



JUL 01 2015

Mr. Jerry Frost
California Resources Production Corp
9600 Ming Ave, Suite 300
Bakersfield, CA 93311

Re: Proposed Authority to Construct/Certificate of Conformity (Minor Mod)
District Facility # S-1326
Project # 1150085

Dear Mr. Frost:

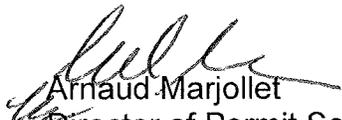
Enclosed for your review is the District's analysis of an application for Authority to Construct for the facility identified above. You requested that a Certificate of Conformity with the procedural requirements of 40 CFR Part 70 be issued with this project. The project authorizes an increase in well number of Thermally Enhanced Oil Recovery Operation S-1326-35 from 250 to 400.

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

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

Thank you for your cooperation in this matter.

Sincerely,



Arnaud Marjollet
Director of Permit Services

Enclosures

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

Seyed Sadredin
Executive Director/Air Pollution Control Officer

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Rule 2410 Prevention of Significant Deterioration (6/16/11)
Rule 2520 Federally Mandated Operating Permits (6/21/01)
Rule 4102 Nuisance (12/17/92)
Rule 4311 Flares (6/18/09)
Rule 4401 Steam-Enhanced Crude Oil Production Wells (12/14/06)
CH&SC Section 41700 Health Risk Assessment
CH&SC Section 42301.6 School Notice
Public Resources Code 21000-21177: California Environmental Quality Act (CEQA)
California Code of Regulations, Title 14, Division 6, Chapter 3, Sections 15000-15387: CEQA Guidelines

III. Project Location

The equipment is located in VPC's Kern Front Oilfield within their Heavy Oil Central Stationary Source, Section 14, T28S, R28E. The equipment is not located within 1,000 feet of the outer boundary of a K-12 school. Therefore, the public notification requirement of California Health and Safety Code 42301.6 is not applicable to this project.

IV. Process Description

CRPC utilizes steam injection in their heavy oil wells to assist with oil extraction by lowering the viscosity of the oil which reduces the energy required to pump oil to the surface. The TEOR operation may operate 1) with closed vents (the fluids go to tankage with vapor control), 2) utilizing a balanced piping system (vapors contained within the TEOR piping network), 3) piping the vapors to collection systems which discharge to DOGGR disposal well(s), or 4) sending the vapors, scrubbed to remove H₂S where necessary, to District-approved steam generators or flares for incineration. The permit includes a 3.6 MMBtu/hr flare

The project authorizes an increase in well number from 250 wells to 400 wells.

EQUIPMENT LISTING:

Pre-Project Equipment Description:

ATC S-1326-35-17*

MODIFICATION OF THERMALLY ENHANCED OIL RECOVERY OPERATION WITH WELL VENT VAPOR CONTROL SYSTEM SERVING 250 STEAM ENHANCED WELLS, INCLUDING 50 HP COMPRESSOR, ONE AIR-COOLED VAPOR CONDENSER, AND PIPING TO FIELD FUEL GAS SYSTEM, DOGGR DISPOSAL WELL, AND/OR 3.6 MMBTU/HR KALDAIR FLARE INCLUDING TWO 8000 LB SULFATREAT CANISTERS (ONE AS BACKUP) (SECTION 14 YOUNG): DESIGNATE UNITS S-1326-405, '-406, '-407, '-417 AND '-418 AS APPROVED COMBUSTION DEVICES

*Modification word order change for clarity

Proposed Modification:

S-1326-35-18

MODIFICATION OF THERMALLY ENHANCED OIL RECOVERY OPERATION WITH WELL VENT VAPOR CONTROL SYSTEM SERVING 250 STEAM ENHANCED WELLS, INCLUDING 50 HP COMPRESSOR, ONE AIR-COOLED VAPOR CONDENSER, AND PIPING TO FIELD FUEL GAS SYSTEM, DOGGR DISPOSAL WELL, AND/OR 3.6 MMBTU/HR KALDAIR FLARE INCLUDING TWO 8000 LB SULFATREAT CANISTERS (ONE AS BACKUP) (SECTION 14 YOUNG): INCREASE NUMBER OF WELLS FROM 250 TO 400

Post-Project Equipment Description:

S-1326-35-18

THERMALLY ENHANCED OIL RECOVERY OPERATION WITH WELL VENT VAPOR CONTROL SYSTEM SERVING 400 STEAM ENHANCED WELLS, INCLUDING 50 HP COMPRESSOR, ONE AIR-COOLED VAPOR CONDENSER, AND PIPING TO FIELD FUEL GAS SYSTEM, DOGGR DISPOSAL WELL, AND/OR 3.6 MMBTU/HR KALDAIR FLARE INCLUDING TWO 8000 LB SULFATREAT CANISTERS (ONE AS BACKUP) (SECTION 14 YOUNG)

EMISSION CONTROL TECHNOLOGY EVALUATION:

The existing well head casing vent vapor control system collects non-condensable vapors from TEOR wells with open casing vents and routes those vapors to steam generators for incineration or to a disposal well for underground injection. The production from the TEOR wells with closed casing vents is routed to existing production tanks equipped with District approved tank vapor control systems. The well vent vapor control system and tank vapor control systems are required to be maintained in a vapor tight condition. The VOC content of the well vent vapors is expected to remain at < 10% by weight.

VII. General Calculations

A. Assumptions

- The equipment operates 8760 hours per year (applicant)
- Tanks receiving production from wells operated with closed casing vents are equipped with 99% vapor control.
- The VOC content of the vapors in the vapor control systems does not exceed 10% by weight (current PTO). In accordance with District SSP 2015 policy "Quantifying Fugitive VOC Emissions at Petroleum and SOGMI Facilities", VOC emissions are not assessed to piping and components handling vapor streams with a VOC content of 10% and therefore fugitive emissions components do not emit VOCs.

District Policy FYI-283 (6/16/16) " Quantifying Fugitive Emissions in Petroleum and SOGMI Operations for use in Risk Management Review (RMR)" states that even for operations handling vapors containing less than 10% VOCs by weight an assessment of new

components installed and a gas analysis that indicates the % VOCs content by weight must be provided. "A reasonable estimate of actual VOC emissions can be determined using the average emission factors from policy SSP-2015 (which may overestimate emissions from components subject to a stringent inspection and maintenance program, such as those in the District) and the VOC content as a percentage of the total gas stream (which may underestimate the actual emissions from such components). Taken together, these two assumptions are assumed to provide a reasonable estimate of actual emissions from such components."

For purposes of performing the RMR, VOC emissions are estimated as follows:

VOC emissions = Sum of (component type * average EPA emission factor * percent VOC content / 100)

To estimate of fugitive emissions for the HRA, the VOC content from the gas analysis was VOC = 1.2 % by wt. which was the average of 4 test results) in **Attachment II**.

Increase in Fugitive Emissions Component Counts (Gas/Light Liquid Service)

	Valves	Others	Connectors	Flanges
S-1326-35	2,400	400	12,000	800

*as worst case for HRA emissions above components assumed to be in gas service.

- The flare listed on '-35 is not being modified and therefore it is not subject to NSR considerations. PE2 of the flare will be restated for inclusion in PAS.

B. Emission Factors (EFs)

HRA Emissions

EPA Protocol for Equipment Leak Emissions Estimate Table 2-4. Oil and Gas Production Operations Average Emissions Factors (see **Attachment II**).

Pre-and post-project emissions from the flare are calculated using the following emissions factors (from District policy FYI-83):

NOx: 0.068 lb/MMBtu
 VOC: 0.063 lb/MMBtu
 CO: 0.37 lb/MMBtu
 PM10: 0.008 lb/MMBtu
 SOx: 0.00285 lb SOx/MMBtu.

C. Calculations

1. Pre-Project Potential to Emit (PE1)

S-1326-35 flare

NOx: 0.068 lb/MMBtu x 0.15 MMscf/day x 1000 MMBtu/MMscf = 10.2 lb/day (3723 lb/yr)
 SOx: 0.00285 x 0.15 MMscf/day x 1000 MMBtu/MMscf = 0.4 lb/day (156 lb/yr)
 PM10: 0.008 lb/MMBtu x 0.15 MMscf/day x 1000 MMBtu/MMscf = 1.2 lb/day (438 lb/yr)

CO: $0.37 \text{ lb/MMBtu} \times 0.15 \text{ MMscf/day} \times 1000 \text{ MMBtu/MMscf} = 55.5 \text{ lb/day} (20,258 \text{ lb/yr})$
 VOC: $0.063 \text{ lb/MMBtu} \times 0.15 \text{ MMscf/day} \times 1000 \text{ MMBtu/MMscf} = 9.5 \text{ lb/day} (3449 \text{ lb/yr})$

Fugitive VOC emissions: 0 lb/day, 0 lb/yr

Pre-Project Potential to Emit (PE1)		
	Daily Emissions (lb/day)	Annual Emissions (lb/year)
NO _x	10.2	3,723
SO _x	0.4	156
PM ₁₀	1.2	438
CO	55.5	20,258
VOC	9.5	3,449

2. Post Project Potential to Emit (PE2)

There is no change in emissions (VOC content of gas is < 10% by weight), therefore PE2 = PE1.

