

**MONTEREY BAY UNIFIED AIR POLLUTION CONTROL DISTRICT
AUTHORITY TO CONSTRUCT 12317
TITLE V OPERATING PERMIT TV26-03**

EVALUATION REPORTS

24580 Silver Cloud Court
Monterey, CA 93940
Telephone: (831) 647-9411

APPLICATIONS RECEIVED FROM:

AERA Energy LLC
P.O. Box 11164
Bakersfield, CA 93389-1164

PLANT SITE LOCATION:

66893 Sargent Canyon Road
San Ardo, CA 93450

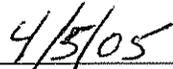
APPLICATION PROCESSED BY:

Mike Sewell, Air Quality Engineer

APPROVED FOR RELEASE BY:



Lance Ericksen
Engineering Division Manager



Date

**MONTEREY BAY UNIFIED AIR POLLUTION CONTROL DISTRICT
TITLE V OPERATING PERMIT TV26-03
EVALUATION REPORT**

24580 Silver Cloud Court
Monterey, CA 93940
Telephone: (831) 647-9411

Dated: April 5, 2005

APPLICATION RECEIVED FROM:

AREA Energy LLC
P.O. Box 11164
Bakersfield, CA 93389-1164

PLANT SITE LOCATION:

66893 Sargent Canyon Road
San Ardo, CA 93450

APPLICATION PROCESSED BY:

Mike Sewell, Air Quality Engineer

Nature of Business: Crude Oil Production

SIC Code: 1311 - Crude Petroleum and Natural Gas

RESPONSIBLE OFFICIAL:

Name: Mr. R. H. John
Title: Vice President of Operations, SJ Asset
Phone: (805) 362-7712

FACILITY CONTACT PERSON:

Name: Mr. Jim Pope
Title: Environmental Field Advisor
Phone: (831) 385-7727

ALTERNATIVE RESPONSIBLE OFFICIALS:

Name: Mr. K. A. Peck
Title: Manager of Operations

Name: Mr. J. D. Stieg
Title: Process Supervisor

Name: Mr. B. E. Jones
Title: Process Supervisor

PROJECT DESCRIPTION

On December 9, 2004, AERA Energy submitted an application to modify their Title V permit to incorporate revisions to the time frame for submittal of source test reports as allowed for by the underlying District Permits to Operate (PTOs), and to incorporate updated SO₂ emission limits and testing requirements as allowed for in the Authorities to Construct (ATCs) for the Steam Generators combusting casing gas.

Subsequent to this requested permit revision, AERA Energy submitted an application for a recovery gas treatment plant. This application was received by the District on December 20, 2004.

Therefore, the District is using this application to not only address the time frame for source test submittal and the SO₂ emission levels, but also the addition of the recovery gas treatment plant. The recovery gas treatment plant is being permitted concurrently with this evaluation under Application 12317.

Additionally, the District will remove all permit references and conditions associated with the "Casing Gas Processing Plant" as this project was not implemented and the Authorities to Construct authorizing the installation of this equipment have been closed out.

This permitting action, along with Application 12317 will be noticed at the same time. Both the local permits and the Title V permits will not be issued until after the EPA and public comment period has closed, and the District has responded to all comments.

FACILITY DESCRIPTION

The description has been updated to remove the "Hydrogen Sulfide Scavenger System (gas plant)" and replace it with the "Recovery Gas Treatment Plant."

EQUIPMENT DESCRIPTION

Item 4 has been updated to remove "and casing gas fired only during maintenance periods" as this allowance was directly related to the *Hydrogen Sulfide Scavenger System* which was not implemented.

Item 7 has been updated to remove "including Hydrogen Sulfide Scavenger System" as this project was not implemented.

New Item 10 is “Recovery Gas Treatment Plant Including Sulfatreat Vessels and Enclosed Ground Flare”.

Items 10 - 13 have been renumbered 11 - 14.

APPLICABLE FEDERAL REQUIREMENTS

The changes to the applicable federal requirements for Title V purposes will be based upon the non-implementation of the Hydrogen Sulfide Scavenger System, and the evaluation of and proposed issuance of Authority to Construct (ATC) 12317 for the Recovery Gas Treatment Plant.

In addition, SO₂ emission levels for Steam Generators 30-6 & 30-10A were increased and the testing schedule was revised with the issuance of ATCs 11179 & 11181. These permitting actions, along with PTOs 12049 & 12050 for the congeners allow the 60 days for submittal of test reports from the date of testing in lieu of the 30 days from completion of testing.

Permit changes between the previous Title V permit (TV26-02) and the proposed Title V permit (TV26-03) are shown on the attached redline (additions) and ~~strikeout~~ (deletions) version of the permit.
