



San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT



HEALTHY AIR LIVING™

MAY 25 2010

Ms. Adean Valenzuela
Aera Energy LLC
PO Box 11164
Bakersfield, CA 93389

**Re: Proposed ATC / Certificate of Conformity (Significant Mod)
District Facility # S-1135
Project # 1100992**

Dear Ms. Valenzuela:

Enclosed for your review is the District's analysis of an application for Authorities to Construct for the facility identified above. The applicant is requesting that Certificates of Conformity with the procedural requirements of 40 CFR Part 70 be issued with this project. The project authorizes the routine replacement of a tank and administrative changes to heater treater and tank PTOs.

After addressing any EPA comments made during the 45-day comment period, the Authorities to Construct will be issued to the facility 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,

David Warner
Director of Permit Services

DW: RE/cm

Enclosures

Seyed Sadredin
Executive Director/Air Pollution Control Officer

Northern Region
4800 Enterprise Way
Modesto, CA 95356-8718
Tel: (209) 557-6400 FAX: (209) 557-6475

Central Region (Main Office)
1990 E. Gettysburg Avenue
Fresno, CA 93726-0244
Tel: (559) 230-6000 FAX: (559) 230-6061

Southern Region
34946 Flyover Court
Bakersfield, CA 93308-9725
Tel: 661-392-5500 FAX: 661-392-5585



San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT



MAY 25 2010

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

**Re: Proposed ATC / Certificate of Conformity (Significant Mod)
District Facility # S-1135
Project # 1100992**

Dear Mr. Rios:

Enclosed for your review is the District's engineering evaluation of an application for Authorities to Construct for Aera Energy LLC within the western Kern County fields, which has been issued a Title V permit. Aera Energy LLC is requesting that Certificates of Conformity, with the procedural requirements of 40 CFR Part 70, be issued with this project. The project authorizes the routine replacement of a tank and administrative changes to heater treater and tank PTOs.

Enclosed is the engineering evaluation of this application with a copy of the current Title V permit and proposed Authorities to Construct # S-1135-3-22, '-29-28, '-70-15, '-70-16, '-71-8, '-322-2, '-326-2, and '-338-0 with Certificates of Conformity. After demonstrating compliance with the Authority to Construct, the conditions will be incorporated into the facility's Title V permit through an administrative amendment.

Please submit your written comments on this project within the 45-day comment period that begins on the date you receive this letter. 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,

David Warner
Director of Permit Services

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San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT



HEALTHY AIR LIVING™

MAY 25 2010

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

**Re: Proposed ATC / Certificate of Conformity (Significant Mod)
District Facility # S-1135
Project # 1100992**

Dear Mr. Tollstrup:

Enclosed for your review is the District's analysis of an application for Authorities to Construct for the facility identified above. The applicant is requesting that Certificates of Conformity with the procedural requirements of 40 CFR Part 70 be issued with this project. The project authorizes the routine replacement of a tank and administrative changes to heater treater and tank PTOs.

Enclosed is the engineering evaluation of this application with a copy of the current Title V permit and proposed Authorities to Construct # S-1135-3-22, '-29-28, '-70-15, '-70-16, '-71-8, '-322-2, '-326-2, and '-338-0 with Certificates of Conformity. After demonstrating compliance with the Authorities to Construct, the conditions will be incorporated into the facility's Title V permit through an administrative amendment.

Please submit your written comments on this project within the 30-day comment period that begins on the date you receive this letter. 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,

David Warner
Director of Permit Services

DW: RE/cm

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**NOTICE OF PRELIMINARY DECISION
FOR THE ISSUANCE OF AUTHORITY TO CONSTRUCT**

NOTICE IS HEREBY GIVEN that the San Joaquin Valley Air Pollution Control District solicits public comment on the proposed modification of Aera Energy LLC for its heavy oil production stationary source within the western Kern County fields, California. The project authorizes the routine replacement of a tank and administrative changes to heater treater and tank PTOs.

The District's analysis of the legal and factual basis for this proposed action, project #1100992, is available for public inspection at the District office at the address below. This will be the public's only opportunity to comment on the specific conditions of the modification. If requested by the public, the District will hold a public hearing regarding issuance of this modification. For additional information, please contact Mr. Jim Swaney, Permit Services Manager, at (559) 230-5900. Written comments on the proposed initial permit must be submitted within 30 days of the publication date of this notice to DAVID WARNER, DIRECTOR OF PERMIT SERVICES, SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT, 1990 E. GETTYSBURG AVE, FRESNO, CA 93726-0244.

San Joaquin Valley Air Pollution Control District
Authority to Construct Application Review
Routine Replacement Tank and Administrative Revisions to Metson Lease Tank and
Heater Treater PTOs

Facility Name: Aera Energy LLC Date: May 13, 2010
Mailing Address: PO Box 11164 Engineer: Richard Edgehill
Bakersfield, CA 93389 Lead Engineer: Allan Phillips
Contact Person: Adean Valenzuela
Telephone: (661) 665-5335
Fax: (661) 665-5202
E-Mail: alvalenzuela@aeraenergy.com
Application #(s): S-1135-3-22, '-29-28, '-70-15, '-70-16, '-71-8, '-322-2, '-326-2, and '-338-0
Project #: 1100992
Deemed Complete: March 15, 2010

I. Proposal

Routine Replacement of Tank S-1135-72 (ATC S-1135-338-0)

Aera Energy LLC (Aera) is proposing to replace a 5000 bbl fixed roof crude oil storage tank (PTO S-1135-72-7) with a 3000 bbl tank (ATC S-1135-338-0).

Because the replacement tank will have the same function as the existing tank and will have lower emissions than the existing tank, it qualifies as a routine replacement as defined in District Rule 2201 Section 3.25.3.4.

Section 3.25.3.4 defines a routine replacement as "routine replacement in whole or in part of any article, machine, equipment, or other contrivance with a valid District Permit To Operate provided that all of the following conditions are met:

3.34.1 There is no increase in permitted emissions from the Stationary Source.

There is no increase in permitted emissions as a result of this project (see calculations section).

3.34.2 There is no increase in design capacity, unless an old part is no longer available in which case the replacement can result in a design capacity increase of up to 10%. No change to the permitted throughput or emissions is authorized due to a

change in design capacity as part of routine replacement. Such changes shall require application for permit modification.

3.34.2.1 Permitted throughputs are throughput limits upon which emission calculations are, or could be, based.

3.34.2.2 If there are no throughput limiting conditions, the permitted throughput shall be a throughput rate, which affects emissions.

The replacement tank has a design capacity of 3000 barrels and is replacing a tank with a capacity of 5000 barrels. The replacement tank will continue to process heavy crude oil from the Metson lease located at SW Section 24, T11N, R23W. There will be no increase in the permitted emissions (see calculations section). Therefore, there is no increase in capacity or permitted emissions.

3.34.3 The replacement equipment performs the same function as the equipment being replaced.

The replacement tank performs the same function as the existing tank which is to process and store crude oil produced from from the Metson lease located at SW Section 24, T11N, R23W.

3.33.4 The replacement does not constitute a Reconstructed Source (as defined by this rule) or Reconstruction (as defined by any applicable New Source Performance Standard). Reconstructed Source cost shall include only the cost of all emission-producing equipment and associated integral activities at the stationary source.

The replacement tank do not constitute a reconstructed source as defined in Rule 2201.

3.33.5 When the entire emissions unit is replaced as a routine replacement action, the emissions unit shall either have been addressed by a BARCT rule or shall be equipped with a control device capable of at least 85% emission control.

The new replacement tank is equipped with a vapor control system with a vapor control efficiency of 95%. Therefore, the tank meets the 85% control efficiency requirement.

Note that the new replacement tank is not exempt from NSR under Section 3.25.3.4 as it is not the same capacity as the tank being replaced. Section 3.25.4, which follows, only provides exemption for replacement units identical to the emissions unit being replaced.

3.25.3.4 Routine replacement of a whole or partial emissions unit where the replacement part is the same as the original emissions unit in all respects except for the serial number.

However, the routine replacement unit is exempt from BACT by Section 4.2.6. Furthermore, as the replacement tank has lower emissions than the tank (S-1135-72) being replaced, offsets and public notice are also not required.

Note that tank S-1135-72 will be replaced with S-1135-338 as part of a second phase for the project.

Administrative Revisions to Metson Lease Tank and Heater Treater PTOs

Aera has also proposed the following changes to current tank and heater treater PTOs:

ATC S-1135-3-22 (heater treater)

Revise Condition 21 of PTO S-1135-3-21 which requires recordkeeping of the duration of each startup and shutdown to recordkeeping of the duration of only startups and shutdown exceeding one hour as required by Rule 4307 Sections 6.1.4 and 5.4.1 (note that S-1135-3 is not equipped with a NOx exhaust control device):

6.1.4 The operator performing start-up or shutdown of a unit shall keep records of the duration of start-up or shutdown that exceed the applicable requirements of Sections 5.4.1 or 5.4.2.

5.4.1 For units not equipped with a NOx exhaust control, the duration of each start-up and each shut down shall not exceed one hour, except as provided in Section 5.4.4.

Aera requests the following revision (addition of the underlined words) to Condition 21 :

Permittee shall maintain records of duration of each startup and shutdown that exceed one hour per occurrence, and refractory curing, for a period of five years and make such records available for District inspection upon request. [District Rule 4307]

This requested change represents a relaxation in recordkeeping.

Revise Condition 25 of PTO S-1135-3-21 as follows:

25. The permittee shall tune the unit at least twice per calendar year, (from four to eight months apart) using a qualified technician in accordance with the procedure described in Rule 4304. If the unit does not operate throughout a continuous six-month period within a calendar year, only one tune-up is required for a calendar year. No tune-up is required if the unit is not operated during that calendar year. The unit may be test fired to verify availability of the unit for its intended use, but once the test firing is complete the unit shall be shutdown. In lieu of tuning the unit twice each calendar year, the owner/operator shall monitor the emissions, ~~at least monthly~~, with a portable NOx analyzer at least twice per calendar year and adjust the unit's operating parameters accordingly to assure compliance with the emission limits of this rule. [District Rule 4307] N

Note that unit S-1135-3 is subject to and meets the Table 1 Rule 4307 NOx emissions limit of 30 ppmv and are therefore is subject to Sections 5.5.1 and 5.5.2 require both monthly monitoring of operational characteristics recommended by the manufacturer and tuning twice per year. However, the monthly monitoring requirement is satisfied by Condition # 23 of the PTO:

23. The permittee shall monitor, at least once per month, the units's operational characteristics recommended by the manufacturer and approved by the APCO. [District Rule 4307] N

Therefore the requested change to PTO condition #25 is approvable.

Aera has requested revision of Condition #19 of PTO S-1135-3-21 as follows:

19. Fuel shall be tested for higher heating value annually ~~within 60 days prior to permit anniversary and prior to changing fuel source~~ using methods ASTM D 1826 or D 1945 in conjunction with ASTM D 3588. [District NSR Rule, District Rule 2520, 9.3.2, and 4305, 6.2.1] Y

Note that the requirement to test prior to fuel change is not necessary, fuel testing upon fuel change is covered by PTO S-1135-3-21 Conditions 9 and 12 listed below. Condition 19 above is redundant and is deleted in this project.

9. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit and sulfur emission limits has been demonstrated for 8 consecutive weeks for a fuel source, then the fuel testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rule 2520, 9.3.2] Y
12. If fuel analysis is used to demonstrate compliance with the conditions of this permit, the fuel higher heating value for each fuel shall be certified by third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588. [District Rule 2520, 9.3.2 and 4305, 6.2.1] Y

Aera also requested inclusion of NOx and CO emission limits in units of ppmv in addition to lb/MMBtu. The ppmv emissions limits were erroneously excluded from the base document ATC S-1135-3-20 but were added in conversion to PTO S-1135-3-21 (in Condition #17). Therefore this request has been satisfied.

ATC S-1135-29-28 (heater treater)

Correct (replace 36 ppmv with 30 ppmv) in Condition # 16 of PTO S-1135-29-26 as follows:

16. Emission rates, except during startup and shutdown shall not exceed any of the following: PM10: 0.136 lb/MMBtu, SOx (as SO2): 0.005 lb/MMBtu, VOC: 0.007 lb/MMBtu, NOx (as NO2): 0.036 lb/MMBtu or ~~36~~ 30 ppmv @ 3% O2, or CO: 0.037 lb/MMBtu or 50 ppmv @ 3% O2. [District Rules 2201, 2520, 4201, 4301, 4307, 4405, 4406, 4801 and Kern County Rules 424 and 425] N

Revise Condition 25 of PTO S-1135-29-26 as follows:

24. The permittee shall tune the unit at least twice per calendar year, (from four to eight months apart) using a qualified technician in accordance with the procedure described in Rule 4304. If the unit does not operate throughout a continuous six-month period within a calendar year, only one tune-up is required for a calendar year. No tune-up is required if the unit is not operated during that calendar year. The unit may be test fired to verify availability of the unit for its intended use, but once the test firing is complete the unit shall be shutdown. In lieu of tuning the unit twice each calendar year, the owner/operator shall monitor the emissions, ~~at least monthly~~, with a portable NOx analyzer at least twice per calendar year and adjust the unit's operating parameters accordingly to assure compliance with the emission limits of this rule. [District Rule 4307] N

Note that unit S-1135-29 is subject to and meets the Table 1 Rule 4307 NOx emissions limit of 30 ppmv and are therefore is subject to Sections 5.5.1 and 5.5.2 require both monthly monitoring of operational characteristics recommended by the manufacturer and tuning twice per year. However, the monthly monitoring requirement is satisfied by Condition # 23 of the PTO:

23. The permittee shall monitor, at least once per month, the units's operational characteristics recommended by the manufacturer and approved by the APCO. [District Rule 4307] N

Therefore the requested change to PTO condition #25 is approvable.

ATC S-1135-70-15 (tank and vapor control system)-Phase I

Revise Condition 3 of PTO S-1135-70-13 to add heat exchanger in place of air-X-changer and include the new routine replacement tank S-1135-338-0 as follows:

3. Operation shall include two fin fan ~~air-X-changers~~ heat exchangers, two separators, two compressors, and two liquid transfer pumps, shared between tanks S-1135-70, '-71, '-72, '-322, '-326, '-327, and '-338, and heater treaters S-1135-3 and '-29. [District Rule 2201] Y

Remove Condition # 7 and # 21

~~7. Tank shall be equipped with stored liquid temperature indicator. [District Rule 2201] Y~~

~~21. Permittee shall keep accurate records of throughput and storage temperature of liquids stored in each tank and such records shall be made readily available for District inspection upon request. [District Rules 2520, 9.4.2 and 1070] Y~~

Records of throughput and storage temperature are not required for tanks under vapor control.

Revise Condition # 23 as follows:

23. The operator shall ensure that the vapor recovery system is functional and is operating as designed at all times whenever organic liquids or organic liquid vapors are contained in this tank. [District Rule 2520, 9.3.2] Y

The requested change is more stringent.

ATC S-1135-70-16 (Phase II)

Add reference to routine replacement tank S-1135-338 in condition #3 of PTO S-1135-70-13 (and remove reference to S-1135-72) with ATC S-1135-70-15 as the base document.

3. Operation shall include two fin fan heat exchangers, two separators, two compressors, and two liquid transfer pumps, shared between tanks S-1135-70, '-71, '-322, '-326, '-327, '-338, and heater treaters S-1135-3 and '-29. [District Rule 2201] Y

ATC S-1135-71-8 (tank)

Remove Conditions # 6, 18 and 20 of PTO S-1135-71-7

- ~~6. Tank shall be equipped with stored liquid temperature indicator. [District NSR Rule] Y~~
- ~~18. Permittee shall keep accurate records of throughput and storage temperature of liquids stored in each tank and such records shall be made readily available for District inspection upon request. [District Rule 1070] Y~~
- ~~20. The operator shall ensure that the vapor recovery system is functional and is operating as designed whenever organic liquids or organic liquid vapors are contained in this tank. [District Rule 2520, 9.3.2] Y~~

Records of throughput and storage temperature are not required for tanks under vapor control. The vapor recovery system is listed on S-1135-70 not '-71.

ATC S-1135-322-2 (tank)

Remove Condition # 20 of PTO S-1135-322-1

- ~~20. The operator shall ensure that the vapor recovery system is functional and is operating as designed whenever organic liquids or organic liquid vapors are contained in this tank. [District Rule 2520, 9.3.2] Y~~

The vapor recovery system is listed on S-1135-70 not '-322.

ATC S-1135-326-2 (tank)

Remove Condition # 18 and 20 of PTO S-1135-326-1

~~18. Permittee shall keep accurate records of throughput and storage temperature of liquids stored in each tank and such records shall be made readily available for District inspection upon request. [District Rule 1070 and 2520, 9.3.2] Y~~

~~20. The operator shall ensure that the vapor recovery system is functional and is operating as designed whenever organic liquids or organic liquid vapors are contained in this tank. [District Rule 2201] Y~~

Records of throughput and storage temperature are not required for tanks under vapor control. The vapor recovery system is listed on S-1135-70 not '-326.

S-1135-3, '-29, '-70, '-71, '-322, and '-326 NSR Implications

The administrative revisions to the tank and heater treater monitoring and recordkeeping requirements listed on PTOs S-1135-3-21, '-29-26, '-70-13, '-71-7, '-322-1, and '-326-1 are not NSR modifications as they correspond to Categories 1 and 2 of District FYI -111 which follow:

	ATC req'd ?	TV applica tion req'd ?	NSR mod ?	Description	Comments
1	No	Yes	No	adding monitoring or record keeping to a permit (provided the rule does not provide for any options for monitoring or recordkeeping)	Adding monitoring or recordkeeping are not changes in the method of "operation" of the emission unit even though monitoring/recordkeeping conditions must be changed.
2	Yes	Yes	No	modifying monitoring and record keeping requirements, provided the change does not lessen the stringency of an emissions limit	Changes to monitoring or recordkeeping are not changes in the method of "operation" of the emission unit even though monitoring/recordkeeping conditions must be changed.

Therefore the requirements of BACT and offsets do not need to be considered for these emissions units. However, the project triggers public notice as explained below.

Disposition of Outstanding ATCs

ATC S-1135-29-25 has not been implemented. PTOs S-1135-3-21, '-29-26, '-70-13, '-71-7, '-322-1, and '-326-1 are included in **Attachment I**.

Aera received their Title V Permit on January 31, 2003. District Rule 2520 Section 3.20.2 states that minor permit modifications do not relax monitoring, reporting, or record-keeping requirements in the permit and are not significant changes in existing monitoring permit terms or conditions. Requiring record-keeping of only startup and shutdowns that exceed the time limits of Rule 4307 (and not all startup and shutdowns

as previously required) is a relaxation of recordkeeping requirements and therefore is a significant permit modification.

The facility has specifically requested that this project be processed with a Certificate of Conformity (COC), therefore the 45-day EPA comment period will be satisfied prior to the issuance of the Authority to Construct. Aera must apply to administratively amend their Title V Operating Permit to include the requirements of the ATC(s) issued with this project.

II. Applicable Rules

- Rule 2201 New and Modified Stationary Source Review Rule (09/21/06)
- Rule 2520 Federally Mandated Operating Permits (6/21/01)
- Rule 4101 Visible Emissions (2/17/05)
- Rule 4102 Nuisance (12/17/92)
- Rule 4201 Particulate Matter Concentration (12/17/92)
- Rule 4301 Fuel Burning Equipment (12/17/92)
- Rule 4305 Boilers, Steam Generators and Process Heaters – Phase II (8/21/03) – **not applicable** - heat input rating is < 5 MMBtu/hr
- Rule 4306 Boilers, Steam Generators and Process Heaters – Phase III (3/17/05) – **not applicable** - heat input rating is < 5 MMBtu/hr
- Rule 4320 Advanced Emission Reduction Options for Boilers, Steam Generators, and Process Heaters Greater than 5.0 MMBtu/hr – **not applicable** - heat input rating is < 5 MMBtu/hr
- Rule 4307 Boilers, Steam Generators, And Process Heaters – 2.0 MMBtu/hr to 5.0 MMBtu/hr (10/16/08)
- Rule 4623 Storage of Organic Liquids (5/19/05)
- Rule 4801 Sulfur Compounds (12/17/92)
- 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 Metson Tank Battery is located within the Midway Sunset (South) Oilfield at SW Section 24, T11N R23W in Aera's heavy oil western stationary source. 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. A location map is included in **Attachment II**.

IV. Process Description

Dehydration facilities separate crude oil from produced water. Free water knockout vessels provide the initial separation of oil and water from the produced fluids. The crude oil wash tank provides further separation of oil and water. Crude oil and water from the wash tank is then routed to separate storage tanks for further treatment. The clean crude oil is stored in tanks for shipment to refineries via pipeline. The vapor control system collects vapors from produced fluids, condenses out entrained liquids, and routes the non-condensable vapors to disposal equipment.

Proposed Modification

Applicant is requesting authorization for a routine replacement storage tank to revise heater treater and tank PTOs with administrative changes not subject to NSR.

V. Equipment Listing

Pre-Project Equipment Description:

S-1135-3-21: 8.4 MMBTU/HR (DERATED TO 5 MMBTU/HR) NATURAL GAS FIRED HEATER TREATER #1 WITH A MAXON MODEL M-PAKT BURNER WITH VARIABLE FREQUENCY DRIVE (VFD) BLOWER, SERVED BY VAPOR RECOVERY SYSTEM LISTED ON S-1135-70 - METSON LEASE

S-1135-29-26: NATURAL GAS-FIRED HEATER TREATER (#2) WITH A 4.2 MMBTU/HR MAXON MODEL M-PAKT BURNER SERVED BY VAPOR RECOVERY SYSTEM LISTED ON S-1135-70 - METSON LEASE

S-1135-70-13: 43,470 GALLON FIXED ROOF REJECT TANK T-110, WITH SHARED VAPOR RECOVERY SYSTEM - METSON LEASE TANK BATTERY

S-1135-71-7: 84,000 GALLON FIXED ROOF LACT TANK T-100 WITH VAPOR RECOVERY (LISTED ON S-1135-70) - METSON LEASE TANK BATTERY

~~S-1135-72-7: 210,000 GALLON FIXED ROOF STANDBY TANK T-120, WITH VAPOR RECOVERY SYSTEM (LISTED ON S-1135-70) - METSON LEASE TANK BATTERY-(TO BE DELETED)~~

S-1135-322-1: 126,000 GALLON FIXED ROOF WASH TANK T-101, WITH VAPOR RECOVERY (LISTED IN S-1135-70) - METSON LEASE TANK BATTERY

S-1135-326-1: 126,000 GALLON FIXED ROOF WASH TANK T-102, WITH VAPOR RECOVERY (LISTED IN S-1135-70) - METSON LEASE TANK BATTERY

Proposed Modification:

- S-1135-3-22: REVISE RECORDKEEPING REQUIREMENT FROM ALL STARTUPS AND SHUTDOWNS TO ONLY STARTUPS AND SHUTDOWNS THAT EXCEED ONE HOUR IN DURATION, REVISE TUNING AND MONITORING CONDITION, DELETE REDUNDANT FUEL TESTING CONDITION
- S-1135-29-28: CORRECT NOX PPMV EMISSIONS LIMIT, REVISE TUNING AND MONITORING CONDITION
- S-1135-70-15: REPLACE AIR X CHANGER WITH HEAT EXCHANGERS IN EQUIPMENT CONDITION, DELETE THROUGHPUT AND STORAGE TEMPERATURE RECORD-KEEPING CONDITIONS, REVISE CONDITION REFERENCING OPERATION OF VAPOR CONTROL SYSTEM, DELETE CONDITION REFERENCING TEMPERATURE INDICATOR
- S-1135-70-16: CONNECT ROUTINE REPLACEMENT TANK S-1547-338 TO VAPOR CONTROL SYSTEM
- S-1135-71-8: DELETE THROUGHPUT AND STORAGE TEMPERATURE RECORD-KEEPING CONDITIONS, DELETE CONDITION REFERENCING OPERATION OF VAPOR CONTROL SYSTEM AND TEMPERATURE INDICATOR
- S-1135-322-2: DELETE CONDITIONS REFERENCING OPERATION OF VAPOR CONTROL SYSTEM AND TEMPERATURE INDICATOR
- S-1135-326-2: DELETE THROUGHPUT AND STORAGE TEMPERATURE RECORD-KEEPING CONDITIONS, DELETE CONDITION REFERENCING OPERATION OF VAPOR CONTROL SYSTEM AND TEMPERATURE INDICATOR

Post Project Equipment Description:

- S-1135-3-22: 8.4 MMBTU/HR (DERATED TO 5 MMBTU/HR) NATURAL GAS FIRED HEATER TREATER #1 WITH A MAXON MODEL M-PAKT BURNER WITH VARIABLE FREQUENCY DRIVE (VFD) BLOWER, SERVED BY VAPOR RECOVERY SYSTEM LISTED ON S-1135-70 - METSON LEASE
- S-1135-29-28: NATURAL GAS-FIRED HEATER TREATER (#2) WITH A 4.2 MMBTU/HR MAXON MODEL M-PAKT BURNER SERVED BY VAPOR RECOVERY SYSTEM LISTED ON S-1135-70 - METSON LEASE
- S-1135-70-15: 43,470 GALLON FIXED ROOF REJECT TANK T-110, WITH SHARED VAPOR RECOVERY SYSTEM - METSON LEASE TANK BATTERY

S-1135-70-16: 43,470 GALLON FIXED ROOF REJECT TANK T-110, WITH SHARED VAPOR RECOVERY SYSTEM - METSON LEASE TANK BATTERY

S-1135-71-8: 84,000 GALLON FIXED ROOF LACT TANK T-100 WITH VAPOR RECOVERY (LISTED ON S-1135-70) - METSON LEASE TANK BATTERY

S-1135-322-2: 126,000 GALLON FIXED ROOF WASH TANK T-101, WITH VAPOR RECOVERY (LISTED IN S-1135-70) - METSON LEASE TANK BATTERY

S-1135-326-2: 126,000 GALLON FIXED ROOF WASH TANK T-102, WITH VAPOR RECOVERY (LISTED IN S-1135-70) - METSON LEASE TANK BATTERY

S-1135-338-0: 5000 BBL FIXED ROOF STANDBY TANK T-120, WITH VAPOR RECOVERY SYSTEM (LISTED ON S-1135-70) - METSON LEASE TANK BATTERY

VI. Emission Control Technology Evaluation

The routine replacement tank S-1135-338-0 and existing tanks S-1135-70, '-71, '-322, and '-326 are equipped with a vapor control system with 95% control efficiency. Heater treaters S-1135-3 and '-29 are equipped with low NO_x burners.