Post Project Potential to Emit (PE2)		
	Daily Emissions (lb/day)	Annual Emissions (lb/year)
NO _x	10.2	3,723
SO _x	0.4	156
PM ₁₀	1.2	438
CO	55.5	20,258
VOC	9.5	3,449

HRA VOC Emissions

901.2 lb/day HC emissions x 0.0048 lb VOC/lb HC = 4.3 lb/day, 1,579 lb/yr

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

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

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

Facility-wide VOC emissions exceed both the offset threshold for VOC's (20,000 lb VOC/ yr) and the Major Source threshold for VOC's (20,000 lb VOC/ yr). No other pollutants are emitted by this project; therefore, SSPE1 calculations for these pollutants are not necessary.

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

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

Facility is an existing Major Source for VOC's, and the facility-wide VOC emissions already exceed the offset threshold for VOC's. The Applicant is therefore not becoming a Major Source for VOC's as a result of this project. No other pollutants are emitted by this project; therefore, no SSPE2 calculations for these pollutants are necessary.

5. Major Source Determination

Rule 2201 Major Source Determination:

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

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

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.

Rule 2410 Major Source Determination:

Since this source is not included in the 28 specific source categories specified in 40 CFR 51.165, the increases in fugitive emissions are not included in the Rule 2410 Major Source Determination. All post project emissions associated with this project are fugitive emissions; therefore, a Rule 2410 Major source determination is not required.

6. Baseline Emissions (BE)

a. Annual 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.

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 3.23

Since the TEOR operation is equipped with vapor control capable of reducing VOC emissions by at least 95%, it is considered a Clean Emissions Units.

Therefore, the BE is equal to the pre-project potential to emit (PE1).

7. SB 288 Major Modification

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

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

8. Federal Major Modification

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

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

9. Rule 2410 – Prevention of Significant Deterioration (PSD) Applicability Determination

Since this source is not included in the 28 specific source categories specified in 40 CFR 51.165, the increases in fugitive emissions are not included in the Rule 2410 Prevention of Significant Deterioration (PSD) Applicability determination. All post project emissions associated with this project are fugitive emissions; therefore, a Rule 2410 Prevention of Significant Deterioration (PSD) Applicability determination is not required.

10. Quarterly Net Emissions Change (QNEC)

The Quarterly Net Emissions Change is used to complete the emission profile screen for the District's PAS database. There is no increase in emissions and therefore QNEC = 0.

VIII. Compliance

Rule 2201 New and Modified Stationary Source Review Rule

A. Best Available Control Technology (BACT)

1. BACT Applicability

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

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

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

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

As discussed in Section I above, there are no new emissions units associated with this project; therefore BACT for new units with PE > 2 lb/day purposes is not triggered.

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

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

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

AIPE = PE2 – HAPE

Where,

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

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

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

$$\text{HAPE} = \text{PE1} \times (\text{EF2}/\text{EF1})$$

Where,

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

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

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

$$\text{AIPE} = \text{PE2} - (\text{PE1} * (\text{EF2} / \text{EF1}))$$

For this project PE2 = PE1, and EF2 = EF1. Therefore AIPE = 0. Therefore BACT is not triggered.

d. SB 288/Federal Major Modification

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

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	PM₁₀	CO	VOC
Post Project SSPE (SSPE2)					>20,000
Offset Threshold	20,000	54,750	29,200	200,000	20,000
Offsets triggered?					Yes

2. Quantity of Offsets Required

As seen above, the SSPE2 is greater than the offset thresholds for VOC; therefore offset calculations will be required for VOC for this project. However PE2 emissions of VOC are zero. Therefore, offsets are not required.

C. Public Notification

1. Applicability

Public noticing is required for:

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

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

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

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

b. PE > 100 lb/day

Applications which include a new emissions unit with a PE greater than 100 pounds during any one day for any pollutant will trigger public noticing requirements. There are no new emissions units associated with this project. Therefore public noticing is not required for this project for PE > 100 lb/day.

c. Offset Threshold

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

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

d. SSIPE > 20,000 lb/year

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

SSIPE Public Notice Thresholds					
Pollutant	SSPE2 (lb/year)	SSPE1 (lb/year)	SSIPE (lb/year)	SSIPE Public Notice Threshold	Public Notice Required?
NO _x				20,000 lb/year	No
SO _x				20,000 lb/year	No
PM ₁₀				20,000 lb/year	No
CO				20,000 lb/year	No
VOC	>20,000	>20,000	0	20,000 lb/year	No

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

e. Title V Significant Permit Modification

This change is not a Title V significant Modification, and therefore public noticing 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.

Proposed Rule 2201 (DEL) Conditions:

Well head casing vent collection piping network shall be limited to 400 steam enhanced wells. [District Rule 2201] Y

Sulfur content of gas combusted in flare shall not exceed 1 gr/100 scf. [District NSR Rule, District Rule 4801, and Kern County Rule 407] Y

Maximum amount of gas (pilot and waste gas) combusted by flare shall not exceed 150.0 MMBtu/day. [District Rule 2201] Y

Emissions from the flare shall not exceed any of the following limits (based on total gas combusted): NO_x (as NO₂): 0.068 lb/MMBtu; PM₁₀: 0.008 lb/MMBtu; CO: 0.37 lb/MMBtu; or VOC: 0.063 lb/MMBtu. [District Rule 2201] Y

VOC content of well vent vapor gas shall not exceed 10% by weight. If the VOC content of the well vent vapor gas is less than 10% by weight for 8 consecutive quarterly samplings per District approved plan, sampling frequency shall only be required annually. Representative samples shall be collected during periods of normal operation and not be within 48 hours after routine maintenance or repair. Records of test shall be maintained for a period of five years and be made readily available for District inspection upon request. [District Rule 2201] Y

E. Compliance Assurance

1. Source Testing

Source testing requirements, in accordance with District Rule 4401 will be discussed in Section VIII, *District Rule 4401*, of this evaluation.

2. Monitoring

The following monitoring condition is included on the ATC:

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

Monitoring requirements, in accordance with District Rule 4401 will be discussed in Section VIII, *District Rule 4401*, of this evaluation.

3. Recordkeeping

Recordkeeping requirements, in accordance with District Rule 4401 will be discussed in Section VIII, *District Rule 4401*, of this evaluation.

The following permit condition will be listed on permit as follows:

All records shall be maintained and retained on-site for a period of at least 5 years and shall be made available for District inspection upon request. [District Rule 1070] Y

4. Reporting

No reporting is required to demonstrate compliance with Rule 2201.

Rule 2520 Federally Mandated Operating Permits

Since this facility's emissions exceed the major source thresholds of District Rule 2201, this facility is a major source. Pursuant to Rule 2520 Section 5.1, and as required by permit condition, the facility will have up to 12 months from the date of ATC issuance to either submit a Title V Application or comply with District Rule 2530 *Federally Enforceable Potential to Emit*. This facility is subject to this Rule, and has received their Title V Operating Permit. The proposed modification is a Minor Modification to the Title V Permit pursuant to Section 3.20 of this rule:

In accordance with Rule 2520, 3.20, these modifications:

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

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

Rule 4102 Nuisance

Section 4.0 prohibits discharge of air contaminants which could cause injury, detriment, nuisance or annoyance to the public. Public nuisance conditions are not expected as a result of these operations, provided the equipment is well maintained. Therefore, compliance with this rule is expected.

California Health & Safety Code 41700 (Health Risk Assessment)

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

As demonstrated above, there are no increases in VOC emissions associated with this project, however the project results in an increase toxic emissions and therefore a health risk assessment was necessary. The results of the HRA (**Attachment V**) indicated that the acute and chronic indices were below 1.0 and the cancer risk for the project was 3.01E-08, which is less than 1 per million. The project is approved without TBACT.

Rule 4311 Flares

The purpose of this rule is to limit the emissions of volatile organic compounds (VOC), oxides of nitrogen (NOx), and sulfur oxides (SOx) from the operation of flares. This rule is applicable to all operations involving the use of flares.

Rule 4311 limits the emissions of volatile organic compounds (VOCs) and oxides of nitrogen (NOx), and sulfur from the operation of flares. Conditions demonstrating compliance are included on the PTOs and the project is not expected to affect compliance status. Continued compliance is expected.

Rule 4401 Steam-enhanced Crude Oil Production Well Vents

The purpose of this rule is to limit the VOC emissions from steam-enhanced crude oil production well vents. This rule is applicable to all steam-enhanced crude oil production wells and any associated vapor collection and control systems. The current PTO and ATC base document include all updated requirements of the rule. Continued compliance 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)

CEQA requires each public agency to adopt objectives, criteria, and specific procedures consistent with CEQA Statutes and the CEQA Guidelines for administering its responsibilities under CEQA, including the orderly evaluation of projects and preparation of environmental documents. The District adopted its *Environmental Review Guidelines* (ERG) in 2001. The basic purposes of CEQA are to:

- Inform governmental decision-makers and the public about the potential, significant environmental effects of proposed activities;
- Identify the ways that environmental damage can be avoided or significantly reduced;

- Prevent significant, avoidable damage to the environment by requiring changes in projects through the use of alternatives or mitigation measures when the governmental agency finds the changes to be feasible; and
- Disclose to the public the reasons why a governmental agency approved the project in the manner the agency chose if significant environmental effects are involved.

