

FEB 06 2012

John Haley
Aera Energy LLC
PO Box 11164
Bakersfield, CA 93389

**Re: Administrative Amendment to Title V Operating Permit
District Facility # S-1548
Project # S-1085457**

Dear Mr. Haley:

In accordance with District Rule 2520, Federally Mandated Operating Permits, the District reviewed the Aera Energy LLC application and has administratively amended the requirements for their Title V operating permit. This administrative amendment incorporates the requirements of ATC S-1548-423-5, which was issued with Certificate of Conformity after EPA review into the Title V permit for this facility. The change is to increase the number of thermally enhanced production wells to 585 wells. This amended Title V permit is being sent to you as a final action.

Your cooperation in this matter was appreciated. Should you have any questions, please contact Mr. Leonard Scandura at (661) 392-5500.

Sincerely,



David Warner
Director of Permit Services

DW:dk

cc: Gerardo Rios, EPA Region IX

Enclosures

Seyed Sadredin
Executive Director/Air Pollution Control Officer

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San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-1548-423-5

EXPIRATION DATE: 05/31/2016

EQUIPMENT DESCRIPTION:

585 THERMALLY ENHANCED PRODUCTION WELLS WITH CLOSED CASING VENTS

PERMIT UNIT REQUIREMENTS

1. Well casing valves shall remain closed or connected to production lines at all times except during periods of actual service or repair as defined in Rule 4401. [District Rule 2201 and 4401] Federally Enforceable Through Title V Permit
2. All produced fluids from any well associated with this operation shall be handled only in existing closed and/or vapor controlled production equipment. [District Rule 2201] Federally Enforceable Through Title V Permit
3. All produced fluids from these thermally enhanced production wells shall be introduced only to LOTS (identified in S-1548-144-8), existing well test pressure vessels not utilized for permanent gas/liquid separation and the existing Section 20 dehydration facility (principally, S-1548-144 through '-149 but including associated equipment, i.e., Wemco, ISF units, drain tanks, etc.) [District Rule 2201] Federally Enforceable Through Title V Permit
4. Vapor separated from produced fluids at the Section 20 dehydration facility shall be routed to the existing Belridge gas plant (S-1543-4) or to the emergency flare (S-1548-144). [District Rule 2201] Federally Enforceable Through Title V Permit
5. Thermally enhanced production wells covered by this permit shall each have a visible identification number. Field personnel shall be provided with written instructions concerning proper operation and maintenance of these wells. A copy of the written instructions shall be submitted to the District prior to implementation of this ATC. [District Rule 2201] Federally Enforceable Through Title V Permit
6. Except for polish rods, no more than 15 components shall have leaks in excess of 10,000 ppm when measured with a portable hydrocarbon detection instrument calibrated with methane in accordance with EPA Method 21 from valves, flanges, connectors and other fugitive emission components associated with thermally enhanced oil production wells in this TEOR operation. [District Rule 2201] Federally Enforceable Through Title V Permit
7. All polish rod stuffing boxes shall be inspected and screened for leaks using EPA method 21 at least quarterly. If less than two percent of the polish rod stuffing boxes are found to leak during each of five consecutive quarterly inspections, the inspection frequency may be changed from quarterly to annually. If any annual inspection shows that more than 2 percent of the polish rod stuffing boxes are leaking, then quarterly inspections shall be resumed. Any polish rod leaking greater than 10,000 ppmv, when measured with a portable hydrocarbon detection instrument calibrated with methane in accordance with EPA method 21 or leaking at a rate of greater than 3 drops of liquid per minute shall be repaired consistent with Rule 4403 section 5.3. [District Rule 2201] Federally Enforceable Through Title V Permit
8. Components except polish rods associated with this operation shall be screened and inspected at least quarterly with a minimum of 25% of the components inspected each quarter. Any leak greater than 5,000 ppm, when measured with a portable hydrocarbon detection instrument calibrated with methane in accordance with EPA Method 21 or leaking at a rate of greater than 3 drops of liquid per minute, shall be repaired in a manner consistent with the procedures specified in Section 5.3 of Rule 4403. [District Rule 2201]] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE
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9. All components to be screened shall be identified and categorized according to the following equipment types: connectors, flanges, open-ended lines (sample connections, drains, bleed valves, etc.), pump seals, valves with visible actuators, polish rod stuffing boxes and other (pressure relief devices, compressor seals, meters, etc.). Components shall be further identified and categorized according to the following types of service: gas/light liquid and heavy liquid service. [District Rule 2201] Federally Enforceable Through Title V Permit
10. Component screening shall be performed in accordance with EPA reference Method 21. [District Rule 2201] Federally Enforceable Through Title V Permit
11. Portable hydrocarbon detection instrument shall be operated and calibrated in accordance with recommendations in CAPCOA/CARB's California Implementation Guidelines for Estimating Mass Emissions of Fugitive Hydrocarbon Leaks at Petroleum Facilities (February, 1999). [District Rule 2201] Federally Enforceable Through Title V Permit
12. Flanges shall be monitored with a portable hydrocarbon detection instrument along the entire circumference of the flange-gasket interface. Threaded connections, tubing fittings, and other types of non-permanent joints shall be monitored along the entire circumference of joint interface. [District Rule 2201] Federally Enforceable Through Title V Permit
13. Valves shall be monitored with a portable hydrocarbon detection instrument where the stem comes through the packing gland, and at any attached or connected body flange(s), bonnet flange(s), or plug(s). [District Rule 2201] Federally Enforceable Through Title V Permit
14. All other components such as diaphragms, dump arms, instruments and meters shall be monitored at all points of possible emissions. [District Rule 2201] Federally Enforceable Through Title V Permit
15. Total uncontrolled VOC emissions from all wells shall be reduced by at least 99%. [District Rule 2201 & 4401] Federally Enforceable Through Title V Permit
16. Fugitive VOC emission rate from all components associated with this operation shall not exceed 258.0 lb/day. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Fugitive VOC emission rate listed above does not include the existing well test pressure vessels at the existing LOTS sites. [District Rule 2201] Federally Enforceable Through Title V Permit
18. Permittee shall maintain a current list of all thermally enhanced production wells associated with this operation, shall update the list whenever a well is added, replaced, or deleted, and such listing shall be made readily available for District inspection upon request. [District Rule 2201] Federally Enforceable Through Title V Permit
19. Permittee shall maintain a current list of all pressure vessels not utilized for permanent gas/liquid separation associated with this operation, shall update the list whenever a vessel is added, replaced, or deleted, and such listing shall be made readily available for District inspection upon request. [District Rule 1070] Federally Enforceable Through Title V Permit
20. Permittee shall maintain for a period of five years, accurate records of fugitive inspection component counts, leak screening values in excess of 10,000 ppm, and shall, as approved by the District, calculate fugitive emissions using February 1999 CAPCOA California Implementation Guidelines for Estimating Mass Emissions of Fugitive Hydrocarbon Leaks at Petroleum Facilities Table IV-2c. Permittee shall make records of component counts, screening values, and calculations readily available for District inspection upon request. [District Rule 2201] Federally Enforceable Through Title V Permit
21. A gas leak is defined as the detection of a concentration of total organic compounds, above background (measured in accordance with EPA Method 21) that exceeds the following values: 1) A major gas leak is a detection of greater than 10,000 ppmv as methane; and 2) A minor gas leak is a detection of 400 to 10,000 ppmv as methane for pressure relief devices (PRDs) and 2,000 to 10,000 for components other than PRDs. [District Rule 4401, 3.20] Federally Enforceable Through Title V Permit
22. A liquid leak is defined as the dripping of VOC-containing liquid. A major liquid leak is a visible mist or a continuous flow of liquid that is not seal lubricant. A minor liquid leak is a liquid leak that is not a major liquid leak and drips liquid at a rate of more than three drops per minute, except for seal lubricant. [District Rule 4401, 3.20] Federally Enforceable Through Title V Permit

