Specific Toxic Substance
 EYR = Emissions Lbs / Year
 EHR = Emissions Lbs / Hour
 NF = Normalization Factor (Cancer = 28, Acute = 25, Chronic = 2.5)
 URF = Unit Risk Factor
 AREL = Acute Reference Exposure Level
 CREL = Chronic Reference Exposure Level
 SHA = Stack Height Adjustment (< 20m = 60, < 45m = 9, >= 45m = 1)
 RP = Receptor Proximity Adjustment Factor
 R = Receptor Distance
 H = Stack Height

RP	0m < R < 100m	100m < R < 200m	200m < R < 45m	45m < R < 100m	100m < R < 250m	250m < R < 500m	500m < R < 1000m	1000m < R < 1500m	1500m < R < 2000m	R > 2000m
RP	1.0	0.25	0.04	0.011	0.003	0.002	0.001			

Cancer Score:
 $TS(t) = EYR(t) * URF(t) * RP * SHA * 28$

Acute Score:
 $TS(t) = [EHR(t) / AREL(t)] * RP * SHA * 25$

Chronic Score:
 $TS(t) = \{ ([EYR(t) / Hours Of Operation] / CREL(t)) * RP * SHA * 2.5 \}$

PRIORITIZATION
FOR

ALL AMERICAN OIL & GAS INC.
Project # 1143400
Region (S) Facility (7858)

DEVICE NUMBER 3
DEVICE NAME 128 TEOR WELLS

CAS NUMBER	POLLUTANT NAME	LBS/HOUR	LBS/YEAR	Emissions and Potency Method			Despersion Adjustment Method		
				CANCER	CHRONIC	ACUTE	CANCER	CHRONIC	ACUTE
71432	Benzene	1.31E-05	1.18E-02	1.46E-04	8.45E-07	3.79E-06	9.59E-06	5.63E-08	2.52E-07
7783064	Hydrogen sulfide	5.36E-05	4.83E-02		2.07E-05	4.79E-04		1.38E-06	3.19E-05
108883	Toluene	1.28E-05	1.15E-02		1.64E-07	1.29E-07		1.09E-08	8.61E-09
1330207	Xylenes (mixed)	2.63E-05	2.36E-02		1.45E-07	4.47E-07		9.66E-09	2.98E-08
TOTALS FOR DEVICE 3				1.46E-04	2.19E-05	4.83E-04	9.59E-06	1.46E-06	3.22E-05

DEVICE NUMBER 14
DEVICE NAME OILFIELD TANK

CAS NUMBER	POLLUTANT NAME	LBS/HOUR	LBS/YEAR	Emissions and Potency Method			Despersion Adjustment Method		
				CANCER	CHRONIC	ACUTE	CANCER	CHRONIC	ACUTE
95636	1,2,4-Trimethylbenzene	3.15E-07	2.84E-04						
71432	Benzene	7.89E-06	7.10E-03	8.75E-05	5.08E-07	2.28E-06	5.77E-06	3.39E-08	1.52E-07
110827	Cyclohexane	6.33E-07	5.70E-04						
100414	Ethyl benzene	3.87E-06	3.48E-03	3.70E-06	7.48E-09		2.44E-07	4.98E-10	
110543	Hexane	4.26E-05	3.83E-02		2.35E-08			1.57E-09	
108883	Toluene	5.82E-06	5.24E-03		7.49E-08	5.90E-08		5.00E-09	3.93E-09
1330207	Xylenes (mixed)	6.42E-06	5.78E-03		3.54E-08	1.09E-07		2.36E-09	7.30E-09
TOTALS FOR DEVICE 14				9.12E-05	6.49E-07	2.44E-06	6.01E-06	4.33E-08	1.63E-07

Facility Summary: ALL AMERICAN OIL &

REGION: S

FACID: 7858

PROJECT	Unit ID	MOD #	EQUIPMENT	Prioritization Scores			Risk Scores		
				CANCER	ACUTE	CHRONIC	CANCER	ACUTE	CHRONIC
1104199	1	0	85.0 MMBTU/HR PCL NATURAL GAS-FI	0.036	0.007	0.005	0.00E+00	0.00E+00	0.00E+00
1104199	2	0	85.0 MMBTU/HR PCL NATURAL GAS-FI	0.036	0.007	0.005	0.00E+00	0.00E+00	0.00E+00
Project Totals				0.073	0.013	0.010	0.00E+00	0.00E+00	0.00E+00
1113895	4	1	840 BBL FWKO VESSEL (10'X60') SER	0.000	0.000	0.000	0.00E+00	0.00E+00	0.00E+00
1113895	5	1	MODIFY 3,000 BBL > 1500 BBL FIXED	0.000	0.000	0.000	0.00E+00	0.00E+00	0.00E+00
1113895	8	1	MODIFY 2,000 BBL > 5000 BBL FIXED	0.000	0.000	0.000	0.00E+00	0.00E+00	0.00E+00
1113895	9	1	MODIFY 2,000 BBL > 5000 BBL FIXED	0.000	0.000	0.000	0.00E+00	0.00E+00	0.00E+00
1113895	10	1	MODIFY 500 BBL > 1000 BBL FIXED R	0.000	0.000	0.000	0.00E+00	0.00E+00	0.00E+00
Project Totals				0.000	0.000	0.000	0.00E+00	0.00E+00	0.00E+00
1133495	3	1	80 THERMALLY ENHANCED OIL WELL	0.000	0.000	0.000	0.00E+00	0.00E+00	0.00E+00
Project Totals				0.000	0.000	0.000	0.00E+00	0.00E+00	0.00E+00
1143400	3	3	128 TEOR WELLS	0.000	0.000	0.000	0.00E+00	0.00E+00	0.00E+00
1143400	14	0	OILFIELD TANK	0.000	0.000	0.000	0.00E+00	0.00E+00	0.00E+00
1143400	15	0	OILFIELD TANK	0.000	0.000	0.000	0.00E+00	0.00E+00	0.00E+00
1143400	16	0	OILFIELD TANK	0.000	0.000	0.000	0.00E+00	0.00E+00	0.00E+00
1143400	17	0	OILFIELD TANK	0.000	0.000	0.000	0.00E+00	0.00E+00	0.00E+00
1143400	18	0	OILFIELD TANK	0.000	0.000	0.000	0.00E+00	0.00E+00	0.00E+00
1143400	19	0	OILFIELD TANK	0.000	0.000	0.000	0.00E+00	0.00E+00	0.00E+00

PROJECT	Unit ID	MOD #	EQUIPMENT	Prioritization Scores			Risk Scores		
				CANCER	ACUTE	CHRONIC	CANCER	ACUTE	CHRONIC
1143400	20	0	OILFIELD TANK	0.000	0.000	0.000	0.00E+00	0.00E+00	0.00E+00
Project Totals				0.000	0.000	0.000	0.00E+00	0.00E+00	0.00E+00
Facility Totals				0.073	0.014	0.010	0.00E+00	0.00E+00	0.00E+00