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

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

IX. Recommendation

Compliance with all applicable rules and regulations is expected. Issue Authorities to Construct S-1326-35-18 subject to the permit conditions on the attached draft Authority to Construct in **Attachment VI**.

X. Billing Information

Annual Permit Fees			
Permit Number	Fee Schedule	Fee Description	Annual Fee
S-1326-35-18	3020-09-A	400 wells	\$3736.00

Attachments

- I: Current ATC and PTO
- II: Gas Analysis and Fugitive Emissions Calculation
- III: Emissions Profile
- IV: Title V Compliance Certification Form
- V: HRA
- VI: Draft ATC

Attachment I
Current PTO and ATC

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-1326-35-16

EXPIRATION DATE: 03/31/2016

SECTION: 14 **TOWNSHIP:** 28S **RANGE:** 27E

EQUIPMENT DESCRIPTION:

THERMALLY ENHANCED OIL RECOVERY OPERATION WITH WELL VENT VAPOR CONTROL SYSTEM SERVING 250 STEAM ENHANCED WELLS, INCLUDING 50 HP COMPRESSOR, ONE AIR-COOLED VAPOR CONDENSER, AND PIPING TO FIELD FUEL GAS SYSTEM, DOGGR DISPOSAL WELL, AND/OR 3.6 MMBTU/HR KALDAIR FLARE INCLUDING TWO 8000 LB SULFATREAT CANISTERS (ONE AS BACKUP) (SECTION 14 YOUNG)

PERMIT UNIT REQUIREMENTS

1. Fluids produced from wells with closed vents shall be introduced only to production equipment served by vapor control system listed on tank S-1326-201 which is 99% efficient. [District Rule 2201] Federally Enforceable Through Title V Permit
2. Well vent vapors shall vent to the field fuel gas system, DOGGR approved injection wells, flare listed on this permit, or steam generators S-1326-9, '-294, '-314, '-337, '-338, '-385, '-390, '-391, '-392, '-400, '-401, and '-419 through '-425. [District Rule 2201] Federally Enforceable Through Title V Permit
3. Well head casing vent collection piping network shall be limited to 250 steam enhanced wells. [District Rule 2201] Federally Enforceable Through Title V Permit
4. Sulfur scrubber shall be monitored monthly for H₂S content of gas after treatment to determine when recharging is required. [District NSR Rule and District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
5. Sulfur content of gas combusted in flare shall not exceed 1 gr/100 scf. [District NSR Rule, District Rule 4801, and Kern County Rule 407] Federally Enforceable Through Title V Permit
6. Permittee shall test annually the sulfur content of gas combusted in flare using ASTM method D1072, D3031, D4084, or D3246 and make test results readily available for District inspection. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
7. Flare shall operate with no visible emission in excess of 5% opacity. [District Rule 2201] Federally Enforceable Through Title V Permit
8. Maximum amount of gas (pilot and waste gas) combusted by flare shall not exceed 150.0 MMBtu/day. [District Rule 2201] Federally Enforceable Through Title V Permit
9. Emissions from the flare shall not exceed any of the following limits (based on total gas combusted): NO_x (as NO₂): 0.068 lb/MMBtu; PM₁₀: 0.008 lb/MMBtu; CO: 0.37 lb/MMBtu; or VOC: 0.063 lb/MMBtu. [District Rule 2201] Federally Enforceable Through Title V Permit
10. The higher heating value of the flared gas shall be monitored at least quarterly. Measured higher heating value and quantity of gas flared shall be used to determine compliance with heat input limit. [District Rules 1070 and 2201] Federally Enforceable Through Title V Permit
11. The flare shall be operated according to the manufacturer's specifications, a copy of which shall be maintained on site. [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.

12. If this flare requires a pilot flame, then the flare shall be operated with a flame present at all times, and kept in operation when emissions may be vented to it. The presence of a flare pilot flame shall be monitored using a thermocouple or any other equivalent device to detect the presence of a flame. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
13. This flare shall be inspected every two weeks while in operation for visible emissions. If visible emissions are observed, corrective action shall be taken. If visible emissions continue, an EPA Method 9 test shall be conducted within 72 hours. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
14. This flare shall not be used as a leak control device as described in Rule 4403, 5.3.1, nor as a control device for any permit unit subject to NSPS, without modification of permit requirements to address 40 CFR 60.18. [District Rule 2520, 9.3.3] Federally Enforceable Through Title V Permit
15. A gas leak is defined as the detection of a concentration of total organic compounds, above background (measured in accordance with EPA Method 21) that exceeds the following values: 1) A major gas leak is a detection of greater than 10,000 ppmv as methane; and 2) A minor gas leak is a detection of 400 to 10,000 ppmv as methane for pressure relief devices (PRDs) and 2,000 to 10,000 for components other than PRDs. [District Rule 4401] Federally Enforceable Through Title V Permit
16. A liquid leak is defined as the dripping of VOC-containing liquid. A major liquid leak is a visible mist or a continuous flow of liquid that is not seal lubricant. A minor liquid leak is a liquid leak that is not a major liquid leak and drips liquid at a rate of more than three drops per minute, except for seal lubricant. [District Rule 4401] Federally Enforceable Through Title V Permit
17. During the time any steam-enhanced crude oil production well is undergoing service or repair while the well is not producing, it shall be exempt from the emission control requirements of District Rule 4401, 5.0 (as amended December 14, 2006). [District Rule 4401] Federally Enforceable Through Title V Permit
18. The following conditions shall be used to determination of a violation: 1) Existence of an open-ended line or a valve located at the end of the line that is not sealed with a blind flange, plug, cap, or a second closed valve that is not closed at all times, except during attended operations requiring process fluid flow through the open-ended lines. Attended operations include draining or degassing operations, connection of temporary process equipment, sampling of process streams, emergency venting, and other normal operational needs, provided such operations are done as expeditiously as possible and with minimal spillage of material and VOC emissions to the atmosphere; 2) Existence of a component with a major liquid leak; 3) Existence of a component with a gas leak greater than 50,000 ppmv; or 4) Existence of a component leak consisting of a minor liquid or gas leak, or a gas leak greater than 10,000 ppmv up to 50,000 ppmv, in excess of the allowable number of leaks specified in Table 3 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
19. Total number of leaks from the vapor collection and control system, including condensate handling, shall not exceed the number as allowed by Rule 4401 (as amended December 14, 2006) at any one time. [District Rule 4401] Federally Enforceable Through Title V Permit
20. Operator shall affix a readily visible tag bearing the date and time of leak detection, the date and time of leak measurement, the leak concentration of gaseous leaks (in ppmv), for liquid leaks whether it is a major liquid leak or a minor liquid leak, and whether the component is an essential component, an unsafe-to monitor component, or a critical component leak. [District Rule 4401] Federally Enforceable Through Title V Permit
21. The tag shall remain in place until the leaking component is repaired, re-inspected, using the test method in Section 6.3.3, and the component is found to be in compliance with the requirements of this rule. [District Rule 4401] Federally Enforceable Through Title V Permit
22. An operator shall minimize a component leak in order to stop or reduce leakage to the atmosphere immediately to the extent possible, but not later than one (1) hour after detection of the leak. [District Rule 4401] Federally Enforceable Through Title V Permit
23. Except for leaking critical components or leaking essential components, the operator shall repair each leak within time specified in Table 3, of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

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

24. If the leaking component is an essential component or a critical component that cannot be immediately shut down for repairs, and if the leak has been minimized but the leak still exceeds the applicable leak standard of this rule, the operator shall repair or replace the essential component or critical component to eliminate the leak during the next process unit turnaround, but in no case later than one year from the date of the original leak detection, whichever comes earlier. [District Rule 4401] Federally Enforceable Through Title V Permit
25. The operator shall not use any components that leak in excess of the applicable leak standards as specified in this permit. Components that have been found leaking in excess of the applicable leak standards of this rule may be used provided such leaking components have been identified with a tag for repair, are repaired, or are awaiting re-inspection after being repaired, within the applicable time period specified in this permit. [District Rule 4401] Federally Enforceable Through Title V Permit
26. Each hatch shall be closed at all times except during sampling or adding of process material through the hatch, or during attended repair, replacement, or maintenance operations, provided such activities are done as expeditiously as possible with minimal spillage of material and VOC emissions to the atmosphere. [District Rule 4401] Federally Enforceable Through Title V Permit
27. Except for pipes and unsafe-to-monitor components, an operator shall inspect all other components pursuant to the requirements of Section 6.3.3 at least once every year [District Rule 4401] Federally Enforceable Through Title V Permit
28. An operator shall visually inspect all pipes at least once every year. Any visual inspection of pipes that indicates a leak that cannot be immediately repaired to meet the leak standards of this rule shall be inspected within 24 hours after detecting the leak. If a leak is found, the leak shall be repaired as soon as practicable but not later than the time frame specified in Table 3 of this rule. [District Rule 4401] Federally Enforceable Through Title V Permit
29. An operator shall audio-visually (by hearing and by sight) inspect for leaks all accessible operating pumps, compressors, and PRDs in service at least once each calendar week. [District Rule 4401] Federally Enforceable Through Title V Permit
30. Any audio-visual inspection of an accessible operating pump, compressor, and PRD performed by an operator that indicates a leak that cannot be immediately repaired to meet the leak standards of this rule shall be inspected not later than 24 hours after conducting the audio-visual inspection. If a leak is found, the leak shall be repaired as soon as practicable but not later than the time frame specified in Table 3 of this rule. [District Rule 4401] Federally Enforceable Through Title V Permit
31. An operator shall initially inspect a PRD that releases to the atmosphere as soon as practicable but not later than 24 hours after the discovery of the release. An operator shall re-inspect the PRD not earlier than 24 hours after the initial inspection but not later than 15 calendar days after the initial inspection. [District Rule 4401] Federally Enforceable Through Title V Permit
32. An operator shall inspect all new, replaced, or repaired fittings, flanges, and threaded connections within 72 hours of placing the component in service. [District Rule 4401] Federally Enforceable Through Title V Permit
33. An operator shall inspect a component, except for a PRD that releases to the atmosphere, that has been repaired or replaced not later than 15 calendar days after the component was repaired or replaced. [District Rule 4401] Federally Enforceable Through Title V Permit
34. An operator shall inspect all unsafe-to-monitor components during each turnaround. [District Rule 4401] Federally Enforceable Through Title V Permit
35. The operator shall perform leak inspections at least annually, using a portable hydrocarbon detection instrument in accordance with USEPA Method 21. Where safety is a concern, such as measuring leaks from compressor seals or pump seals when the shaft is rotating, a person shall measure leaks by placing the instrument probe inlet at a distance of one centimeter or less from the surface of the component interface. [District Rule 4401] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