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23. During the time any steam-enhanced crude oil production well is undergoing service or repair while the well is not producing, it shall be exempt from the emission control requirements of District Rule 4401, 5.0. [District Rule 4401, 4.1] Federally Enforceable Through Title V Permit
24. Permittee shall not operate a steam-enhanced crude oil production well unless they comply with one of the following requirements: 1) Permittee shall keep the steam-enhanced crude oil production well vents closed and the front line production equipment downstream of the wells that carry produced fluids (crude oil or mixture of crude oil and water) shall be connected to a VOC collection and control system. The well vent may be temporarily opened during periods of attended service or repair of the well provided such activity is done as expeditiously as possible with minimal spillage of material and VOC emissions to the atmosphere; or 2) Permittee shall install and maintain an APCO-approved VOC collection and control system that is not open to the atmosphere and that is composed of hard-piping, ductwork connections and, if necessary, flow inducing devices that transport gas or vapor from a piece or pieces of equipment to an APCO-approved control device that has a VOC destruction or removal efficiency of at least 99%, or that transports gases or vapors back to a process system. [District Rules 2201 and 4401, 5.1.1, and 5.1.2] Federally Enforceable Through Title V Permit
25. During District compliance inspection, the following conditions shall be used to determination of a violation: 1) Existence of an open-ended line or a valve located at the end of the line that is not sealed with a blind flange, plug, cap, or a second closed valve that is not closed at all times, except during attended operations requiring process fluid flow through the open-ended lines. Attended operations include draining or degassing operations, connection of temporary process equipment, sampling of process streams, emergency venting, and other normal operational needs, provided such operations are done as expeditiously as possible and with minimal spillage of material and VOC emissions to the atmosphere; 2) Existence of a component with a major liquid leak; 3) Existence of a component with a gas leak greater than 50,000 ppmv; or 4) Existence of a component leak consisting of a minor liquid or gas leak, or a gas leak greater than 10,000 ppmv up to 50,000 ppmv, in excess of the allowable number of leaks specified in Table 3 of Rule 4401. [District Rule 4401, 5.2.2] Federally Enforceable Through Title V Permit
26. The permittee shall not use any components that leak in excess of the applicable leak standards as specified in this permit. Components that have been found leaking in excess of the applicable leak standards of this rule may be used provided such leaking components have been identified with a tag for repair, are repaired, or are awaiting re-inspection after being repaired, within the applicable time period specified in this permit. [District Rule 4401, 5.3.1] Federally Enforceable Through Title V Permit
27. Permittee shall keep all hatches closed at all times except during sampling or adding of process material through the hatch, or during attended repair, replacement, or maintenance operations, provided such activities are done as expeditiously as possible with minimal spillage of material and VOC emissions to the atmosphere. [District Rule 4401, 5.3.2] Federally Enforceable Through Title V Permit
28. Except for pipes and unsafe-to-monitor components, permittee shall visually inspect all pipes at least once every year. Any visual inspection of pipes that indicates a leak that cannot be immediately repaired to meet the leak standards of Rule 4401 shall be inspected within 24 hours after detecting the leak. If a leak is found, the leak shall be repaired as soon as practicable but not later than the time frame specified in Table 4 of Rule 4401. [District Rule 4401, 5.4.1 & 5.4.2] Federally Enforceable Through Title V Permit
29. Permittee shall inspect audio-visually (by hearing and by sight) for leaks all accessible operating pumps, compressors, and pressure relief devices (PRDs) in service at least once each calendar week. [District Rule 4401, 5.4.3] Federally Enforceable Through Title V Permit
30. Any audio-visual inspection of an accessible operating pump, compressor, and PRD performed by an operator that indicates a leak that cannot be immediately repaired to meet the leak standards of Rule 4401 shall be inspected not later than 24 hours after conducting the audio-visual inspection. If a leak is found, the leak shall be repaired as soon as practicable but not later than the time frame specified in Table 3 of Rule 4401. [District Rule 4401, 5.4.3] Federally Enforceable Through Title V Permit