Low-NO_x burners reduce NO_x formation by producing lower flame temperatures (and longer flames) than conventional burners. Conventional burners thoroughly mix all the fuel and air in a single stage just prior to combustion, whereas low-NO_x burners delay the mixing of fuel and air by introducing the fuel (or sometimes the air) in multiple stages. Generally, in the first combustion stage, the air-fuel mixture is fuel rich. In a fuel rich environment, all the oxygen will be consumed in reactions with the fuel, leaving no excess oxygen available to react with nitrogen to produce thermal NO_x. In the secondary and tertiary stages, the combustion zone is maintained in a fuel-lean environment. The excess air in these stages helps to reduce the flame temperature so that the reaction between the excess oxygen with nitrogen is minimized.

VII. General Calculations

A. Assumptions

Routine Replacement Tank S-1135-338-0

- VOCs are the only affected pollutant emitted.
- The only sources of VOCs are fugitive (i.e. leaks from well, piping, and vapor compressor components).
- Per Section IV of District Policy SSP 2015, Procedures for Quantifying Fugitive VOC Emissions At Petroleum and SOGMI Facilities (9/15/05), VOC emissions are not assessed for piping and components handling fluid streams with a VOC content of 10% or less by weight (i.e. VOC as a percentage of the entire gas stream) nor for components in oil and gas production operations handling heavy oil (API gravity less than 30°).

- All the liquid fluids are produced water or heavy oil.
- Tank S-1135-71 emissions are based on fugitive emissions with the following component counts (provided by applicant):

Fugitive Emissions Component Counts S-1135-71

	Valves	Pump Seals	Others	Connectors	Flanges
Roof (gas)	5	0	3	14	11

*gas components only used in fugitive emissions calculations

- Fugitive emissions for tank S-1135-72 (deleted) are calculated using the following component counts:

Fugitive Emissions Component Counts S-1135-72

	Valves	Pump Seals	Others	Connectors	Flanges
Roof (gas)	6	0	3	16	13

*gas components only used in fugitive emissions calculations

- Proposed changes to tanks and heater treaters S-1135-3, '-29, '-70, '-322, and '-326 are administrative and not subject to NSR. Therefore only PE2 will be calculated for inclusion in the PAS emissions profile.
- Component Counts for S-1135-338 are included below:

Fugitive Emissions Component Counts S-1135-338*

	Valves	Pump Seals	Others	Connectors	Flanges
Roof (gas)	3	0	3	0	8
Top 2' (gas)	3		0	0	6
Middle (heavy oil)	20	0	0	46	24
Bottom 2' (heavy oil)	0	0	0	4	5
Total Gas	6	0	3	0	14

*gas components only used in fugitive emissions calculations

B. Emission Factors

S-1135-3

Pollutant	Post-Project Emission Factors (EF2)			Source
NO _x	36 lb-NO _x /MMscf	0.036 lb-NO _x /MMBtu	30 ppmvd NO _x (@ 3%O ₂)	PTO
SO _x	2.85 lb-SO _x /MMscf	0.00285lb-SO _x /MMBtu		"
PM10	7.6 lb-PM10/MMscf	0.0076 lb-PM10/MMBtu		"
CO	33 lb-CO/MMscf	0.033 lb-CO/MMBtu	45 ppmvd CO (@ 3%O ₂)	"
VOC	5.5 lb-VOC/MMscf	0.0055 lb-VOC/MMBtu	13 ppmvd VOC (@ 3% O ₂)	"

S-1135-29

Pollutant	Post-Project Emission Factors (EF2)			Source
NO _x	36 lb-NO _x /MMscf	0.036 lb-NO _x /MMBtu	30 ppmvd NO _x (@ 3%O ₂)	PTO
SO _x	5.0 lb-SO _x /MMscf	0.005lb-SO _x /MMBtu		"
PM10	136 lb-PM10/MMscf	0.136 lb-PM10/MMBtu		"
CO	37 lb-CO/MMscf	0.037 lb-CO/MMBtu	50 ppmvd CO (@ 3%O ₂)	"
VOC	7.0 lb-VOC/MMscf	0.007 lb-VOC/MMBtu		"

S-1135-71, '-72, and '-338 (Routine Replacement Tank)

Fugitive emissions were estimated using the emission factors in Table 2-4 of the US Environmental Protection Agency's (EPA) "Protocol for Equipment Emission Estimates" (EPA-453-R-95-017) for oil and gas production operations, using average emission factors. Spreadsheet calculations for S-1135-71, '-72, and '-338 are included in **Attachment III**.

C. Calculations

1. Pre-Project Potential to Emit (PE1)

S-1135-72 (Attachment III)

Pre-Project Potential to Emit (PE1)		
	Daily Emissions (lb/day)	Annual Emissions (lb/year)
NO _x	0	0
SO _x	0	0
PM ₁₀	0	0
CO	0	0
VOC	3.3	1205

2. Post Project Potential to Emit (PE2)

S-1135-3

Pollutant	Daily PE2			
	EF2 (lb/MMBtu)	Heat Input (MMBtu/hr)	Operating Schedule (hr/day)	Daily PE2 (lb/day)
NO _x	0.036	5	24	4.3
SO _x	0.00285	5	24	0.3
PM ₁₀	0.0076	5	24	0.9
CO	0.033	5	24	4.0
VOC	0.0055	5	24	0.7

Pollutant	Annual PE2			
	EF2 (lb/MMBtu)	Heat Input (MMBtu/hr)	Operating Schedule (hr/year)	Annual PE2 (lb/year)
NO _x	0.036	5	8,760	1,577
SO _x	0.00285	5	8,760	125
PM ₁₀	0.0076	5	8,760	333
CO	0.033	5	8,760	1,445
VOC	0.0055	5	8,760	241

S-1135-29

Pollutant	Daily Post-Project Potential to Emit (PE2)			
	Emission Factors	Heat input	Hours per day	Daily PE2
NO _x	0.0360 (lb-NO _x /MMBtu)	x 4.2 (MMBtu/hr)	x 24 (hr/day)	= 3.6 (lb-NO _x /day)
SO _x	0.00500 (lb-SO _x /MMBtu)	x 4.2 (MMBtu/hr)	x 24 (hr/day)	= 0.5 (lb-SO _x /day)
PM ₁₀	0.1360 (lb-PM ₁₀ /MMBtu)	x 4.2 (MMBtu/hr)	x 24 (hr/day)	= 13.7 (lb-PM ₁₀ /day)
CO	0.0370 (lb-CO/MMBtu)	x 4.2 (MMBtu/hr)	x 24 (hr/day)	= 3.7 (lb-CO/day)
VOC	0.0070 (lb-VOC/MMBtu)	x 4.2 (MMBtu/hr)	x 24 (hr/day)	= 0.7 (lb-VOC/day)

Pollutant	Annual Post-Project Potential to Emit (PE2)		
	Emission Factors	Annual Max Heat input	Annual PE2
NO _x	0.0360 (lb-NO _x /MMBtu)	x 30 (billion Btu/year)	= 1,080 (lb-NO _x /year)
SO _x	0.00500 (lb-SO _x /MMBtu)	x 30 (billion Btu/year)	= 150 (lb-SO _x /year)
PM ₁₀	0.1360 (lb-PM ₁₀ /MMBtu)	x 30 (billion Btu/year)	= 4,080 (lb-PM ₁₀ /year)
CO	0.0370 (lb-CO/MMBtu)	x 30 (billion Btu/year)	= 1,110 (lb-CO/year)
VOC	0.0070 (lb-VOC/MMBtu)	x 30 (billion Btu/year)	= 210 (lb-VOC/year)

S-1135-70 (Project 1073248):
Daily PE2 = 0.8 lb-VOC/day
Annual PE2 = 292 lb-VOC/yr

S-1135-71 (Attachment III)
Daily PE2 = 3.0 lb-VOC/day
Annual PE2 = 1095 lb-VOC/yr

S-1135-322 Project 1073248):
Daily PE2 = 3.0 lb-VOC/day
Annual PE2 = 1112 lb-VOC/yr

S-1135-326 (project 1075377)
PE2_{daily} = 3.0 lb/day
PE2_{annual} = 1,095 lb/yr

S-1135-338-0(Attachment III)
Daily PE2 = 3.1 lb-VOC/day
Annual PE2 = 1132 lb-VOC/yr

Emissions Profiles are included in **Attachment IV**.

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

Pursuant to Section 4.9 of District Rule 2201, the Pre-Project Stationary Source Potential to Emit (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 that have occurred at the source, and which have not been used on-site.

Facility emissions are already above the Offset and Major Source Thresholds for VOC emissions; therefore, SSPE1 calculations are not necessary.

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

Pursuant to Section 4.10 of District Rule 2201, the Post Project Stationary Source Potential to Emit (SSPE2) 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 that have occurred at the source, and which have not been used on-site.

Facility emissions are already above the Offset and Major Source Thresholds for VOC emissions; therefore, SSPE2 calculations are not necessary.

5. Major Source Determination

Pursuant to Section 3.24 of District Rule 2201, a Major Source is a stationary source with post-project emissions or a Post Project Stationary Source Potential to Emit (SSPE2), equal to or exceeding one or more of the following threshold values. However, Section 3.24.2 states, "for the purposes of determining major source status, the SSPE2 shall not include the quantity of emission reduction credits (ERC) which have been banked since September 19, 1991 for Actual Emissions Reductions that have occurred at the source, and which have not been used on-site."

This source is an existing Major Source for VOC emissions and will remain a Major Source for VOC. No change in other pollutants are proposed or expected as a result of this project.

6. Baseline Emissions (BE)

The BE calculation (in lbs/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 Section 3.7 of District Rule 2201, BE = Pre-project Potential to Emit 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 Section 3.22 of District Rule 2201.

S-1135-72

Clean Emissions Unit, Located at a Major Source

Pursuant to Rule 2201, Section 3.12, 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 emissions unit is equipped with a vapor control system with a control efficiency of 95% . Therefore it is a clean emissions unit.

As calculated in Section VII.C.1 above, PE1 is summarized in the following table:

Baseline Emissions [BE] (lb/year)					
	NO_x	SO_x	PM₁₀	CO	VOC
S-1131-72	0	0	0	0	1,205

7. Major Modification

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.*"

The project (S-1135-72) involves fugitive emissions only which do not contribute to the major modification calculation. Therefore, the project cannot be a significant increase and the project does not constitute a Major Modification.

8. Federal Major Modification

As shown above, this project does not constitute a Major Modification. Therefore, in accordance with District Rule 2201, Section 3.17, this project does not constitute a Federal Major Modification and no further discussion 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 below.

S-1135-338-0

Quarterly NEC [QNEC]			
	PE2 (lb/yr)	BE (lb/qtr)	NEC (lb/qtr)*
NO _x	0	0	0
SO _x	0	0	0
PM ₁₀	0	0	0
CO	0	0	0
VOC	1132	0	283

VIII. Compliance

Rule 2201 New and Modified Stationary Source Review Rule

S-1135-338 only

A. Best Available Control Technology (BACT)

1. BACT Applicability

Routine replacement units are exempt from BACT.

B. Offsets

1. Offset Applicability

Pursuant to Section 4.5.3, offset requirements shall be triggered on a pollutant by pollutant basis and shall be required if the Post Project Stationary Source Potential to Emit (SSPE2) equals to or exceeds the offset threshold levels in Table 4-1 of Rule 2201.

The following table compares the post-project facility-wide annual emissions in order to determine if offsets will be required for this project.

Offset Determination (lb/year)					
	NO _x	SO _x	PM ₁₀	CO	VOC
Post Project SSPE (SSPE2)	>20,000	>54,750	>29,200	>200,000	>20,000
Offset Threshold	20,000	54,750	29,200	200,000	20,000
Offsets triggered?	Yes	Yes	Yes	Yes	Yes

2. Quantity of Offsets Required

As seen above, the SSPE2 is greater than the offset thresholds for NO_x, SO_x, PM₁₀, CO, and VOC; therefore offset calculations will be required for this project.

Per Sections 4.7.1 and 4.7.3, the quantity of offsets in pounds per year for NO_x 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 = Pre-project Potential to Emit 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)

	<u>PE2</u>	<u>BE</u>
S-1135-72	0	1205
S-1135-338	1132	0
Total	1132	1205

Offsets Required (lb/year) = $(\sum[PE2 - BE] + ICCE) \times DOR$

$$\begin{aligned}\text{Offsets Required (lb/year)} &= ([1132 - 1205] + 0) \times 1.5 \\ &= -73\end{aligned}$$

Offsets are not required.

C. Public Notification

1. Applicability

Public noticing is required for:

- a. Any new Major Source, which is a new facility that is also a Major Source,
- b. Major Modifications,
- c. Any new emissions unit with a Potential to Emit greater than 100 pounds during any one day for any one pollutant,
- d. Any project which results in the offset thresholds being surpassed, and/or
- e. Any project with an SSPE of greater than 20,000 lb/year for any pollutant.

a. New Major Source

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.

b. Major Modification

As demonstrated in VII.C.7, this project does not constitute a Major Modification; therefore, public noticing for Major Modification purposes is not required.

c. PE > 100 lb/day

Applications which include a new emissions unit with a Potential to Emit 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.

d. Offset Threshold

The following table compares the SSPE1 with the SSPE2 in order to determine if any offset thresholds have been surpassed with this project.

Offset Threshold				
Pollutant	SSPE1 (lb/year)	SSPE2 (lb/year)	Offset Threshold	Public Notice Required?
NO _x	>20,000 lb/year	>20,000 lb/year	20,000 lb/year	No
SO _x	>54,750 lb/year	>54,750 lb/year	54,750 lb/year	No
PM ₁₀	>29,200 lb/year	>29,200 lb/year	29,200 lb/year	No
CO	>200,000 lb/year	>200,000 lb/year	200,000 lb/year	No
VOC	>20,000 lb/year	>20,000 lb/year	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.

e. SSIPE > 20,000 lb/year

Public notification is required for any permitting action that results in a Stationary Source Increase in Permitted Emissions (SSIPE) of more than 20,000 lb/year of any affected pollutant. According to District policy, the SSIPE is calculated as the Post Project Stationary Source Potential to Emit (SSPE2) minus the Pre-Project Stationary Source Potential to Emit (SSPE1), i.e. $SSIPE = SSPE2 - SSPE1$. The values for SSPE2 and SSPE1 are calculated according to Rule 2201, Sections 4.9 and 4.10, respectively. The SSIPE is compared to the SSIPE Public Notice thresholds in the following table:

Stationary Source Increase in Permitted Emissions [SSIPE] – Public Notice					
Pollutant	SSPE2 (lb/year)	SSPE1 (lb/year)	SSIPE (lb/year)	SSIPE Public Notice Threshold	Public Notice Required?
NO _x	>20,000 lb/year	>20,000 lb/year	0	20,000 lb/year	No
SO _x	>54,750 lb/year	>54,750 lb/year	0	20,000 lb/year	No
PM ₁₀	>29,200 lb/year	>29,200 lb/year	0	20,000 lb/year	No
CO	>200,000 lb/year	>200,000 lb/year	0	20,000 lb/year	No
VOC	>20,000 lb/year	>20,000 lb/year	-73	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.

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)

Daily Emissions Limitations (DELs) and other enforceable conditions are required by Section 3.15 to restrict a unit's maximum daily emissions, to a level at or below the emissions associated with the maximum design capacity. Per Sections 3.15.1 and 3.15.2, 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-1135-338

1. VOC emissions from the components associated with vessel up to vapor control system truck line shall not exceed 3.1 lb/day. [District Rule 2201] N
2. Permittee shall maintain with the permit an accurate fugitive component count and the resulting emissions calculated pursuant to EPA document, "EPA Protocol for Equipment Leak Emission Estimate," Table 2-4, "Oil and Gas Production Operations," using average emission factors. [District Rules 2201 and 1070] N

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

An I&M Program is necessary for BACT to achieve 95% control. The following conditions are included on the ATC:

11. Operator shall visually inspect tank shell, hatches, seals, seams, cable seals, valves, flanges, connectors, and any other piping components directly affixed to the tank and within five feet of the tank at least once per year for liquid leaks, and with a portable hydrocarbon detection instrument conducted in accordance with EPA Method 21 for gas leaks. Operator shall also visually or ultrasonically inspect as appropriate, the external shells and roofs of uninsulated tanks for structural integrity annually. [District Rules 2520, 9.3.2 and 4623, Table 3] Y

12. Upon detection of a liquid leak, defined as a leak rate of greater than or equal to 30 drops per minute, operator shall repair the leak within 8 hours. For leaks with a liquid leak rate of between 3 and 30 drops per minute, the leaking component shall be repaired within 24 hours after detection. [District Rule 4623, Table 3] Y
13. Upon detection of a gas leak, defined as a VOC concentration of greater than 10,000 ppmv measured in accordance with EPA Method 21, operator shall take on of the following actions: 1) eliminate the leak within 8 hours after detection; or 2) if the leak cannot be eliminated, then minimize the leak to the lowest possible level within 8 hours after detection by using best maintenance practices, and eliminate the leak within 48 hours after minimization. In no event shall the total time to minimize and eliminate a leak exceed 56 hours after detection. [District Rule 4623, Table 3] Y
14. Components found to be leaking either liquids or gases shall be immediately affixed with a tag showing the component to be leaking. Operator shall maintain records of the liquid or gas leak detection readings, date/time the leak was discovered, and date/time the component was repaired to a leak-free condition. [District Rules 2520, 9.3.2 and 4623, Table 3] Y
15. Leaking components that have been discovered by the operator that have been immediately tagged and repaired within the timeframes specified in District Rule 4623, Table 3 shall not constitute a violation of District Rule 4623. Leaking components as defined by District Rule 4623 discovered by District staff that were not previously identified and/or tagged by the operator, and/or any leaks that were not repaired within the timeframes specified in District Rule 4623, Table 3 shall constitute a violation of District Rule 4623. [District Rule 4623, Table 3] Y
16. If a component type for a given tank is found to leak during an annual inspection, operator shall conduct quarterly inspections of that component type on the tank or tank system for four consecutive quarters. If no components are found to leak after four consecutive quarters, the operator may revert to annual inspections. [District Rules 2520, 9.3.2 and 4623, Table 3] Y
17. Any component found to be leaking on two consecutive annual inspections is in violation of District Rule 4623, even if covered under the voluntary inspection and maintenance program. [District Rule 4623, Table 3] Y

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) will appear on the permit to operate:

18. Operator shall maintain an inspection log containing the following: 1) Date of all inspections; 2) Type and identification of leaking components; 3) Date of leak detection and method of detection; 4) Method used to minimize leak; and 5) Date and emission level of recheck after leak is repaired. [District Rule 2520, 9.3.2] Y
19. The permittee shall maintain, and make available for District inspection, 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] Y

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. This facility is subject to this Rule, and has received their Title V Operating Permit. Section 3.29 defines a significant permit modification as a “permit amendment that does not qualify as a minor permit modification or administrative amendment.”

Section 3.20.2 states that a minor permit modifications “Do not relax monitoring, reporting, or recordkeeping requirements in the permit and are not significant changes in existing monitoring permit terms or conditions”. Requiring record-keeping of only startup and shutdowns that exceed the time limits of Rule 4307 (and not all startup and shutdowns as previously required) is a relaxation of recordkeeping requirements. As a result, the proposed project constitutes a Significant Modification to the Title V Permit pursuant to Section 3.29.

Rule 4101 Visible Emissions

Per Section 5.0, 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). Visible emissions are not expected from these units and the facility-wide permit already contains a condition enforcing the requirements of this Rule. Therefore continued compliance is expected.

Rule 4102 Nuisance

Section 4.0 prohibits discharge of air contaminants that could cause injury, detriment, nuisance or annoyance to the public. Public nuisance conditions are not expected, 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.

As demonstrated above, there are no increases in emissions associated with this project, therefore a health risk assessment is not required.

Rule 4201 Particulate Matter Concentration

Section 3.1 prohibits discharge of dust, fumes, or total particulate matter into the atmosphere from any single source operation in excess of 0.1 grain per dry standard cubic foot.

The heater treaters have historically shown compliance with this rule. No modifications affecting particulate matter concentration are proposed. Continued compliance with this rule is expected.

Rule 4301 Fuel Burning Equipment

Rule 4301 limits air contaminant emissions from fuel burning equipment as defined in the rule. Section 3.1 defines fuel burning equipment as “any furnace, boiler, apparatus, stack, and all appurtenances thereto, used in the process of burning fuel for the primary purpose of producing heat or power by indirect heat transfer.”

No emission changes are proposed or expected as a result of this project. Therefore, continued compliance with this rule is expected.

Rule 4307 Boilers, Steam Generators, And Process Heaters – 2.0 MMBtu/hr to 5.0 MMBtu/hr

This rule limits the NO_x and CO emissions from boiler, steam generator, or process heater with a total heat input of 2.0 MMBtu/hr ≤ 5.0 MMBtu/hr.

Section 5.0 Emissions Limits

The heater treaters are in compliance with the Section 5.0 emissions limits requirements of the rule.

Section 5.3 Particulate Matter Control Requirements

These requirements are not applicable until 2015

Section 5.5 Monitoring Provisions – Monthly Monitoring

Section 6.0 Administrative Requirements – Startup/Shutdown

The units are in compliance with the monitoring and startup and shutdown provisions as stated in the following conditions:

Duration of start-up and shutdown shall not exceed one hour each per occurrence. [District Rule 4307] N

Permittee shall maintain records of duration of each startup and shutdown that exceed one hour per occurrence, and refractory curing, for a period of five years and make such records available for District inspection upon request. [District Rule 4307]

The permittee shall monitor, at least once per month, the units' operational characteristics recommended by the manufacturer and approved by the APCO. [District Rule 4307] N

The permittee shall tune the unit at least twice per calendar year, (from four to eight months apart) using a qualified technician in accordance with the procedure described in Rule 4304. If the unit does not operate throughout a continuous six-month period within a calendar year, only one tune-up is required for a calendar year. No tune-up is required if the unit is not operated during that calendar year. The unit may be test fired to verify availability of the unit for its intended use, but once the test firing is complete the unit shall be shutdown. In lieu of tuning the unit, the operator shall monitor the emissions, at least monthly, with a portable NO_x

analyzer and adjust the unit's operating parameters accordingly to assure compliance with the emission limits of this rule. [District Rule 4307] N

If the unit is tuned for compliance, the permittee shall maintain records of: (1) the date that tune-ups are performed, (2) a description of any corrective action taken to maintain the emissions within the acceptable range, and (3) a record of the operational characteristics monitored. [District Rule 4307] N

If NOx emissions are monitored for compliance, the permittee shall maintain records of: (1) the date and time of the NOx measurements, (2) the O2 concentration in percent and the measured NOx concentration corrected to 3% O2, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, (5) a description of any corrective action taken to maintain the emissions within the acceptable range, and (6) a record of the operational characteristics monitored. [District Rule 4307] N

All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. No determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4307. Notwithstanding the requirements above and per Section 5.5.4 of Rule 4307, for units with a cyclical firing period that routinely interrupts fuel flow as part of its normal operation, source testing may commence sooner than specified above and continue through its normal cyclical firing period. [District Rule 4307] N

Compliance with this rule is expected.

Rule 4623 Storage of Organic Liquids

S-1135-70, '-71, '-322, '-326, and '-338

The affected tanks are served by a vapor control system that has an expected control efficiency of 95%. As the vapor pressure of the oil is less than 0.5 psia and fugitive emissions are calculated using "EPA Average Emissions Factors" (allowing for some leaks), the tanks (and Wemco) are not required to be leak free. However to maintain a 99% control efficiency the I&M program must be stringent.

Therefore the proposed ATCs require that gas leaks from accessible components be minimized within 8 hours and repaired to a "leak free" condition within 56 hours. Liquid leaks must be repaired within 8 hours for a leak of 30 drops per minutes or more and within 24 hr for liquid leaks 3 – 30 drops per minute.

Inspection details such date of inspection, number of components found leaking, and method and time of repair must be documented with records made available to the District inspector upon request. The following I&M Program conditions are included on the ATCs:

ATC S-1135-338-0

11. Operator shall visually inspect tank shell, hatches, seals, seams, cable seals, valves, flanges, connectors, and any other piping components directly affixed to the tank and within five feet of the tank at least once per year for liquid leaks, and with a portable hydrocarbon detection instrument conducted in accordance with EPA Method 21 for gas leaks. Operator shall also visually or ultrasonically inspect as appropriate, the external shells and roofs of uninsulated tanks for structural integrity annually. [District Rules 2520, 9.3.2 and 4623, Table 3] Y

12. Upon detection of a liquid leak, defined as a leak rate of greater than or equal to 30 drops per minute, operator shall repair the leak within 8 hours. For leaks with a liquid leak rate of between 3 and 30 drops per minute, the leaking component shall be repaired within 24 hours after detection. [District Rule 4623, Table 3] Y
13. Upon detection of a gas leak, defined as a VOC concentration of greater than 10,000 ppmv measured in accordance with EPA Method 21, operator shall take on of the following actions: 1) eliminate the leak within 8 hours after detection; or 2) if the leak cannot be eliminated, then minimize the leak to the lowest possible level within 8 hours after detection by using best maintenance practices, and eliminate the leak within 48 hours after minimization. In no event shall the total time to minimize and eliminate a leak exceed 56 hours after detection. [District Rule 4623, Table 3] Y
14. Components found to be leaking either liquids or gases shall be immediately affixed with a tag showing the component to be leaking. Operator shall maintain records of the liquid or gas leak detection readings, date/time the leak was discovered, and date/time the component was repaired to a leak-free condition. [District Rules 2520, 9.3.2 and 4623, Table 3] Y
15. Leaking components that have been discovered by the operator that have been immediately tagged and repaired within the timeframes specified in District Rule 4623, Table 3 shall not constitute a violation of District Rule 4623. Leaking components as defined by District Rule 4623 discovered by District staff that were not previously identified and/or tagged by the operator, and/or any leaks that were not repaired within the timeframes specified in District Rule 4623, Table 3 shall constitute a violation of District Rule 4623. [District Rule 4623, Table 3] Y
16. If a component type for a given tank is found to leak during an annual inspection, operator shall conduct quarterly inspections of that component type on the tank or tank system for four consecutive quarters. If no components are found to leak after four consecutive quarters, the operator may revert to annual inspections. [District Rules 2520, 9.3.2 and 4623, Table 3] Y
17. Any component found to be leaking on two consecutive annual inspections is in violation of District Rule 4623, even if covered under the voluntary inspection and maintenance program. [District Rule 4623, Table 3] Y
18. Operator shall maintain an inspection log containing the following: 1) Date of all inspections; 2) Type and identification of leaking components; 3) Date of leak detection and method of detection; 4) Method used to minimize leak; and 5) Date and emission level of recheck after leak is repaired. [District Rule 2520, 9.3.2] Y

Compliance is expected.