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

36. VOC content of well vent vapor gas shall not exceed 10% by weight. If the VOC content of the well vent vapor gas is less than 10% by weight for 8 consecutive quarterly samplings per District approved plan, sampling frequency shall only be required annually. Representative samples shall be collected during periods of normal operation and not be within 48 hours after routine maintenance or repair. Records of test shall be maintained for a period of five years and be made readily available for District inspection upon request. [District Rule 2201] Federally Enforceable Through Title V Permit
37. The VOC content by weight percent (wt.%) shall be determined using American Society of Testing and Materials (ASTM) D1945 for gases and South Coast Air Quality Management District (SCAQMD) Method 304-91 or the latest revision of ASTM Method E168, E169 or E260 for liquids. [District Rule 4401] Federally Enforceable Through Title V Permit
38. Annual control efficiency compliance tests shall be performed on all vapor collection and control systems used to control emissions from steam-enhanced crude oil production wells. Testing shall be performed by source tester certified by the California Air Resource Board (CARB) certified contractors during June, July, August or September of each year if the system's control efficiency is dependent upon ambient air temperature. The APCO may waive the requirements of this condition if the vapor control system does not exhaust to atmosphere or if all uncondensed VOC emissions collected by a vapor collection and control system are burned in fuel burning equipment or in a smokeless open flare and the source's Operating Permit contains adequate periodic monitoring to ensure the source meets 99% control efficiency. [District Rule 4401] Federally Enforceable Through Title V Permit
39. The control efficiency of the vapor collection and control system used to control VOC emissions from steam enhanced crude oil production well shall be determined by mass balance based on most stringent of a source test, USEPA approved emission factors, or Air Pollution (AP)-42 emission factors for components; and the efficiency of destruction devices determined by USEPA Method 25, 25a, or 25b as applicable. [District Rule 4401] Federally Enforceable Through Title V Permit
40. Permittee shall maintain an inspection log which includes the following information: 1) the total number of components inspected and the total number and percentage of leaking components found by component type, 2) the location, type, and name or description of each leaking component and description of any unit where the leaking component is found, 3) the date and method of leak detection, 4) the size of the leak (in ppmv for gaseous leaks, and major or minor for liquid leaks), 5) the date the leaking component is repaired, replaced, or removed from service, 6) the identity and location of essential or critical components found leaking that cannot be repaired until the next regular process unit turnaround or not later than one year after leak detection, whichever comes later, 7) the methods used to minimize the leak from essential or critical components, 8) the date of re-inspection and the leak concentration (in ppmv) after the component is repaired or replaced, 9) the inspector's name, mailing address, and business telephone number, and 10) the date and signature of the facility operator responsible for the inspection and repair program certifying the accuracy of the information recorded in the log. [District Rule 4401] Federally Enforceable Through Title V Permit
41. Records shall be maintained of each calibration of the portable hydrocarbon detection instrument utilized for inspecting components. The records shall include a copy of the current calibration gas certification from the vendor of the calibration gas cylinder, the date of calibration, the concentration of calibration gas, the instrument reading of calibration gas before adjustment, the instrument reading of calibration gas after adjustment, the calibration gas expiration date, and the calibration gas cylinder pressure at the time of calibration. [District Rule 4401] Federally Enforceable Through Title V Permit
42. The operator shall keep source test records which demonstrate compliance with the control efficiency requirements of the VOC collection and control system. [District Rule 4401] Federally Enforceable Through Title V Permit
43. Permittee shall establish and implement an employee training program for inspecting and repairing components and recordkeeping procedures, as necessary. Permittee shall maintain at the facility the copies of the training records of the training program. [District Rule 4401] Federally Enforceable Through Title V Permit
44. By January 30 of each year, permittee shall submit to the APCO for approval, in writing, an annual report indicating any changes to the existing, approved OMP. [District Rule 4401] 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.

45. Permittee shall maintain a copy of the latest APCO-approved Operator Management Plan (OMP) at the facility and make it available to the APCO, ARB, and US EPA upon request. [District Rule 4401] Federally Enforceable Through Title V Permit
46. The operator shall maintain monitoring records of the date and well identification where steam injection or well stimulation occurs. [District Rule 4401, 6.1] Federally Enforceable Through Title V Permit
47. The permittee shall keep accurate records of the amount of gas (pilot and waste gas) flared, H2S content and recharging dates, for a period of five years, and shall make such records available for District inspection upon request. [District Rule 2201] Federally Enforceable Through Title V Permit
48. Permittee shall maintain a current well roster of all wells served by collection system, and such roster shall be made readily available for District inspection upon request. [District Rule 2520, 9.3.2 and District Rule 1070] Federally Enforceable Through Title V Permit
49. All records required by this permit shall be maintained and retained on-site for a minimum of five (5) years and made available for District, ARB, and EPA inspection upon request. [District Rules 2201 and 4401] Federally Enforceable Through Title V Permit

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

AUTHORITY TO CONSTRUCT

PERMIT NO: S-1326-35-17

ISSUANCE DATE: 03/31/2015

LEGAL OWNER OR OPERATOR: CALIFORNIA RESOURCES PRODUCTION CORP
MAILING ADDRESS: 9600 MING AVENUE, SUITE 300
BAKERSFIELD, CA 93311

LOCATION: HEAVY OIL CENTRAL STATIONARY SOURCE
KERN COUNTY, CA

SECTION: 14 **TOWNSHIP:** 28S **RANGE:** 27E

EQUIPMENT DESCRIPTION:

MODIFICATION OF THERMALLY ENHANCED OIL RECOVERY OPERATION WITH WELL VENT VAPOR CONTROL SYSTEM SERVING 250 STEAM ENHANCED WELLS, INCLUDING 50 HP COMPRESSOR, ONE AIR-COOLED VAPOR CONDENSER, AND PIPING TO FIELD FUEL GAS SYSTEM, DOGGR DISPOSAL WELL, AND/OR 3.6 MMBTU/HR KALDAIR FLARE INCLUDING TWO 8000 LB SULFATREAT CANISTERS (ONE AS BACKUP) (SECTION 14 YOUNG): DESIGNATE UNITS AS APPROVED COMBUSTION DEVICES FOR S-1326-405, '-406, '-407, '-417 AND '-418

CONDITIONS

1. This Authority to Construct serves as a written certificate of conformity with the procedural requirements of 40 CFR 70.7 and 70.8 and with the compliance requirements of 40 CFR 70.6(c). [District Rule 2201] Federally Enforceable Through Title V Permit
2. Prior to operating with modifications authorized by this Authority to Construct, the facility shall submit an application to modify the Title V permit with an administrative amendment in accordance with District Rule 2520 Section 5.3.4. [District Rule 2520, 5.3.4] Federally Enforceable Through Title V Permit
3. Fluids produced from wells with closed vents shall be introduced only to production equipment served by vapor control system listed on tank S-1326-201 which is 99% efficient. [District Rule 2201] Federally Enforceable Through Title V Permit
4. Well vent vapors shall vent to the field fuel gas system, DOGGR approved injection wells, flare listed on this permit, or steam generators S-1326-9, '-294, '-314, '-337, '-338, '-385, '-390, '-391, '-392, '-400, '-401, '-405, '-406, '-407, '-417 and '-418 and '-419 through '-425. [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