Appendix D

SSPE1 Calculations

Detailed SSPE Report

Region	Facility	Unit	Mod	NOx	SOx	PM10	CO	VOC	Number of Outstanding ATCs
S	724	0	3						0
S	724	1	6	62269	2811	54677	235279	52195	0
S	724	2	5	0	0	0	0	1898	0
S	724	3	4	146	146	0	37	438	0
S	724	4	4	0	0	0	0	0	1
S	724	5	4	0	0	0	0	0	1
S	724	9	4	0	0	0	0	0	0
S	724	11	3	0	0	0	0	0	0
S	724	19	3	0	0	0	0	0	1
S	724	42	3	0	0	0	0	0	0
S	7858	0	1						0
S	7858	1	1	5957	2122	3723	13701	4095	0
S	7858	2	1	5957	2122	3723	13701	4095	0
S	7858	3	2					0	0
S	7858	4	2	0	0	0	0	0	0
S	7858	5	3	0	0	0	0	0	0
S	7858	6	1					0	0
S	7858	7	1					0	0
S	7858	8	2	0	0	0	0	0	0
S	7858	9	2	0	0	0	0	0	0
S	7858	10	2	0	0	0	0	0	0
S	7858	11	1	0	0	0	0	0	0
S	7858	12	1	0	0	0	0	0	0
S	7858	13	1	0	0	0	0	0	0

Tuesday, December 02, 2014

Page 1 of 2

Notes:

Blank values for a particular permit unit do not necessarily reflect zero emissions. For units with blank values, the PE must still be determined based on physical PE or as limited by permit condition.

For permits that show outstanding ATCs, consult PAS ATC Emission Profile records to determine what the highest PE is for each pollutant.

ATCs for new units (e.g. S-XXXX-X-0) must be added in separately.

ERC's for onsite reductions must be added in separately per Rule 2201 as well.

<i>Region</i>	<i>Facility</i>	<i>Unit Mod</i>	<i>NOx</i>	<i>SOx</i>	<i>PM10</i>	<i>CO</i>	<i>VOC</i>	<i>Number of Outstanding ATCs</i>
		<i>SSPE (lbs)</i>	74329	7201	62123	262718	62721	

Tuesday, December 02, 2014

Page 2 of 2

Notes:

Blank values for a particular permit unit do not necessarily reflect zero emissions. For units with blank values, the PE must still be determined based on physical PE or as limited by permit condition.

For permits that show outstanding ATCs, consult PAS ATC Emission Profile records to determine what the highest PE is for each pollutant.

ATCs for new units (e.g. S-XXXX-X-0) must be added in separately.

ERC's for onsite reductions must be added in separately per Rule 2201 as well.

Appendix E

Quarterly Net Emissions Change

Quarterly Net Emissions Change (QNEC)

The Quarterly Net Emissions Change is used to complete the emission profile screen for the District's PAS database. The QNEC shall be calculated as follows:

QNEC = PE2 - PE1, where:

QNEC = Quarterly Net Emissions Change for each emissions unit, lb/qtr.

PE2 = Post Project Potential to Emit for each emissions unit, lb/qtr.

PE1 = Pre-Project Potential to Emit for each emissions unit, lb/qtr.

Using the values in Sections VII.C.2 and VII.C.6 in the evaluation above, quarterly PE2 and quarterly PE1 can be calculated as follows:

$PE2_{quarterly} = PE2_{annual} \div 4 \text{ quarters/year}$

$PE1_{quarterly} = PE1_{annual} \div 4 \text{ quarters/year}$

No increases/decrease are associated with the ATCs being issued in this project. Therefore, QNEC = 0 lbs/quarter for all of the ATCs.

Appendix F

Emissions Profiles

Application Emissions

Permit #: S-7858-3-3 **Last Updated**
 Facility: ALL AMERICAN OIL 12/17/2014 DAVIDSOS
 & GAS INC.

Equipment Pre-Baselined: NO

	<u>NOX</u>	<u>SOX</u>	<u>PM10</u>	<u>CO</u>	<u>VOC</u>
Potential to Emit (lb/Yr):	0.0	0.0	0.0	0.0	0.0
Daily Emis. Limit (lb/Day)	0.0	0.0	0.0	0.0	0.0
Quarterly Net Emissions Change (lb/Qtr)					
Q1:	0.0	0.0	0.0	0.0	0.0
Q2:	0.0	0.0	0.0	0.0	0.0
Q3:	0.0	0.0	0.0	0.0	0.0
Q4:	0.0	0.0	0.0	0.0	0.0
Check if offsets are triggered but exemption applies	N	N	N	N	N
Offset Ratio					
Quarterly Offset Amounts (lb/Qtr)					
Q1:					
Q2:					
Q3:					
Q4:					

Permit #: S-7858-14-0	Last Updated
Facility: ALL AMERICAN OIL & GAS INC.	12/17/2014 DAVIDSOS

Equipment Pre-Baselined: NO

	<u>NOX</u>	<u>SOX</u>	<u>PM10</u>	<u>CO</u>	<u>VOC</u>
Potential to Emit (lb/Yr):	0.0	0.0	0.0	0.0	0.0
Daily Emis. Limit (lb/Day)	0.0	0.0	0.0	0.0	0.0
Quarterly Net Emissions Change (lb/Qtr)					
Q1:	0.0	0.0	0.0	0.0	0.0
Q2:	0.0	0.0	0.0	0.0	0.0
Q3:	0.0	0.0	0.0	0.0	0.0
Q4:	0.0	0.0	0.0	0.0	0.0
Check if offsets are triggered but exemption applies	N	N	N	N	N
Offset Ratio					
Quarterly Offset Amounts (lb/Qtr)					
Q1:					
Q2:					
Q3:					
Q4:					

Permit #: S-7858-15-0	Last Updated
Facility: ALL AMERICAN OIL & GAS INC.	12/17/2014 DAVIDSOS

Equipment Pre-Baselined: NO

	<u>NOX</u>	<u>SOX</u>	<u>PM10</u>	<u>CO</u>	<u>VOC</u>
Potential to Emit (lb/Yr):	0.0	0.0	0.0	0.0	0.0
Daily Emis. Limit (lb/Day)	0.0	0.0	0.0	0.0	0.0
Quarterly Net Emissions Change (lb/Qtr)					
Q1:	0.0	0.0	0.0	0.0	0.0
Q2:	0.0	0.0	0.0	0.0	0.0
Q3:	0.0	0.0	0.0	0.0	0.0
Q4:	0.0	0.0	0.0	0.0	0.0
Check if offsets are triggered but exemption applies	N	N	N	N	N
Offset Ratio					
Quarterly Offset Amounts (lb/Qtr)					
Q1:					
Q2:					
Q3:					
Q4:					

Permit #: S-7858-16-0 **Last Updated**
 Facility: ALL AMERICAN OIL 12/17/2014 DAVIDSOS
 & GAS INC.