Rule 4801 Sulfur Compounds

A person shall not discharge into the atmosphere sulfur compounds, which would exist as a liquid or gas at standard conditions, exceeding in concentration at the point of discharge: 0.2 % by volume calculated as SO₂, on a dry basis averaged over 15 consecutive minutes.

Using the ideal gas equation and the emission factors presented in Section VII, the sulfur compound emissions are calculated as follows:

$$\text{Volume SO}_2 = \frac{n RT}{P}$$

With:

$n = \text{moles SO}_2$

$T (\text{Standard Temperature}) = 60^\circ\text{F} = 520^\circ\text{R}$

$P (\text{Standard Pressure}) = 14.7 \text{ psi}$

$R (\text{Universal Gas Constant}) = \frac{10.73 \text{ psi} \cdot \text{ft}^3}{\text{lb} \cdot \text{mol} \cdot ^\circ\text{R}}$

The units included in this project are limited to SOx emissions of 0.002 lb/MMBtu or less. As shown below, this correlates to a stack concentration well under the 2000 ppmv allowed by this rule:

$$\frac{0.002 \text{ lb} - \text{SOx}}{\text{MMBtu}} \times \frac{\text{MMBtu}}{8,578 \text{ dscf}} \times \frac{1 \text{ lb} \cdot \text{mol}}{64 \text{ lb}} \times \frac{10.73 \text{ psi} \cdot \text{ft}^3}{\text{lb} \cdot \text{mol} \cdot ^\circ\text{R}} \times \frac{520^\circ\text{R}}{14.7 \text{ psi}} \times \frac{1,000,000 \cdot \text{parts}}{\text{million}} = 1 \frac{\text{part}}{\text{million}}$$

$$\text{Sulfur Concentration} = 1 \frac{\text{part}}{\text{million}} < 2,000 \text{ ppmv (or 0.2\%)} < 2,000 \text{ ppmv (or 0.2\%)}$$

Therefore, compliance with District Rule 4801 requirements is expected.

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)

The California Environmental Quality Act (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 San Joaquin Valley Unified Air Pollution Control District (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.
- 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.

Greenhouse Gas (GHG) Significance Determination

It is determined that no other agency has or will prepare an environmental review document for the project. Thus the District is the Lead Agency for this project. The District's engineering evaluation (this document) demonstrates that the project would not result in an increase in project specific greenhouse gas emissions. The District therefore concludes that the project would have a less than cumulatively significant impact on global climate change.

District CEQA Findings

The District is the Lead Agency for this project because there is no other agency with broader statutory authority over this project. The District performed an Engineering Evaluation (this document) for the proposed project and determined that the activity will occur at an existing facility and the project involves negligible expansion of the existing use. Furthermore, the District determined that the activity will not have a significant effect on the environment. The District finds that the activity is categorically exempt from the provisions of CEQA pursuant to CEQA Guideline § 15031 (Existing Facilities), and finds that the project is exempt per the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment (CEQA Guidelines §15061(b)(3)).

Compliance with all applicable rules and regulations is expected. The Title V Compliance Certification form is included in **Attachment V**.

IX. Recommendation

.Issue Authorities to Construct S-1135-3-22, '-29-28, '-70-15, '-70-16, '-71-8, '-322-2, '-326-2, and '-338-0 subject to the permit conditions on the attached drafts (**Attachment VI**).

X. Billing Information

Annual Permit Fees		
Permit Number	Fee Schedule	Fee Description MMBtu/hr
S-1135-3	3020-02-G	5.0 MMBtu/hr
S-1135-29	3020-02-F	4.2 MMBtu/hr
S-1135-70	3020-05-C	43,470 gallon
S-1135-71	3020-05-D	84,000 gallon
S-1135-322, '- 326, '-338	3020-05-E	126,000 gallon

Attachments

- I: Current PTOs S-1135-3-21, '-29-26, '-70-13, '-71-7, '-322-1, and '-326-1
- II: Location Map
- III: Fugitive Emissions Calculations
- IV: Emissions Profiles
- V: Title V Compliance Certification Form
- VI: Draft ATCs

ATTACHMENT I

**Current PTOs S-1135-3-21, '-29-26, '-70-13, '-71-7, '-322-1,
and '-326-1**

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-1135-3-21

EXPIRATION DATE: 05/31/2007

SECTION: 24 TOWNSHIP: 11N RANGE: 23W

EQUIPMENT DESCRIPTION:

8.4 MMBTU/HR (DERATED TO 5 MMBTU/HR) NATURAL GAS FIRED HEATER TREATER #1 WITH A MAXON MODEL M-PAKT BURNER WITH VARIABLE FREQUENCY DRIVE (VFD) BLOWER, SERVED BY VAPOR RECOVERY SYSTEM LISTED ON S-1135-70 - METSON LEASE

PERMIT UNIT REQUIREMENTS

1. All required source testing shall conform to the compliance testing procedures described in District Rule 1081 (Amended December 16, 1993). [District Rule 1081, and County Rules 108 (Kings), 108.1 (Fresno, Merced, San Joaquin, Tulare, Kern, and Stanislaus), and 110 (Madera)] Federally Enforceable Through Title V Permit
2. All equipment shall be maintained in good operating condition and shall be operated in a manner to minimize emissions of air contaminants into the atmosphere. [District Rule 2201]
3. No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101]
4. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201]
5. The concentration of sulfur compounds in the exhaust from this unit shall not exceed 0.2% by volume as measured on a dry basis over a 15 minute period. To demonstrate compliance with this requirement the operator shall do one of the following: fire the unit only on PUC or FERC regulated natural gas; or test the sulfur content of each fuel source and demonstrate the sulfur content does not exceed 3.3% by weight for gaseous fuels; or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rule 2520, 9.3.2; District Rule 4301, 5.2.1; District Rule 4801, 3.1; and Kern County Rule 407] Federally Enforceable Through Title V Permit
6. Copies of all fuel invoices showing quantity and delivery points of gas delivered and copies of quality terms of gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
7. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit and sulfur emission limits has been demonstrated for 8 consecutive weeks for a fuel source, then the fuel testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
8. When complying with SO_x emission limits by testing of stack emissions, testing shall be performed not less than once every 12 months using EPA Method 6 or CARB Method 100; or, for units using gaseous fuel scrubbed for sulfur pre-combustion, a grab sample analysis by double GC for H₂S and mercaptans performed in the laboratory and EPA Method 19 to calculated emissions. Gaseous fuel fired units demonstrating compliance on two consecutive annual source tests shall be tested not less than once every thirty-six months; however, annual source testing shall resume if any test fails to show compliance. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit

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

9. If the unit is fired on noncertified gaseous fuel and compliance with SO_x emission limits is achieved through fuel sulfur content limitations, then the sulfur content of the gaseous fuel being fired in the unit shall be determined using ASTM D 1072, D 3031, D 4084, D 3246 or grab sample analysis by double GC for H₂S and mercaptans performed in the laboratory and EPA Method 19 to calculated emissions. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
10. If fuel analysis is used to demonstrate compliance with the conditions of this permit, the fuel higher heating value for each fuel shall be certified by third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588. [District Rule 2520, 9.3.2 and 4305, 6.2.1] Federally Enforceable Through Title V Permit
11. Fuel gas sulfur content shall not exceed 0.5 gr/100 scf. [District NSR Rule] Federally Enforceable Through Title V Permit
12. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following requirements of SJVUAPCD Rules 4201 (Amended December 17, 1992), and 4301 (Amended December 17, 1992). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
13. Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of County Rules 108 (Kings), 108.1 (Fresno, Merced, San Joaquin, Tulare, Kern, and Stanislaus), and 110 (Madera), 402 (Madera), 404 (Fresno, Kern, Tulare, Kings, Stanislaus, Merced, and San Joaquin), 405 (Madera), 408 (Fresno, Kern, Tulare, Kings, Stanislaus, Merced, and San Joaquin), 407.2 (Kern, Tulare, Kings, Stanislaus, and San Joaquin), and 408.2 (Merced). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
14. This unit commenced construction, modification, or reconstruction prior to June 19, 1984. This unit has not been used to produce electricity for sale in 1985 or on or after November 15, 1990. Therefore, the requirements of 40 CFR 72.6(b) and 40 CFR 60.40c do not apply to this source. A permit shield is granted from this requirement. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
15. The rated heat input of the unit shall be reduced to no greater than 5.0 MMBtu/hr. [District NSR Rule] Federally Enforceable Through Title V Permit
16. Fuel consumption shall be verified by the use of a non-resettable, totalizing mass or volumetric flow meter. [District NSR Rule] Federally Enforceable Through Title V Permit
17. Emission rates, except during startup and shutdown shall not exceed the following: PM₁₀: 0.0076 lb/MMBtu, SO_x (as SO₂): 0.00285 lb/MMBtu, NO_x (as NO₂): 0.036 lb/MMBtu or 30 ppmv @ 3% O₂, VOC: 0.0055 lb/MMBtu, and CO: 0.033 lb/MMBtu or 45 ppmv @ 3% O₂. [District NSR Rule, District Rule 4301, District Rule 4201, District Rule 4307, and Kern County Rule 404]
18. Emission rates shall not exceed any of the following: NO_x (as NO₂): 4.3 lb/day, SO_x (as SO₂): 0.3 lb/day, PM₁₀: 0.9 lb/day, CO: 4.0 lb/day, VOC: 0.7 lb/day. [District Rule 2201]
19. Fuel shall be tested for higher heating value annually within 60 days prior to permit anniversary and prior to changing fuel source using methods ASTM D 1826 or D 1945 in conjunction with ASTM D 3588. [District NSR Rule, District Rule 2520, 9.3.2, and 4305, 6.2.1] Federally Enforceable Through Title V Permit
20. The permittee shall maintain records of fuel type and quantity for each day of operation, in the format approved by the District. [District NSR Rule] Federally Enforceable Through Title V Permit
21. The duration of start-up and shutdown shall not exceed one hour each per occurrence. [District Rule 4307]
22. The permittee shall maintain records of the duration of each start-up and shutdown for a period of five years and make such records readily available for District inspection upon request. [District Rule 4307]
23. The permittee shall monitor, at least once per month, the units's operational characteristics recommended by the manufacturer and approved by the APCO. [District Rule 4307]

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

24. The permittee shall tune the unit at least twice per calendar year, (from four to eight months apart) using a qualified technician in accordance with the procedure described in Rule 4304. If the unit does not operate throughout a continuous six-month period within a calendar year, only one tune-up is required for a calendar year. No tune-up is required if the unit is not operated during that calendar year. The unit may be test fired to verify availability of the unit for its intended use, but once the test firing is complete the unit shall be shutdown. In lieu of tuning the unit, the operator shall monitor the emissions, at least monthly, with a portable NOx analyzer and adjust the unit's operating parameters accordingly to assure compliance with the emission limits of this rule. [District Rule 4307]
25. If the unit is tuned for compliance, the permittee shall maintain records of: (1) the date that tune-ups are performed, (2) a description of any corrective action taken to maintain the emissions within the acceptable range, and (3) a record of the operational characteristics monitored. [District Rule 4307]
26. If NOx emissions are monitored for compliance, the permittee shall maintain records of: (1) the date and time of the NOx measurements, (2) the O2 concentration in percent and the measured NOx concentration corrected to 3% O2, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, (5) a description of any corrective action taken to maintain the emissions within the acceptable range, and (6) a record of the operational characteristics monitored. [District Rules 4307]
27. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. No determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4307. Notwithstanding the requirements above and per Section 5.5.4 of Rule 4307, for units with a cyclical firing period that routinely interrupts fuel flow as part of its normal operation, source testing may commence sooner than specified above and continue through its normal cyclical firing period. [District Rule 4307]
28. All records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070 and 4307]

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

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-1135-29-26

EXPIRATION DATE: 05/31/2007

SECTION: 24 TOWNSHIP: 11N RANGE: 23W

EQUIPMENT DESCRIPTION:

NATURAL GAS-FIRED HEATER TREATER (#2) WITH A 4.2 MMBTU/HR MAXON MODEL M-PAKT BURNER SERVED BY VAPOR RECOVERY SYSTEM LISTED ON S-1135-70 - METSON LEASE

PERMIT UNIT REQUIREMENTS

1. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201]
2. The operator shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
3. Copies of all fuel invoices showing quantity and delivery points of gas delivered and copies of quality terms of gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
4. All required source testing shall conform to the compliance testing procedures described in District Rule 1081 (Amended December 16, 1993). [District Rule 1081, and County Rules 108 (Kings), 108.1 (Fresno, Merced, San Joaquin, Tulare, Kern, and Stanislaus), and 110 (Madera)] Federally Enforceable Through Title V Permit
5. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit and sulfur emission limits has been demonstrated for 8 consecutive weeks for a fuel source, then the fuel testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
6. When complying with SO_x emission limits by testing of stack emissions, testing shall be performed not less than once every 12 months using EPA Methods 6, 6B, 8 or CARB Method 8 or 100; or, for units using gaseous fuel scrubbed for sulfur pre-combustion, a grab sample analysis by double GC for H₂S and mercaptans performed in the laboratory and EPA Method 19 to calculated emissions. Gaseous fuel fired units demonstrating compliance on two consecutive annual source tests shall be tested not less than once every thirty-six months; however, annual source testing shall resume if any test fails to show compliance. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
7. If the unit is fired on noncertified gaseous fuel and compliance with SO_x emission limits is achieved through fuel sulfur content limitations, then the sulfur content of the gaseous fuel being fired in the unit shall be determined using ASTM D 1072, D 4468, D 4084, D 3246 or grab sample analysis by double GC for H₂S and mercaptans performed in the laboratory and EPA Method 19 to calculated emissions. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
8. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
9. Fuel gas sulfur content shall not exceed 0.5 gr/100 scf (as sulfur). [District Rule 2201] 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.

10. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following requirements: SJVUAPCD Rules 4201 (Amended December 17, 1992), 4301 (Amended December 17, 1992), 4406 (Amended December 17, 1992, and Rule 4801 (Amended December 17, 1992). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
11. Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of County Rules 108 (Kings), 108.1 (Fresno, Merced, San Joaquin, Tulare, Kern, and Stanislaus), and 110 (Madera), 402 (Madera), 404 (Fresno, Kern, Tulare, Kings, Stanislaus, Merced, and San Joaquin), 405 (Madera), 408 (Fresno, Kern, Tulare, Kings, Stanislaus, Merced, and San Joaquin), 407.2 (Kern, Tulare, Kings, Stanislaus, and San Joaquin), and 408.2 (Merced). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
12. This unit commenced construction, modification, or reconstruction prior to June 19, 1984. This unit has not been used to produce electricity for sale in 1985 or on or after November 15, 1990. Therefore, the requirements of 40 CFR 72.6(b) and 40 CFR 60.40c do not apply to this source. A permit shield is granted from this requirement. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
13. Maximum annual heat input of the unit shall not exceed 30 billion Btu per calendar year. [District Rule 2201] Federally Enforceable Through Title V Permit
14. A non-resettable, totalizing mass or volumetric fuel flow meter to measure the amount of natural gas combusted in the unit shall be installed, utilized and maintained. Use of an alternate system consisting of calibrated orifice plates, transmitters, and a programmable logic controller (PLC) may be used to meet this requirement. [District Rules 2201] Federally Enforceable Through Title V Permit
15. Records of monthly and annual heat input of the unit shall be maintained. [District Rule 2201] Federally Enforceable Through Title V Permit
16. Emission rates, except during startup and shutdown shall not exceed any of the following: PM10: 0.136 lb/MMBtu, SOx (as SO2): 0.005 lb/MMBtu, VOC: 0.007 lb/MMBtu, NOx (as NO2): 0.036 lb/MMBtu or 36 ppmv @ 3% O2, or CO: 0.037 lb/MMBtu or 50 ppmv @ 3% O2. [District Rules 2201, 2520, 4201, 4301, 4307, 4405, 4406, 4801 and Kern County Rules 424 and 425]
17. Emission rates during startup and shutdown shall not exceed any of the following: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO2; sulfur - 200 pounds of SO2 per hour, or 2000 ppmv as SO2, or 0.11 pounds sulfur (as S) per MMBtu on average-wide basis for all units in Rule 4406 plan ; NO2 - 140 pounds per hour or 0.14 pounds per MMBtu. [District Rules 4101, 4102, 4301, 4405, 4406, 4801 and Kern County Rules 424 and 425] Federally Enforceable Through Title V Permit
18. Particulate matter emissions shall not exceed 0.1 grain/dscf, calculated to 12% CO2, nor 10 lb/hr. [District Rules 4201, 3.1 and 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit
19. Emission rates shall not exceed any of the following: PM10: 13.7 lb/day, SOx (as SO2): 0.5 lb/day, VOC: 0.7 lb/day, NOx (as NO2): 80.2 lb/day or 1080 lb/yr, or CO: 3.7 lb/day. [District Rule 2201] Federally Enforceable Through Title V Permit
20. Duration of start-up and shutdown shall not exceed one hour each per occurrence. [District Rule 4307]
21. Duration of refractory curing shall not exceed 30 hours each per occurrence. Permittee shall notify the District in writing prior to refractory curing. [District Rule 2080] Federally Enforceable Through Title V Permit
22. Permittee shall maintain records of duration of each start-up and shutdown that exceed one hour per occurrence, and refractory curing, for a period of five years and make such records readily available for District inspection upon request. [District Rule 4307] Federally Enforceable Through Title V Permit
23. The permittee shall monitor, at least once per month, the units's operational characteristics recommended by the manufacturer and approved by the APCO. [District Rule 4307]

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

24. The permittee shall tune the unit at least twice per calendar year, (from four to eight months apart) using a qualified technician in accordance with the procedure described in Rule 4304. If the unit does not operate throughout a continuous six-month period within a calendar year, only one tune-up is required for a calendar year. No tune-up is required if the unit is not operated during that calendar year. The unit may be test fired to verify availability of the unit for its intended use, but once the test firing is complete the unit shall be shutdown. In lieu of tuning the unit, the operator shall monitor the emissions, at least monthly, with a portable NOx analyzer and adjust the unit's operating parameters accordingly to assure compliance with the emission limits of this rule. [District Rule 4307]
25. If the unit is tuned for compliance, the permittee shall maintain records of: (1) the date that tune-ups are performed, (2) a description of any corrective action taken to maintain the emissions within the acceptable range, and (3) a record of the operational characteristics monitored. [District Rule 4307]
26. If NOx emissions are monitored for compliance, the permittee shall maintain records of: (1) the date and time of the NOx measurements, (2) the O2 concentration in percent and the measured NOx concentration corrected to 3% O2, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, (5) a description of any corrective action taken to maintain the emissions within the acceptable range, and (6) a record of the operational characteristics monitored. [District Rule 4307]
27. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. No determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4307. Notwithstanding the requirements above and per Section 5.5.4 of Rule 4307, for units with a cyclical firing period that routinely interrupts fuel flow as part of its normal operation, source testing may commence sooner than specified above and continue through its normal cyclical firing period. [District Rule 4307]
28. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rule 4307]
29. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
30. The following test methods shall be used: NOx (ppmv) - EPA Method 7E or ARB Method 100, NOx (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SOx (lb/MMBtu) - ARB Method 8 or 100 or EPA Method 6, 6B or 8 or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - ASTM D1072, D4468, D3246, D3246, D4084 or double GC for H2S and mercaptans performed in laboratory, fuel gas hhv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rules 1081 and 4307]
31. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rule 4307]

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

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-1135-70-13

EXPIRATION DATE: 05/31/2007

SECTION: SW24 **TOWNSHIP:** 11N **RANGE:** 23W

EQUIPMENT DESCRIPTION:

43,470 GALLON FIXED ROOF REJECT TANK T-110, WITH SHARED VAPOR RECOVERY SYSTEM - METSON LEASE TANK BATTERY

PERMIT UNIT REQUIREMENTS

1. No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101] Federally Enforceable Through Title V Permit
2. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
3. Operation shall include two fin fan air-X changers, two separators, two compressors, and two liquid transfer pumps, shared between tanks S-1135-70, '-71, '-72, '-322, '-326, and '-327, and heater treaters S-1135-3 and '-29. [District Rule 2201] Federally Enforceable Through Title V Permit
4. Operation shall include provisions for connecting tank to existing TEOR operation and Vapor Control System. [District Rule 2201] Federally Enforceable Through Title V Permit
5. All tanks and separators shall vent only to vapor control system. [District NSR Rule] Federally Enforceable Through Title V Permit
6. The tank shall be equipped with a fixed roof with no holes or openings. [District Rule 2201] Federally Enforceable Through Title V Permit
7. Tank shall be equipped with stored liquid temperature indicator. [District Rule 2201] Federally Enforceable Through Title V Permit
8. This tank shall only vent to a vapor recovery system. The vapor recovery system shall be an APCO-approved system consisting of a closed vent system that collects all VOCs from the storage tank and a VOC control device. The vapor recovery system shall be maintained in a leak-free condition. The VOC control device shall be either of the following: a vapor return or condensation system that connects to a gas pipeline distribution system, or an approved VOC destruction device that reduces the inlet VOC emissions by at least 99% by weight as determined by the test method specified in Section 6.4 of District Rule 4623 (amended May 19, 2005). [District Rules 2201 and 4623, 5.6.1] Federally Enforceable Through Title V Permit
9. The tank and all piping, valves, and fittings shall be constructed and maintained in a leak-free condition. [District Rule 4623, 5.6.3] Federally Enforceable Through Title V Permit
10. A leak-free condition is a condition without a gas leak or a liquid 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 that is calibrated with methane in accordance with the procedures specified in EPA Test Method 21. A liquid leak is defined as the dripping of organic liquid at a rate of more than 3 drops per minute. [District Rule 4623, 3.17 and 6.4.8] 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.

11. 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 4623, 5.6.2] Federally Enforceable Through Title V Permit
12. Operator shall visually inspect tank shell, hatches, seals, seams, cable seals, valves, flanges, connectors, and any other piping components directly affixed to the tank and within five feet of the tank at least once per year for liquid leaks, and with a portable hydrocarbon detection instrument conducted in accordance with EPA Method 21 for gas leaks. Operator shall also visually or ultrasonically inspect as appropriate, the external shells and roofs of uninsulated tanks for structural integrity annually. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
13. Upon detection of a liquid leak, defined as a leak rate of greater than or equal to 30 drops per minute, operator shall repair the leak within 8 hours. For leaks with a liquid leak rate of between 3 and 30 drops per minute, the leaking component shall be repaired within 24 hours after detection. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
14. Upon detection of a gas leak, defined as a VOC concentration of greater than 10,000 ppmv measured in accordance with EPA Method 21, operator shall take on of the following actions: 1) eliminate the leak within 8 hours after detection; or 2) if the leak cannot be eliminated, then minimize the leak to the lowest possible level within 8 hours after detection by using best maintenance practices, and eliminate the leak within 48 hours after minimization. In no event shall the total time to minimize and eliminate a leak exceed 56 hours after detection. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
15. Components found to be leaking either liquids or gases shall be immediately affixed with a tag showing the component to be leaking. Operator shall maintain records of the liquid or gas leak detection readings, date/time the leak was discovered, and date/time the component was repaired to a leak-free condition. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
16. Leaking components that have been discovered by the operator that have been immediately tagged and repaired within the timeframes specified in District Rule 4623, Table 3 shall not constitute a violation of District Rule 4623. Leaking components as defined by District Rule 4623 discovered by District staff that were not previously identified and/or tagged by the operator, and/or any leaks that were not repaired within the timeframes specified in District Rule 4623, Table 3 shall constitute a violation of District Rule 4623. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
17. If a component type for a given tank is found to leak during an annual inspection, operator shall conduct quarterly inspections of that component type on the tank or tank system for four consecutive quarters. If no components are found to leak after four consecutive quarters, the operator may revert to annual inspections. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
18. Any component found to be leaking on two consecutive annual inspections is in violation of District Rule 4623, even if covered under the voluntary inspection and maintenance program. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
19. Operator shall maintain an inspection log containing the following: 1) Date of all inspections; 2) Type and identification of leaking components; 3) Date of leak detection and method of detection; 4) Method used to minimize leak; and 5) Date and emission level of recheck after leak is repaired. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
20. Fugitive emissions rate shall not exceed 0.8 lb-VOC/day. [District Rule 2201] Federally Enforceable Through Title V Permit
21. Permittee shall keep accurate records of throughput and storage temperature of liquids stored in each tank and such records shall be made readily available for District inspection upon request. [District Rules 2520, 9.4.2 and 1070] Federally Enforceable Through Title V Permit
22. The permittee shall maintain, and make available for District inspection, 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

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

23. The operator shall ensure that the vapor recovery system is functional and is operating as designed whenever organic liquids or organic liquid vapors are contained in this tank. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
24. This unit has a storage capacity less than 420,000 gallons and is used for petroleum or condensate stored, processed and/or treated at a drilling and production facility prior to custody transfer. Therefore, the requirements of 40CFR 60 Subpart K, Ka and Kb do not apply to this source. A permit shield is granted from these requirements. [District Rule 2520, 13.2] 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-1135-71-7

EXPIRATION DATE: 05/31/2007

SECTION: SW24 **TOWNSHIP:** 11N **RANGE:** 23W

EQUIPMENT DESCRIPTION:

84,000 GALLON FIXED ROOF LACT TANK T-100 WITH VAPOR RECOVERY (LISTED ON S-1135-70) - METSON
LEASE TANK BATTERY

PERMIT UNIT REQUIREMENTS

1. Operation shall include vapor recovery system described on the requirements for permit unit S-1135-70. [District NSR Rule] Federally Enforceable Through Title V Permit
2. Operation shall include provisions for connecting tank to existing TEOR operation and Vapor Control System. [District NSR Rule] Federally Enforceable Through Title V Permit
3. The tank shall be equipped with a fixed roof with no holes or openings. [District NSR Rule] Federally Enforceable Through Title V Permit
4. Tank shall be equipped with stored liquid temperature indicator. [District NSR Rule] Federally Enforceable Through Title V Permit
5. All tanks and separators shall vent only to vapor control system. [District NSR Rule] Federally Enforceable Through Title V Permit
6. This tank shall only vent to a vapor recovery system. The vapor recovery system shall be an APCO-approved system consisting of a closed vent system that collects all VOCs from the storage tank and a VOC control device. The vapor recovery system shall be maintained in a leak-free condition. The VOC control device shall be either of the following: a vapor return or condensation system that connects to a gas pipeline distribution system, or an approved VOC destruction device that reduces the inlet VOC emissions by at least 95% by weight as determined by the test method specified in Section 6.4 of District Rule 4623 (amended May 19, 2005). [District Rule 4623, 5.6.1] Federally Enforceable Through Title V Permit
7. The tank and all piping, valves, and fittings shall be constructed and maintained in a leak-free condition. [District Rule 4623, 5.6.3] Federally Enforceable Through Title V Permit
8. A leak-free condition is a condition without a gas leak or a liquid 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 that is calibrated with methane in accordance with the procedures specified in EPA Test Method 21. A liquid leak is defined as the dripping of organic liquid at a rate of more than 3 drops per minute. [District Rule 4623, 3.17 and 6.4.8] 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 4623, 5.6.2] 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.