5. Well head casing vent collection piping network shall be limited to 250 steam enhanced wells. [District Rule 2201] Federally Enforceable Through Title V Permit
6. Sulfur scrubber shall be monitored monthly for H₂S content of gas after treatment to determine when recharging is required. [District NSR Rule and District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
7. Sulfur content of gas combusted in flare shall not exceed 1 gr/100 scf. [District NSR Rule, District Rule 4801, and Kern County Rule 407] Federally Enforceable Through Title V Permit
8. Permittee shall test annually the sulfur content of gas combusted in flare using ASTM method D1072, D3031, D4084, or D3246 and make test results readily available for District inspection. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
9. Flare shall operate with no visible emission in excess of 5% opacity. [District Rule 2201] Federally Enforceable Through Title V Permit
10. Maximum amount of gas (pilot and waste gas) combusted by flare shall not exceed 150.0 MMBtu/day. [District Rule 2201] Federally Enforceable Through Title V Permit
11. Emissions from the flare shall not exceed any of the following limits (based on total gas combusted): NO_x (as NO₂): 0.068 lb/MMBtu; PM₁₀: 0.008 lb/MMBtu; CO: 0.37 lb/MMBtu; or VOC: 0.063 lb/MMBtu. [District Rule 2201] Federally Enforceable Through Title V Permit
12. The higher heating value of the flared gas shall be monitored at least quarterly. Measured higher heating value and quantity of gas flared shall be used to determine compliance with heat input limit. [District Rules 1070 and 2201] Federally Enforceable Through Title V Permit
13. The flare shall be operated according to the manufacturer's specifications, a copy of which shall be maintained on site. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
14. If this flare requires a pilot flame, then the flare shall be operated with a flame present at all times, and kept in operation when emissions may be vented to it. The presence of a flare pilot flame shall be monitored using a thermocouple or any other equivalent device to detect the presence of a flame. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
15. This flare shall be inspected every two weeks while in operation for visible emissions. If visible emissions are observed, corrective action shall be taken. If visible emissions continue, an EPA Method 9 test shall be conducted within 72 hours. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
16. This flare shall not be used as a leak control device as described in Rule 4403, 5.3.1, nor as a control device for any permit unit subject to NSPS, without modification of permit requirements to address 40 CFR 60.18. [District Rule 2520, 9.3.3] Federally Enforceable Through Title V Permit
17. A gas leak is defined as the detection of a concentration of total organic compounds, above background (measured in accordance with EPA Method 21) that exceeds the following values: 1) A major gas leak is a detection of greater than 10,000 ppmv as methane; and 2) A minor gas leak is a detection of 400 to 10,000 ppmv as methane for pressure relief devices (PRDs) and 2,000 to 10,000 for components other than PRDs. [District Rule 4401] Federally Enforceable Through Title V Permit
18. A liquid leak is defined as the dripping of VOC-containing liquid. A major liquid leak is a visible mist or a continuous flow of liquid that is not seal lubricant. A minor liquid leak is a liquid leak that is not a major liquid leak and drips liquid at a rate of more than three drops per minute, except for seal lubricant. [District Rule 4401] Federally Enforceable Through Title V Permit
19. During the time any steam-enhanced crude oil production well is undergoing service or repair while the well is not producing, it shall be exempt from the emission control requirements of District Rule 4401, 5.0 (as amended December 14, 2006). [District Rule 4401] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

20. The following conditions shall be used to determination of a violation: 1) Existence of an open-ended line or a valve located at the end of the line that is not sealed with a blind flange, plug, cap, or a second closed valve that is not closed at all times, except during attended operations requiring process fluid flow through the open-ended lines. Attended operations include draining or degassing operations, connection of temporary process equipment, sampling of process streams, emergency venting, and other normal operational needs, provided such operations are done as expeditiously as possible and with minimal spillage of material and VOC emissions to the atmosphere; 2) Existence of a component with a major liquid leak; 3) Existence of a component with a gas leak greater than 50,000 ppmv; or 4) Existence of a component leak consisting of a minor liquid or gas leak, or a gas leak greater than 10,000 ppmv up to 50,000 ppmv, in excess of the allowable number of leaks specified in Table 3 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
21. Total number of leaks from the vapor collection and control system, including condensate handling, shall not exceed the number as allowed by Rule 4401 (as amended December 14, 2006) at any one time. [District Rule 4401] Federally Enforceable Through Title V Permit
22. Operator shall affix a readily visible tag bearing the date and time of leak detection, the date and time of leak measurement, the leak concentration of gaseous leaks (in ppmv), for liquid leaks whether it is a major liquid leak or a minor liquid leak, and whether the component is an essential component, an unsafe-to monitor component, or a critical component leak. [District Rule 4401] Federally Enforceable Through Title V Permit
23. The tag shall remain in place until the leaking component is repaired, re-inspected, using the test method in Section 6.3.3, and the component is found to be in compliance with the requirements of this rule. [District Rule 4401] Federally Enforceable Through Title V Permit
24. An operator shall minimize a component leak in order to stop or reduce leakage to the atmosphere immediately to the extent possible, but not later than one (1) hour after detection of the leak. [District Rule 4401] Federally Enforceable Through Title V Permit
25. Except for leaking critical components or leaking essential components, the operator shall repair each leak within time specified in Table 3, of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
26. If the leaking component is an essential component or a critical component that cannot be immediately shut down for repairs, and if the leak has been minimized but the leak still exceeds the applicable leak standard of this rule, the operator shall repair or replace the essential component or critical component to eliminate the leak during the next process unit turnaround, but in no case later than one year from the date of the original leak detection, whichever comes earlier. [District Rule 4401] Federally Enforceable Through Title V Permit
27. The operator shall not use any components that leak in excess of the applicable leak standards as specified in this permit. Components that have been found leaking in excess of the applicable leak standards of this rule may be used provided such leaking components have been identified with a tag for repair, are repaired, or are awaiting re-inspection after being repaired, within the applicable time period specified in this permit. [District Rule 4401] Federally Enforceable Through Title V Permit
28. Each hatch shall be closed at all times except during sampling or adding of process material through the hatch, or during attended repair, replacement, or maintenance operations, provided such activities are done as expeditiously as possible with minimal spillage of material and VOC emissions to the atmosphere. [District Rule 4401] Federally Enforceable Through Title V Permit
29. Except for pipes and unsafe-to-monitor components, an operator shall inspect all other components pursuant to the requirements of Section 6.3.3 at least once every year [District Rule 4401] Federally Enforceable Through Title V Permit
30. An operator shall visually inspect all pipes at least once every year. Any visual inspection of pipes that indicates a leak that cannot be immediately repaired to meet the leak standards of this rule shall be inspected within 24 hours after detecting the leak. If a leak is found, the leak shall be repaired as soon as practicable but not later than the time frame specified in Table 3 of this rule. [District Rule 4401] Federally Enforceable Through Title V Permit
31. An operator shall audio-visually (by hearing and by sight) inspect for leaks all accessible operating pumps, compressors, and PRDs in service at least once each calendar week. [District Rule 4401] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

32. Any audio-visual inspection of an accessible operating pump, compressor, and PRD performed by an operator that indicates a leak that cannot be immediately repaired to meet the leak standards of this rule shall be inspected not later than 24 hours after conducting the audio-visual inspection. If a leak is found, the leak shall be repaired as soon as practicable but not later than the time frame specified in Table 3 of this rule. [District Rule 4401] Federally Enforceable Through Title V Permit
33. An operator shall initially inspect a PRD that releases to the atmosphere as soon as practicable but not later than 24 hours after the discovery of the release. An operator shall re-inspect the PRD not earlier than 24 hours after the initial inspection but not later than 15 calendar days after the initial inspection. [District Rule 4401] Federally Enforceable Through Title V Permit
34. An operator shall inspect all new, replaced, or repaired fittings, flanges, and threaded connections within 72 hours of placing the component in service. [District Rule 4401] Federally Enforceable Through Title V Permit
35. An operator shall inspect a component, except for a PRD that releases to the atmosphere, that has been repaired or replaced not later than 15 calendar days after the component was repaired or replaced. [District Rule 4401] Federally Enforceable Through Title V Permit
36. An operator shall inspect all unsafe-to-monitor components during each turnaround. [District Rule 4401] Federally Enforceable Through Title V Permit
37. The operator shall perform leak inspections at least annually, using a portable hydrocarbon detection instrument in accordance with USEPA Method 21. Where safety is a concern, such as measuring leaks from compressor seals or pump seals when the shaft is rotating, a person shall measure leaks by placing the instrument probe inlet at a distance of one centimeter or less from the surface of the component interface. [District Rule 4401] Federally Enforceable Through Title V Permit
38. VOC content of well vent vapor gas shall not exceed 10% by weight. If the VOC content of the well vent vapor gas is less than 10% by weight for 8 consecutive quarterly samplings per District approved plan, sampling frequency shall only be required annually. Representative samples shall be collected during periods of normal operation and not be within 48 hours after routine maintenance or repair. Records of test shall be maintained for a period of five years and be made readily available for District inspection upon request. [District Rule 2201] Federally Enforceable Through Title V Permit
39. The VOC content by weight percent (wt.%) shall be determined using American Society of Testing and Materials (ASTM) D1945 for gases and South Coast Air Quality Management District (SCAQMD) Method 304-91 or the latest revision of ASTM Method E168, E169 or E260 for liquids. [District Rule 4401] Federally Enforceable Through Title V Permit
40. Annual control efficiency compliance tests shall be performed on all vapor collection and control systems used to control emissions from steam-enhanced crude oil production wells. Testing shall be performed by source tester certified by the California Air Resource Board (CARB) certified contractors during June, July, August or September of each year if the system's control efficiency is dependent upon ambient air temperature. The APCO may waive the requirements of this condition if the vapor control system does not exhaust to atmosphere or if all uncondensed VOC emissions collected by a vapor collection and control system are burned in fuel burning equipment or in a smokeless open flare and the source's Operating Permit contains adequate periodic monitoring to ensure the source meets 99% control efficiency. [District Rule 4401] Federally Enforceable Through Title V Permit
41. The control efficiency of the vapor collection and control system used to control VOC emissions from steam enhanced crude oil production well shall be determined by mass balance based on most stringent of a source test, USEPA approved emission factors, or Air Pollution (AP)-42 emission factors for components; and the efficiency of destruction devices determined by USEPA Method 25, 25a, or 25b as applicable. [District Rule 4401] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