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31. Permittee shall initially inspect a PRD that releases to the atmosphere as soon as practicable but not later than 24 hours after the discovery of the release. Permittee shall re-inspect the PRD not earlier than 24 hours after the initial inspection but not later than 15 calendar days after the initial inspection. [District Rule 4401, 5.4.4] Federally Enforceable Through Title V Permit
32. Permittee shall inspect all new, replaced, or repaired fittings, flanges, and threaded connections within 72 hours of placing the component in service. [District Rule 4401, 5.4.4] Federally Enforceable Through Title V Permit
33. Except for PRDs, permittee shall inspect a component that has been repaired or replaced not later than 15 calendar days after the component was repaired or replaced. [District Rule 4401, 5.4.5] Federally Enforceable Through Title V Permit
34. Permittee shall inspect all unsafe-to-monitor components during each turnaround. [District Rule 4401, 5.4.5] Federally Enforceable Through Title V Permit
35. Permittee shall affix a readily visible weatherproof tag to a leaking component upon detection of the leak. The following information shall be included on the tag: 1) the date and time of leak detection; 2) the date and time of leak measurement; 3) leak concentration in ppmv for a gaseous leak; 4) description of whether it is a major liquid leak or a minor liquid leak; and 5) whether the component is an essential component, an unsafe-to-monitor component, or a critical component. [District Rule 4401, 5.5.1] Federally Enforceable Through Title V Permit
36. Permittee shall keep the tag affixed to the component until all of the following conditions have been met: 1) the leaking component has been repaired or replaced, and 2) the component has been re-inspected using the test methods described in this permit; and 3) the component is found to be in compliance with the requirements of Rule 4401. [District Rule 4401, 5.5.2] Federally Enforceable Through Title V Permit
37. Permittee shall minimize a component leak in order to stop or reduce leakage to the atmosphere immediately to the extent possible, but not later than one (1) hour after detection of the leak. [District Rule 4401, 5.5.3] Federally Enforceable Through Title V Permit
38. Except for leaking critical components or leaking essential components, if the operator has minimized a leak but the leak still exceeds the applicable leak limits, the operator shall comply with at least one of the following requirements as soon as practicable but not later than the time period specified in Table 4 of Rule 4401: 1) repair or replace the leaking component; 2) vent the leaking component to a VOC collection and control system; or 3) remove the leaking component from operation. [District Rule 4401, 5.9.4] Federally Enforceable Through Title V Permit
39. The leak rate, measured after leak minimization has been performed, shall be used to determine the applicable repair period specified in Table 3 of Rule 4401 and the time of initial leak detection shall be the start of the repair period specified in Table 4 of Rule 4401. [District Rule 4401, 5.5.5, and 5.5.6] Federally Enforceable Through Title V Permit
40. If the leaking component is an essential component or a critical component that cannot be immediately shut down for repairs, and if the leak has been minimized but the leak still exceeds the applicable leak standard of this rule, the operator shall repair or replace the essential component or critical component to eliminate the leak during the next process unit turnaround, but in no case later than one year from the date of the original leak detection, whichever comes earlier. [District Rule 4401, 5.5.7] Federally Enforceable Through Title V Permit
41. All records of required monitoring data and support information required by this permit shall be retained for a period of at least five years and shall be made available for District inspection upon request. [District Rules 2520, 9.4.2, and 4401, 6.1] Federally Enforceable Through Title V Permit
42. Permittee shall maintain monitoring 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
43. Unless waived by the District, permittee shall maintain source test records which show that the control efficiency requirements of the VOC collection and control system have been satisfied. [District Rule 4401, 6.1] Federally Enforceable Through Title V Permit