10. Operator shall visually inspect tank shell, hatches, seals, seams, cable seals, valves, flanges, connectors, and any other piping components directly affixed to the tank and within five feet of the tank at least once per year for liquid leaks, and with a portable hydrocarbon detection instrument conducted in accordance with EPA Method 21 for gas leaks. Operator shall also visually or ultrasonically inspect as appropriate, the external shells and roofs of uninsulated tanks for structural integrity annually. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
11. Upon detection of a liquid leak, defined as a leak rate of greater than or equal to 30 drops per minute, operator shall repair the leak within 8 hours. For leaks with a liquid leak rate of between 3 and 30 drops per minute, the leaking component shall be repaired within 24 hours after detection. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
12. Upon detection of a gas leak, defined as a VOC concentration of greater than 10,000 ppmv measured in accordance with EPA Method 21, operator shall take on of the following actions: 1) eliminate the leak within 8 hours after detection; or 2) if the leak cannot be eliminated, then minimize the leak to the lowest possible level within 8 hours after detection by using best maintenance practices, and eliminate the leak within 48 hours after minimization. In no event shall the total time to minimize and eliminate a leak exceed 56 hours after detection. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
13. Components found to be leaking either liquids or gases shall be immediately affixed with a tag showing the component to be leaking. Operator shall maintain records of the liquid or gas leak detection readings, date/time the leak was discovered, and date/time the component was repaired to a leak-free condition. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
14. Leaking components that have been discovered by the operator that have been immediately tagged and repaired within the timeframes specified in District Rule 4623, Table 3 shall not constitute a violation of District Rule 4623. Leaking components as defined by District Rule 4623 discovered by District staff that were not previously identified and/or tagged by the operator, and/or any leaks that were not repaired within the timeframes specified in District Rule 4623, Table 3 shall constitute a violation of District Rule 4623. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
15. If a component type for a given tank is found to leak during an annual inspection, operator shall conduct quarterly inspections of that component type on the tank or tank system for four consecutive quarters. If no components are found to leak after four consecutive quarters, the operator may revert to annual inspections. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
16. Any component found to be leaking on two consecutive annual inspections is in violation of District Rule 4623, even if covered under the voluntary inspection and maintenance program. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
17. Operator shall maintain an inspection log containing the following: 1) Date of all inspections; 2) Type and identification of leaking components; 3) Date of leak detection and method of detection; 4) Method used to minimize leak; and 5) Date and emission level of recheck after leak is repaired. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
18. Permittee shall keep accurate records of throughput and storage temperature of liquids stored in each tank and such records shall be made readily available for District inspection upon request. [District Rule 1070] Federally Enforceable Through Title V Permit
19. The permittee shall maintain, and make available for District inspection, 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
20. The operator shall ensure that the vapor recovery system is functional and is operating as designed whenever organic liquids or organic liquid vapors are contained in this tank. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE
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21. This unit has a storage capacity less than 420,000 gallons and is used for petroleum or condensate stored, processed and/or treated at a drilling and production facility prior to custody transfer. Therefore, the requirements of 40CFR 60 Subpart K, Ka and Kb do not apply to this source. A permit shield is granted from these requirements. [District Rule 2520, 13.2] 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-1135-322-1

EXPIRATION DATE: 05/31/2007

SECTION: SW24 TOWNSHIP: 11N RANGE: 23W

EQUIPMENT DESCRIPTION:

126,000 GALLON FIXED ROOF WASH TANK T-101, WITH VAPOR RECOVERY (LISTED IN S-1135-70) - METSON LEASE TANK BATTERY

PERMIT UNIT REQUIREMENTS

1. Fugitive VOC emissions rate calculated using EPA's Protocol for Equipment Leak Emission Estimates, Table 2-4, Oil and Gas Production Operations Average Emission Factors, shall not exceed 3.0 lb/day. [District Rule 2201] Federally Enforceable Through Title V Permit
2. Operation shall include vapor recovery system described on the requirements for permit unit S-1135-70. [District Rule 2201] Federally Enforceable Through Title V Permit
3. Operation shall include provisions for connecting tank to existing TEOR operation and Vapor Control System. [District Rule 2201] Federally Enforceable Through Title V Permit
4. The tank shall be equipped with a fixed roof with no holes or openings. [District Rule 2201] Federally Enforceable Through Title V Permit
5. Tank shall be equipped with stored liquid temperature indicator. [District Rule 2201] Federally Enforceable Through Title V Permit
6. All tanks and separators shall vent only to vapor control system. [District Rule 2201] Federally Enforceable Through Title V Permit
7. This tank shall only vent to a vapor recovery system. The vapor recovery system shall be an APCO-approved system consisting of a closed vent system that collects all VOCs from the storage tank and a VOC control device. The vapor recovery system shall be maintained in a leak-free condition. The VOC control device shall be either of the following: a vapor return or condensation system that connects to a gas pipeline distribution system, or an approved VOC destruction device that reduces the inlet VOC emissions by at least 95% by weight as determined by the test method specified in Section 6.4 of District Rule 4623 (amended May 19, 2005). [District Rule 4623, 5.6.1] Federally Enforceable Through Title V Permit
8. The tank and all piping, valves, and fittings shall be constructed and maintained in a leak-free condition. [District Rule 4623, 5.6.3] Federally Enforceable Through Title V Permit
9. A leak-free condition is a condition without a gas leak or a liquid 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 that is calibrated with methane in accordance with the procedures specified in EPA Test Method 21. A liquid leak is defined as the dripping of organic liquid at a rate of more than 3 drops per minute. [District Rule 4623, 3.17 and 6.4.8] 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 4623, 5.6.2] 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.

11. Operator shall visually inspect tank shell, hatches, seals, seams, cable seals, valves, flanges, connectors, and any other piping components directly affixed to the tank and within five feet of the tank at least once per year for liquid leaks, and with a portable hydrocarbon detection instrument conducted in accordance with EPA Method 21 for gas leaks. Operator shall also visually or ultrasonically inspect as appropriate, the external shells and roofs of uninsulated tanks for structural integrity annually. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
12. Upon detection of a liquid leak, defined as a leak rate of greater than or equal to 30 drops per minute, operator shall repair the leak within 8 hours. For leaks with a liquid leak rate of between 3 and 30 drops per minute, the leaking component shall be repaired within 24 hours after detection. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
13. Upon detection of a gas leak, defined as a VOC concentration of greater than 10,000 ppmv measured in accordance with EPA Method 21, operator shall take on of the following actions: 1) eliminate the leak within 8 hours after detection; or 2) if the leak cannot be eliminated, then minimize the leak to the lowest possible level within 8 hours after detection by using best maintenance practices, and eliminate the leak within 48 hours after minimization. In no event shall the total time to minimize and eliminate a leak exceed 56 hours after detection. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
14. Components found to be leaking either liquids or gases shall be immediately affixed with a tag showing the component to be leaking. Operator shall maintain records of the liquid or gas leak detection readings, date/time the leak was discovered, and date/time the component was repaired to a leak-free condition. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
15. Leaking components that have been discovered by the operator that have been immediately tagged and repaired within the timeframes specified in District Rule 4623, Table 3 shall not constitute a violation of District Rule 4623. Leaking components as defined by District Rule 4623 discovered by District staff that were not previously identified and/or tagged by the operator, and/or any leaks that were not repaired within the timeframes specified in District Rule 4623, Table 3 shall constitute a violation of District Rule 4623. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
16. If a component type for a given tank is found to leak during an annual inspection, operator shall conduct quarterly inspections of that component type on the tank or tank system for four consecutive quarters. If no components are found to leak after four consecutive quarters, the operator may revert to annual inspections. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
17. Any component found to be leaking on two consecutive annual inspections is in violation of District Rule 4623, even if covered under the voluntary inspection and maintenance program. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
18. Operator shall maintain an inspection log containing the following: 1) Date of all inspections; 2) Type and identification of leaking components; 3) Date of leak detection and method of detection; 4) Method used to minimize leak; and 5) Date and emission level of recheck after leak is repaired. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
19. The permittee shall maintain, and make available for District inspection, 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
20. The operator shall ensure that the vapor recovery system is functional and is operating as designed whenever organic liquids or organic liquid vapors are contained in this tank. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
21. This unit has a storage capacity less than 420,000 gallons and is used for petroleum or condensate stored, processed and/or treated at a drilling and production facility prior to custody transfer. Therefore, the requirements of 40CFR 60 Subpart K, Ka and Kb do not apply to this source. A permit shield is granted from these requirements. [District Rule 2520, 13.2] 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-1135-326-1

EXPIRATION DATE: 05/31/2007

SECTION: SW24 **TOWNSHIP:** 11N **RANGE:** 23W

EQUIPMENT DESCRIPTION:

126,000 GALLON FIXED ROOF WASH TANK T-102, WITH VAPOR RECOVERY (LISTED IN S-1135-70) - METSON LEASE TANK BATTERY

PERMIT UNIT REQUIREMENTS

1. Fugitive emissions calculated using EPA's Protocol for Equipment Leak Emission Estimates, Table 2-4, Oil and Gas Production Operations Average Emission Factors, shall not exceed 3.0 lb/day. [District Rule 2201] Federally Enforceable Through Title V Permit
2. Tank shall vent only to the vapor recovery system described in the requirements for permit unit S-1135-70. [District Rule 2201] Federally Enforceable Through Title V Permit
3. Operation shall include provisions for connecting tank to existing TEOR operation and Vapor Control System. [District Rule 2201] Federally Enforceable Through Title V Permit
4. Tank shall be equipped with a fixed roof with no holes or openings. [District Rule 2201] Federally Enforceable Through Title V Permit
5. Tank shall be equipped with a stored liquid temperature indicator. [District Rule 2201] Federally Enforceable Through Title V Permit
6. This tank shall only vent to a vapor recovery system. The vapor recovery system shall be an APCO-approved system consisting of a closed vent system that collects all VOCs from the storage tank and a VOC control device. The vapor recovery system shall be maintained in a leak-free condition. The VOC control device shall be either of the following: a vapor return or condensation system that connects to a gas pipeline distribution system, or an approved VOC destruction device that reduces the inlet VOC emissions by at least 95% by weight as determined by the test method specified in Section 6.4 of District Rule 4623 (amended May 19, 2005). [District Rule 4623] Federally Enforceable Through Title V Permit
7. The tank and 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 a condition without a gas leak or a liquid 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 that is calibrated with methane in accordance with the procedures specified in EPA Test Method 21. A liquid leak is defined as the dripping of organic liquid at a rate of more than 3 drops per minute. [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 4623] 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.

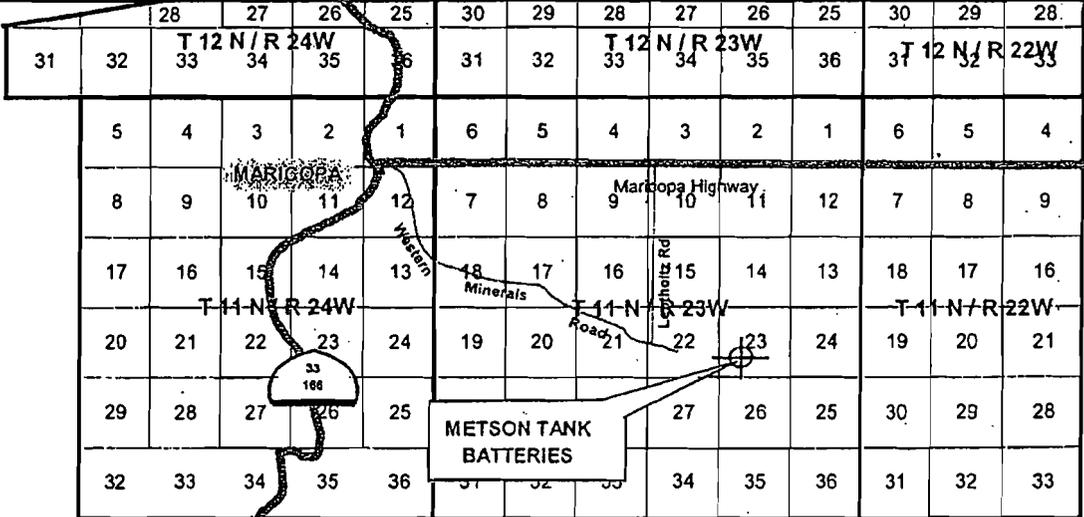
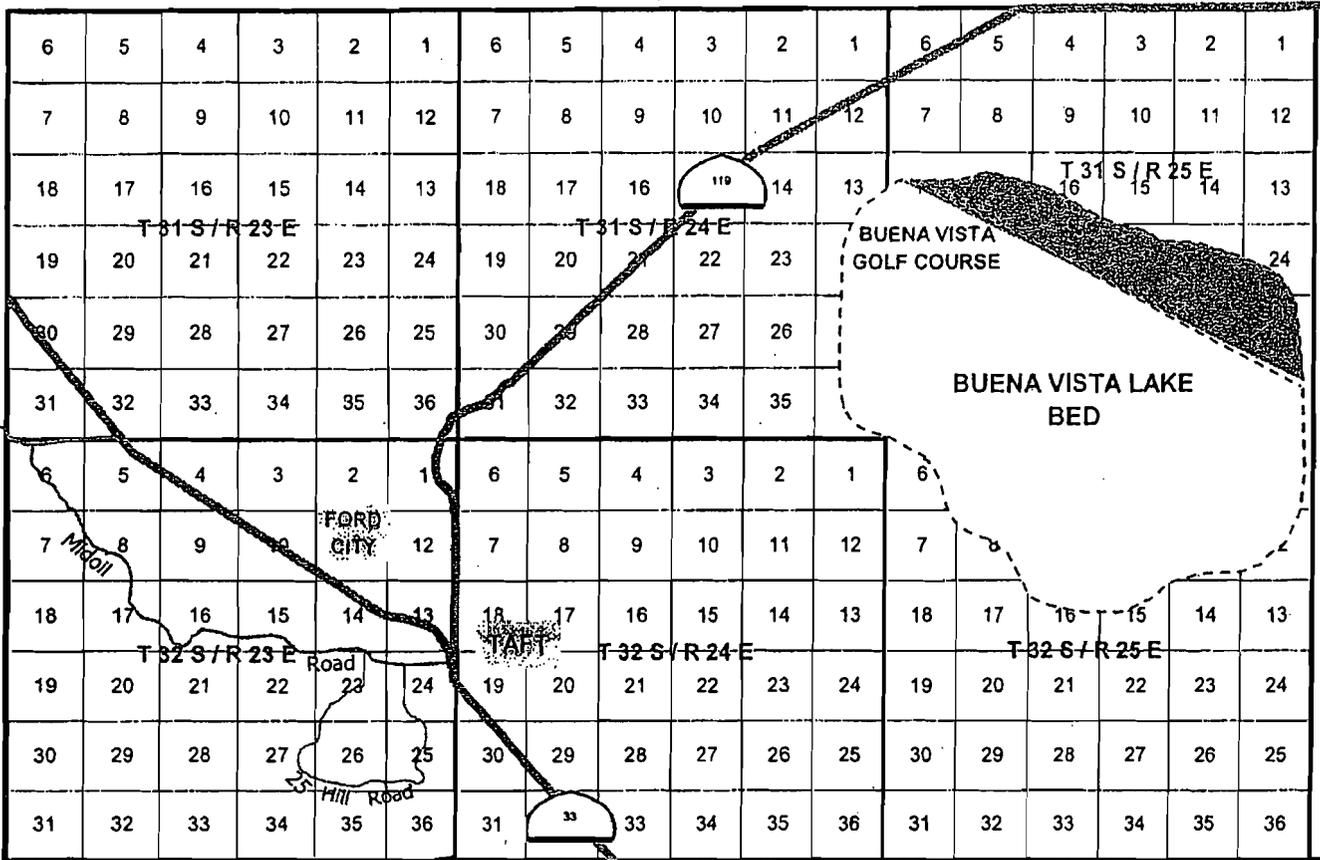
10. Operator shall visually inspect tank shell, hatches, seals, seams, cable seals, valves, flanges, connectors, and any other piping components directly affixed to the tank and within five feet of the tank at least once per year for liquid leaks, and with a portable hydrocarbon detection instrument conducted in accordance with EPA Method 21 for gas leaks. Operator shall also visually or ultrasonically inspect as appropriate, the external shells and roofs of uninsulated tanks for structural integrity annually. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
11. Upon detection of a liquid leak, defined as a leak rate of greater than or equal to 30 drops per minute, operator shall repair the leak within 8 hours. For leaks with a liquid leak rate of between 3 and 30 drops per minute, the leaking component shall be repaired within 24 hours after detection. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
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17. Operator shall maintain an inspection log containing the following: 1) Date of all inspections; 2) Type and identification of leaking components; 3) Date of leak detection and method of detection; 4) Method used to minimize leak; and 5) Date and emission level of recheck after leak is repaired. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
18. Permittee shall keep accurate records of throughput and storage temperature of liquids stored in each tank and such records shall be made readily available for District inspection upon request. [District Rule 1070 and 2520, 9.3.2] Federally Enforceable Through Title V Permit
19. The permittee shall maintain, and make available for District inspection, 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
20. The operator shall ensure that the vapor recovery system is functional and is operating as designed whenever organic liquids or organic liquid vapors are contained in this tank. [District Rule 2201] 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.

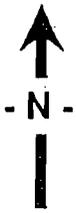
21. This unit has a storage capacity less than 420,000 gallons and is used for petroleum or condensate stored, processed and/or treated at a drilling and production facility prior to custody transfer. Therefore, the requirements of 40CFR 60 Subpart K, Ka and Kb do not apply to this source. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

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ATTACHMENT II
Location Map



To
Santa Maria &
Ventura



AERA ENERGY LLC.
LOCATION MAP
Metson Tank Battery

SW Sec. 24, T11N, R23W

Prepared by:



OCTOBER 2002

ATTACHMENT III Fugitive Emissions Calculations

FACILITY NAME
Permit Unit # S-1135-71

EPA Protocol for Equipment Leak Emission Estimate
Table 2-4. Oil and Gas Production Operations
Average Emission Factors

Weight percentage of VOC in the total organic compounds in gas (neglect non-organics)? 100 %
 Weight percentage of VOC in the total organic compounds in oil (neglect non-organics)? 100 %

Equipment Type	Service	Screening Value EF - TOC		Component Count	VOC emissions (lb/day)
		(kg/hr/source)	(lb/day/source)		
Valves	Gas	4.5E-03	2.381E-01	5	1.19
	Heavy Oil	8.4E-06	4.445E-04	0	0.00
	Light Oil	2.5E-03	1.323E-01	0	0.00
	Water/Oil	9.8E-05	5.185E-03	0	0.00
Pump Seals	Gas	2.4E-03	1.270E-01	0	0.00
	Heavy Oil	N/A	N/A	0	N/A
	Light Oil	1.3E-02	6.878E-01	0	0.00
	Water/Oil	2.4E-05	1.270E-03	0	0.00
Others	Gas	8.8E-03	4.656E-01	3	1.40
	Heavy Oil	3.2E-05	1.693E-03	0	0.00
	Light Oil	7.5E-03	3.968E-01	0	0.00
	Water/Oil	1.4E-02	7.408E-01	0	0.00
Connectors	Gas	2.0E-04	1.058E-02	14	0.15
	Heavy Oil	7.5E-06	3.968E-04	0	0.00
	Light Oil	2.1E-04	1.111E-02	0	0.00
	Water/Oil	1.1E-04	5.820E-03	0	0.00
Flanges	Gas	3.9E-04	2.064E-02	11	0.23
	Heavy Oil	3.9E-07	2.064E-05	0	0.00
	Light Oil	1.1E-04	5.820E-03	0	0.00
	Water/Oil	2.9E-06	1.534E-04	0	0.00
Open-ended Lines	Gas	2.0E-03	1.058E-01	0	0.00
	Heavy Oil	1.4E-04	7.408E-03	0	0.00
	Light Oil	1.4E-03	7.408E-02	0	0.00
	Water/Oil	2.5E-04	1.323E-02	0	0.00

Total VOC Emissions = 3.0 lb/da

FACILITY NAME
Permit Unit # S-1135-72

EPA Protocol for Equipment Leak Emission Estimate

Table 2-4. Oil and Gas Production Operations

Average Emission Factors

Weight percentage of VOC in the total organic compounds in gas (neglect non-organics)? 100 %
 Weight percentage of VOC in the total organic compounds in oil (neglect non-organics)? 100 %

Equipment Type	Service	Screening Value EF (kg/hr/source)	TOC (lb/day/source)	Component Count	VOC emissions (lb/day)
Valves	Gas	4.5E-03	2.381E-01	6	1.43
	Heavy Oil	8.4E-06	4.445E-04		0.00
	Light Oil	2.5E-03	1.323E-01		0.00
	Water/Oil	9.8E-05	5.185E-03		0.00
Pump Seals	Gas	2.4E-03	1.270E-01	0	0.00
	Heavy Oil	N/A	N/A		N/A
	Light Oil	1.3E-02	6.878E-01		0.00
	Water/Oil	2.4E-05	1.270E-03		0.00
Others	Gas	8.8E-03	4.656E-01	3	1.40
	Heavy Oil	3.2E-05	1.693E-03		0.00
	Light Oil	7.5E-03	3.968E-01		0.00
	Water/Oil	1.4E-02	7.408E-01		0.00
Connectors	Gas	2.0E-04	1.058E-02	16	0.17
	Heavy Oil	7.5E-06	3.968E-04		0.00
	Light Oil	2.1E-04	1.111E-02		0.00
	Water/Oil	1.1E-04	5.820E-03		0.00
Flanges	Gas	3.9E-04	2.064E-02	13	0.27
	Heavy Oil	3.9E-07	2.064E-05		0.00
	Light Oil	1.1E-04	5.820E-03		0.00
	Water/Oil	2.9E-06	1.534E-04		0.00
Open-ended Lines	Gas	2.0E-03	1.058E-01	0	0.00
	Heavy Oil	1.4E-04	7.408E-03		0.00
	Light Oil	1.4E-03	7.408E-02		0.00
	Water/Oil	2.5E-04	1.323E-02		0.00

Total VOC Emissions = 3.3 lb/d.