42. Permittee shall maintain an inspection log which includes the following information: 1) the total number of components inspected and the total number and percentage of leaking components found by component type, 2) the location, type, and name or description of each leaking component and description of any unit where the leaking component is found, 3) the date and method of leak detection, 4) the size of the leak (in ppmv for gaseous leaks, and major or minor for liquid leaks), 5) the date the leaking component is repaired, replaced, or removed from service, 6) the identity and location of essential or critical components found leaking that cannot be repaired until the next regular process unit turnaround or not later than one year after leak detection, whichever comes later, 7) the methods used to minimize the leak from essential or critical components, 8) the date of re-inspection and the leak concentration (in ppmv) after the component is repaired or replaced, 9) the inspector's name, mailing address, and business telephone number, and 10) the date and signature of the facility operator responsible for the inspection and repair program certifying the accuracy of the information recorded in the log. [District Rule 4401] Federally Enforceable Through Title V Permit
43. Records shall be maintained of each calibration of the portable hydrocarbon detection instrument utilized for inspecting components. The records shall include a copy of the current calibration gas certification from the vendor of the calibration gas cylinder, the date of calibration, the concentration of calibration gas, the instrument reading of calibration gas before adjustment, the instrument reading of calibration gas after adjustment, the calibration gas expiration date, and the calibration gas cylinder pressure at the time of calibration. [District Rule 4401] Federally Enforceable Through Title V Permit
44. The operator shall keep source test records which demonstrate compliance with the control efficiency requirements of the VOC collection and control system. [District Rule 4401] Federally Enforceable Through Title V Permit
45. Permittee shall establish and implement an employee training program for inspecting and repairing components and recordkeeping procedures, as necessary. Permittee shall maintain at the facility the copies of the training records of the training program. [District Rule 4401] Federally Enforceable Through Title V Permit
46. By January 30 of each year, permittee shall submit to the APCO for approval, in writing, an annual report indicating any changes to the existing, approved OMP. [District Rule 4401] Federally Enforceable Through Title V Permit
47. Permittee shall maintain a copy of the latest APCO-approved Operator Management Plan (OMP) at the facility and make it available to the APCO, ARB, and US EPA upon request. [District Rule 4401] Federally Enforceable Through Title V Permit
48. The operator shall maintain monitoring records of the date and well identification where steam injection or well stimulation occurs. [District Rule 4401, 6.1] Federally Enforceable Through Title V Permit
49. The permittee shall keep accurate records of the amount of gas (pilot and waste gas) flared, H₂S content and recharging dates, for a period of five years, and shall make such records available for District inspection upon request. [District Rule 2201] Federally Enforceable Through Title V Permit
50. Permittee shall maintain a current well roster of all wells served by collection system, and such roster shall be made readily available for District inspection upon request. [District Rule 2520, 9.3.2 and District Rule 1070] Federally Enforceable Through Title V Permit
51. All records required by this permit shall be maintained and retained on-site for a minimum of five (5) years and made available for District, ARB, and EPA inspection upon request. [District Rules 2201 and 4401] Federally Enforceable Through Title V Permit

Attachment II Gas Analysis and Fugitive Emissions Calculation



California Resources Corp-Thermal Op. 9600 Ming Ste 300 Bakersfield, CA 93311	Reported: 01/13/2015 17:34 Project: Gas Samples Project Number: CH55103213 Project Manager: Jerry Frost
---	--

Laboratory / Client Sample Cross Reference

Laboratory	Client Sample Information																				
1500320-01	<table> <tr> <td>COC Number:</td> <td>---</td> <td>Receive Date:</td> <td>01/06/2015 16:00</td> </tr> <tr> <td>Project Number:</td> <td>---</td> <td>Sampling Date:</td> <td>01/06/2015 10:44</td> </tr> <tr> <td>Sampling Location:</td> <td>---</td> <td>Sample Depth:</td> <td>---</td> </tr> <tr> <td>Sampling Point:</td> <td>Kern Front Sec. 23 Central Plant Sulfa Treat-Inlet Gas</td> <td>Lab Matrix:</td> <td>Gas</td> </tr> <tr> <td>Sampled By:</td> <td>Rick Ogletree</td> <td>Sample Type:</td> <td>Gas Chromatography</td> </tr> </table>	COC Number:	---	Receive Date:	01/06/2015 16:00	Project Number:	---	Sampling Date:	01/06/2015 10:44	Sampling Location:	---	Sample Depth:	---	Sampling Point:	Kern Front Sec. 23 Central Plant Sulfa Treat-Inlet Gas	Lab Matrix:	Gas	Sampled By:	Rick Ogletree	Sample Type:	Gas Chromatography
COC Number:	---	Receive Date:	01/06/2015 16:00																		
Project Number:	---	Sampling Date:	01/06/2015 10:44																		
Sampling Location:	---	Sample Depth:	---																		
Sampling Point:	Kern Front Sec. 23 Central Plant Sulfa Treat-Inlet Gas	Lab Matrix:	Gas																		
Sampled By:	Rick Ogletree	Sample Type:	Gas Chromatography																		

The results in this report apply to the samples analyzed in accordance with the chain of custody document. This analytical report must be reproduced in its entirety.

All results listed in this report are for the exclusive use of the submitting party. BC Laboratories, Inc. assumes no responsibility for report alteration, separation, detachment or third party interpretation.



California Resources Corp-Thermal Op.
9600 Ming Ste 300
Bakersfield, CA 93311

Reported: 01/13/2015 17:34
Project: Gas Samples
Project Number: CH55103213
Project Manager: Jerry Frost

BCL Sample ID: 1500320-01 Client Sample Name: Kern Front Sec. 23 Central Plant Sulfa Treat-Inlet Gas, 1/6/2015 10:44:00AM, Rick Ogli

Gas Analysis

Fixed Gases and Hydrocarbon Analysis (ASTM D-1945-03, D-3588-98; GPA 2145-94, 2261-00)

Table with 5 columns: Constituent, Mole %, Weight %, GPM, GPM Fractions. Lists various gases like Oxygen, Nitrogen, Carbon Dioxide, Methane, Ethane, Propane, etc.

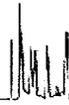
H/C Ratio: 0.32

Table with 5 columns: Heating Values, CHONS Weight %, F Factors, F dry, F wet. Includes Gross and Net Calorific Value, BTU/ft3, BTU/lb, and various F factors.

Table with 4 columns: Property, Value, Property, Value. Includes Relative Gas Density, Specific Gravity, Real Gas Density, Specific Volume, THC, VOC, and VOC/THC Ratio.

Gas Properties calculated @ STP: 60F, 14.696 psia GPM: Gallons per 1000 cubic feet

The results in this report apply to the samples analyzed in accordance with the chain of custody document. This analytical report must be reproduced in its entirety. All results listed in this report are for the exclusive use of the submitting party. BC Laboratories, Inc. assumes no responsibility for report alteration, separation, detachment or third party interpretation.



California Resources Corp-Thermal Op.
9600 Ming Ste 300
Bakersfield, CA 93311

Reported: 01/13/2015 17:34
Project: Gas Samples
Project Number: CH55103213
Project Manager: Jerry Frost

Notes And Definitions

MDL Method Detection Limit
PQL Practical Quantitation Limit

FACILITY NAME

Project # , Permit Unit #

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	2,400	571.44
	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	400	186.25
	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	12,000	126.99
	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	800	16.51
	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 = 901.2 lb/day

Attachment III Emissions Profile

Permit #: S-1326-35-18	Last Updated
Facility: CALIFORNIA RESOURCES PRODUCTION	03/04/2015 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):	3723.0	156.0	438.0	20258.0	3449.0
Daily Emis. Limit (lb/Day)	10.2	0.4	1.2	55.5	9.5
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 IV
Title V Compliance Certification Form

San Joaquin Valley
Unified Air Pollution Control District

RECEIVED
JAN 14 2015
SJVAPCD
Southern Region

TITLE V MODIFICATION - COMPLIANCE CERTIFICATION FORM

I. TYPE OF PERMIT ACTION (Check appropriate box)

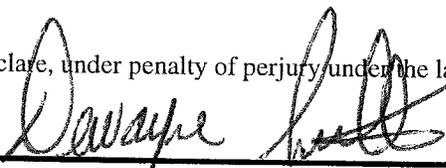
- SIGNIFICANT PERMIT MODIFICATION
 MINOR PERMIT MODIFICATION
- ADMINISTRATIVE AMENDMENT

COMPANY NAME: California Resources Production Corporation	FACILITY ID: S - 1326
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:	
3. Agent to the Owner: Jerry Frost	

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

- Based on information and belief formed after reasonable inquiry, the equipment identified in this application will continue to comply with the applicable federal requirement(s).
- Based on information and belief formed after reasonable inquiry, the equipment 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

1-13-15

Date

Dwayne Smith

Name of Responsible Official (please print)

Surface Operations Manager

Title of Responsible Official (please print)

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

TVFORM-009
Rev. July 2005

Attachment V
HRA

San Joaquin Valley Air Pollution Control District Risk Management Review

To: Richard Edgehill – Permit Services
 From: Yu Vu – Technical Services
 Date: June 11, 2015
 Facility Name: California Resources Production Corp.
 Location: Section 14, Township 28S, Range 27E, Heavy Oil Central SS
 Application #(s): S-1326-35-18
 Project #: S-1150085

A. RMR SUMMARY

RMR Summary			
Categories	TEOR Operation (Unit 35-18)	Project Totals	Facility Totals
Prioritization Score	0.34	0.34	>1.0
Acute Hazard Index	0.00	0.00	0.42
Chronic Hazard Index	0.00	0.00	0.04
Maximum Individual Cancer Risk (10^{-6})	0.01	0.00	7.91
T-BACT Required?	No		
Special Permit Conditions?	No		

Proposed Permit Conditions

To ensure that human health risks will not exceed District allowable levels; the following permit conditions must be included for:

Unit # 35-18

No special conditions are required.