Equipment Pre-Baselined: NO

	<u>NOX</u>	<u>SOX</u>	<u>PM10</u>	<u>CO</u>	<u>VOC</u>
Potential to Emit (lb/Yr):	0.0	0.0	0.0	0.0	0.0
Daily Emis. Limit (lb/Day)	0.0	0.0	0.0	0.0	0.0
Quarterly Net Emissions Change (lb/Qtr)					
Q1:	0.0	0.0	0.0	0.0	0.0
Q2:	0.0	0.0	0.0	0.0	0.0
Q3:	0.0	0.0	0.0	0.0	0.0
Q4:	0.0	0.0	0.0	0.0	0.0
Check if offsets are triggered but exemption applies	N	N	N	N	N
Offset Ratio					
Quarterly Offset Amounts (lb/Qtr)					
Q1:					
Q2:					
Q3:					
Q4:					

Permit #: S-7858-17-0	Last Updated
Facility: ALL AMERICAN OIL & GAS INC.	12/17/2014 DAVIDSOS

Equipment Pre-Baselined: NO

	<u>NOX</u>	<u>SOX</u>	<u>PM10</u>	<u>CO</u>	<u>VOC</u>
Potential to Emit (lb/Yr):	0.0	0.0	0.0	0.0	0.0
Daily Emis. Limit (lb/Day)	0.0	0.0	0.0	0.0	0.0
Quarterly Net Emissions Change (lb/Qtr)					
Q1:	0.0	0.0	0.0	0.0	0.0
Q2:	0.0	0.0	0.0	0.0	0.0
Q3:	0.0	0.0	0.0	0.0	0.0
Q4:	0.0	0.0	0.0	0.0	0.0
Check if offsets are triggered but exemption applies	N	N	N	N	N
Offset Ratio					
Quarterly Offset Amounts (lb/Qtr)					
Q1:					
Q2:					
Q3:					
Q4:					

Permit #: S-7858-18-0 **Last Updated**
 Facility: ALL AMERICAN OIL 12/17/2014 DAVIDSOS
 & GAS INC.

Equipment Pre-Baselined: NO

	<u>NOX</u>	<u>SOX</u>	<u>PM10</u>	<u>CO</u>	<u>VOC</u>
Potential to Emit (lb/Yr):	0.0	0.0	0.0	0.0	0.0
Daily Emis. Limit (lb/Day)	0.0	0.0	0.0	0.0	0.0
Quarterly Net Emissions Change (lb/Qtr)					
Q1:	0.0	0.0	0.0	0.0	0.0
Q2:	0.0	0.0	0.0	0.0	0.0
Q3:	0.0	0.0	0.0	0.0	0.0
Q4:	0.0	0.0	0.0	0.0	0.0
Check if offsets are triggered but exemption applies	N	N	N	N	N
Offset Ratio					
Quarterly Offset Amounts (lb/Qtr)					
Q1:					
Q2:					
Q3:					
Q4:					

Permit #: S-7858-19-0	Last Updated
Facility: ALL AMERICAN OIL & GAS INC.	12/17/2014 DAVIDSOS

Equipment Pre-Baselined: NO

	<u>NOX</u>	<u>SOX</u>	<u>PM10</u>	<u>CO</u>	<u>VOC</u>
Potential to Emit (lb/Yr):	0.0	0.0	0.0	0.0	0.0
Daily Emis. Limit (lb/Day)	0.0	0.0	0.0	0.0	0.0
Quarterly Net Emissions Change (lb/Qtr)					
Q1:	0.0	0.0	0.0	0.0	0.0
Q2:	0.0	0.0	0.0	0.0	0.0
Q3:	0.0	0.0	0.0	0.0	0.0
Q4:	0.0	0.0	0.0	0.0	0.0
Check if offsets are triggered but exemption applies	N	N	N	N	N
Offset Ratio					
Quarterly Offset Amounts (lb/Qtr)					
Q1:					
Q2:					
Q3:					
Q4:					

Permit #: S-7858-20-0	Last Updated
Facility: ALL AMERICAN OIL & GAS INC.	12/17/2014 DAVIDSOS

Equipment Pre-Baselined: NO

	<u>NOX</u>	<u>SOX</u>	<u>PM10</u>	<u>CO</u>	<u>VOC</u>
Potential to Emit (lb/Yr):	0.0	0.0	0.0	0.0	0.0
Daily Emis. Limit (lb/Day)	0.0	0.0	0.0	0.0	0.0
Quarterly Net Emissions Change (lb/Qtr)					
Q1:	0.0	0.0	0.0	0.0	0.0
Q2:	0.0	0.0	0.0	0.0	0.0
Q3:	0.0	0.0	0.0	0.0	0.0
Q4:	0.0	0.0	0.0	0.0	0.0
Check if offsets are triggered but exemption applies	N	N	N	N	N
Offset Ratio					
Quarterly Offset Amounts (lb/Qtr)					
Q1:					
Q2:					
Q3:					
Q4:					

Appendix G

Draft ATCs

San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

DRAFT
ISSUANCE DATE: DRAFT

PERMIT NO: S-7858-3-3

LEGAL OWNER OR OPERATOR: ALL AMERICAN OIL & GAS INC.
MAILING ADDRESS: P O BOX 10207
C/O ENTERPRISE DRILLING
BAKERSFIELD, CA 93389

LOCATION: HEAVY OIL CENTRAL
SEC 6, T29S, R28E
CA

SECTION: NE6 **TOWNSHIP:** 29S **RANGE:** 28E

EQUIPMENT DESCRIPTION:

MODIFICATION OF 120 THERMALLY ENHANCED OIL WELLS SERVED BY A WELL CASING VENT VAPOR CONTROL SYSTEM INCLUDING ONE COMPRESSOR SKID AND ONE ADDITIONAL COMPRESSOR SKID SHARED WITH THE VAPOR CONTROL SYSTEM LISTED ON TANK S-7858-5 (NUKERN LEASE), SULFUR REMOVAL SYSTEM AND DISCHARGE TO FIELD FUEL GAS SYSTEM: ADD SEPARATORS, HEAT EXCHANGERS, EMERGENCY SUMP, 52 WELLS FROM S-724-2-5, AND 128 ADDITIONAL WELLS

CONDITIONS

1. {1830} This Authority to Construct serves as a written certificate of conformity with the procedural requirements of 40 CFR 70.7 and 70.8 and with the compliance requirements of 40 CFR 70.6(c). [District Rule 2201] Federally Enforceable Through Title V Permit
2. {1831} 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 ATC shall be implemented concurrent with ATCs S-7858-3-3, '-14-0, '-15-0, '-16-0, '-17-0, '-18-0, '-19-0, and '-20-0. [District Rule 2201] Federally Enforceable Through Title V Permit
4. Permits S-724-2, '-3, '-4, '-11, and '-19 shall be canceled prior to or concurrent with this ATC. [District Rule 2201] Federally Enforceable Through Title V Permit
5. The VOC content of produced gas shall not exceed 10% by weight. [District Rules 2201 and 4401] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

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

Seyed Sadredin, Executive Director, APCO

DRAFT

Arnaud Marjolle, Director of Permit Services
S-7858-3-3 : Dec 24 2014 8:51AM - DAVIDSOS : Joint Inspection NOT Required