FACILITY NAME
 Project # , Permit Unit # **5-1135-~~2~~ 338**

EPA Protocol for Equipment Leak Emission Estimate
 Table 2-4. Oil and Gas Production Operations
 Average Emission Factors

Weight percentage of VOC in the total organic compounds in gas (neglect non-organics)? 100 %
 Weight percentage of VOC in the total organic compounds in oil (neglect non-organics)? 100 %

Equipment Type	Service	Screening Value (kg/hr/source)	EF TOC (lb/day/source)	Component Count	VOC emissions (lb/day)
Valves	Gas	4.5E-03	2.381E-01	6	1.43
	Heavy Oil	8.4E-06	4.445E-04	0	0.00
	Light Oil	2.5E-03	1.323E-01	0	0.00
	Water/Oil	9.8E-05	5.185E-03	0	0.00
Pump Seals	Gas	2.4E-03	1.270E-01	0	0.00
	Heavy Oil	N/A	N/A	0	N/A
	Light Oil	1.3E-02	6.878E-01	0	0.00
	Water/Oil	2.4E-05	1.270E-03	0	0.00
Others	Gas	8.8E-03	4.656E-01	3	1.40
	Heavy Oil	3.2E-05	1.693E-03	0	0.00
	Light Oil	7.5E-03	3.968E-01	0	0.00
	Water/Oil	1.4E-02	7.408E-01	0	0.00
Connectors	Gas	2.0E-04	1.058E-02	0	0.00
	Heavy Oil	7.5E-06	3.968E-04	0	0.00
	Light Oil	2.1E-04	1.111E-02	0	0.00
	Water/Oil	1.1E-04	5.820E-03	0	0.00
Flanges	Gas	3.9E-04	2.064E-02	14	0.29
	Heavy Oil	3.9E-07	2.064E-05	0	0.00
	Light Oil	1.1E-04	5.820E-03	0	0.00
	Water/Oil	2.9E-06	1.534E-04	0	0.00
Open-ended Lines	Gas	2.0E-03	1.058E-01	0	0.00
	Heavy Oil	1.4E-04	7.408E-03	0	0.00
	Light Oil	1.4E-03	7.408E-02	0	0.00
	Water/Oil	2.5E-04	1.323E-02	0	0.00

Total VOC Emissions = 3.1 lb/day

ATTACHMENT IV
Emissions Profiles

Permit #: S-1135-3-22	Last Updated
Facility: AERA ENERGY LLC	05/10/2010 EDGEHILR

Equipment Pre-Baselined: NO

	<u>NOX</u>	<u>SOX</u>	<u>PM10</u>	<u>CO</u>	<u>VOC</u>
Potential to Emit (lb/Yr):	1577.0	125.0	333.0	1445.0	241.0
Daily Emis. Limit (lb/Day)	4.3	0.3	0.9	4.0	0.7
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-1135-3-22 Last Updated
Facility: AERA ENERGY LLC 05/10/2010 EDGEHILR

Equipment Pre-Baselined: NO

	<u>NOX</u>	<u>SOX</u>	<u>PM10</u>	<u>CO</u>	<u>VOC</u>
Potential to Emit (lb/Yr):	1577.0	125.0	333.0	1445.0	241.0
Daily Emis. Limit (lb/Day)	4.3	0.3	0.9	4.0	0.7
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-1135-29-28	Last Updated
Facility: AERA ENERGY LLC	05/10/2010 EDGEHILR

Equipment Pre-Baselined: NO

	<u>NOX</u>	<u>SOX</u>	<u>PM10</u>	<u>CO</u>	<u>VOC</u>
Potential to Emit (lb/Yr):	1080.0	150.0	4080.0	1110.0	210.0
Daily Emis. Limit (lb/Day)	3.6	0.5	13.7	3.7	0.7
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-1135-70-15	Last Updated
Facility: AERA ENERGY LLC	05/10/2010 EDGEHILR

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	292.0
Daily Emis. Limit (lb/Day)	0.0	0.0	0.0	0.0	0.8
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-1135-70-16	Last Updated
Facility: AERA ENERGY LLC	05/10/2010 EDGEHILR

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	292.0
Daily Emis. Limit (lb/Day)	0.0	0.0	0.0	0.0	0.8
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-1135-71-8	Last Updated
Facility: AERA ENERGY LLC	05/10/2010 EDGEHILR

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	1095.0
Daily Emis. Limit (lb/Day)	0.0	0.0	0.0	0.0	3.0
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-1135-322-2 Last Updated
 Facility: AERA ENERGY LLC 05/10/2010 EDGEHILR

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	1112.0
Daily Emis. Limit (lb/Day)	0.0	0.0	0.0	0.0	3.0
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-1135-326-2	Last Updated
Facility: AERA ENERGY LLC	05/10/2010 EDGEHILR

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	1095.0
Daily Emis. Limit (lb/Day)	0.0	0.0	0.0	0.0	3.0
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-1135-338-0	Last Updated
Facility: AERA ENERGY LLC	05/03/2010 EDGEHILR

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	1132.0
Daily Emis. Limit (lb/Day)	0.0	0.0	0.0	0.0	3.1
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:					

ATTACHMENT V
Title V Compliance Certification Form

**San Joaquin Valley
Unified Air Pollution Control District**

TITLE V MODIFICATION - COMPLIANCE CERTIFICATION FORM

I. TYPE OF PERMIT ACTION (Check appropriate box)

- SIGNIFICANT PERMIT MODIFICATION ADMINISTRATIVE AMENDMENT
 MINOR PERMIT MODIFICATION

COMPANY NAME: Aera Energy LLC	FACILITY ID: S - 1135
1. Type of Organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Sole Ownership <input type="checkbox"/> Government <input type="checkbox"/> Partnership <input type="checkbox"/> Utility	
2. Owner's Name: Aera Energy LLC	
3. Agent to the Owner: N/A	

II. COMPLIANCE CERTIFICATION (Read each statement carefully and initial all circles for confirmation):

- Based on information and belief formed after reasonable inquiry, the emissions units identified in this application will continue to comply with the applicable federal requirement(s).
- Based on information and belief formed after reasonable inquiry, the emissions units identified in this application will comply with applicable federal requirement(s) that will become effective during the permit term, on a timely basis.
- Corrected information will be provided to the District when I become aware that incorrect or incomplete information has been submitted.
- Based on information and belief formed after reasonable inquiry, information and statements in the submitted application package, including all accompanying reports, and required certifications are true accurate and complete.

I declare, under penalty of perjury under the laws of the state of California, that the forgoing is correct and true:


Signature of Responsible Official

2/26/10
Date

SAM EVANS
Name of Responsible Official (please print)

Process Supervisor
Title of Responsible Official (please print)

Modify Title V permits S-1135-70-13, '-3-20, '-29-26, '-71-7, '-322-1, and '-326-1.

ATTACHMENT VI
Draft ATCs

San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1135-3-22

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
MIDWAY-SUNSET
KERN COUNTY, CA

SECTION: 24 TOWNSHIP: 11N RANGE: 23W

EQUIPMENT DESCRIPTION:

MODIFICATION OF A NATURAL GAS-FIRED HEATER TREATER (#1) WITH AN 8.4 MMBTU/HR MAXON MODEL M-PAKT BURNER(DERATED TO 5 MMBTU/HR) SERVED BY VAPOR RECOVERY SYSTEM LISTED ON S-1135-70 - METSON LEASE: REVISE RECORDKEEPING REQUIREMENT FROM ALL STARTUPS AND SHUTDOWNS TO ONLY STARTUPS AND SHUTDOWNS THAT EXCEED ONE HOUR IN DURATION, REVISE TUNING AND MONITORING CONDITION, DELETE REDUNDANT FUEL TESTING CONDITION

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 NSR Rule] 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. {581} All required source testing shall conform to the compliance testing procedures described in District Rule 1081 (Amended December 16, 1993). [District Rule 1081, and County Rules 108 (Kings), 108.1 (Fresno, Merced, San Joaquin, Tulare, Kern, and Stanislaus), and 110 (Madera)] Federally Enforceable Through Title V Permit
4. {1407} All equipment shall be maintained in good operating condition and shall be operated in a manner to minimize emissions of air contaminants into the atmosphere. [District Rule 2201]

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

DAVID WARNER, Director of Permit Services
S-1135-3-22 : May 11 2010 9:12AM - EDGEHILL : Joint Inspection NOT Required

5. {15} No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101]
6. {14} Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201]
7. The concentration of sulfur compounds in the exhaust from this unit shall not exceed 0.2% by volume as measured on a dry basis over a 15 minute period. To demonstrate compliance with this requirement the operator shall do one of the following: fire the unit only on PUC or FERC regulated natural gas; or test the sulfur content of each fuel source and demonstrate the sulfur content does not exceed 3.3% by weight for gaseous fuels; or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rule 2520, 9.3.2; District Rule 4301, 5.2.1; District Rule 4801, 3.1; and Kern County Rule 407] Federally Enforceable Through Title V Permit
8. Copies of all fuel invoices showing quantity and delivery points of gas delivered and copies of quality terms of gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
9. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit and sulfur emission limits has been demonstrated for 8 consecutive weeks for a fuel source, then the fuel testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
10. When complying with SOx emission limits by testing of stack emissions, testing shall be performed not less than once every 12 months using EPA Method 6 or CARB Method 100; or, for units using gaseous fuel scrubbed for sulfur pre-combustion, a grab sample analysis by double GC for H2S and mercaptans performed in the laboratory and EPA Method 19 to calculated emissions. Gaseous fuel fired units demonstrating compliance on two consecutive annual source tests shall be tested not less than once every thirty-six months; however, annual source testing shall resume if any test fails to show compliance. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
11. If the unit is fired on noncertified gaseous fuel and compliance with SOx emission limits is achieved through fuel sulfur content limitations, then the sulfur content of the gaseous fuel being fired in the unit shall be determined using ASTM D 1072, D 3031, D 4084, D 3246 or grab sample analysis by double GC for H2S and mercaptans performed in the laboratory and EPA Method 19 to calculated emissions. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
12. If fuel analysis is used to demonstrate compliance with the conditions of this permit, the fuel higher heating value for each fuel shall be certified by third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588. [District Rule 2520, 9.3.2 and 4305, 6.2.1] Federally Enforceable Through Title V Permit
13. Fuel gas sulfur content shall not exceed 0.5 gr/100 scf. [District NSR Rule] Federally Enforceable Through Title V Permit
14. {584} Compliance with permit conditions in the Title V permit shall be deemed compliance with the following requirements of SJVUAPCD Rules 4201 (Amended December 17, 1992), and 4301 (Amended December 17, 1992). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
15. {585} Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of County Rules 108 (Kings), 108.1 (Fresno, Merced, San Joaquin, Tulare, Kern, and Stanislaus), and 110 (Madera), 402 (Madera), 404 (Fresno, Kern, Tulare, Kings, Stanislaus, Merced, and San Joaquin), 405 (Madera), 408 (Fresno, Kern, Tulare, Kings, Stanislaus, Merced, and San Joaquin), 407.2 (Kern, Tulare, Kings, Stanislaus, and San Joaquin), and 408.2 (Merced). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
16. {1686} This unit commenced construction, modification, or reconstruction prior to June 19, 1984. This unit has not been used to produce electricity for sale in 1985 or on or after November 15, 1990. Therefore, the requirements of 40 CFR 72.6(b) and 40 CFR 60.40c do not apply to this source. A permit shield is granted from this requirement. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

17. The rated heat input of the unit shall be reduced to no greater than 5.0 MMBtu/hr. [District NSR Rule] Federally Enforceable Through Title V Permit
18. Fuel consumption shall be verified by the use of a non-resettable, totalizing mass or volumetric flow meter. [District NSR Rule] Federally Enforceable Through Title V Permit
19. Emission rates, except during startup and shutdown shall not exceed the following: PM10: 0.0076 lb/MMBtu, SO_x (as SO₂): 0.00285 lb/MMBtu, NO_x (as NO₂): 0.036 lb/MMBtu or 30 ppmv @ 3% O₂, VOC: 0.0055 lb/MMBtu, and CO: 0.033 lb/MMBtu or 45 ppmv @ 3% O₂. [District NSR Rule, District Rule 4301, District Rule 4201, District Rule 4307, and Kern County Rule 404]
20. Emission rates shall not exceed any of the following: NO_x (as NO₂): 4.3 lb/day, SO_x (as SO₂): 0.3 lb/day, PM10: 0.9 lb/day, CO: 4.0 lb/day, VOC: 0.7 lb/day. [District Rule 2201]
21. The permittee shall maintain records of fuel type and quantity for each day of operation, in the format approved by the District. [District NSR Rule] Federally Enforceable Through Title V Permit
22. The duration of start-up and shutdown shall not exceed one hour each per occurrence. [District Rule 4307]
23. The permittee shall maintain records of the duration of each start-up and shutdown that exceed one hour per occurrence for a period of five years and make such records readily available for District inspection upon request. [District Rule 4307]
24. The permittee shall monitor, at least once per month, the units's operational characteristics recommended by the manufacturer and approved by the APCO. [District Rule 4307]
25. The permittee shall tune the unit at least twice per calendar year, (from four to eight months apart) using a qualified technician in accordance with the procedure described in Rule 4304. If the unit does not operate throughout a continuous six-month period within a calendar year, only one tune-up is required for a calendar year. No tune-up is required if the unit is not operated during that calendar year. The unit may be test fired to verify availability of the unit for its intended use, but once the test firing is complete the unit shall be shutdown. In lieu of tuning the unit twice each calendar year, the owner/operator shall monitor the emissions with a portable NO_x analyzer at least twice per calendar year and adjust the unit's operating parameters accordingly to assure compliance with the emission limits of this rule. [District Rule 4307]
26. If the unit is tuned for compliance, the permittee shall maintain records of: (1) the date that tune-ups are performed, (2) a description of any corrective action taken to maintain the emissions within the acceptable range, and (3) a record of the operational characteristics monitored. [District Rule 4307]
27. If NO_x emissions are monitored for compliance, the permittee shall maintain records of: (1) the date and time of the NO_x measurements, (2) the O₂ concentration in percent and the measured NO_x concentration corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, (5) a description of any corrective action taken to maintain the emissions within the acceptable range, and (6) a record of the operational characteristics monitored. [District Rules 4307]
28. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. No determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4307. Notwithstanding the requirements above and per Section 5.5.4 of Rule 4307, for units with a cyclical firing period that routinely interrupts fuel flow as part of its normal operation, source testing may commence sooner than specified above and continue through its normal cyclical firing period. [District Rule 4307]
29. All records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070 and 4307]

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1135-29-28

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
MIDWAY-SUNSET
KERN COUNTY, CA

SECTION: 24 TOWNSHIP: 11N RANGE: 23W

EQUIPMENT DESCRIPTION:

MODIFICATION OF NATURAL GAS-FIRED HEATER TREATER (#2) WITH A 4.2 MMBTU/HR MAXON MODEL M-PAKT BURNER SERVED BY VAPOR RECOVERY SYSTEM LISTED ON S-1135-70 - METSON LEASE: CORRECT NOX PPMV EMISSIONS LIMIT, REVISE TUNING AND MONITORING CONDITION

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 NSR Rule] 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. {14} Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201]
4. {520} The operator shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
5. Copies of all fuel invoices showing quantity and delivery points of gas delivered and copies of quality terms of gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit

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

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DAVID WARNER, Director of Permit Services

S-1135-29-28 : May 11 2010 8:13AM - EDGEHLR : Joint Inspection NOT Required

6. {581} All required source testing shall conform to the compliance testing procedures described in District Rule 1081 (Amended December 16, 1993). [District Rule 1081, and County Rules 108 (Kings), 108.1 (Fresno, Merced, San Joaquin, Tulare, Kern, and Stanislaus), and 110 (Madera)] Federally Enforceable Through Title V Permit
7. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit and sulfur emission limits has been demonstrated for 8 consecutive weeks for a fuel source, then the fuel testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
8. When complying with SO_x emission limits by testing of stack emissions, testing shall be performed not less than once every 12 months using EPA Methods 6, 6B, 8 or CARB Method 8 or 100; or, for units using gaseous fuel scrubbed for sulfur pre-combustion, a grab sample analysis by double GC for H₂S and mercaptans performed in the laboratory and EPA Method 19 to calculated emissions. Gaseous fuel fired units demonstrating compliance on two consecutive annual source tests shall be tested not less than once every thirty-six months; however, annual source testing shall resume if any test fails to show compliance. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
9. If the unit is fired on noncertified gaseous fuel and compliance with SO_x emission limits is achieved through fuel sulfur content limitations, then the sulfur content of the gaseous fuel being fired in the unit shall be determined using ASTM D 1072, D 4468, D 4084, D 3246 or grab sample analysis by double GC for H₂S and mercaptans performed in the laboratory and EPA Method 19 to calculated emissions. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
10. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
11. Fuel gas sulfur content shall not exceed 0.5 gr/100 scf (as sulfur). [District Rule 2201] Federally Enforceable Through Title V Permit
12. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following requirements: SJVUAPCD Rules 4201 (Amended December 17, 1992), 4301 (Amended December 17, 1992), 4406 (Amended December 17, 1992, and Rule 4801 (Amended December 17, 1992). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
13. {585} Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of County Rules 108 (Kings), 108.1 (Fresno, Merced, San Joaquin, Tulare, Kern, and Stanislaus), and 110 (Madera), 402 (Madera), 404 (Fresno, Kern, Tulare, Kings, Stanislaus, Merced, and San Joaquin), 405 (Madera), 408 (Fresno, Kern, Tulare, Kings, Stanislaus, Merced, and San Joaquin), 407.2 (Kern, Tulare, Kings, Stanislaus, and San Joaquin), and 408.2 (Merced). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
14. {1686} This unit commenced construction, modification, or reconstruction prior to June 19, 1984. This unit has not been used to produce electricity for sale in 1985 or on or after November 15, 1990. Therefore, the requirements of 40 CFR 72.6(b) and 40 CFR 60.40c do not apply to this source. A permit shield is granted from this requirement. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
15. Maximum annual heat input of the unit shall not exceed 30 billion Btu per calendar year. [District Rule 2201] Federally Enforceable Through Title V Permit
16. A non-resettable, totalizing mass or volumetric fuel flow meter to measure the amount of natural gas combusted in the unit shall be installed, utilized and maintained. Use of an alternate system consisting of calibrated orifice plates, transmitters, and a programmable logic controller (PLC) may be used to meet this requirement. [District Rules 2201] Federally Enforceable Through Title V Permit
17. Records of monthly and annual heat input of the unit shall be maintained. [District Rule 2201] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

18. Emission rates, except during startup and shutdown shall not exceed any of the following: PM10: 0.136 lb/MMBtu, SOx (as SO2): 0.005 lb/MMBtu, VOC: 0.007 lb/MMBtu, NOx (as NO2): 0.036 lb/MMBtu or 30 ppmv @ 3% O2, or CO: 0.037 lb/MMBtu or 50 ppmv @ 3% O2. [District Rules 2201, 2520, 4201, 4301, 4307, 4405, 4406, 4801 and Kern County Rules 424 and 425]
19. Emission rates during startup and shutdown shall not exceed any of the following: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO2; sulfur - 200 pounds of SO2 per hour, or 2000 ppmv as SO2, or 0.11 pounds sulfur (as S) per MMBtu on average-wide basis for all units in Rule 4406 plan ; NO2 - 140 pounds per hour or 0.14 pounds per MMBtu. [District Rules 4101, 4102, 4301, 4405, 4406, 4801 and Kern County Rules 424 and 425] Federally Enforceable Through Title V Permit
20. {521} Particulate matter emissions shall not exceed 0.1 grain/dscf, calculated to 12% CO2, nor 10 lb/hr. [District Rules 4201, 3.1 and 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit
21. Emission rates shall not exceed any of the following: PM10: 13.7 lb/day, SOx (as SO2): 0.5 lb/day, VOC: 0.7 lb/day, NOx (as NO2): 80.2 lb/day or 1080 lb/yr, or CO: 3.7 lb/day. [District Rule 2201] Federally Enforceable Through Title V Permit
22. Duration of start-up and shutdown shall not exceed one hour each per occurrence. [District Rule 4307]
23. Duration of refractory curing shall not exceed 30 hours each per occurrence. Permittee shall notify the District in writing prior to refractory curing. [District Rule 2080] Federally Enforceable Through Title V Permit
24. Permittee shall maintain records of duration of each start-up and shutdown that exceed one hour per occurrence, and refractory curing, for a period of five years and make such records readily available for District inspection upon request. [District Rule 4307] Federally Enforceable Through Title V Permit
25. The permittee shall monitor, at least once per month, the units's operational characteristics recommended by the manufacturer and approved by the APCO. [District Rule 4307]
26. The permittee shall tune the unit at least twice per calendar year, (from four to eight months apart) using a qualified technician in accordance with the procedure described in Rule 4304. If the unit does not operate throughout a continuous six-month period within a calendar year, only one tune-up is required for a calendar year. No tune-up is required if the unit is not operated during that calendar year. The unit may be test fired to verify availability of the unit for its intended use, but once the test firing is complete the unit shall be shutdown. In lieu of tuning the unit twice each calendar year, the owner/operator shall monitor the emissions with a portable NOx analyzer at least twice per calendar year and adjust the unit's operating parameters accordingly to assure compliance with the emission limits of this rule. [District Rule 4307]
27. If the unit is tuned for compliance, the permittee shall maintain records of: (1) the date that tune-ups are performed, (2) a description of any corrective action taken to maintain the emissions within the acceptable range, and (3) a record of the operational characteristics monitored. [District Rule 4307]
28. If NOx emissions are monitored for compliance, the permittee shall maintain records of: (1) the date and time of the NOx measurements, (2) the O2 concentration in percent and the measured NOx concentration corrected to 3% O2, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, (5) a description of any corrective action taken to maintain the emissions within the acceptable range, and (6) a record of the operational characteristics monitored. [District Rule 4307]
29. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. No determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4307. Notwithstanding the requirements above and per Section 5.5.4 of Rule 4307, for units with a cyclical firing period that routinely interrupts fuel flow as part of its normal operation, source testing may commence sooner than specified above and continue through its normal cyclical firing period. [District Rule 4307]
30. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rule 4307]

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CONDITIONS CONTINUE ON NEXT PAGE

31. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
32. The following test methods shall be used: NOx (ppmv) - EPA Method 7E or ARB Method 100, NOx (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SOx (lb/MMBtu) - ARB Method 8 or 100 or EPA Method 6, 6B or 8 or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - ASTM D1072, D4468, D3246, D3246, D4084 or double GC for H2S and mercaptans performed in laboratory, fuel gas hhv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rules 1081 and 4307]
33. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rule 4307]

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1135-70-15

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
MIDWAY-SUNSET
KERN COUNTY, CA

SECTION: SW24 TOWNSHIP: 11N RANGE: 23W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 43,470 GALLON FIXED ROOF REJECT TANK T-110, WITH SHARED VAPOR RECOVERY SYSTEM - METSON LEASE TANK BATTERY: REPLACE AIR X CHANGER WITH HEAT EXCHANGERS IN EQUIPMENT CONDITION, DELETE THROUGHPUT AND STORAGE TEMPERATURE RECORD-KEEPING CONDITIONS, REVISE CONDITION REFERENCING OPERATION OF VAPOR CONTROL SYSTEM, DELETE CONDITION REFERENCING TEMPERATURE INDICATOR

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 NSR Rule] 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. No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101] Federally Enforceable Through Title V Permit
4. {98} No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]

CONDITIONS CONTINUE ON NEXT PAGE

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

Seyed Sadredin, Executive Director APCO

DAVID WARNER, Director of Permit Services

8-1135-70-15 : May 11 2010 9:32AM - EDGEMILR : Joint Inspection NOT Required

5. Operation shall include two fin fan heat exchangers, two separators, two compressors, and two liquid transfer pumps, shared between tanks S-1135-70, '-71, '-72, '-322, '-326, and '-327, and heater treaters S-1135-3 and '-29. [District Rule 2201] Federally Enforceable Through Title V Permit
6. Operation shall include provisions for connecting tank to existing TEOR operation and Vapor Control System. [District Rule 2201] Federally Enforceable Through Title V Permit
7. Fugitive VOC emissions rate calculated using EPA's Protocol for Equipment Leak Emission Estimates, Table 2-4, Oil and Gas Production Operations Average Emission Factors, shall not exceed 0.8 lb/day. [District Rule 2201] Federally Enforceable Through Title V Permit
8. All tanks and separators shall vent only to vapor control system. [District NSR Rule] Federally Enforceable Through Title V Permit
9. The tank shall be equipped with a fixed roof with no holes or openings. [District Rule 2201] Federally Enforceable Through Title V Permit
10. This tank shall only vent to a vapor recovery system. The vapor recovery system shall be an APCO-approved system consisting of a closed vent system that collects all VOCs from the storage tank and a VOC control device. The vapor recovery system shall be maintained in a leak-free condition. The VOC control device shall be either of the following: a vapor return or condensation system that connects to a gas pipeline distribution system, or an approved VOC destruction device that reduces the inlet VOC emissions by at least 99% by weight as determined by the test method specified in Section 6.4 of District Rule 4623 (amended May 19, 2005). [District Rules 2201 and 4623, 5.6.1] Federally Enforceable Through Title V Permit
11. The tank and all piping, valves, and fittings shall be constructed and maintained in a leak-free condition. [District Rule 4623, 5.6.3] Federally Enforceable Through Title V Permit
12. A leak-free condition is a condition without a gas leak or a liquid 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 that is calibrated with methane in accordance with the procedures specified in EPA Test Method 21. A liquid leak is defined as the dripping of organic liquid at a rate of more than 3 drops per minute. [District Rule 4623, 3.17 and 6.4.8] Federally Enforceable Through Title V Permit
13. 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 4623, 5.6.2] Federally Enforceable Through Title V Permit
14. Operator shall visually inspect tank shell, hatches, seals, seams, cable seals, valves, flanges, connectors, and any other piping components directly affixed to the tank and within five feet of the tank at least once per year for liquid leaks, and with a portable hydrocarbon detection instrument conducted in accordance with EPA Method 21 for gas leaks. Operator shall also visually or ultrasonically inspect as appropriate, the external shells and roofs of uninsulated tanks for structural integrity annually. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
15. Upon detection of a liquid leak, defined as a leak rate of greater than or equal to 30 drops per minute, operator shall repair the leak within 8 hours. For leaks with a liquid leak rate of between 3 and 30 drops per minute, the leaking component shall be repaired within 24 hours after detection. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
16. Upon detection of a gas leak, defined as a VOC concentration of greater than 10,000 ppmv measured in accordance with EPA Method 21, operator shall take on of the following actions: 1) eliminate the leak within 8 hours after detection; or 2) if the leak cannot be eliminated, then minimize the leak to the lowest possible level within 8 hours after detection by using best maintenance practices, and eliminate the leak within 48 hours after minimization. In no event shall the total time to minimize and eliminate a leak exceed 56 hours after detection. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
17. Components found to be leaking either liquids or gases shall be immediately affixed with a tag showing the component to be leaking. Operator shall maintain records of the liquid or gas leak detection readings, date/time the leak was discovered, and date/time the component was repaired to a leak-free condition. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

18. Leaking components that have been discovered by the operator that have been immediately tagged and repaired within the timeframes specified in District Rule 4623, Table 3 shall not constitute a violation of District Rule 4623. Leaking components as defined by District Rule 4623 discovered by District staff that were not previously identified and/or tagged by the operator, and/or any leaks that were not repaired within the timeframes specified in District Rule 4623, Table 3 shall constitute a violation of District Rule 4623. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
19. If a component type for a given tank is found to leak during an annual inspection, operator shall conduct quarterly inspections of that component type on the tank or tank system for four consecutive quarters. If no components are found to leak after four consecutive quarters, the operator may revert to annual inspections. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
20. Any component found to be leaking on two consecutive annual inspections is in violation of District Rule 4623, even if covered under the voluntary inspection and maintenance program. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
21. Operator shall maintain an inspection log containing the following: 1) Date of all inspections; 2) Type and identification of leaking components; 3) Date of leak detection and method of detection; 4) Method used to minimize leak; and 5) Date and emission level of recheck after leak is repaired. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
22. {2426} The permittee shall maintain, and make available for District inspection, 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
23. The operator shall ensure that the vapor recovery system is functional and is operating as designed. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
24. This unit has a storage capacity less than 420,000 gallons and is used for petroleum or condensate stored, processed and/or treated at a drilling and production facility prior to custody transfer. Therefore, the requirements of 40CFR 60 Subpart K, Ka and Kb do not apply to this source. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1135-70-16

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
MIDWAY-SUNSET
KERN COUNTY, CA

SECTION: SW24 TOWNSHIP: 11N RANGE: 23W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 43,470 GALLON FIXED ROOF REJECT TANK T-110, WITH SHARED VAPOR RECOVERY SYSTEM
- METSON LEASE TANK BATTERY: CONNECT ROUTINE REPLACEMENT TANK S-1547-338 TO VAPOR CONTROL SYSTEM

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 NSR Rule] 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. No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101] Federally Enforceable Through Title V Permit
4. {98} No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
5. Operation shall include two fin fan heat exchangers, two separators, two compressors, and two liquid transfer pumps, shared between tanks S-1135-70, '-71, '-322, '-326, '-327, '-338, and heater treaters S-1135-3 and '-29. [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