B. RMR REPORT

I. Project Description

Technical Services received a request on March 5, 2015, to perform a Risk Management Review for a proposed modification to a thermally enhanced oil recovery (TEOR) operation. The applicant is proposing to increase the number of wells in this operation from 250 to 400 (150 well increase).

II. Analysis

Technical Services performed a health risk assessment using district approved emission factors for oilfield fugitives. The cumulative prioritization scores were greater than 1.0, thus

modeling was conducted using the AERMOD model, with the parameters outlined below and meteorological data for 2009-2013 from Bakersfield to determine the dispersion factors (i.e., the predicted concentration or X divided by the normalized source strength or Q) for a receptor grid. The TEOR operation was represented by a 50 meter x 50 meters area source.

Analysis Parameters Unit 35-18			
Source Type	Area	Location Type	Rural
X-Length (m)	50	Closest Receptor (m)	~850
Y-Length (m)	50	Type of Receptor	Business
Release Height (m)	1	Pollutant Type	VOC
		Emission Rate (g/sec-m²)	0.0004

III. Conclusion

The acute and chronic indices are below 1.0 and the cancer risk factor associated with the project is less than 1.0 in a million. **In accordance with the District's Risk Management Policy, the project is approved without Toxic Best Available Control Technology (T-BACT).**

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

IV. Attachments

- A. RMR request from the project engineer
- B. Additional information from the applicant/project engineer
- C. Toxic emissions summary
- D. Prioritization score
- E. Facility Summary

Attachment VI
Draft ATC

San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1326-35-18

LEGAL OWNER OR OPERATOR: CALIFORNIA RESOURCES PRODUCTION CORP
MAILING ADDRESS: 9600 MING AVENUE, SUITE 300
BAKERSFIELD, CA 93311

LOCATION: HEAVY OIL CENTRAL STATIONARY SOURCE
KERN COUNTY, CA

SECTION: 14 **TOWNSHIP:** 28S **RANGE:** 27E

EQUIPMENT DESCRIPTION:

MODIFICATION OF THERMALLY ENHANCED OIL RECOVERY OPERATION WITH WELL VENT VAPOR CONTROL SYSTEM SERVING 250 STEAM ENHANCED WELLS, INCLUDING 50 HP COMPRESSOR, ONE AIR-COOLED VAPOR CONDENSER, AND PIPING TO FIELD FUEL GAS SYSTEM, DOGGR DISPOSAL WELL, AND/OR 3.6 MMBTU/HR KALDAIR FLARE INCLUDING TWO 8000 LB SULFATREAT CANISTERS (ONE AS BACKUP) (SECTION 14 YOUNG): INCREASE THE WELL COUNT BY 150 WELLS TO 400 WELLS

CONDITIONS

1. {1830} This Authority to Construct serves as a written certificate of conformity with the procedural requirements of 40 CFR 70.7 and 70.8 and with the compliance requirements of 40 CFR 70.6(c). [District Rule 2201] Federally Enforceable Through Title V Permit
2. {1831} Prior to operating with modifications authorized by this Authority to Construct, the facility shall submit an application to modify the Title V permit with an administrative amendment in accordance with District Rule 2520 Section 5.3.4. [District Rule 2520, 5.3.4] Federally Enforceable Through Title V Permit
3. Fluids produced from wells with closed vents shall be introduced only to production equipment served by vapor control system listed on tank S-1326-201 which is 99% efficient. [District Rule 2201] Federally Enforceable Through Title V Permit
4. Well vent vapors shall vent to the field fuel gas system, DOGGR approved injection wells, flare listed on this permit, or steam generators S-1326-9, '-294, '-314, '-337, '-338, '-385, '-390, '-391, '-392, '-400, '-401, and '-419 through '-425. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

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

Seyed Sadredin, Executive Director, APCO

Arnaud Marjollet, Director of Permit Services

S-1326-35-18 : Mar 5 2015 2:23PM -- EDGEHILR : Joint Inspection NOT Required

5. Well head casing vent collection piping network shall be limited to 400 steam enhanced wells. [District Rule 2201] Federally Enforceable Through Title V Permit
6. Sulfur scrubber shall be monitored monthly for H₂S content of gas after treatment to determine when recharging is required. [District NSR Rule and District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
7. Sulfur content of gas combusted in flare shall not exceed 1 gr/100 scf. [District NSR Rule, District Rule 4801, and Kern County Rule 407] Federally Enforceable Through Title V Permit
8. Permittee shall test annually the sulfur content of gas combusted in flare using ASTM method D1072, D3031, D4084, or D3246 and make test results readily available for District inspection. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
9. Flare shall operate with no visible emission in excess of 5% opacity. [District Rule 2201] Federally Enforceable Through Title V Permit
10. Maximum amount of gas (pilot and waste gas) combusted by flare shall not exceed 150.0 MMBtu/day. [District Rule 2201] Federally Enforceable Through Title V Permit
11. Emissions from the flare shall not exceed any of the following limits (based on total gas combusted): NO_x (as NO₂): 0.068 lb/MMBtu; PM₁₀: 0.008 lb/MMBtu; CO: 0.37 lb/MMBtu; or VOC: 0.063 lb/MMBtu. [District Rule 2201] Federally Enforceable Through Title V Permit
12. The higher heating value of the flared gas shall be monitored at least quarterly. Measured higher heating value and quantity of gas flared shall be used to determine compliance with heat input limit. [District Rules 1070 and 2201] Federally Enforceable Through Title V Permit
13. The flare shall be operated according to the manufacturer's specifications, a copy of which shall be maintained on site. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
14. If this flare requires a pilot flame, then the flare shall be operated with a flame present at all times, and kept in operation when emissions may be vented to it. The presence of a flare pilot flame shall be monitored using a thermocouple or any other equivalent device to detect the presence of a flame. [District Rules 2520, 9.3.2 and 4311 5.2] Federally Enforceable Through Title V Permit
15. This flare shall be inspected every two weeks while in operation for visible emissions. If visible emissions are observed, corrective action shall be taken. If visible emissions continue, an EPA Method 9 test shall be conducted within 72 hours. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
16. This flare shall not be used as a leak control device as described in Rule 4403, 5.3.1, nor as a control device for any permit unit subject to NSPS, without modification of permit requirements to address 40 CFR 60.18. [District Rule 2520, 9.3.3] Federally Enforceable Through Title V Permit
17. A gas leak is defined as the detection of a concentration of total organic compounds, above background (measured in accordance with EPA Method 21) that exceeds the following values: 1) A major gas leak is a detection of greater than 10,000 ppmv as methane; and 2) A minor gas leak is a detection of 400 to 10,000 ppmv as methane for pressure relief devices (PRDs) and 2,000 to 10,000 for components other than PRDs. [District Rule 4401] Federally Enforceable Through Title V Permit
18. A liquid leak is defined as the dripping of VOC-containing liquid. A major liquid leak is a visible mist or a continuous flow of liquid that is not seal lubricant. A minor liquid leak is a liquid leak that is not a major liquid leak and drips liquid at a rate of more than three drops per minute, except for seal lubricant. [District Rule 4401] Federally Enforceable Through Title V Permit
19. During the time any steam-enhanced crude oil production well is undergoing service or repair while the well is not producing, it shall be exempt from the emission control requirements of District Rule 4401, 5.0 (as amended December 14, 2006). [District Rule 4401] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