6. Operator shall conduct quarterly gas sampling for gas exiting the separator pressure vessel to qualify for exemption from fugitive component counts for components handling fluids with VOC content equal to or less than 10% by weight. If gas samples are equal to or less than 10% VOC by weight for 8 consecutive quarterly samplings, sampling frequency shall only be required annually. [District Rules 2201 and 4401] Federally Enforceable Through Title V Permit
7. Permittee shall maintain an APCO-approved VOC collection and control system that is not open to the atmosphere and that is composed of hard-piping, ductwork connections and, if necessary, flow inducing devices that transport gas or vapor from a piece or pieces of equipment to an APCO-approved control device that has a VOC destruction or removal efficiency of at least 99%, that transports gases or vapors back to a process system, or injects vapors into DOGGR approved wells. [District Rules 2201 and 4401] Federally Enforceable Through Title V Permit
8. Gas and liquid leaks are as defined in Section 3.20 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
9. An operator shall not operate a steam-enhanced crude oil production well unless the operator complies with either of the following requirements: The steam-enhanced crude oil production well vent is closed and the front line production equipment downstream of the wells that carry produced fluids (crude oil or mixture of crude oil and water) is connected to a VOC collection and control system as defined in Section 3.0 of rule 4401, the well vent may be temporarily opened during periods of attended service or repair of the well provided such activity is done as expeditiously as possible with minimal spillage of material and VOC emissions to the atmosphere, or the steam enhanced crude oil production well vent is open and the well vent is connected to a VOC collection and control system as defined in Section 3.0 of rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
10. An operator shall be in violation of this rule if any District inspection demonstrates or if any operator inspection conducted pursuant to Section 5.4 of Rule 4401 demonstrates the existence of an open-ended line or a valve located at the end of the line that is not sealed with a blind flange, plug, cap, or a second closed valve that is not closed at all times, except during attended operations as defined by Section 5.2.2.1 of Rule 4401 requiring process fluid flow through the open-ended lines; a component with a major liquid leak; or a component with a gas leak greater than 50,000 ppmv. [District Rule 4401] Federally Enforceable Through Title V Permit
11. An operator shall be in violation of this rule if any District inspection demonstrates or if any operator inspection conducted pursuant to Section 5.4 of Rule 4401 demonstrates the existence of any combination of components with minor liquid leaks, minor gas leaks, or a gas leaks greater than 10,000 ppmv up to 50,000 ppmv that totals more than number of leaks allowed by Table 2 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
12. An operator shall not use any component with a leak as defined in Section 3.0 of Rule 4401, or that is found to be in violation of the provisions of Section 5.2.2 of Rule 4401. However, components that were found leaking may be used provided such leaking components have been identified with a tag for repair, are repaired, or awaiting re-inspection after being repaired within the applicable time frame specified in Section 5.5 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
13. Each hatch shall be closed at all times except during sampling or adding of process material through the hatch, or during attended repair, replacement, or maintenance operations, provided such activities are done as expeditiously as possible with minimal spillage of material and VOC emissions to the atmosphere. [District Rule 4401] Federally Enforceable Through Title V Permit
14. An operator shall comply with the requirements of Section 6.7 of Rule 4401 if there is any change in the description of major components or critical components. [District Rule 4401] Federally Enforceable Through Title V Permit
15. An operator shall affix a readily visible weatherproof tag to a leaking component upon detection of the leak and shall include the following information on the tag: date and time of leak detection, date and time of leak measurement, for a gaseous leak, the leak concentration in ppmv, for a liquid leak, whether it is a major liquid leak or a minor liquid leak, whether the component is an essential component, an unsafe-to monitor component, or a critical component. [District Rule 4401] Federally Enforceable Through Title V Permit
16. An operator shall keep the tag affixed to the component until an operator has met all of the following conditions: repaired or replaced the leaking component, re-inspected the component using the test method in Section 6.3.3 of Rule 4401, and the component is found to be in compliance with the requirements of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

17. An operator shall minimize a component leak in order to stop or reduce leakage to the atmosphere immediately to the extent possible, but not later than one (1) hour after detection of the leak. [District Rule 4401] Federally Enforceable Through Title V Permit
18. Except for leaking critical components or leaking essential components subject to the requirements of Section 5.5.7 of Rule 4401, if an operator has minimized a leak but the leak still exceeds the applicable leak limits as defined in Section 3.0 of Rule 4401, an operator shall comply with at least one of the following requirements as soon as practicable but not later than the time period specified in Table 3 of Rule 4401: repair or replace the leaking component; or vent the leaking component to a VOC collection and control system as defined in Section 3.0 of Rule 4401; or remove the leaking component from operation. [District Rule 4401] Federally Enforceable Through Title V Permit
19. The repair period in calendar days shall not exceed 14 days for minor gas leaks, 5 days for major gas leaks less than or equal to 50,000 ppmv, 2 days for gas leak greater than 50,000 ppmv, 3 days for minor liquid leaks, 2 days for major liquid leaks. [District Rule 4401] Federally Enforceable Through Title V Permit
20. The leak rate measured after leak minimization has been performed shall be the leak rate used to determine the applicable repair period specified in Table 3 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
21. The time of the initial leak detection shall be the start of the repair period specified in Table 3 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
22. If the leaking component is an essential component or a critical component that cannot be immediately shut down for repairs, and if the leak has been minimized but the leak still exceeds the applicable leak standard of this rule, the operator shall repair or replace the essential component or critical component to eliminate the leak during the next process unit turnaround, but in no case later than one year from the date of the original leak detection, whichever comes earlier. [District Rule 4401] Federally Enforceable Through Title V Permit
23. The operator of any steam-enhanced crude oil production well shall maintain records of the date and well identification where steam injection or well stimulation occurs. [District Rule 4401] Federally Enforceable Through Title V Permit
24. Operator of any steam-enhanced crude oil production well shall keep an inspection log maintained pursuant to Section 6.4 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
25. Records of each calibration of the portable hydrocarbon detection instrument utilized for inspecting components, including a copy of current calibration gas certification from the vendor of said calibration gas cylinder, the date of calibration, concentration of calibration gas, instrument reading of calibration gas before adjustment, instrument reading of calibration gas after adjustment, calibration gas expiration date, and calibration gas cylinder pressure at the time of calibration shall be maintained. [District Rule 4401] Federally Enforceable Through Title V Permit
26. An operator shall maintain copies at the facility of the training records of the training program operated pursuant to Section 6.5 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
27. Operator shall keep a copy of the APCO-approved Operator Management Plan at the facility. [District Rule 4401] Federally Enforceable Through Title V Permit
28. An operator that discovers that a PRD has released shall record the date that the release was discovered, and the identity and location of the PRD that released. An operator shall submit such information recorded during the calendar year to the APCO no later than 60 days after the end of the calendar year. [District Rule 4401] Federally Enforceable Through Title V Permit
29. An operator shall comply with the following requirements for each gauge tank, as defined in Section 3.0 of Rule 4401: Conduct periodic TVP testing of each gauge tank at least once every 24 months during summer (July - September), and whenever there is a change in the source or type of produced fluid in the gauge tank. The TVP testing shall be conducted at the actual storage temperature of the produced fluid in the gauge tank using the applicable TVP test method specified in Section 6.4 of Rule 4623 (Storage of Organic Liquids). The operator shall submit the TVP testing results to the APCO as specified in Section 6.1.9 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