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44. Records shall be maintained of each calibration of the portable hydrocarbon detection instrument utilized for inspecting components. The records shall include a copy of the current calibration gas certification from the vendor of the calibration gas cylinder, the date of calibration, the concentration of calibration gas, the instrument reading of calibration gas before adjustment, the instrument reading of calibration gas after adjustment, the calibration gas expiration date, and the calibration gas cylinder pressure at the time of calibration. [District Rule 4401, 6.1.6] Federally Enforceable Through Title V Permit
45. Permittee shall maintain a copy of the latest APCO-approved Operator Management Plan (OMP) at the facility and make it available to the APCO, ARB, and US EPA upon request. [District Rule 4401, 6.1.8] Federally Enforceable Through Title V Permit
46. Annual control efficiency compliance tests shall be performed by source testers certified by the California Air Resource Board (CARB) on all vapor collection and control systems used to control emissions from steam-enhanced crude oil production wells. 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. The APCO may waive these source testing requirements if the vapor control system does not exhaust to atmosphere, or if all uncondensed VOC emissions collected by the vapor collection and control system are incinerated in fuel burning equipment, an internal combustion engine, or in a smokeless flare. [District Rule 4401, 6.2.1 & 6.2.2] Federally Enforceable Through Title V Permit
47. 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
48. VOC content shall be determined using the latest revision of ASTM Method E168, E169, or E260 as applicable. Halogenated exempt compounds shall be determined by ARB Method 432. [District Rule 4401, 6.3.2] Federally Enforceable Through Title V Permit
49. Permittee shall perform leak inspections at least annually, using a portable hydrocarbon detection instrument in accordance with USEPA Method 21. Where safety is a concern, such as measuring leaks from compressor seals or pump seals when the shaft is rotating, a person shall measure leaks by placing the instrument probe inlet at a distance of one centimeter or less from the surface of the component interface. [District Rule 4401, 6.3.3] Federally Enforceable Through Title V Permit
50. VOC content by weight percent (wt.%) shall be determined using American Society of Testing and Materials (ASTM) D1945 for gases and South Coast Air Quality Management District (SCAQMD) Method 304-91 or the latest revision of ASTM Method E168, E169 or E260 for liquids. [District Rule 4401, 6.3.5] Federally Enforceable Through Title V Permit
51. Permittee shall maintain an inspection log in which, at a minimum, all of the following information shall be recorded for each inspection performed: 1) The total number of components inspected, and the total number and percentage of leaking components found by component type; 2) The location, type, and name or description of each leaking component and description of any unit where the leaking component is found; 3) The date of leak detection and the method of leak detection; 4) For gaseous leaks, the leak concentration in ppmv, and for liquid leaks record whether the leak is a major liquid leak or a minor liquid leak; 5) The date of repair, replacement, or removal from operation of leaking components; 6) The identify and location of essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier; 7) The methods used to minimize the leak from essential components and critical components found leaking that cannot be repaired until the next process unit turnaround or not later than one year after leak detection, whichever comes earlier; 8) The date of re-inspection and the leak concentration in ppmv after the component is repaired or is replaced; 9) The inspector's name, business mailing address, and business telephone number; and 10) The date and signature of the facility operator responsible for the inspection and repair program certifying the accuracy of the information recorded in the log. [District Rule 4401, 6.1.5 & 6.4] Federally Enforceable Through Title V Permit

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52. Permittee shall establish and implement an employee training program for inspecting and repairing components and recordkeeping procedures, as necessary. Permittee shall maintain at the facility the copies of the training records of the training program. [District Rule 4401, 6.1.7 & 6.5] Federally Enforceable Through Title V Permit
53. In accordance with the approved OMP, permittee shall meet all applicable operating, leak standards, inspection and re-inspection, leak repair, record keeping, and notification requirements of Rule 4401. [District Rule 4401, 6.6] Federally Enforceable Through Title V Permit
54. By January 30 of each year, permittee shall submit to the APCO for approval, in writing, an annual report indicating any changes to the existing, approved OMP. [District Rule 4401, 5.3.3, and 6.7] Federally Enforceable Through Title V Permit

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