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DAVID WARNER, Director of Permit Services

S-1135-70-16: May 11 2010 9:32AM - EDGEHLR : Joint Inspection NOT Required

6. Operation shall include provisions for connecting tank to existing TEOR operation and Vapor Control System. [District Rule 2201] Federally Enforceable Through Title V Permit
7. All tanks and separators shall vent only to vapor control system. [District NSR Rule] Federally Enforceable Through Title V Permit
8. Fugitive VOC emissions rate calculated using EPA's Protocol for Equipment Leak Emission Estimates, Table 2-4, Oil and Gas Production Operations Average Emission Factors, shall not exceed 0.8 lb/day. [District Rule 2201] Federally Enforceable Through Title V Permit
9. The tank shall be equipped with a fixed roof with no holes or openings. [District Rule 2201] Federally Enforceable Through Title V Permit
10. This tank shall only vent to a vapor recovery system. The vapor recovery system shall be an APCO-approved system consisting of a closed vent system that collects all VOCs from the storage tank and a VOC control device. The vapor recovery system shall be maintained in a leak-free condition. The VOC control device shall be either of the following: a vapor return or condensation system that connects to a gas pipeline distribution system, or an approved VOC destruction device that reduces the inlet VOC emissions by at least 99% by weight as determined by the test method specified in Section 6.4 of District Rule 4623 (amended May 19, 2005). [District Rules 2201 and 4623, 5.6.1] Federally Enforceable Through Title V Permit
11. The tank and all piping, valves, and fittings shall be constructed and maintained in a leak-free condition. [District Rule 4623, 5.6.3] Federally Enforceable Through Title V Permit
12. A leak-free condition is a condition without a gas leak or a liquid 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 that is calibrated with methane in accordance with the procedures specified in EPA Test Method 21. A liquid leak is defined as the dripping of organic liquid at a rate of more than 3 drops per minute. [District Rule 4623, 3.17 and 6.4.8] Federally Enforceable Through Title V Permit
13. 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 4623, 5.6.2] Federally Enforceable Through Title V Permit
14. Operator shall visually inspect tank shell, hatches, seals, seams, cable seals, valves, flanges, connectors, and any other piping components directly affixed to the tank and within five feet of the tank at least once per year for liquid leaks, and with a portable hydrocarbon detection instrument conducted in accordance with EPA Method 21 for gas leaks. Operator shall also visually or ultrasonically inspect as appropriate, the external shells and roofs of uninsulated tanks for structural integrity annually. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
15. Upon detection of a liquid leak, defined as a leak rate of greater than or equal to 30 drops per minute, operator shall repair the leak within 8 hours. For leaks with a liquid leak rate of between 3 and 30 drops per minute, the leaking component shall be repaired within 24 hours after detection. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
16. Upon detection of a gas leak, defined as a VOC concentration of greater than 10,000 ppmv measured in accordance with EPA Method 21, operator shall take one of the following actions: 1) eliminate the leak within 8 hours after detection; or 2) if the leak cannot be eliminated, then minimize the leak to the lowest possible level within 8 hours after detection by using best maintenance practices, and eliminate the leak within 48 hours after minimization. In no event shall the total time to minimize and eliminate a leak exceed 56 hours after detection. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
17. Components found to be leaking either liquids or gases shall be immediately affixed with a tag showing the component to be leaking. Operator shall maintain records of the liquid or gas leak detection readings, date/time the leak was discovered, and date/time the component was repaired to a leak-free condition. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

18. Leaking components that have been discovered by the operator that have been immediately tagged and repaired within the timeframes specified in District Rule 4623, Table 3 shall not constitute a violation of District Rule 4623. Leaking components as defined by District Rule 4623 discovered by District staff that were not previously identified and/or tagged by the operator, and/or any leaks that were not repaired within the timeframes specified in District Rule 4623, Table 3 shall constitute a violation of District Rule 4623. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
19. If a component type for a given tank is found to leak during an annual inspection, operator shall conduct quarterly inspections of that component type on the tank or tank system for four consecutive quarters. If no components are found to leak after four consecutive quarters, the operator may revert to annual inspections. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
20. Any component found to be leaking on two consecutive annual inspections is in violation of District Rule 4623, even if covered under the voluntary inspection and maintenance program. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
21. Operator shall maintain an inspection log containing the following: 1) Date of all inspections; 2) Type and identification of leaking components; 3) Date of leak detection and method of detection; 4) Method used to minimize leak; and 5) Date and emission level of recheck after leak is repaired. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
22. {2426} The permittee shall maintain, and make available for District inspection, 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
23. The operator shall ensure that the vapor recovery system is functional and is operating as designed. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
24. This unit has a storage capacity less than 420,000 gallons and is used for petroleum or condensate stored, processed and/or treated at a drilling and production facility prior to custody transfer. Therefore, the requirements of 40CFR 60 Subpart K, Ka and Kb do not apply to this source. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
25. ATC shall be implemented concurrently with or subsequent to ATC S-1135-70-15. [District Rule 2201] Federally Enforceable Through Title V Permit

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1135-71-8

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
MIDWAY-SUNSET
KERN COUNTY, CA

SECTION: SW24 **TOWNSHIP:** 11N **RANGE:** 23W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 84,000 GALLON FIXED ROOF LACT TANK T-100 WITH VAPOR RECOVERY (LISTED ON S-1135-70) - METSON LEASE TANK BATTERY: DELETE THROUGHPUT AND STORAGE TEMPERATURE RECORD-KEEPING CONDITIONS, DELETE CONDITION REFERENCING OPERATION OF VAPOR CONTROL SYSTEM AND TEMPERATURE INDICATOR

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 NSR Rule] 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. Operation shall include vapor recovery system described on the requirements for permit unit S-1135-70. [District NSR Rule] Federally Enforceable Through Title V Permit
4. Operation shall include provisions for connecting tank to existing TEOR operation and Vapor Control System. [District NSR Rule] Federally Enforceable Through Title V Permit
5. The tank shall be equipped with a fixed roof with no holes or openings. [District NSR Rule] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

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

Seyed Sadredin, Executive Director, APCO

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DAVID WARNER, Director of Permit Services

S-1135-71-8: May 11 2010 9:17AM - EDGEHILR : Joint Inspection NOT Required

6. All tanks and separators shall vent only to vapor control system. [District NSR Rule] Federally Enforceable Through Title V Permit
7. This tank shall only vent to a vapor recovery system. The vapor recovery system shall be an APCO-approved system consisting of a closed vent system that collects all VOCs from the storage tank and a VOC control device. The vapor recovery system shall be maintained in a leak-free condition. The VOC control device shall be either of the following: a vapor return or condensation system that connects to a gas pipeline distribution system, or an approved VOC destruction device that reduces the inlet VOC emissions by at least 95% by weight as determined by the test method specified in Section 6.4 of District Rule 4623 (amended May 19, 2005). [District Rule 4623, 5.6.1] Federally Enforceable Through Title V Permit
8. The tank and all piping, valves, and fittings shall be constructed and maintained in a leak-free condition. [District Rule 4623, 5.6.3] Federally Enforceable Through Title V Permit
9. A leak-free condition is a condition without a gas leak or a liquid 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 that is calibrated with methane in accordance with the procedures specified in EPA Test Method 21. A liquid leak is defined as the dripping of organic liquid at a rate of more than 3 drops per minute. [District Rule 4623, 3.17 and 6.4.8] 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 4623, 5.6.2] Federally Enforceable Through Title V Permit
11. Operator shall visually inspect tank shell, hatches, seals, seams, cable seals, valves, flanges, connectors, and any other piping components directly affixed to the tank and within five feet of the tank at least once per year for liquid leaks, and with a portable hydrocarbon detection instrument conducted in accordance with EPA Method 21 for gas leaks. Operator shall also visually or ultrasonically inspect as appropriate, the external shells and roofs of uninsulated tanks for structural integrity annually. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
12. Upon detection of a liquid leak, defined as a leak rate of greater than or equal to 30 drops per minute, operator shall repair the leak within 8 hours. For leaks with a liquid leak rate of between 3 and 30 drops per minute, the leaking component shall be repaired within 24 hours after detection. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
13. Upon detection of a gas leak, defined as a VOC concentration of greater than 10,000 ppmv measured in accordance with EPA Method 21, operator shall take one of the following actions: 1) eliminate the leak within 8 hours after detection; or 2) if the leak cannot be eliminated, then minimize the leak to the lowest possible level within 8 hours after detection by using best maintenance practices, and eliminate the leak within 48 hours after minimization. In no event shall the total time to minimize and eliminate a leak exceed 56 hours after detection. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
14. Components found to be leaking either liquids or gases shall be immediately affixed with a tag showing the component to be leaking. Operator shall maintain records of the liquid or gas leak detection readings, date/time the leak was discovered, and date/time the component was repaired to a leak-free condition. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
15. Leaking components that have been discovered by the operator that have been immediately tagged and repaired within the timeframes specified in District Rule 4623, Table 3 shall not constitute a violation of District Rule 4623. Leaking components as defined by District Rule 4623 discovered by District staff that were not previously identified and/or tagged by the operator, and/or any leaks that were not repaired within the timeframes specified in District Rule 4623, Table 3 shall constitute a violation of District Rule 4623. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
16. If a component type for a given tank is found to leak during an annual inspection, operator shall conduct quarterly inspections of that component type on the tank or tank system for four consecutive quarters. If no components are found to leak after four consecutive quarters, the operator may revert to annual inspections. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

17. Any component found to be leaking on two consecutive annual inspections is in violation of District Rule 4623, even if covered under the voluntary inspection and maintenance program. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
18. Operator shall maintain an inspection log containing the following: 1) Date of all inspections; 2) Type and identification of leaking components; 3) Date of leak detection and method of detection; 4) Method used to minimize leak; and 5) Date and emission level of recheck after leak is repaired. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
19. {2426} The permittee shall maintain, and make available for District inspection, 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
20. This unit has a storage capacity less than 420,000 gallons and is used for petroleum or condensate stored, processed and/or treated at a drilling and production facility prior to custody transfer. Therefore, the requirements of 40CFR 60 Subpart K, Ka and Kb do not apply to this source. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1135-322-2

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
MIDWAY-SUNSET
KERN COUNTY, CA

SECTION: SW24 TOWNSHIP: 11N RANGE: 23W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 126,000 GALLON FIXED ROOF WASH TANK T-101, WITH VAPOR RECOVERY (LISTED IN S-1135-70) - METSON LEASE TANK BATTERY: DELETE CONDITIONS REFERENCING OPERATION OF VAPOR CONTROL SYSTEM AND TEMPERATURE INDICATOR

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 NSR Rule] 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. Fugitive VOC emissions rate calculated using EPA's Protocol for Equipment Leak Emission Estimates, Table 2-4, Oil and Gas Production Operations Average Emission Factors, shall not exceed 3.0 lb/day. [District Rule 2201] Federally Enforceable Through Title V Permit
4. Operation shall include vapor recovery system described on the requirements for permit unit S-1135-70. [District Rule 2201] Federally Enforceable Through Title V Permit
5. Operation shall include provisions for connecting tank to existing TEOR operation and Vapor Control System. [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

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DAVID WARNER, Director of Permit Services
S-1135-322-2, May 11 2010 9:17AM - EDGEHLR : Joint Inspection NOT Required

6. The tank shall be equipped with a fixed roof with no holes or openings. [District Rule 2201] Federally Enforceable Through Title V Permit
7. All tanks and separators shall vent only to vapor control system. [District Rule 2201] Federally Enforceable Through Title V Permit
8. This tank shall only vent to a vapor recovery system. The vapor recovery system shall be an APCO-approved system consisting of a closed vent system that collects all VOCs from the storage tank and a VOC control device. The vapor recovery system shall be maintained in a leak-free condition. The VOC control device shall be either of the following: a vapor return or condensation system that connects to a gas pipeline distribution system, or an approved VOC destruction device that reduces the inlet VOC emissions by at least 95% by weight as determined by the test method specified in Section 6.4 of District Rule 4623 (amended May 19, 2005). [District Rule 4623, 5.6.1] Federally Enforceable Through Title V Permit
9. The tank and all piping, valves, and fittings shall be constructed and maintained in a leak-free condition. [District Rule 4623, 5.6.3] Federally Enforceable Through Title V Permit
10. A leak-free condition is a condition without a gas leak or a liquid 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 that is calibrated with methane in accordance with the procedures specified in EPA Test Method 21. A liquid leak is defined as the dripping of organic liquid at a rate of more than 3 drops per minute. [District Rule 4623, 3.17 and 6.4.8] Federally Enforceable Through Title V Permit
11. 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 4623, 5.6.2] Federally Enforceable Through Title V Permit
12. Operator shall visually inspect tank shell, hatches, seals, seams, cable seals, valves, flanges, connectors, and any other piping components directly affixed to the tank and within five feet of the tank at least once per year for liquid leaks, and with a portable hydrocarbon detection instrument conducted in accordance with EPA Method 21 for gas leaks. Operator shall also visually or ultrasonically inspect as appropriate, the external shells and roofs of uninsulated tanks for structural integrity annually. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
13. Upon detection of a liquid leak, defined as a leak rate of greater than or equal to 30 drops per minute, operator shall repair the leak within 8 hours. For leaks with a liquid leak rate of between 3 and 30 drops per minute, the leaking component shall be repaired within 24 hours after detection. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
14. Upon detection of a gas leak, defined as a VOC concentration of greater than 10,000 ppmv measured in accordance with EPA Method 21, operator shall take one of the following actions: 1) eliminate the leak within 8 hours after detection; or 2) if the leak cannot be eliminated, then minimize the leak to the lowest possible level within 8 hours after detection by using best maintenance practices, and eliminate the leak within 48 hours after minimization. In no event shall the total time to minimize and eliminate a leak exceed 56 hours after detection. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
15. Components found to be leaking either liquids or gases shall be immediately affixed with a tag showing the component to be leaking. Operator shall maintain records of the liquid or gas leak detection readings, date/time the leak was discovered, and date/time the component was repaired to a leak-free condition. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
16. Leaking components that have been discovered by the operator that have been immediately tagged and repaired within the timeframes specified in District Rule 4623, Table 3 shall not constitute a violation of District Rule 4623. Leaking components as defined by District Rule 4623 discovered by District staff that were not previously identified and/or tagged by the operator, and/or any leaks that were not repaired within the timeframes specified in District Rule 4623, Table 3 shall constitute a violation of District Rule 4623. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

17. If a component type for a given tank is found to leak during an annual inspection, operator shall conduct quarterly inspections of that component type on the tank or tank system for four consecutive quarters. If no components are found to leak after four consecutive quarters, the operator may revert to annual inspections. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
18. Any component found to be leaking on two consecutive annual inspections is in violation of District Rule 4623, even if covered under the voluntary inspection and maintenance program. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
19. Operator shall maintain an inspection log containing the following: 1) Date of all inspections; 2) Type and identification of leaking components; 3) Date of leak detection and method of detection; 4) Method used to minimize leak; and 5) Date and emission level of recheck after leak is repaired. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
20. {2426} The permittee shall maintain, and make available for District inspection, 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
21. This unit has a storage capacity less than 420,000 gallons and is used for petroleum or condensate stored, processed and/or treated at a drilling and production facility prior to custody transfer. Therefore, the requirements of 40CFR 60 Subpart K, Ka and Kb do not apply to this source. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1135-326-2

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
MIDWAY-SUNSET
KERN COUNTY, CA

SECTION: SW24 TOWNSHIP: 11N RANGE: 23W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 126,000 GALLON FIXED ROOF WASH TANK T-102, WITH VAPOR RECOVERY (LISTED IN S-1135-70) - METSON LEASE TANK BATTERY: DELETE THROUGHPUT AND STORAGE TEMPERATURE RECORD-KEEPING CONDITIONS, DELETE CONDITION REFERENCING OPERATION OF VAPOR CONTROL SYSTEM AND TEMPERATURE INDICATOR

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 NSR Rule] 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. Fugitive emissions calculated using EPA's Protocol for Equipment Leak Emission Estimates, Table 2-4, Oil and Gas Production Operations Average Emission Factors, shall not exceed 3.0 lb/day. [District Rule 2201] Federally Enforceable Through Title V Permit
4. Tank shall vent only to the vapor recovery system described in the requirements for permit unit S-1135-70. [District Rule 2201] Federally Enforceable Through Title V Permit
5. Operation shall include provisions for connecting tank to existing TEOR operation and Vapor Control System. [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

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DAVID WARNER, Director of Permit Services

S-1135-326-2: May 11 2010 9:18AM - EDGEHLR : Joint Inspection NOT Required

6. Tank shall be equipped with a fixed roof with no holes or openings. [District Rule 2201] Federally Enforceable Through Title V Permit
7. This tank shall only vent to a vapor recovery system. The vapor recovery system shall be an APCO-approved system consisting of a closed vent system that collects all VOCs from the storage tank and a VOC control device. The vapor recovery system shall be maintained in a leak-free condition. The VOC control device shall be either of the following: a vapor return or condensation system that connects to a gas pipeline distribution system, or an approved VOC destruction device that reduces the inlet VOC emissions by at least 95% by weight as determined by the test method specified in Section 6.4 of District Rule 4623 (amended May 19, 2005). [District Rule 4623] Federally Enforceable Through Title V Permit
8. The tank and all piping, valves, and fittings shall be constructed and maintained in a leak-free condition. [District Rule 4623] Federally Enforceable Through Title V Permit
9. A leak-free condition is a condition without a gas leak or a liquid 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 that is calibrated with methane in accordance with the procedures specified in EPA Test Method 21. A liquid leak is defined as the dripping of organic liquid at a rate of more than 3 drops per minute. [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 4623] Federally Enforceable Through Title V Permit
11. Operator shall visually inspect tank shell, hatches, seals, seams, cable seals, valves, flanges, connectors, and any other piping components directly affixed to the tank and within five feet of the tank at least once per year for liquid leaks, and with a portable hydrocarbon detection instrument conducted in accordance with EPA Method 21 for gas leaks. Operator shall also visually or ultrasonically inspect as appropriate, the external shells and roofs of uninsulated tanks for structural integrity annually. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
12. Upon detection of a liquid leak, defined as a leak rate of greater than or equal to 30 drops per minute, operator shall repair the leak within 8 hours. For leaks with a liquid leak rate of between 3 and 30 drops per minute, the leaking component shall be repaired within 24 hours after detection. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
13. Upon detection of a gas leak, defined as a VOC concentration of greater than 10,000 ppmv measured in accordance with EPA Method 21, operator shall take one of the following actions: 1) eliminate the leak within 8 hours after detection; or 2) if the leak cannot be eliminated, then minimize the leak to the lowest possible level within 8 hours after detection by using best maintenance practices, and eliminate the leak within 48 hours after minimization. In no event shall the total time to minimize and eliminate a leak exceed 56 hours after detection. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
14. Components found to be leaking either liquids or gases shall be immediately affixed with a tag showing the component to be leaking. Operator shall maintain records of the liquid or gas leak detection readings, date/time the leak was discovered, and date/time the component was repaired to a leak-free condition. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
15. Leaking components that have been discovered by the operator that have been immediately tagged and repaired within the timeframes specified in District Rule 4623, Table 3 shall not constitute a violation of District Rule 4623. Leaking components as defined by District Rule 4623 discovered by District staff that were not previously identified and/or tagged by the operator, and/or any leaks that were not repaired within the timeframes specified in District Rule 4623, Table 3 shall constitute a violation of District Rule 4623. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
16. If a component type for a given tank is found to leak during an annual inspection, operator shall conduct quarterly inspections of that component type on the tank or tank system for four consecutive quarters. If no components are found to leak after four consecutive quarters, the operator may revert to annual inspections. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

17. Any component found to be leaking on two consecutive annual inspections is in violation of District Rule 4623, even if covered under the voluntary inspection and maintenance program. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
18. Operator shall maintain an inspection log containing the following: 1) Date of all inspections; 2) Type and identification of leaking components; 3) Date of leak detection and method of detection; 4) Method used to minimize leak; and 5) Date and emission level of recheck after leak is repaired. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
19. The permittee shall maintain, and make available for District inspection, 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
20. This unit has a storage capacity less than 420,000 gallons and is used for petroleum or condensate stored, processed and/or treated at a drilling and production facility prior to custody transfer. Therefore, the requirements of 40CFR 60 Subpart K, Ka and Kb do not apply to this source. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1135-338-0

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
MIDWAY-SUNSET
KERN COUNTY, CA

SECTION: SW24 **TOWNSHIP:** 11N **RANGE:** 23W

EQUIPMENT DESCRIPTION:

5000 BBL FIXED ROOF STANDBY TANK T-120, WITH VAPOR RECOVERY SYSTEM (LISTED ON S-1135-70)
(ROUTINE REPLACEMENT FOR S-1135-72)- METSON LEASE TANK BATTERY

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 NSR Rule] 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. VOC emissions from the components associated with vessel up to vapor control system truck line shall not exceed 3.1 lb/day. [District Rule 2201]
4. Permittee shall maintain with the permit an accurate fugitive component count and the resulting emissions calculated pursuant to EPA document, "EPA Protocol for Equipment Leak Emission Estimate," Table 2-4, "Oil and Gas Production Operations," using average emission factors [District Rules 1070 and 2201]
5. Tank shall vent only to the vapor recovery system described in the requirements for permit unit S-1135-70. [District Rule 2201] Federally Enforceable Through Title V Permit
6. Tank shall be equipped with a fixed roof with no holes or openings. [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

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DAVID WARNER, Director of Permit Services
S-1135-338-0; May 11 2010 8:20AM - EDGEHLR : Joint Inspection NOT Required

Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308 • (661) 392-5500 • Fax (661) 392-5585

7. This tank shall only vent to a vapor recovery system. The vapor recovery system shall be an APCO-approved system consisting of a closed vent system that collects all VOCs from the storage tank and a VOC control device. The vapor recovery system shall be maintained in a leak-free condition. The VOC control device shall be either of the following: a vapor return or condensation system that connects to a gas pipeline distribution system, or an approved VOC destruction device that reduces the inlet VOC emissions by at least 95% by weight as determined by the test method specified in Section 6.4 of District Rule 4623 (amended May 19, 2005). [District Rule 4623] Federally Enforceable Through Title V Permit
8. The tank and all piping, valves, and fittings shall be constructed and maintained in a leak-free condition. [District Rule 4623] Federally Enforceable Through Title V Permit
9. A leak-free condition is a condition without a gas leak or a liquid 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 that is calibrated with methane in accordance with the procedures specified in EPA Test Method 21. A liquid leak is defined as the dripping of organic liquid at a rate of more than 3 drops per minute. [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 4623] Federally Enforceable Through Title V Permit
11. Operator shall visually inspect tank shell, hatches, seals, seams, cable seals, valves, flanges, connectors, and any other piping components directly affixed to the tank and within five feet of the tank at least once per year for liquid leaks, and with a portable hydrocarbon detection instrument conducted in accordance with EPA Method 21 for gas leaks. Operator shall also visually or ultrasonically inspect as appropriate, the external shells and roofs of uninsulated tanks for structural integrity annually. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
12. Upon detection of a liquid leak, defined as a leak rate of greater than or equal to 30 drops per minute, operator shall repair the leak within 8 hours. For leaks with a liquid leak rate of between 3 and 30 drops per minute, the leaking component shall be repaired within 24 hours after detection. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
13. Upon detection of a gas leak, defined as a VOC concentration of greater than 10,000 ppmv measured in accordance with EPA Method 21, operator shall take one of the following actions: 1) eliminate the leak within 8 hours after detection; or 2) if the leak cannot be eliminated, then minimize the leak to the lowest possible level within 8 hours after detection by using best maintenance practices, and eliminate the leak within 48 hours after minimization. In no event shall the total time to minimize and eliminate a leak exceed 56 hours after detection. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
14. Components found to be leaking either liquids or gases shall be immediately affixed with a tag showing the component to be leaking. Operator shall maintain records of the liquid or gas leak detection readings, date/time the leak was discovered, and date/time the component was repaired to a leak-free condition. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
15. Leaking components that have been discovered by the operator that have been immediately tagged and repaired within the timeframes specified in District Rule 4623, Table 3 shall not constitute a violation of District Rule 4623. Leaking components as defined by District Rule 4623 discovered by District staff that were not previously identified and/or tagged by the operator, and/or any leaks that were not repaired within the timeframes specified in District Rule 4623, Table 3 shall constitute a violation of District Rule 4623. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
16. If a component type for a given tank is found to leak during an annual inspection, operator shall conduct quarterly inspections of that component type on the tank or tank system for four consecutive quarters. If no components are found to leak after four consecutive quarters, the operator may revert to annual inspections. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
17. Any component found to be leaking on two consecutive annual inspections is in violation of District Rule 4623, even if covered under the voluntary inspection and maintenance program. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

18. Operator shall maintain an inspection log containing the following: 1) Date of all inspections; 2) Type and identification of leaking components; 3) Date of leak detection and method of detection; 4) Method used to minimize leak; and 5) Date and emission level of recheck after leak is repaired. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
19. The permittee shall maintain, and make available for District inspection, 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
20. This unit has a storage capacity less than 420,000 gallons and is used for petroleum or condensate stored, processed and/or treated at a drilling and production facility prior to custody transfer. Therefore, the requirements of 40CFR 60 Subpart K, Ka and Kb do not apply to this source. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
21. ATC shall be implemented concurrently with or subsequent to ATC S-1135-70-16. [District Rule 2201] Federally Enforceable Through Title V Permit

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ATTACHMENT IV Emissions Profiles

Permit #: S-1135-3-22	Last Updated
Facility: AERA ENERGY LLC	05/10/2010 EDGEHILR

Equipment Pre-Baselined: NO

	<u>NOX</u>	<u>SOX</u>	<u>PM10</u>	<u>CO</u>	<u>VOC</u>
Potential to Emit (lb/Yr):	1577.0	125.0	333.0	1445.0	241.0
Daily Emis. Limit (lb/Day)	4.3	0.3	0.9	4.0	0.7
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-1135-3-22 Last Updated
Facility: AERA ENERGY LLC 05/10/2010 EDGEHILR

Equipment Pre-Baselined: NO

	<u>NOX</u>	<u>SOX</u>	<u>PM10</u>	<u>CO</u>	<u>VOC</u>
Potential to Emit (lb/Yr):	1577.0	125.0	333.0	1445.0	241.0
Daily Emis. Limit (lb/Day)	4.3	0.3	0.9	4.0	0.7
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-1135-29-28 Last Updated
Facility: AERA ENERGY LLC 05/10/2010 EDGEHILR

Equipment Pre-Baselined: NO

	<u>NOX</u>	<u>SOX</u>	<u>PM10</u>	<u>CO</u>	<u>VOC</u>
Potential to Emit (lb/Yr):	1080.0	150.0	4080.0	1110.0	210.0
Daily Emis. Limit (lb/Day)	3.6	0.5	13.7	3.7	0.7
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-1135-70-15	Last Updated
Facility: AERA ENERGY LLC	05/10/2010 EDGEHILR

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	292.0
Daily Emis. Limit (lb/Day)	0.0	0.0	0.0	0.0	0.8
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-1135-70-16 Last Updated
Facility: AERA ENERGY LLC 05/10/2010 EDGEHILR

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	292.0
Daily Emis. Limit (lb/Day)	0.0	0.0	0.0	0.0	0.8
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-1135-71-8	Last Updated
Facility: AERA ENERGY LLC	05/10/2010 EDGEHILR

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	1095.0
Daily Emis. Limit (lb/Day)	0.0	0.0	0.0	0.0	3.0
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-1135-322-2 Last Updated
Facility: AERA ENERGY LLC 05/10/2010 EDGEHILR

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	1112.0
Daily Emis. Limit (lb/Day)	0.0	0.0	0.0	0.0	3.0
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-1135-326-2	Last Updated
Facility: AERA ENERGY LLC	05/10/2010 EDGEHILR

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	1095.0
Daily Emis. Limit (lb/Day)	0.0	0.0	0.0	0.0	3.0
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-1135-338-0	Last Updated
Facility: AERA ENERGY LLC	05/03/2010 EDGEHILR

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	1132.0
Daily Emis. Limit (lb/Day)	0.0	0.0	0.0	0.0	3.1
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:					

ATTACHMENT V
Title V Compliance Certification Form

**San Joaquin Valley
Unified Air Pollution Control District**

TITLE V MODIFICATION - COMPLIANCE CERTIFICATION FORM

I. TYPE OF PERMIT ACTION (Check appropriate box)

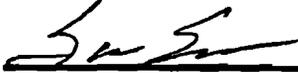
- SIGNIFICANT PERMIT MODIFICATION ADMINISTRATIVE AMENDMENT
 MINOR PERMIT MODIFICATION

COMPANY NAME: Aera Energy LLC	FACILITY ID: S - 1135
1. Type of Organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Sole Ownership <input type="checkbox"/> Government <input type="checkbox"/> Partnership <input type="checkbox"/> Utility	
2. Owner's Name: Aera Energy LLC	
3. Agent to the Owner: N/A	

II. COMPLIANCE CERTIFICATION (Read each statement carefully and initial all circles for confirmation):

- Based on information and belief formed after reasonable inquiry, the emissions units identified in this application will continue to comply with the applicable federal requirement(s).
- Based on information and belief formed after reasonable inquiry, the emissions units identified in this application will comply with applicable federal requirement(s) that will become effective during the permit term, on a timely basis.
- Corrected information will be provided to the District when I become aware that incorrect or incomplete information has been submitted.
- Based on information and belief formed after reasonable inquiry, information and statements in the submitted application package, including all accompanying reports, and required certifications are true accurate and complete.