30. The control efficiency of any VOC control device, measured and calculated as carbon, shall be determined by EPA Method 25, except when the outlet concentration must be below 50 ppm in order to meet the standard, in which case EPA Method 25a may be used. EPA Method 18 may be used in lieu of EPA Method 25 or EPA Method 25a provided the identity and approximate concentrations of the analytes/compounds in the sample gas stream are known before analysis with the gas chromatograph and the gas chromatograph is calibrated for each of those known analyte/compound to ensure that the VOC concentrations are neither under- or over-reported. [District Rule 4401] Federally Enforceable Through Title V Permit
31. VOC content shall be analyzed by using the latest revision of ASTM Method E168, E169, or E260 as applicable. Analysis of halogenated exempt compounds shall be performed by using ARB Method 432. [District Rule 4401] Federally Enforceable Through Title V Permit
32. Leak inspection, other than audio-visual, and measurements of gaseous leak concentrations shall be conducted according to EPA Method 21 using an appropriate portable hydrocarbon detection instrument calibrated with methane. The instrument shall be calibrated in accordance with the procedures specified in EPA Method 21 or the manufacturer's instruction, as appropriate, not more than 30 days prior to its use. The operator shall record the calibration date of the instrument. Where safety is a concern, such as measuring leaks from compressor seals or pump seals when the shaft is rotating, a person shall measure leaks by placing the instrument probe inlet at a distance of one (1) centimeter or less from the surface of the component interface. [District Rule 4401] Federally Enforceable Through Title V Permit
33. The VOC content by weight percent (wt.%) shall be determined using American Society of Testing and Materials (ASTM) D1945 for gases and South Coast Air Quality Management District (SCAQMD) Method 304-91 or the latest revision of ASTM Method E168, E169 or E260 for liquids. [District Rule 4401] Federally Enforceable Through Title V Permit
34. Operator shall maintain an inspection log in which an operator records, at a minimum, all of the following information for each inspection performed: The total number of components inspected, total number and percentage of leaking components found by component type, location, type, and name or description of each leaking component and description of any unit where the leaking component is found, date of leak detection and the method of leak detection. For gaseous leaks, the leak concentration in ppmv, and for liquid leaks record whether the leak is a major liquid leak or a minor liquid leak. the date of repair, replacement, or removal from operation of leaking components, identify and location of essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier, methods used to minimize the leak from essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier, the date of re-inspection and the leak concentration in ppmv after the component is repaired or is replaced, the inspector's name, business mailing address, and business telephone number, date and signature of the facility operator responsible for the inspection and repair program certifying the accuracy of the information recorded in the log. [District Rule 4401] Federally Enforceable Through Title V Permit
35. Operator shall establish and implement an employee training program for inspecting and repairing components and recordkeeping procedures, as necessary. [District Rule 4401] Federally Enforceable Through Title V Permit
36. The operator shall maintain a copy of the latest APCO-approved Operator Management Plan (OMP) at the facility and make it available to the APCO, ARB, and US EPA upon request. [District Rule 4401] Federally Enforceable Through Title V Permit
37. By January 30 of each year, the operator shall submit to the APCO for approval, in writing, an annual report indicating any changes to the existing, approved OMP. [District Rule 4401] Federally Enforceable Through Title V Permit
38. In accordance with the approved OMP, the operator shall meet all applicable operating, inspection and re-inspection, maintenance, process pressure relief device (PRD), component identification, record keeping, and notification requirements of Rule 4401 for all components containing or contacting VOC's at this facility except for those components specifically exempted in Section 4.0 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
39. All records required by this permit shall be maintained and retained on-site for a minimum of five (5) years and made available for District, ARB, and EPA inspection upon request. [District Rule 4401] Federally Enforceable Through Title V Permit

DRAFT

San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT

PERMIT NO: S-7858-14-0

LEGAL OWNER OR OPERATOR: ALL AMERICAN OIL & GAS INC.

MAILING ADDRESS: P O BOX 10207
C/O ENTERPRISE DRILLING
BAKERSFIELD, CA 93389

LOCATION: HEAVY OIL CENTRAL
SEC 6, T29S, R28E
CA

EQUIPMENT DESCRIPTION:

1,500 BBL FIXED ROOF CRUDE OIL WASH TANK WITH VAPOR CONTROL SYSTEM SHARED WITH S-7858-15, '-16, '-17, & '-18 INCLUDING GAS BLANKETING PIPING, VAPOR RECOVERY PIPING, AND VAPOR COMPRESSOR DISCHARGING TO TEOR VAPOR CONTROL SYSTEM LISTED ON S-7858-3

CONDITIONS

1. {1830} This Authority to Construct serves as a written certificate of conformity with the procedural requirements of 40 CFR 70.7 and 70.8 and with the compliance requirements of 40 CFR 70.6(c). [District Rule 2201] Federally Enforceable Through Title V Permit
2. {1831} 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 ATC shall be implemented concurrent with ATCs S-7858-3-3, '-15-0, '-16-0, '-17-0, '-18-0, '-19-0, and '-20-0. [District Rule 2201] Federally Enforceable Through Title V Permit
4. Permits S-724-2, '-3, '-4, '-11, and '-19 shall be canceled prior to or concurrent with this ATC. [District Rule 2201] Federally Enforceable Through Title V Permit
5. The VOC content of the gas shall not exceed 10% by weight. [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

Arnaud Marjolle, Director of Permit Services

S-7858-14-0 : Dec 24 2014 8:51AM -- DAVIDSOS : Joint Inspection NOT Required

6. Operator shall conduct quarterly gas sampling for gas exiting the separator pressure vessel to qualify for exemption from fugitive component counts for components handling fluids with VOC content equal to or less than 10% by weight. If gas samples are equal to or less than 10% VOC by weight for 8 consecutive quarterly samplings, sampling frequency shall only be required annually. [District Rule 2201] Federally Enforceable Through Title V Permit
7. All piping, valves, and fittings shall be constructed and maintained in a leak-free condition. [District Rule 4623] Federally Enforceable Through Title V Permit
8. A leak-free condition is defined as a condition without a gas leak. A gas leak is defined as a reading in excess of 10,000 ppmv, above background, as measured by a portable hydrocarbon detection instrument in accordance with the procedures specified in EPA Test Method 21. A reading in excess of 10,000 ppmv above background is a violation of this permit and Rule 4623 and shall be reported as a deviation. [District Rule 4623] Federally Enforceable Through Title V Permit
9. Any tank gauging or sampling device on a tank vented to the vapor recovery system shall be equipped with a gas-tight cover which shall be closed at all times except during gauging or sampling. [District Rule 4623] Federally Enforceable Through Title V Permit
10. Any tank gauging or sampling device on a tank vented to the vapor recovery system shall be equipped with a leak-free cover which shall be closed at all times except during gauging or sampling. [District Rule 2201] Federally Enforceable Through Title V Permit
11. Except as otherwise provided in this permit, the operator shall ensure that the vapor recovery system is functional and is operating as designed at all times. [District Rule 2201] Federally Enforceable Through Title V Permit
12. All piping, fittings, and valves on this tank shall be inspected annually by the facility operator in accordance with EPA Method 21, with the instrument calibrated with methane, to ensure compliance with the leaking provisions of this permit [District Rules 2201 and 4623] Federally Enforceable Through Title V Permit
13. Any component found to be leaking on two consecutive annual inspections is in violation of the District Rule 4623, even if it is under the voluntary inspection and maintenance program. [District Rules 2201 and 4623] Federally Enforceable Through Title V Permit
14. Operator shall maintain an inspection log containing the following 1) Type of component leaking; 2) Date and time of leak detection, and method of detection; 3) Date and time of leak repair, and emission level of recheck after leak is repaired; 4) Method used to minimize the leak to lowest possible level within 8 hours after detection. [District Rules 2201 and 4623] Federally Enforceable Through Title V Permit
15. 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 1070] Federally Enforceable Through Title V Permit

DRAFT

San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-7858-15-0

LEGAL OWNER OR OPERATOR: ALL AMERICAN OIL & GAS INC.
MAILING ADDRESS: P O BOX 10207
C/O ENTERPRISE DRILLING
BAKERSFIELD, CA 93389