20. The following conditions shall be used to determination of a violation: 1) Existence of an open-ended line or a valve located at the end of the line that is not sealed with a blind flange, plug, cap, or a second closed valve that is not closed at all times, except during attended operations requiring process fluid flow through the open-ended lines. Attended operations include draining or degassing operations, connection of temporary process equipment, sampling of process streams, emergency venting, and other normal operational needs, provided such operations are done as expeditiously as possible and with minimal spillage of material and VOC emissions to the atmosphere; 2) Existence of a component with a major liquid leak; 3) Existence of a component with a gas leak greater than 50,000 ppmv; or 4) Existence of a component leak consisting of a minor liquid or gas leak, or a gas leak greater than 10,000 ppmv up to 50,000 ppmv, in excess of the allowable number of leaks specified in Table 3 of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
21. Total number of leaks from the vapor collection and control system, including condensate handling, shall not exceed the number as allowed by Rule 4401 (as amended December 14, 2006) at any one time. [District Rule 4401] Federally Enforceable Through Title V Permit
22. Operator shall affix a readily visible tag bearing the date and time of leak detection, the date and time of leak measurement, the leak concentration of gaseous leaks (in ppmv), for liquid leaks whether it is a major liquid leak or a minor liquid leak, and whether the component is an essential component, an unsafe-to monitor component, or a critical component leak. [District Rule 4401] Federally Enforceable Through Title V Permit
23. The tag shall remain in place until the leaking component is repaired, re-inspected, using the test method in Section 6.3.3, and the component is found to be in compliance with the requirements of this rule. [District Rule 4401] Federally Enforceable Through Title V Permit
24. An operator shall minimize a component leak in order to stop or reduce leakage to the atmosphere immediately to the extent possible, but not later than one (1) hour after detection of the leak. [District Rule 4401] Federally Enforceable Through Title V Permit
25. Except for leaking critical components or leaking essential components, the operator shall repair each leak within time specified in Table 3, of Rule 4401. [District Rule 4401] Federally Enforceable Through Title V Permit
26. If the leaking component is an essential component or a critical component that cannot be immediately shut down for repairs, and if the leak has been minimized but the leak still exceeds the applicable leak standard of this rule, the operator shall repair or replace the essential component or critical component to eliminate the leak during the next process unit turnaround, but in no case later than one year from the date of the original leak detection, whichever comes earlier. [District Rule 4401] Federally Enforceable Through Title V Permit
27. The operator shall not use any components that leak in excess of the applicable leak standards as specified in this permit. Components that have been found leaking in excess of the applicable leak standards of this rule may be used provided such leaking components have been identified with a tag for repair, are repaired, or are awaiting re-inspection after being repaired, within the applicable time period specified in this permit. [District Rule 4401] Federally Enforceable Through Title V Permit
28. Each hatch shall be closed at all times except during sampling or adding of process material through the hatch, or during attended repair, replacement, or maintenance operations, provided such activities are done as expeditiously as possible with minimal spillage of material and VOC emissions to the atmosphere. [District Rule 4401] Federally Enforceable Through Title V Permit
29. Except for pipes and unsafe-to-monitor components, an operator shall inspect all other components pursuant to the requirements of Section 6.3.3 at least once every year [District Rule 4401] Federally Enforceable Through Title V Permit
30. An operator shall visually inspect all pipes at least once every year. Any visual inspection of pipes that indicates a leak that cannot be immediately repaired to meet the leak standards of this rule shall be inspected within 24 hours after detecting the leak. If a leak is found, the leak shall be repaired as soon as practicable but not later than the time frame specified in Table 3 of this rule. [District Rule 4401] Federally Enforceable Through Title V Permit
31. An operator shall audio-visually (by hearing and by sight) inspect for leaks all accessible operating pumps, compressors, and PRDs in service at least once each calendar week. [District Rule 4401] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

32. Any audio-visual inspection of an accessible operating pump, compressor, and PRD performed by an operator that indicates a leak that cannot be immediately repaired to meet the leak standards of this rule shall be inspected not later than 24 hours after conducting the audio-visual inspection. If a leak is found, the leak shall be repaired as soon as practicable but not later than the time frame specified in Table 3 of this rule. [District Rule 4401] Federally Enforceable Through Title V Permit
33. An operator shall initially inspect a PRD that releases to the atmosphere as soon as practicable but not later than 24 hours after the discovery of the release. An operator shall re-inspect the PRD not earlier than 24 hours after the initial inspection but not later than 15 calendar days after the initial inspection. [District Rule 4401] Federally Enforceable Through Title V Permit
34. An operator shall inspect all new, replaced, or repaired fittings, flanges, and threaded connections within 72 hours of placing the component in service. [District Rule 4401] Federally Enforceable Through Title V Permit
35. An operator shall inspect a component, except for a PRD that releases to the atmosphere, that has been repaired or replaced not later than 15 calendar days after the component was repaired or replaced. [District Rule 4401] Federally Enforceable Through Title V Permit
36. An operator shall inspect all unsafe-to-monitor components during each turnaround. [District Rule 4401] Federally Enforceable Through Title V Permit
37. The operator shall perform leak inspections at least annually, using a portable hydrocarbon detection instrument in accordance with USEPA Method 21. Where safety is a concern, such as measuring leaks from compressor seals or pump seals when the shaft is rotating, a person shall measure leaks by placing the instrument probe inlet at a distance of one centimeter or less from the surface of the component interface. [District Rule 4401] Federally Enforceable Through Title V Permit
38. VOC content of well vent vapor gas shall not exceed 10% by weight. If the VOC content of the well vent vapor gas is less than 10% by weight for 8 consecutive quarterly samplings per District approved plan, sampling frequency shall only be required annually. Representative samples shall be collected during periods of normal operation and not be within 48 hours after routine maintenance or repair. Records of test shall be maintained for a period of five years and be made readily available for District inspection upon request. [District Rule 2201] Federally Enforceable Through Title V Permit
39. The VOC content by weight percent (wt.%) shall be determined using American Society of Testing and Materials (ASTM) D1945 for gases and South Coast Air Quality Management District (SCAQMD) Method 304-91 or the latest revision of ASTM Method E168, E169 or E260 for liquids. [District Rule 4401] Federally Enforceable Through Title V Permit
40. Annual control efficiency compliance tests shall be performed on all vapor collection and control systems used to control emissions from steam-enhanced crude oil production wells. Testing shall be performed by source tester certified by the California Air Resource Board (CARB) certified contractors during June, July, August or September of each year if the system's control efficiency is dependent upon ambient air temperature. The APCO may waive the requirements of this condition if the vapor control system does not exhaust to atmosphere or if all uncondensed VOC emissions collected by a vapor collection and control system are burned in fuel burning equipment or in a smokeless open flare and the source's Operating Permit contains adequate periodic monitoring to ensure the source meets 99% control efficiency. [District Rule 4401] Federally Enforceable Through Title V Permit
41. The control efficiency of the vapor collection and control system used to control VOC emissions from steam enhanced crude oil production well shall be determined by mass balance based on most stringent of a source test, USEPA approved emission factors, or Air Pollution (AP)-42 emission factors for components; and the efficiency of destruction devices determined by USEPA Method 25, 25a, or 25b as applicable. [District Rule 4401] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

42. Permittee shall maintain an inspection log which includes the following information: 1) the total number of components inspected and the total number and percentage of leaking components found by component type, 2) the location, type, and name or description of each leaking component and description of any unit where the leaking component is found, 3) the date and method of leak detection, 4) the size of the leak (in ppmv for gaseous leaks, and major or minor for liquid leaks), 5) the date the leaking component is repaired, replaced, or removed from service, 6) the identity and location of essential or critical components found leaking that cannot be repaired until the next regular process unit turnaround or not later than one year after leak detection, whichever comes later, 7) the methods used to minimize the leak from essential or critical components, 8) the date of re-inspection and the leak concentration (in ppmv) after the component is repaired or replaced, 9) the inspector's name, mailing address, and business telephone number, and 10) the date and signature of the facility operator responsible for the inspection and repair program certifying the accuracy of the information recorded in the log. [District Rule 4401] Federally Enforceable Through Title V Permit
43. Records shall be maintained of each calibration of the portable hydrocarbon detection instrument utilized for inspecting components. The records shall include a copy of the current calibration gas certification from the vendor of the calibration gas cylinder, the date of calibration, the concentration of calibration gas, the instrument reading of calibration gas before adjustment, the instrument reading of calibration gas after adjustment, the calibration gas expiration date, and the calibration gas cylinder pressure at the time of calibration. [District Rule 4401] Federally Enforceable Through Title V Permit
44. The operator shall keep source test records which demonstrate compliance with the control efficiency requirements of the VOC collection and control system. [District Rule 4401] Federally Enforceable Through Title V Permit
45. Permittee shall establish and implement an employee training program for inspecting and repairing components and recordkeeping procedures, as necessary. Permittee shall maintain at the facility the copies of the training records of the training program. [District Rule 4401] Federally Enforceable Through Title V Permit
46. By January 30 of each year, permittee shall submit to the APCO for approval, in writing, an annual report indicating any changes to the existing, approved OMP. [District Rule 4401] Federally Enforceable Through Title V Permit
47. Permittee shall maintain a copy of the latest APCO-approved Operator Management Plan (OMP) at the facility and make it available to the APCO, ARB, and US EPA upon request. [District Rule 4401] Federally Enforceable Through Title V Permit
48. {1297} The operator shall maintain monitoring records of the date and well identification where steam injection or well stimulation occurs. [District Rule 4401, 6.1] Federally Enforceable Through Title V Permit
49. The permittee shall keep accurate records of the amount of gas (pilot and waste gas) flared, H2S content and recharging dates, for a period of five years, and shall make such records available for District inspection upon request. [District Rule 2201] Federally Enforceable Through Title V Permit
50. Permittee shall maintain a current well roster of all wells served by collection system, and such roster shall be made readily available for District inspection upon request. [District Rule 2520, 9.3.2 and District Rule 1070] Federally Enforceable Through Title V Permit
51. All records required by this permit shall be maintained and retained on-site for a minimum of five (5) years and made available for District, ARB, and EPA inspection upon request. [District Rules 2201 and 4401] Federally Enforceable Through Title V Permit

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