I declare, under penalty of perjury under the laws of the state of California, that the forgoing is correct and true:



Signature of Responsible Official

2/26/10

Date

SAM EVANS

Name of Responsible Official (please print)

PROCESS Supervisor

Title of Responsible Official (please print)

Modify Title V permits S-1135-70-13, '-3-20, '-29-26, '-71-7, '-322-1, and '-326-1.

Mailing Address: Central Regional Office * 1990 E. Gettysburg Avenue * Fresno, California 93726-0244 * (559) 230-5900 * FAX (559) 230-6061

TVFORM-009

ATTACHMENT VI
Draft ATCs

San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1135-3-22

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
MIDWAY-SUNSET
KERN COUNTY, CA

SECTION: 24 **TOWNSHIP:** 11N **RANGE:** 23W

EQUIPMENT DESCRIPTION:

MODIFICATION OF A NATURAL GAS-FIRED HEATER TREATER (#1) WITH AN 8.4 MMBTU/HR MAXON MODEL M-PAKT BURNER(DERATED TO 5 MMBTU/HR) SERVED BY VAPOR RECOVERY SYSTEM LISTED ON S-1135-70 - METSON LEASE: REVISE RECORDKEEPING REQUIREMENT FROM ALL STARTUPS AND SHUTDOWNS TO ONLY STARTUPS AND SHUTDOWNS THAT EXCEED ONE HOUR IN DURATION, REVISE TUNING AND MONITORING CONDITION, DELETE REDUNDANT FUEL TESTING CONDITION

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 NSR Rule] 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. {581} All required source testing shall conform to the compliance testing procedures described in District Rule 1081 (Amended December 16, 1993). [District Rule 1081, and County Rules 108 (Kings), 108.1 (Fresno, Merced, San Joaquin, Tulare, Kern, and Stanislaus), and 110 (Madera)] Federally Enforceable Through Title V Permit
4. {1407} All equipment shall be maintained in good operating condition and shall be operated in a manner to minimize emissions of air contaminants into the atmosphere. [District Rule 2201]

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

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DAVID WARNER, Director of Permit Services
S-1135-3-22: May 11 2010 9:12AM - EDGEHILR : Joint Inspection NOT Required

5. {15} No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101]
6. {14} Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201]
7. The concentration of sulfur compounds in the exhaust from this unit shall not exceed 0.2% by volume as measured on a dry basis over a 15 minute period. To demonstrate compliance with this requirement the operator shall do one of the following: fire the unit only on PUC or FERC regulated natural gas; or test the sulfur content of each fuel source and demonstrate the sulfur content does not exceed 3.3% by weight for gaseous fuels; or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rule 2520, 9.3.2; District Rule 4301, 5.2.1; District Rule 4801, 3.1; and Kern County Rule 407] Federally Enforceable Through Title V Permit
8. Copies of all fuel invoices showing quantity and delivery points of gas delivered and copies of quality terms of gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
9. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit and sulfur emission limits has been demonstrated for 8 consecutive weeks for a fuel source, then the fuel testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
10. When complying with SOx emission limits by testing of stack emissions, testing shall be performed not less than once every 12 months using EPA Method 6 or CARB Method 100; or, for units using gaseous fuel scrubbed for sulfur pre-combustion, a grab sample analysis by double GC for H2S and mercaptans performed in the laboratory and EPA Method 19 to calculated emissions. Gaseous fuel fired units demonstrating compliance on two consecutive annual source tests shall be tested not less than once every thirty-six months; however, annual source testing shall resume if any test fails to show compliance. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
11. If the unit is fired on noncertified gaseous fuel and compliance with SOx emission limits is achieved through fuel sulfur content limitations, then the sulfur content of the gaseous fuel being fired in the unit shall be determined using ASTM D 1072, D 3031, D 4084, D 3246 or grab sample analysis by double GC for H2S and mercaptans performed in the laboratory and EPA Method 19 to calculated emissions. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
12. If fuel analysis is used to demonstrate compliance with the conditions of this permit, the fuel higher heating value for each fuel shall be certified by third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588. [District Rule 2520, 9.3.2 and 4305, 6.2.1] Federally Enforceable Through Title V Permit
13. Fuel gas sulfur content shall not exceed 0.5 gr/100 scf. [District NSR Rule] Federally Enforceable Through Title V Permit
14. {584} Compliance with permit conditions in the Title V permit shall be deemed compliance with the following requirements of SJVUAPCD Rules 4201 (Amended December 17, 1992), and 4301 (Amended December 17, 1992). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
15. {585} Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of County Rules 108 (Kings), 108.1 (Fresno, Merced, San Joaquin, Tulare, Kern, and Stanislaus), and 110 (Madera), 402 (Madera), 404 (Fresno, Kern, Tulare, Kings, Stanislaus, Merced, and San Joaquin), 405 (Madera), 408 (Fresno, Kern, Tulare, Kings, Stanislaus, Merced, and San Joaquin), 407.2 (Kern, Tulare, Kings, Stanislaus, and San Joaquin), and 408.2 (Merced). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
16. {1686} This unit commenced construction, modification, or reconstruction prior to June 19, 1984. This unit has not been used to produce electricity for sale in 1985 or on or after November 15, 1990. Therefore, the requirements of 40 CFR 72.6(b) and 40 CFR 60.40c do not apply to this source. A permit shield is granted from this requirement. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

17. The rated heat input of the unit shall be reduced to no greater than 5.0 MMBtu/hr. [District NSR Rule] Federally Enforceable Through Title V Permit
18. Fuel consumption shall be verified by the use of a non-resettable, totalizing mass or volumetric flow meter. [District NSR Rule] Federally Enforceable Through Title V Permit
19. Emission rates, except during startup and shutdown shall not exceed the following: PM10: 0.0076 lb/MMBtu, SOx (as SO2): 0.00285 lb/MMBtu, NOx (as NO2): 0.036 lb/MMBtu or 30 ppmv @ 3% O2, VOC: 0.0055 lb/MMBtu, and CO: 0.033 lb/MMBtu or 45 ppmv @ 3% O2. [District NSR Rule, District Rule 4301, District Rule 4201, District Rule 4307, and Kern County Rule 404]
20. Emission rates shall not exceed any of the following: NOx (as NO2): 4.3 lb/day, SOx (as SO2): 0.3 lb/day, PM10: 0.9 lb/day, CO: 4.0 lb/day, VOC: 0.7 lb/day. [District Rule 2201]
21. The permittee shall maintain records of fuel type and quantity for each day of operation, in the format approved by the District. [District NSR Rule] Federally Enforceable Through Title V Permit
22. The duration of start-up and shutdown shall not exceed one hour each per occurrence. [District Rule 4307]
23. The permittee shall maintain records of the duration of each start-up and shutdown that exceed one hour per occurrence for a period of five years and make such records readily available for District inspection upon request. [District Rule 4307]
24. The permittee shall monitor, at least once per month, the unit's operational characteristics recommended by the manufacturer and approved by the APCO. [District Rule 4307]
25. The permittee shall tune the unit at least twice per calendar year, (from four to eight months apart) using a qualified technician in accordance with the procedure described in Rule 4304. If the unit does not operate throughout a continuous six-month period within a calendar year, only one tune-up is required for a calendar year. No tune-up is required if the unit is not operated during that calendar year. The unit may be test fired to verify availability of the unit for its intended use, but once the test firing is complete the unit shall be shutdown. In lieu of tuning the unit twice each calendar year, the owner/operator shall monitor the emissions with a portable NOx analyzer at least twice per calendar year and adjust the unit's operating parameters accordingly to assure compliance with the emission limits of this rule. [District Rule 4307]
26. If the unit is tuned for compliance, the permittee shall maintain records of: (1) the date that tune-ups are performed, (2) a description of any corrective action taken to maintain the emissions within the acceptable range, and (3) a record of the operational characteristics monitored. [District Rule 4307]
27. If NOx emissions are monitored for compliance, the permittee shall maintain records of: (1) the date and time of the NOx measurements, (2) the O2 concentration in percent and the measured NOx concentration corrected to 3% O2, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, (5) a description of any corrective action taken to maintain the emissions within the acceptable range, and (6) a record of the operational characteristics monitored. [District Rules 4307]
28. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. No determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4307. Notwithstanding the requirements above and per Section 5.5.4 of Rule 4307, for units with a cyclical firing period that routinely interrupts fuel flow as part of its normal operation, source testing may commence sooner than specified above and continue through its normal cyclical firing period. [District Rule 4307]
29. All records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070 and 4307]

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1135-29-28

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
MIDWAY-SUNSET
KERN COUNTY, CA

SECTION: 24 TOWNSHIP: 11N RANGE: 23W

EQUIPMENT DESCRIPTION:

MODIFICATION OF NATURAL GAS-FIRED HEATER TREATER (#2) WITH A 4.2 MMBTU/HR MAXON MODEL M-PAKT BURNER SERVED BY VAPOR RECOVERY SYSTEM LISTED ON S-1135-70 - METSON LEASE: CORRECT NOX PPMV EMISSIONS LIMIT, REVISE TUNING AND MONITORING CONDITION

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 NSR Rule] 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. {14} Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201]
4. {520} The operator shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
5. Copies of all fuel invoices showing quantity and delivery points of gas delivered and copies of quality terms of gas delivery contracts shall be maintained. The operator shall record daily amount and type(s) of fuel(s) combusted and all dates on which unit is fired on any noncertified fuel and record specific type of noncertified fuel used. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit

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

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DAVID WARNER, Director of Permit Services

S-1135-29-28: May 11 2010 8:13AM - EDGEHLR : Joint Inspection NOT Required

6. {581} All required source testing shall conform to the compliance testing procedures described in District Rule 1081 (Amended December 16, 1993). [District Rule 1081, and County Rules 108 (Kings), 108.1 (Fresno, Merced, San Joaquin, Tulare, Kern, and Stanislaus), and 110 (Madera)] Federally Enforceable Through Title V Permit
7. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, each fuel source shall be tested weekly for sulfur content and higher heating value. If compliance with the fuel sulfur content limit and sulfur emission limits has been demonstrated for 8 consecutive weeks for a fuel source, then the fuel testing frequency shall be semi-annually. If a semi-annual fuel content source test fails to show compliance, weekly testing shall resume. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
8. When complying with SO_x emission limits by testing of stack emissions, testing shall be performed not less than once every 12 months using EPA Methods 6, 6B, 8 or CARB Method 8 or 100; or, for units using gaseous fuel scrubbed for sulfur pre-combustion, a grab sample analysis by double GC for H₂S and mercaptans performed in the laboratory and EPA Method 19 to calculated emissions. Gaseous fuel fired units demonstrating compliance on two consecutive annual source tests shall be tested not less than once every thirty-six months; however, annual source testing shall resume if any test fails to show compliance. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
9. If the unit is fired on noncertified gaseous fuel and compliance with SO_x emission limits is achieved through fuel sulfur content limitations, then the sulfur content of the gaseous fuel being fired in the unit shall be determined using ASTM D 1072, D 4468, D 4084, D 3246 or grab sample analysis by double GC for H₂S and mercaptans performed in the laboratory and EPA Method 19 to calculated emissions. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
10. If fuel analysis is used to demonstrate compliance with conditions of this permit, the fuel higher heating value for each fuel shall be certified by a third party fuel supplier or determined by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588 for gaseous fuels. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
11. Fuel gas sulfur content shall not exceed 0.5 gr/100 scf (as sulfur). [District Rule 2201] Federally Enforceable Through Title V Permit
12. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following requirements: SJVUAPCD Rules 4201 (Amended December 17, 1992), 4301 (Amended December 17, 1992), 4406 (Amended December 17, 1992, and Rule 4801 (Amended December 17, 1992). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
13. {585} Compliance with permit conditions in the Title V permit shall be deemed compliance with the requirements of County Rules 108 (Kings), 108.1 (Fresno, Merced, San Joaquin, Tulare, Kern, and Stanislaus), and 110 (Madera), 402 (Madera), 404 (Fresno, Kern, Tulare, Kings, Stanislaus, Merced, and San Joaquin), 405 (Madera), 408 (Fresno, Kern, Tulare, Kings, Stanislaus, Merced, and San Joaquin), 407.2 (Kern, Tulare, Kings, Stanislaus, and San Joaquin), and 408.2 (Merced). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
14. {1686} This unit commenced construction, modification, or reconstruction prior to June 19, 1984. This unit has not been used to produce electricity for sale in 1985 or on or after November 15, 1990. Therefore, the requirements of 40 CFR 72.6(b) and 40 CFR 60.40c do not apply to this source. A permit shield is granted from this requirement. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
15. Maximum annual heat input of the unit shall not exceed 30 billion Btu per calendar year. [District Rule 2201] Federally Enforceable Through Title V Permit
16. A non-resettable, totalizing mass or volumetric fuel flow meter to measure the amount of natural gas combusted in the unit shall be installed, utilized and maintained. Use of an alternate system consisting of calibrated orifice plates, transmitters, and a programmable logic controller (PLC) may be used to meet this requirement. [District Rules 2201] Federally Enforceable Through Title V Permit
17. Records of monthly and annual heat input of the unit shall be maintained. [District Rule 2201] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

18. Emission rates, except during startup and shutdown shall not exceed any of the following: PM10: 0.136 lb/MMBtu, SOx (as SO2): 0.005 lb/MMBtu, VOC: 0.007 lb/MMBtu, NOx (as NO2): 0.036 lb/MMBtu or 30 ppmv @ 3% O2, or CO: 0.037 lb/MMBtu or 50 ppmv @ 3% O2. [District Rules 2201, 2520, 4201, 4301, 4307, 4405, 4406, 4801 and Kern County Rules 424 and 425]
19. Emission rates during startup and shutdown shall not exceed any of the following: particulate matter - 10 pounds per hour, or 0.1 grains/dscf calculated to 12% CO2; sulfur - 200 pounds of SO2 per hour, or 2000 ppmv as SO2, or 0.11 pounds sulfur (as S) per MMBtu on average-wide basis for all units in Rule 4406 plan ; NO2 - 140 pounds per hour or 0.14 pounds per MMBtu. [District Rules 4101, 4102, 4301, 4405, 4406, 4801 and Kern County Rules 424 and 425] Federally Enforceable Through Title V Permit
20. {521} Particulate matter emissions shall not exceed 0.1 grain/dscf, calculated to 12% CO2, nor 10 lb/hr. [District Rules 4201, 3.1 and 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit
21. Emission rates shall not exceed any of the following: PM10: 13.7 lb/day, SOx (as SO2): 0.5 lb/day, VOC: 0.7 lb/day, NOx (as NO2): 80.2 lb/day or 1080 lb/yr, or CO: 3.7 lb/day. [District Rule 2201] Federally Enforceable Through Title V Permit
22. Duration of start-up and shutdown shall not exceed one hour each per occurrence. [District Rule 4307]
23. Duration of refractory curing shall not exceed 30 hours each per occurrence. Permittee shall notify the District in writing prior to refractory curing. [District Rule 2080] Federally Enforceable Through Title V Permit
24. Permittee shall maintain records of duration of each start-up and shutdown that exceed one hour per occurrence, and refractory curing, for a period of five years and make such records readily available for District inspection upon request. [District Rule 4307] Federally Enforceable Through Title V Permit
25. The permittee shall monitor, at least once per month, the units's operational characteristics recommended by the manufacturer and approved by the APCO. [District Rule 4307]
26. The permittee shall tune the unit at least twice per calendar year, (from four to eight months apart) using a qualified technician in accordance with the procedure described in Rule 4304. If the unit does not operate throughout a continuous six-month period within a calendar year, only one tune-up is required for a calendar year. No tune-up is required if the unit is not operated during that calendar year. The unit may be test fired to verify availability of the unit for its intended use, but once the test firing is complete the unit shall be shutdown. In lieu of tuning the unit twice each calendar year, the owner/operator shall monitor the emissions with a portable NOx analyzer at least twice per calendar year and adjust the unit's operating parameters accordingly to assure compliance with the emission limits of this rule. [District Rule 4307]
27. If the unit is tuned for compliance, the permittee shall maintain records of: (1) the date that tune-ups are performed, (2) a description of any corrective action taken to maintain the emissions within the acceptable range, and (3) a record of the operational characteristics monitored. [District Rule 4307]
28. If NOx emissions are monitored for compliance, the permittee shall maintain records of: (1) the date and time of the NOx measurements, (2) the O2 concentration in percent and the measured NOx concentration corrected to 3% O2, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, (5) a description of any corrective action taken to maintain the emissions within the acceptable range, and (6) a record of the operational characteristics monitored. [District Rule 4307]
29. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. No determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4307. Notwithstanding the requirements above and per Section 5.5.4 of Rule 4307, for units with a cyclical firing period that routinely interrupts fuel flow as part of its normal operation, source testing may commence sooner than specified above and continue through its normal cyclical firing period. [District Rule 4307]
30. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rule 4307]

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CONDITIONS CONTINUE ON NEXT PAGE

31. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
32. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, NO_x (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or 10B or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, SO_x (lb/MMBtu) - ARB Method 8 or 100 or EPA Method 6, 6B or 8 or fuel gas sulfur content analysis and EPA Method 19, fuel gas sulfur content - ASTM D1072, D4468, D3246, D3246, D4084 or double GC for H₂S and mercaptans performed in laboratory, fuel gas hhv - ASTM D1826 or D1945 in conjunction with ASTM D3588. [District Rules 1081 and 4307]
33. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rule 4307]

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1135-70-15

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
MIDWAY-SUNSET
KERN COUNTY, CA

SECTION: SW24 TOWNSHIP: 11N RANGE: 23W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 43,470 GALLON FIXED ROOF REJECT TANK T-110, WITH SHARED VAPOR RECOVERY SYSTEM - METSON LEASE TANK BATTERY: REPLACE AIR X CHANGER WITH HEAT EXCHANGERS IN EQUIPMENT CONDITION, DELETE THROUGHPUT AND STORAGE TEMPERATURE RECORD-KEEPING CONDITIONS, REVISE CONDITION REFERENCING OPERATION OF VAPOR CONTROL SYSTEM, DELETE CONDITION REFERENCING TEMPERATURE INDICATOR

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 NSR Rule] 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. No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101] Federally Enforceable Through Title V Permit
4. {98} No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]

CONDITIONS CONTINUE ON NEXT PAGE

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

Seyed Sadredin, Executive Director APCO

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DAVID WARNER, Director of Permit Services

S-1135-70-15 : May 11 2010 9:32AM - EDGEHILR : Joint Inspection NOT Required

5. Operation shall include two fin fan heat exchangers, two separators, two compressors, and two liquid transfer pumps, shared between tanks S-1135-70, '-71, '-72, '-322, '-326, and '-327, and heater treaters S-1135-3 and '-29. [District Rule 2201] Federally Enforceable Through Title V Permit
6. Operation shall include provisions for connecting tank to existing TEOR operation and Vapor Control System. [District Rule 2201] Federally Enforceable Through Title V Permit
7. Fugitive VOC emissions rate calculated using EPA's Protocol for Equipment Leak Emission Estimates, Table 2-4, Oil and Gas Production Operations Average Emission Factors, shall not exceed 0.8 lb/day. [District Rule 2201] Federally Enforceable Through Title V Permit
8. All tanks and separators shall vent only to vapor control system. [District NSR Rule] Federally Enforceable Through Title V Permit
9. The tank shall be equipped with a fixed roof with no holes or openings. [District Rule 2201] Federally Enforceable Through Title V Permit
10. This tank shall only vent to a vapor recovery system. The vapor recovery system shall be an APCO-approved system consisting of a closed vent system that collects all VOCs from the storage tank and a VOC control device. The vapor recovery system shall be maintained in a leak-free condition. The VOC control device shall be either of the following: a vapor return or condensation system that connects to a gas pipeline distribution system, or an approved VOC destruction device that reduces the inlet VOC emissions by at least 99% by weight as determined by the test method specified in Section 6.4 of District Rule 4623 (amended May 19, 2005). [District Rules 2201 and 4623, 5.6.1] Federally Enforceable Through Title V Permit
11. The tank and all piping, valves, and fittings shall be constructed and maintained in a leak-free condition. [District Rule 4623, 5.6.3] Federally Enforceable Through Title V Permit
12. A leak-free condition is a condition without a gas leak or a liquid 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 that is calibrated with methane in accordance with the procedures specified in EPA Test Method 21. A liquid leak is defined as the dripping of organic liquid at a rate of more than 3 drops per minute. [District Rule 4623, 3.17 and 6.4.8] Federally Enforceable Through Title V Permit
13. 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 4623, 5.6.2] Federally Enforceable Through Title V Permit
14. Operator shall visually inspect tank shell, hatches, seals, seams, cable seals, valves, flanges, connectors, and any other piping components directly affixed to the tank and within five feet of the tank at least once per year for liquid leaks, and with a portable hydrocarbon detection instrument conducted in accordance with EPA Method 21 for gas leaks. Operator shall also visually or ultrasonically inspect as appropriate, the external shells and roofs of uninsulated tanks for structural integrity annually. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
15. Upon detection of a liquid leak, defined as a leak rate of greater than or equal to 30 drops per minute, operator shall repair the leak within 8 hours. For leaks with a liquid leak rate of between 3 and 30 drops per minute, the leaking component shall be repaired within 24 hours after detection. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
16. Upon detection of a gas leak, defined as a VOC concentration of greater than 10,000 ppmv measured in accordance with EPA Method 21, operator shall take on of the following actions: 1) eliminate the leak within 8 hours after detection; or 2) if the leak cannot be eliminated, then minimize the leak to the lowest possible level within 8 hours after detection by using best maintenance practices, and eliminate the leak within 48 hours after minimization. In no event shall the total time to minimize and eliminate a leak exceed 56 hours after detection. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
17. Components found to be leaking either liquids or gases shall be immediately affixed with a tag showing the component to be leaking. Operator shall maintain records of the liquid or gas leak detection readings, date/time the leak was discovered, and date/time the component was repaired to a leak-free condition. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

18. Leaking components that have been discovered by the operator that have been immediately tagged and repaired within the timeframes specified in District Rule 4623, Table 3 shall not constitute a violation of District Rule 4623. Leaking components as defined by District Rule 4623 discovered by District staff that were not previously identified and/or tagged by the operator, and/or any leaks that were not repaired within the timeframes specified in District Rule 4623, Table 3 shall constitute a violation of District Rule 4623. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
19. If a component type for a given tank is found to leak during an annual inspection, operator shall conduct quarterly inspections of that component type on the tank or tank system for four consecutive quarters. If no components are found to leak after four consecutive quarters, the operator may revert to annual inspections. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
20. Any component found to be leaking on two consecutive annual inspections is in violation of District Rule 4623, even if covered under the voluntary inspection and maintenance program. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
21. Operator shall maintain an inspection log containing the following: 1) Date of all inspections; 2) Type and identification of leaking components; 3) Date of leak detection and method of detection; 4) Method used to minimize leak; and 5) Date and emission level of recheck after leak is repaired. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
22. {2426} The permittee shall maintain, and make available for District inspection, 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
23. The operator shall ensure that the vapor recovery system is functional and is operating as designed. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
24. This unit has a storage capacity less than 420,000 gallons and is used for petroleum or condensate stored, processed and/or treated at a drilling and production facility prior to custody transfer. Therefore, the requirements of 40CFR 60 Subpart K, Ka and Kb do not apply to this source. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1135-70-16