LOCATION: HEAVY OIL CENTRAL
SEC 6, T29S, R28E
CA

EQUIPMENT DESCRIPTION:
2,000 BBL FIXED ROOF CRUDE OIL STORAGE TANK WITH GAS BLANKETING AND PIPING TO VAPOR CONTROL SYSTEM LISTED ON S-7858-14

CONDITIONS

1. {1830} This Authority to Construct serves as a written certificate of conformity with the procedural requirements of 40 CFR 70.7 and 70.8 and with the compliance requirements of 40 CFR 70.6(c). [District Rule 2201] Federally Enforceable Through Title V Permit
2. {1831} 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 ATC shall be implemented concurrent with ATCs S-7858-3-3, '-14-0, '-16-0, '-17-0, '-18-0, '-19-0, and '-20-0. [District Rule 2201] Federally Enforceable Through Title V Permit
4. Permits S-724-2, '-3, '-4, '-11, and '-19 shall be canceled prior to or concurrent with this ATC. [District Rule 2201] Federally Enforceable Through Title V Permit
5. The VOC content of the gas shall not exceed 10% by weight. [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

Arnaud Marjolle, Director of Permit Services
S-7858-15-0 : Dec 24 2014 8:51AM -- DAVIDSOS : Joint Inspection NOT Required

6. Operator shall conduct quarterly gas sampling for gas exiting the separator pressure vessel to qualify for exemption from fugitive component counts for components handling fluids with VOC content equal to or less than 10% by weight. If gas samples are equal to or less than 10% VOC by weight for 8 consecutive quarterly samplings, sampling frequency shall only be required annually. [District Rule 2201] Federally Enforceable Through Title V Permit
7. All piping, valves, and fittings shall be constructed and maintained in a leak-free condition. [District Rule 4623] Federally Enforceable Through Title V Permit
8. A leak-free condition is defined as a condition without a gas leak. A gas leak is defined as a reading in excess of 10,000 ppmv, above background, as measured by a portable hydrocarbon detection instrument in accordance with the procedures specified in EPA Test Method 21. A reading in excess of 10,000 ppmv above background is a violation of this permit and Rule 4623 and shall be reported as a deviation. [District Rule 4623] Federally Enforceable Through Title V Permit
9. Any tank gauging or sampling device on a tank vented to the vapor recovery system shall be equipped with a gas-tight cover which shall be closed at all times except during gauging or sampling. [District Rule 4623] Federally Enforceable Through Title V Permit
10. Any tank gauging or sampling device on a tank vented to the vapor recovery system shall be equipped with a leak-free cover which shall be closed at all times except during gauging or sampling. [District Rule 2201] Federally Enforceable Through Title V Permit
11. Except as otherwise provided in this permit, the operator shall ensure that the vapor recovery system is functional and is operating as designed at all times. [District Rule 2201] Federally Enforceable Through Title V Permit
12. All piping, fittings, and valves on this tank shall be inspected annually by the facility operator in accordance with EPA Method 21, with the instrument calibrated with methane, to ensure compliance with the leaking provisions of this permit [District Rules 2201 and 4623] Federally Enforceable Through Title V Permit
13. Any component found to be leaking on two consecutive annual inspections is in violation of the District Rule 4623, even if it is under the voluntary inspection and maintenance program. [District Rules 2201 and 4623] Federally Enforceable Through Title V Permit
14. Operator shall maintain an inspection log containing the following 1) Type of component leaking; 2) Date and time of leak detection, and method of detection; 3) Date and time of leak repair, and emission level of recheck after leak is repaired; 4) Method used to minimize the leak to lowest possible level within 8 hours after detection. [District Rules 2201 and 4623] Federally Enforceable Through Title V Permit
15. 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 1070] Federally Enforceable Through Title V Permit

DRAFT

San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-7858-16-0

LEGAL OWNER OR OPERATOR: ALL AMERICAN OIL & GAS INC.

MAILING ADDRESS: P O BOX 10207
C/O ENTERPRISE DRILLING
BAKERSFIELD, CA 93389

LOCATION: HEAVY OIL CENTRAL
SEC 6, T29S, R28E
CA

EQUIPMENT DESCRIPTION:

2,000 BBL FIXED ROOF CRUDE OIL STORAGE TANK WITH GAS BLANKETING AND PIPING TO VAPOR CONTROL SYSTEM LISTED ON S-7858-14

CONDITIONS

1. {1830} This Authority to Construct serves as a written certificate of conformity with the procedural requirements of 40 CFR 70.7 and 70.8 and with the compliance requirements of 40 CFR 70.6(c). [District Rule 2201] Federally Enforceable Through Title V Permit
2. {1831} 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 ATC shall be implemented concurrent with ATCs S-7858-3-3, '-14-0, '-15-0, '-17-0, '-18-0, '-19-0, and '-20-0. [District Rule 2201] Federally Enforceable Through Title V Permit
4. Permits S-724-2, '-3, '-4, '-11, and '-19 shall be canceled prior to or concurrent with this ATC. [District Rule 2201] Federally Enforceable Through Title V Permit
5. The VOC content of the gas shall not exceed 10% by weight. [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

Arnaud Marjollet, Director of Permit Services

S-7858-16-0 : Dec 24 2014 8:51AM -- DAVIDSOS : Joint Inspection NOT Required

6. Operator shall conduct quarterly gas sampling for gas exiting the separator pressure vessel to qualify for exemption from fugitive component counts for components handling fluids with VOC content equal to or less than 10% by weight. If gas samples are equal to or less than 10% VOC by weight for 8 consecutive quarterly samplings, sampling frequency shall only be required annually. [District Rule 2201] Federally Enforceable Through Title V Permit
7. All piping, valves, and fittings shall be constructed and maintained in a leak-free condition. [District Rule 4623] Federally Enforceable Through Title V Permit
8. A leak-free condition is defined as a condition without a gas leak. A gas leak is defined as a reading in excess of 10,000 ppmv, above background, as measured by a portable hydrocarbon detection instrument in accordance with the procedures specified in EPA Test Method 21. A reading in excess of 10,000 ppmv above background is a violation of this permit and Rule 4623 and shall be reported as a deviation. [District Rule 4623] Federally Enforceable Through Title V Permit
9. Any tank gauging or sampling device on a tank vented to the vapor recovery system shall be equipped with a gas-tight cover which shall be closed at all times except during gauging or sampling. [District Rule 4623] Federally Enforceable Through Title V Permit
10. Any tank gauging or sampling device on a tank vented to the vapor recovery system shall be equipped with a leak-free cover which shall be closed at all times except during gauging or sampling. [District Rule 2201] Federally Enforceable Through Title V Permit
11. Except as otherwise provided in this permit, the operator shall ensure that the vapor recovery system is functional and is operating as designed at all times. [District Rule 2201] Federally Enforceable Through Title V Permit
12. All piping, fittings, and valves on this tank shall be inspected annually by the facility operator in accordance with EPA Method 21, with the instrument calibrated with methane, to ensure compliance with the leaking provisions of this permit [District Rules 2201 and 4623] Federally Enforceable Through Title V Permit
13. Any component found to be leaking on two consecutive annual inspections is in violation of the District Rule 4623, even if it is under the voluntary inspection and maintenance program. [District Rules 2201 and 4623] Federally Enforceable Through Title V Permit
14. Operator shall maintain an inspection log containing the following 1) Type of component leaking; 2) Date and time of leak detection, and method of detection; 3) Date and time of leak repair, and emission level of recheck after leak is repaired; 4) Method used to minimize the leak to lowest possible level within 8 hours after detection. [District Rules 2201 and 4623] Federally Enforceable Through Title V Permit
15. 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 1070] Federally Enforceable Through Title V Permit

DRAFT

San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT

PERMIT NO: S-7858-17-0

LEGAL OWNER OR OPERATOR: ALL AMERICAN OIL & GAS INC.
MAILING ADDRESS: P O BOX 10207
C/O ENTERPRISE DRILLING
BAKERSFIELD, CA 93389

LOCATION: HEAVY OIL CENTRAL
SEC 6, T29S, R28E
CA

EQUIPMENT DESCRIPTION:
12 FT X 60 FT HORIZONTAL FREE WATER KNOCKOUT TANK WITH GAS BLANKETING AND PIPING TO VAPOR CONTROL SYSTEM LISTED ON S-7858-14

CONDITIONS

1. {1830} This Authority to Construct serves as a written certificate of conformity with the procedural requirements of 40 CFR 70.7 and 70.8 and with the compliance requirements of 40 CFR 70.6(c). [District Rule 2201] Federally Enforceable Through Title V Permit
2. {1831} 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 ATC shall be implemented concurrent with ATCs S-7858-3-3, '-14-0, '-15-0, '-16-0, '-18-0, '-19-0, and '-20-0. [District Rule 2201] Federally Enforceable Through Title V Permit
4. Permits S-724-2, '-3, '-4, '-11, and '-19 shall be canceled prior to or concurrent with this ATC. [District Rule 2201] Federally Enforceable Through Title V Permit
5. The VOC content of the gas shall not exceed 10% by weight. [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

Arnaud Marjollet, Director of Permit Services

S-7858-17-0 : Dec 24 2014 8:51AM -- DAVIDSOS : Joint Inspection NOT Required

6. Operator shall conduct quarterly gas sampling for gas exiting the separator pressure vessel to qualify for exemption from fugitive component counts for components handling fluids with VOC content equal to or less than 10% by weight. If gas samples are equal to or less than 10% VOC by weight for 8 consecutive quarterly samplings, sampling frequency shall only be required annually. [District Rule 2201] Federally Enforceable Through Title V Permit
7. All piping, valves, and fittings shall be constructed and maintained in a leak-free condition. [District Rule 4623] Federally Enforceable Through Title V Permit
8. A leak-free condition is defined as a condition without a gas leak. A gas leak is defined as a reading in excess of 10,000 ppmv, above background, as measured by a portable hydrocarbon detection instrument in accordance with the procedures specified in EPA Test Method 21. A reading in excess of 10,000 ppmv above background is a violation of this permit and Rule 4623 and shall be reported as a deviation. [District Rule 4623] Federally Enforceable Through Title V Permit
9. Any tank gauging or sampling device on a tank vented to the vapor recovery system shall be equipped with a leak-free cover which shall be closed at all times except during gauging or sampling. [District Rule 2201] Federally Enforceable Through Title V Permit
10. Except as otherwise provided in this permit, the operator shall ensure that the vapor recovery system is functional and is operating as designed at all times. [District Rule 2201] Federally Enforceable Through Title V Permit
11. All piping, fittings, and valves on this tank shall be inspected annually by the facility operator in accordance with EPA Method 21, with the instrument calibrated with methane, to ensure compliance with the leaking provisions of this permit [District Rules 2201 and 4623] Federally Enforceable Through Title V Permit
12. Any component found to be leaking on two consecutive annual inspections is in violation of the District Rule 4623, even if it is under the voluntary inspection and maintenance program. [District Rules 2201 and 4623] Federally Enforceable Through Title V Permit
13. Operator shall maintain an inspection log containing the following 1) Type of component leaking; 2) Date and time of leak detection, and method of detection; 3) Date and time of leak repair, and emission level of recheck after leak is repaired; 4) Method used to minimize the leak to lowest possible level within 8 hours after detection. [District Rules 2201 and 4623] Federally Enforceable Through Title V Permit
14. 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 1070] Federally Enforceable Through Title V Permit

DRAFT

San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-7858-18-0

LEGAL OWNER OR OPERATOR: ALL AMERICAN OIL & GAS INC.
MAILING ADDRESS: P O BOX 10207
C/O ENTERPRISE DRILLING
BAKERSFIELD, CA 93389

LOCATION: HEAVY OIL CENTRAL
SEC 6, T29S, R28E
CA

EQUIPMENT DESCRIPTION:
500 BBL FIXED ROOF CRUDE OIL DRAIN TANK WITH GAS BLANKETING AND PIPING TO VAPOR CONTROL SYSTEM LISTED ON S-7858-14

CONDITIONS

1. {1830} This Authority to Construct serves as a written certificate of conformity with the procedural requirements of 40 CFR 70.7 and 70.8 and with the compliance requirements of 40 CFR 70.6(c). [District Rule 2201] Federally Enforceable Through Title V Permit
2. {1831} 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 ATC shall be implemented concurrent with ATCs S-7858-3-3, '-14-0, '-15-0, '-16-0, '-17-0, '-19-0, and '-20-0. [District Rule 2201] Federally Enforceable Through Title V Permit
4. Permits S-724-2, '-3, '-4, '-11, and '-19 shall be canceled prior to or concurrent with this ATC. [District Rule 2201] Federally Enforceable Through Title V Permit
5. The VOC content of the gas shall not exceed 10% by weight. [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

Arnaud Marjollet, Director of Permit Services

S-7858-18-0 : Dec 24 2014 8:51AM -- DAVIDSOS : Joint Inspection NOT Required

6. Operator shall conduct quarterly gas sampling for gas exiting the separator pressure vessel to qualify for exemption from fugitive component counts for components handling fluids with VOC content equal to or less than 10% by weight. If gas samples are equal to or less than 10% VOC by weight for 8 consecutive quarterly samplings, sampling frequency shall only be required annually. [District Rule 2201] Federally Enforceable Through Title V Permit
7. All piping, valves, and fittings shall be constructed and maintained in a leak-free condition. [District Rule 4623] Federally Enforceable Through Title V Permit
8. A leak-free condition is defined as a condition without a gas leak. A gas leak is defined as a reading in excess of 10,000 ppmv, above background, as measured by a portable hydrocarbon detection instrument in accordance with the procedures specified in EPA Test Method 21. A reading in excess of 10,000 ppmv above background is a violation of this permit and Rule 4623 and shall be reported as a deviation. [District Rule 4623]
9. Except as otherwise provided in this permit, the operator shall ensure that the vapor recovery system is functional and is operating as designed at all times. [District Rule 2201] Federally Enforceable Through Title V Permit
10. All piping, fittings, and valves on this tank shall be inspected annually by the facility operator in accordance with EPA Method 21, with the instrument calibrated with methane, to ensure compliance with the leaking provisions of this permit [District Rules 2201 and 4623] Federally Enforceable Through Title V Permit
11. Any component found to be leaking on two consecutive annual inspections is in violation of the District Rule 4623, even if it is under the voluntary inspection and maintenance program. [District Rules 2201 and 4623] Federally Enforceable Through Title V Permit
12. Operator shall maintain an inspection log containing the following 1) Type of component leaking; 2) Date and time of leak detection, and method of detection; 3) Date and time of leak repair, and emission level of recheck after leak is repaired; 4) Method used to minimize the leak to lowest possible level within 8 hours after detection. [District Rules 2201 and 4623] Federally Enforceable Through Title V Permit
13. 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 1070] Federally Enforceable Through Title V Permit