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
MIDWAY-SUNSET
KERN COUNTY, CA

SECTION: SW24 TOWNSHIP: 11N RANGE: 23W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 43,470 GALLON FIXED ROOF REJECT TANK T-110, WITH SHARED VAPOR RECOVERY SYSTEM - METSON LEASE TANK BATTERY: CONNECT ROUTINE REPLACEMENT TANK S-1547-338 TO VAPOR CONTROL SYSTEM

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 NSR Rule] 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. No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101] Federally Enforceable Through Title V Permit
4. {98} No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
5. Operation shall include two fin fan heat exchangers, two separators, two compressors, and two liquid transfer pumps, shared between tanks S-1135-70, '-71, '-322, '-326, '-327, '-338, and heater treaters S-1135-3 and '-29. [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

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DAVID WARNER, Director of Permit Services

S-1135-70-16 : May 11 2010 9:32AM - EDGEHILL : Joint Inspection NOT Required

6. Operation shall include provisions for connecting tank to existing TEOR operation and Vapor Control System. [District Rule 2201] Federally Enforceable Through Title V Permit
7. All tanks and separators shall vent only to vapor control system. [District NSR Rule] Federally Enforceable Through Title V Permit
8. Fugitive VOC emissions rate calculated using EPA's Protocol for Equipment Leak Emission Estimates, Table 2-4, Oil and Gas Production Operations Average Emission Factors, shall not exceed 0.8 lb/day. [District Rule 2201] Federally Enforceable Through Title V Permit
9. The tank shall be equipped with a fixed roof with no holes or openings. [District Rule 2201] Federally Enforceable Through Title V Permit
10. This tank shall only vent to a vapor recovery system. The vapor recovery system shall be an APCO-approved system consisting of a closed vent system that collects all VOCs from the storage tank and a VOC control device. The vapor recovery system shall be maintained in a leak-free condition. The VOC control device shall be either of the following: a vapor return or condensation system that connects to a gas pipeline distribution system, or an approved VOC destruction device that reduces the inlet VOC emissions by at least 99% by weight as determined by the test method specified in Section 6.4 of District Rule 4623 (amended May 19, 2005). [District Rules 2201 and 4623, 5.6.1] Federally Enforceable Through Title V Permit
11. The tank and all piping, valves, and fittings shall be constructed and maintained in a leak-free condition. [District Rule 4623, 5.6.3] Federally Enforceable Through Title V Permit
12. A leak-free condition is a condition without a gas leak or a liquid 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 that is calibrated with methane in accordance with the procedures specified in EPA Test Method 21. A liquid leak is defined as the dripping of organic liquid at a rate of more than 3 drops per minute. [District Rule 4623, 3.17 and 6.4.8] Federally Enforceable Through Title V Permit
13. 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 4623, 5.6.2] Federally Enforceable Through Title V Permit
14. Operator shall visually inspect tank shell, hatches, seals, seams, cable seals, valves, flanges, connectors, and any other piping components directly affixed to the tank and within five feet of the tank at least once per year for liquid leaks, and with a portable hydrocarbon detection instrument conducted in accordance with EPA Method 21 for gas leaks. Operator shall also visually or ultrasonically inspect as appropriate, the external shells and roofs of uninsulated tanks for structural integrity annually. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
15. Upon detection of a liquid leak, defined as a leak rate of greater than or equal to 30 drops per minute, operator shall repair the leak within 8 hours. For leaks with a liquid leak rate of between 3 and 30 drops per minute, the leaking component shall be repaired within 24 hours after detection. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
16. Upon detection of a gas leak, defined as a VOC concentration of greater than 10,000 ppmv measured in accordance with EPA Method 21, operator shall take one of the following actions: 1) eliminate the leak within 8 hours after detection; or 2) if the leak cannot be eliminated, then minimize the leak to the lowest possible level within 8 hours after detection by using best maintenance practices, and eliminate the leak within 48 hours after minimization. In no event shall the total time to minimize and eliminate a leak exceed 56 hours after detection. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
17. Components found to be leaking either liquids or gases shall be immediately affixed with a tag showing the component to be leaking. Operator shall maintain records of the liquid or gas leak detection readings, date/time the leak was discovered, and date/time the component was repaired to a leak-free condition. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

18. Leaking components that have been discovered by the operator that have been immediately tagged and repaired within the timeframes specified in District Rule 4623, Table 3 shall not constitute a violation of District Rule 4623. Leaking components as defined by District Rule 4623 discovered by District staff that were not previously identified and/or tagged by the operator, and/or any leaks that were not repaired within the timeframes specified in District Rule 4623, Table 3 shall constitute a violation of District Rule 4623. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
19. If a component type for a given tank is found to leak during an annual inspection, operator shall conduct quarterly inspections of that component type on the tank or tank system for four consecutive quarters. If no components are found to leak after four consecutive quarters, the operator may revert to annual inspections. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
20. Any component found to be leaking on two consecutive annual inspections is in violation of District Rule 4623, even if covered under the voluntary inspection and maintenance program. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
21. Operator shall maintain an inspection log containing the following: 1) Date of all inspections; 2) Type and identification of leaking components; 3) Date of leak detection and method of detection; 4) Method used to minimize leak; and 5) Date and emission level of recheck after leak is repaired. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
22. {2426} The permittee shall maintain, and make available for District inspection, 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
23. The operator shall ensure that the vapor recovery system is functional and is operating as designed. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
24. This unit has a storage capacity less than 420,000 gallons and is used for petroleum or condensate stored, processed and/or treated at a drilling and production facility prior to custody transfer. Therefore, the requirements of 40CFR 60 Subpart K, Ka and Kb do not apply to this source. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
25. ATC shall be implemented concurrently with or subsequent to ATC S-1135-70-15. [District Rule 2201] Federally Enforceable Through Title V Permit

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1135-71-8

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
MIDWAY-SUNSET
KERN COUNTY, CA

SECTION: SW24 TOWNSHIP: 11N RANGE: 23W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 84,000 GALLON FIXED ROOF LACT TANK T-100 WITH VAPOR RECOVERY (LISTED ON S-1135-70) - METSON LEASE TANK BATTERY: DELETE THROUGHPUT AND STORAGE TEMPERATURE RECORD-KEEPING CONDITIONS, DELETE CONDITION REFERENCING OPERATION OF VAPOR CONTROL SYSTEM AND TEMPERATURE INDICATOR

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 NSR Rule] 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. Operation shall include vapor recovery system described on the requirements for permit unit S-1135-70. [District NSR Rule] Federally Enforceable Through Title V Permit
4. Operation shall include provisions for connecting tank to existing TEOR operation and Vapor Control System. [District NSR Rule] Federally Enforceable Through Title V Permit
5. The tank shall be equipped with a fixed roof with no holes or openings. [District NSR Rule] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

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

Seyed Sadredin, Executive Director APCO

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DAVID WARNER, Director of Permit Services

S-1135-71-8: May 11 2010 9:17AM - EDGEHILR : Joint Inspection NOT Required

6. All tanks and separators shall vent only to vapor control system. [District NSR Rule] Federally Enforceable Through Title V Permit
7. This tank shall only vent to a vapor recovery system. The vapor recovery system shall be an APCO-approved system consisting of a closed vent system that collects all VOCs from the storage tank and a VOC control device. The vapor recovery system shall be maintained in a leak-free condition. The VOC control device shall be either of the following: a vapor return or condensation system that connects to a gas pipeline distribution system, or an approved VOC destruction device that reduces the inlet VOC emissions by at least 95% by weight as determined by the test method specified in Section 6.4 of District Rule 4623 (amended May 19, 2005). [District Rule 4623, 5.6.1] Federally Enforceable Through Title V Permit
8. The tank and all piping, valves, and fittings shall be constructed and maintained in a leak-free condition. [District Rule 4623, 5.6.3] Federally Enforceable Through Title V Permit
9. A leak-free condition is a condition without a gas leak or a liquid 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 that is calibrated with methane in accordance with the procedures specified in EPA Test Method 21. A liquid leak is defined as the dripping of organic liquid at a rate of more than 3 drops per minute. [District Rule 4623, 3.17 and 6.4.8] 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 4623, 5.6.2] Federally Enforceable Through Title V Permit
11. Operator shall visually inspect tank shell, hatches, seals, seams, cable seals, valves, flanges, connectors, and any other piping components directly affixed to the tank and within five feet of the tank at least once per year for liquid leaks, and with a portable hydrocarbon detection instrument conducted in accordance with EPA Method 21 for gas leaks. Operator shall also visually or ultrasonically inspect as appropriate, the external shells and roofs of uninsulated tanks for structural integrity annually. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
12. Upon detection of a liquid leak, defined as a leak rate of greater than or equal to 30 drops per minute, operator shall repair the leak within 8 hours. For leaks with a liquid leak rate of between 3 and 30 drops per minute, the leaking component shall be repaired within 24 hours after detection. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
13. Upon detection of a gas leak, defined as a VOC concentration of greater than 10,000 ppmv measured in accordance with EPA Method 21, operator shall take one of the following actions: 1) eliminate the leak within 8 hours after detection; or 2) if the leak cannot be eliminated, then minimize the leak to the lowest possible level within 8 hours after detection by using best maintenance practices, and eliminate the leak within 48 hours after minimization. In no event shall the total time to minimize and eliminate a leak exceed 56 hours after detection. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
14. Components found to be leaking either liquids or gases shall be immediately affixed with a tag showing the component to be leaking. Operator shall maintain records of the liquid or gas leak detection readings, date/time the leak was discovered, and date/time the component was repaired to a leak-free condition. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
15. Leaking components that have been discovered by the operator that have been immediately tagged and repaired within the timeframes specified in District Rule 4623, Table 3 shall not constitute a violation of District Rule 4623. Leaking components as defined by District Rule 4623 discovered by District staff that were not previously identified and/or tagged by the operator, and/or any leaks that were not repaired within the timeframes specified in District Rule 4623, Table 3 shall constitute a violation of District Rule 4623. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
16. If a component type for a given tank is found to leak during an annual inspection, operator shall conduct quarterly inspections of that component type on the tank or tank system for four consecutive quarters. If no components are found to leak after four consecutive quarters, the operator may revert to annual inspections. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

17. Any component found to be leaking on two consecutive annual inspections is in violation of District Rule 4623, even if covered under the voluntary inspection and maintenance program. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
18. Operator shall maintain an inspection log containing the following: 1) Date of all inspections; 2) Type and identification of leaking components; 3) Date of leak detection and method of detection; 4) Method used to minimize leak; and 5) Date and emission level of recheck after leak is repaired. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
19. {2426} The permittee shall maintain, and make available for District inspection, 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
20. This unit has a storage capacity less than 420,000 gallons and is used for petroleum or condensate stored, processed and/or treated at a drilling and production facility prior to custody transfer. Therefore, the requirements of 40CFR 60 Subpart K, Ka and Kb do not apply to this source. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1135-322-2

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
MIDWAY-SUNSET
KERN COUNTY, CA

SECTION: SW24 **TOWNSHIP:** 11N **RANGE:** 23W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 126,000 GALLON FIXED ROOF WASH TANK T-101, WITH VAPOR RECOVERY (LISTED IN S-1135-70) - METSON LEASE TANK BATTERY: DELETE CONDITIONS REFERENCING OPERATION OF VAPOR CONTROL SYSTEM AND TEMPERATURE INDICATOR

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 NSR Rule] 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. Fugitive VOC emissions rate calculated using EPA's Protocol for Equipment Leak Emission Estimates, Table 2-4, Oil and Gas Production Operations Average Emission Factors, shall not exceed 3.0 lb/day. [District Rule 2201] Federally Enforceable Through Title V Permit
4. Operation shall include vapor recovery system described on the requirements for permit unit S-1135-70. [District Rule 2201] Federally Enforceable Through Title V Permit
5. Operation shall include provisions for connecting tank to existing TEOR operation and Vapor Control System. [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

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DAVID WARNER, Director of Permit Services
S-1135-322-2 : May 11 2010 9:17AM - EDGEHLR : Joint Inspection NOT Required

6. The tank shall be equipped with a fixed roof with no holes or openings. [District Rule 2201] Federally Enforceable Through Title V Permit
7. All tanks and separators shall vent only to vapor control system. [District Rule 2201] Federally Enforceable Through Title V Permit
8. This tank shall only vent to a vapor recovery system. The vapor recovery system shall be an APCO-approved system consisting of a closed vent system that collects all VOCs from the storage tank and a VOC control device. The vapor recovery system shall be maintained in a leak-free condition. The VOC control device shall be either of the following: a vapor return or condensation system that connects to a gas pipeline distribution system, or an approved VOC destruction device that reduces the inlet VOC emissions by at least 95% by weight as determined by the test method specified in Section 6.4 of District Rule 4623 (amended May 19, 2005). [District Rule 4623, 5.6.1] Federally Enforceable Through Title V Permit
9. The tank and all piping, valves, and fittings shall be constructed and maintained in a leak-free condition. [District Rule 4623, 5.6.3] Federally Enforceable Through Title V Permit
10. A leak-free condition is a condition without a gas leak or a liquid 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 that is calibrated with methane in accordance with the procedures specified in EPA Test Method 21. A liquid leak is defined as the dripping of organic liquid at a rate of more than 3 drops per minute. [District Rule 4623, 3.17 and 6.4.8] Federally Enforceable Through Title V Permit
11. 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 4623, 5.6.2] Federally Enforceable Through Title V Permit
12. Operator shall visually inspect tank shell, hatches, seals, seams, cable seals, valves, flanges, connectors, and any other piping components directly affixed to the tank and within five feet of the tank at least once per year for liquid leaks, and with a portable hydrocarbon detection instrument conducted in accordance with EPA Method 21 for gas leaks. Operator shall also visually or ultrasonically inspect as appropriate, the external shells and roofs of uninsulated tanks for structural integrity annually. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
13. Upon detection of a liquid leak, defined as a leak rate of greater than or equal to 30 drops per minute, operator shall repair the leak within 8 hours. For leaks with a liquid leak rate of between 3 and 30 drops per minute, the leaking component shall be repaired within 24 hours after detection. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
14. Upon detection of a gas leak, defined as a VOC concentration of greater than 10,000 ppmv measured in accordance with EPA Method 21, operator shall take one of the following actions: 1) eliminate the leak within 8 hours after detection; or 2) if the leak cannot be eliminated, then minimize the leak to the lowest possible level within 8 hours after detection by using best maintenance practices, and eliminate the leak within 48 hours after minimization. In no event shall the total time to minimize and eliminate a leak exceed 56 hours after detection. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
15. Components found to be leaking either liquids or gases shall be immediately affixed with a tag showing the component to be leaking. Operator shall maintain records of the liquid or gas leak detection readings, date/time the leak was discovered, and date/time the component was repaired to a leak-free condition. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
16. Leaking components that have been discovered by the operator that have been immediately tagged and repaired within the timeframes specified in District Rule 4623, Table 3 shall not constitute a violation of District Rule 4623. Leaking components as defined by District Rule 4623 discovered by District staff that were not previously identified and/or tagged by the operator, and/or any leaks that were not repaired within the timeframes specified in District Rule 4623, Table 3 shall constitute a violation of District Rule 4623. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

17. If a component type for a given tank is found to leak during an annual inspection, operator shall conduct quarterly inspections of that component type on the tank or tank system for four consecutive quarters. If no components are found to leak after four consecutive quarters, the operator may revert to annual inspections. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
18. Any component found to be leaking on two consecutive annual inspections is in violation of District Rule 4623, even if covered under the voluntary inspection and maintenance program. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
19. Operator shall maintain an inspection log containing the following: 1) Date of all inspections; 2) Type and identification of leaking components; 3) Date of leak detection and method of detection; 4) Method used to minimize leak; and 5) Date and emission level of recheck after leak is repaired. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
20. {2426} The permittee shall maintain, and make available for District inspection, 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
21. This unit has a storage capacity less than 420,000 gallons and is used for petroleum or condensate stored, processed and/or treated at a drilling and production facility prior to custody transfer. Therefore, the requirements of 40CFR 60 Subpart K, Ka and Kb do not apply to this source. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1135-326-2

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
MIDWAY-SUNSET
KERN COUNTY, CA

SECTION: SW24 TOWNSHIP: 11N RANGE: 23W

EQUIPMENT DESCRIPTION:

MODIFICATION OF 126,000 GALLON FIXED ROOF WASH TANK T-102, WITH VAPOR RECOVERY (LISTED IN S-1135-70) - METSON LEASE TANK BATTERY: DELETE THROUGHPUT AND STORAGE TEMPERATURE RECORD-KEEPING CONDITIONS, DELETE CONDITION REFERENCING OPERATION OF VAPOR CONTROL SYSTEM AND TEMPERATURE INDICATOR

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 NSR Rule] 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. Fugitive emissions calculated using EPA's Protocol for Equipment Leak Emission Estimates, Table 2-4, Oil and Gas Production Operations Average Emission Factors, shall not exceed 3.0 lb/day. [District Rule 2201] Federally Enforceable Through Title V Permit
4. Tank shall vent only to the vapor recovery system described in the requirements for permit unit S-1135-70. [District Rule 2201] Federally Enforceable Through Title V Permit
5. Operation shall include provisions for connecting tank to existing TEOR operation and Vapor Control System. [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

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DAVID WARNER, Director of Permit Services
S-1135-326-2; May 11 2010 9:18AM - EDGEHILR : Joint Inspection NOT Required

6. Tank shall be equipped with a fixed roof with no holes or openings. [District Rule 2201] Federally Enforceable Through Title V Permit
7. This tank shall only vent to a vapor recovery system. The vapor recovery system shall be an APCO-approved system consisting of a closed vent system that collects all VOCs from the storage tank and a VOC control device. The vapor recovery system shall be maintained in a leak-free condition. The VOC control device shall be either of the following: a vapor return or condensation system that connects to a gas pipeline distribution system, or an approved VOC destruction device that reduces the inlet VOC emissions by at least 95% by weight as determined by the test method specified in Section 6.4 of District Rule 4623 (amended May 19, 2005). [District Rule 4623] Federally Enforceable Through Title V Permit
8. The tank and all piping, valves, and fittings shall be constructed and maintained in a leak-free condition. [District Rule 4623] Federally Enforceable Through Title V Permit
9. A leak-free condition is a condition without a gas leak or a liquid 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 that is calibrated with methane in accordance with the procedures specified in EPA Test Method 21. A liquid leak is defined as the dripping of organic liquid at a rate of more than 3 drops per minute. [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 4623] Federally Enforceable Through Title V Permit
11. Operator shall visually inspect tank shell, hatches, seals, seams, cable seals, valves, flanges, connectors, and any other piping components directly affixed to the tank and within five feet of the tank at least once per year for liquid leaks, and with a portable hydrocarbon detection instrument conducted in accordance with EPA Method 21 for gas leaks. Operator shall also visually or ultrasonically inspect as appropriate, the external shells and roofs of uninsulated tanks for structural integrity annually. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
12. Upon detection of a liquid leak, defined as a leak rate of greater than or equal to 30 drops per minute, operator shall repair the leak within 8 hours. For leaks with a liquid leak rate of between 3 and 30 drops per minute, the leaking component shall be repaired within 24 hours after detection. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
13. Upon detection of a gas leak, defined as a VOC concentration of greater than 10,000 ppmv measured in accordance with EPA Method 21, operator shall take one of the following actions: 1) eliminate the leak within 8 hours after detection; or 2) if the leak cannot be eliminated, then minimize the leak to the lowest possible level within 8 hours after detection by using best maintenance practices, and eliminate the leak within 48 hours after minimization. In no event shall the total time to minimize and eliminate a leak exceed 56 hours after detection. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
14. Components found to be leaking either liquids or gases shall be immediately affixed with a tag showing the component to be leaking. Operator shall maintain records of the liquid or gas leak detection readings, date/time the leak was discovered, and date/time the component was repaired to a leak-free condition. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
15. Leaking components that have been discovered by the operator that have been immediately tagged and repaired within the timeframes specified in District Rule 4623, Table 3 shall not constitute a violation of District Rule 4623. Leaking components as defined by District Rule 4623 discovered by District staff that were not previously identified and/or tagged by the operator, and/or any leaks that were not repaired within the timeframes specified in District Rule 4623, Table 3 shall constitute a violation of District Rule 4623. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
16. If a component type for a given tank is found to leak during an annual inspection, operator shall conduct quarterly inspections of that component type on the tank or tank system for four consecutive quarters. If no components are found to leak after four consecutive quarters, the operator may revert to annual inspections. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

17. Any component found to be leaking on two consecutive annual inspections is in violation of District Rule 4623, even if covered under the voluntary inspection and maintenance program. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
18. Operator shall maintain an inspection log containing the following: 1) Date of all inspections; 2) Type and identification of leaking components; 3) Date of leak detection and method of detection; 4) Method used to minimize leak; and 5) Date and emission level of recheck after leak is repaired. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
19. The permittee shall maintain, and make available for District inspection, 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
20. This unit has a storage capacity less than 420,000 gallons and is used for petroleum or condensate stored, processed and/or treated at a drilling and production facility prior to custody transfer. Therefore, the requirements of 40CFR 60 Subpart K, Ka and Kb do not apply to this source. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1135-338-0

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
MIDWAY-SUNSET
KERN COUNTY, CA

SECTION: SW24 TOWNSHIP: 11N RANGE: 23W

EQUIPMENT DESCRIPTION:

5000 BBL FIXED ROOF STANDBY TANK T-120, WITH VAPOR RECOVERY SYSTEM (LISTED ON S-1135-70)
(ROUTINE REPLACEMENT FOR S-1135-72)- METSON LEASE TANK BATTERY

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 NSR Rule] 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. VOC emissions from the components associated with vessel up to vapor control system truck line shall not exceed 3.1 lb/day. [District Rule 2201]
4. Permittee shall maintain with the permit an accurate fugitive component count and the resulting emissions calculated pursuant to EPA document, "EPA Protocol for Equipment Leak Emission Estimate," Table 2-4, "Oil and Gas Production Operations," using average emission factors [District Rules 1070 and 2201]
5. Tank shall vent only to the vapor recovery system described in the requirements for permit unit S-1135-70. [District Rule 2201] Federally Enforceable Through Title V Permit
6. Tank shall be equipped with a fixed roof with no holes or openings. [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

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DAVID WARNER, Director of Permit Services

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7. This tank shall only vent to a vapor recovery system. The vapor recovery system shall be an APCO-approved system consisting of a closed vent system that collects all VOCs from the storage tank and a VOC control device. The vapor recovery system shall be maintained in a leak-free condition. The VOC control device shall be either of the following: a vapor return or condensation system that connects to a gas pipeline distribution system, or an approved VOC destruction device that reduces the inlet VOC emissions by at least 95% by weight as determined by the test method specified in Section 6.4 of District Rule 4623 (amended May 19, 2005). [District Rule 4623] Federally Enforceable Through Title V Permit
8. The tank and all piping, valves, and fittings shall be constructed and maintained in a leak-free condition. [District Rule 4623] Federally Enforceable Through Title V Permit
9. A leak-free condition is a condition without a gas leak or a liquid 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 that is calibrated with methane in accordance with the procedures specified in EPA Test Method 21. A liquid leak is defined as the dripping of organic liquid at a rate of more than 3 drops per minute. [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 4623] Federally Enforceable Through Title V Permit
11. Operator shall visually inspect tank shell, hatches, seals, seams, cable seals, valves, flanges, connectors, and any other piping components directly affixed to the tank and within five feet of the tank at least once per year for liquid leaks, and with a portable hydrocarbon detection instrument conducted in accordance with EPA Method 21 for gas leaks. Operator shall also visually or ultrasonically inspect as appropriate, the external shells and roofs of uninsulated tanks for structural integrity annually. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
12. Upon detection of a liquid leak, defined as a leak rate of greater than or equal to 30 drops per minute, operator shall repair the leak within 8 hours. For leaks with a liquid leak rate of between 3 and 30 drops per minute, the leaking component shall be repaired within 24 hours after detection. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
13. Upon detection of a gas leak, defined as a VOC concentration of greater than 10,000 ppmv measured in accordance with EPA Method 21, operator shall take one of the following actions: 1) eliminate the leak within 8 hours after detection; or 2) if the leak cannot be eliminated, then minimize the leak to the lowest possible level within 8 hours after detection by using best maintenance practices, and eliminate the leak within 48 hours after minimization. In no event shall the total time to minimize and eliminate a leak exceed 56 hours after detection. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
14. Components found to be leaking either liquids or gases shall be immediately affixed with a tag showing the component to be leaking. Operator shall maintain records of the liquid or gas leak detection readings, date/time the leak was discovered, and date/time the component was repaired to a leak-free condition. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
15. Leaking components that have been discovered by the operator that have been immediately tagged and repaired within the timeframes specified in District Rule 4623, Table 3 shall not constitute a violation of District Rule 4623. Leaking components as defined by District Rule 4623 discovered by District staff that were not previously identified and/or tagged by the operator, and/or any leaks that were not repaired within the timeframes specified in District Rule 4623, Table 3 shall constitute a violation of District Rule 4623. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit
16. If a component type for a given tank is found to leak during an annual inspection, operator shall conduct quarterly inspections of that component type on the tank or tank system for four consecutive quarters. If no components are found to leak after four consecutive quarters, the operator may revert to annual inspections. [District Rules 2520, 9.3.2 and 4623, Table 3] Federally Enforceable Through Title V Permit
17. Any component found to be leaking on two consecutive annual inspections is in violation of District Rule 4623, even if covered under the voluntary inspection and maintenance program. [District Rule 4623, Table 3] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

18. Operator shall maintain an inspection log containing the following: 1) Date of all inspections; 2) Type and identification of leaking components; 3) Date of leak detection and method of detection; 4) Method used to minimize leak; and 5) Date and emission level of recheck after leak is repaired. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
19. The permittee shall maintain, and make available for District inspection, 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
20. This unit has a storage capacity less than 420,000 gallons and is used for petroleum or condensate stored, processed and/or treated at a drilling and production facility prior to custody transfer. Therefore, the requirements of 40CFR 60 Subpart K, Ka and Kb do not apply to this source. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
21. ATC shall be implemented concurrently with or subsequent to ATC S-1135-70-16. [District Rule 2201] Federally Enforceable Through Title V Permit

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