DRAFT

San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT

PERMIT NO: S-7858-19-0

LEGAL OWNER OR OPERATOR: ALL AMERICAN OIL & GAS INC.
MAILING ADDRESS: P O BOX 10207
C/O ENTERPRISE DRILLING
BAKERSFIELD, CA 93389

LOCATION: HEAVY OIL CENTRAL
SEC 6, T29S, R28E
CA

EQUIPMENT DESCRIPTION:

2,000 BBL FIXED ROOF PRODUCED WATER TANK WITH VAPOR CONTROL SYSTEM SHARED WITH S-7858-20 INCLUDING GAS BLANKETING PIPING, VAPOR RECOVERY PIPING, AND VAPOR COMPRESSOR DISCHARGING TO TEOR VCS LISTED ON S-7858-3

CONDITIONS

1. {1830} This Authority to Construct serves as a written certificate of conformity with the procedural requirements of 40 CFR 70.7 and 70.8 and with the compliance requirements of 40 CFR 70.6(c). [District Rule 2201] Federally Enforceable Through Title V Permit
2. {1831} 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 ATC shall be implemented concurrent with ATCs S-7858-3-3, '-14-0, '-15-0, '-16-0, '-17-0, '-18-0, and '-20-0. [District Rule 2201] Federally Enforceable Through Title V Permit
4. Permits S-724-2, '-3, '-4, '-11, and '-19 shall be canceled prior to or concurrent with this ATC. [District Rule 2201] Federally Enforceable Through Title V Permit
5. The VOC content of the gas shall not exceed 10% by weight. [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

Arnaud Marjollet, Director of Permit Services

S-7858-19-0 : Dec 24 2014 8:51AM -- DAVIDSOS : Joint Inspection NOT Required

6. Operator shall conduct quarterly gas sampling for gas exiting the separator pressure vessel to qualify for exemption from fugitive component counts for components handling fluids with VOC content equal to or less than 10% by weight. If gas samples are equal to or less than 10% VOC by weight for 8 consecutive quarterly samplings, sampling frequency shall only be required annually. [District Rule 2201] Federally Enforceable Through Title V Permit
7. All piping, valves, and fittings shall be constructed and maintained in a leak-free condition. [District Rule 4623] Federally Enforceable Through Title V Permit
8. A leak-free condition is defined as a condition without a gas leak. A gas leak is defined as a reading in excess of 10,000 ppmv, above background, as measured by a portable hydrocarbon detection instrument in accordance with the procedures specified in EPA Test Method 21. A reading in excess of 10,000 ppmv above background is a violation of this permit and Rule 4623 and shall be reported as a deviation. [District Rule 4623] Federally Enforceable Through Title V Permit
9. Any tank gauging or sampling device on a tank vented to the vapor recovery system shall be equipped with a gas-tight cover which shall be closed at all times except during gauging or sampling. [District Rule 4623] Federally Enforceable Through Title V Permit
10. Any tank gauging or sampling device on a tank vented to the vapor recovery system shall be equipped with a leak-free cover which shall be closed at all times except during gauging or sampling. [District Rule 2201] Federally Enforceable Through Title V Permit
11. Except as otherwise provided in this permit, the operator shall ensure that the vapor recovery system is functional and is operating as designed at all times. [District Rule 2201] Federally Enforceable Through Title V Permit
12. All piping, fittings, and valves on this tank shall be inspected annually by the facility operator in accordance with EPA Method 21, with the instrument calibrated with methane, to ensure compliance with the leaking provisions of this permit [District Rules 2201 and 4623] Federally Enforceable Through Title V Permit
13. Any component found to be leaking on two consecutive annual inspections is in violation of the District Rule 4623, even if it is under the voluntary inspection and maintenance program. [District Rules 2201 and 4623] Federally Enforceable Through Title V Permit
14. Operator shall maintain an inspection log containing the following 1) Type of component leaking; 2) Date and time of leak detection, and method of detection; 3) Date and time of leak repair, and emission level of recheck after leak is repaired; 4) Method used to minimize the leak to lowest possible level within 8 hours after detection. [District Rules 2201 and 4623] Federally Enforceable Through Title V Permit
15. 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 1070] Federally Enforceable Through Title V Permit

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT

PERMIT NO: S-7858-20-0

LEGAL OWNER OR OPERATOR: ALL AMERICAN OIL & GAS INC.
MAILING ADDRESS: P O BOX 10207
C/O ENTERPRISE DRILLING
BAKERSFIELD, CA 93389

LOCATION: HEAVY OIL CENTRAL
SEC 6, T29S, R28E
CA

EQUIPMENT DESCRIPTION:
2,000 BBL FIXED ROOF PRODUCED WATER TANK WITH GAS BLANKETING PIPING AND PIPING TO VAPOR CONTROL SYSTEM LISTED S-7858-19

CONDITIONS

1. {1830} This Authority to Construct serves as a written certificate of conformity with the procedural requirements of 40 CFR 70.7 and 70.8 and with the compliance requirements of 40 CFR 70.6(c). [District Rule 2201] Federally Enforceable Through Title V Permit
2. {1831} 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 ATC shall be implemented concurrent with ATCs S-7858-3-3, '-14-0, '-15-0, '-16-0, '-17-0, '-18-0, and '-19-0. [District Rule 2201] Federally Enforceable Through Title V Permit
4. Permits S-724-2, '-3, '-4, '-11, and '-19 shall be canceled prior to or concurrent with this ATC. [District Rule 2201] Federally Enforceable Through Title V Permit
5. The VOC content of the gas shall not exceed 10% by weight. [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

Arnaud Marjolle, Director of Permit Services
S-7858-20-0 : Dec 24 2014 8:51AM -- DAVIDSOS : Joint Inspection NOT Required

6. Operator shall conduct quarterly gas sampling for gas exiting the separator pressure vessel to qualify for exemption from fugitive component counts for components handling fluids with VOC content equal to or less than 10% by weight. If gas samples are equal to or less than 10% VOC by weight for 8 consecutive quarterly samplings, sampling frequency shall only be required annually. [District Rule 2201] Federally Enforceable Through Title V Permit
7. All piping, valves, and fittings shall be constructed and maintained in a leak-free condition. [District Rule 4623] Federally Enforceable Through Title V Permit
8. A leak-free condition is defined as a condition without a gas leak. A gas leak is defined as a reading in excess of 10,000 ppmv, above background, as measured by a portable hydrocarbon detection instrument in accordance with the procedures specified in EPA Test Method 21. A reading in excess of 10,000 ppmv above background is a violation of this permit and Rule 4623 and shall be reported as a deviation. [District Rule 4623] Federally Enforceable Through Title V Permit
9. Any tank gauging or sampling device on a tank vented to the vapor recovery system shall be equipped with a gas-tight cover which shall be closed at all times except during gauging or sampling. [District Rule 4623] Federally Enforceable Through Title V Permit
10. Any tank gauging or sampling device on a tank vented to the vapor recovery system shall be equipped with a leak-free cover which shall be closed at all times except during gauging or sampling. [District Rule 2201] Federally Enforceable Through Title V Permit
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