

October 28, 2021

Steve Nixon  
Crimson Resource Management  
11200 River Run Blvd. Suite #200  
Bakersfield, CA 93311

**RE: Notice of Final Action - Authority to Construct**  
**Facility Number: S-2018**  
**Project Number: S-1203974**

Dear Mr. Nixon:

The Air Pollution Control Officer has issued the Authority to Construct permit to Crimson Resource Management for the installation of a 85 MMBtu/hr. natural gas fired steam generator, at Kern County Heavy Oil Western Stationary Source. Enclosed are the Authority to Construct permit and a copy of the notice of final action that has been posted on the District's website ([www.valleyair.org](http://www.valleyair.org)).

Notice of the District's preliminary decision to issue the Authority to Construct permit was posted on 8/19/21. The District's analysis of the proposal was also sent to CARB and US EPA Region IX on 8/19/21. No comments were received following the District's preliminary decision on this project.

Also enclosed is an invoice for the engineering evaluation fees pursuant to District Rule 3010. Please remit the amount owed, along with a copy of the attached invoice, within 60 days.

**Samir Sheikh**  
Executive Director/Air Pollution Control Officer

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

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

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

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Mr. Steve Nixon  
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Thank you for your cooperation in this matter. If you have any questions, please contact Mr. Leonard Scandura at (661) 392-5500.

Sincerely,

A handwritten signature in blue ink that reads "Brian Clements". The signature is written in a cursive style with a large initial 'B'.

Brian Clements  
Director of Permit Services

BC:wej

Enclosures

cc: Courtney Graham, CARB (w/ enclosure) via email  
cc: Laura Yannayon, EPA (w/ enclosure) via email

Facility # S-2018  
CRIMSON RESOURCE MANAGEMENT  
11200 RIVER RUN BLVD STE 200  
BAKERSFIELD, CA 93311

## **AUTHORITY TO CONSTRUCT (ATC)**

### **QUICK START GUIDE**

1. **Pay Invoice:** Please pay enclosed invoice before due date.
2. **Fully Understand ATC:** Make sure you understand ALL conditions in the ATC prior to construction, modification and/or operation.
3. **Follow ATC:** You must construct, modify and/or operate your equipment as specified on the ATC. Any unspecified changes may require a new ATC.
4. **Notify District:** You must notify the District's Compliance Department, at the telephone numbers below, upon start-up and/or operation under the ATC. Please record the date construction or modification commenced and the date the equipment began operation under the ATC. You may NOT operate your equipment until you have notified the District's Compliance Department. A startup inspection may be required prior to receiving your Permit to Operate.
5. **Source Test:** Schedule and perform any required source testing. See [http://www.valleyair.org/busind/comply/source\\_testing.htm](http://www.valleyair.org/busind/comply/source_testing.htm) for source testing resources.
6. **Maintain Records:** Maintain all records required by ATC. Records are reviewed during every inspection (or upon request) and must be retained for at least 5 years. Sample record keeping forms can be found at [http://www.valleyair.org/busind/comply/compliance\\_forms.htm](http://www.valleyair.org/busind/comply/compliance_forms.htm).

By operating in compliance, you are doing your part to improve air quality for all Valley residents.

**For assistance, please contact District Compliance staff at  
any of the telephone numbers listed below.**

**Samir Sheikh**  
Executive Director/Air Pollution Control Officer

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## AUTHORITY TO CONSTRUCT

**PERMIT NO:** S-2018-100-0

**ISSUANCE DATE:** 10/26/2021

**LEGAL OWNER OR OPERATOR:** CRIMSON RESOURCE MANAGEMENT

**MAILING ADDRESS:** 11200 RIVER RUN BLVD STE 200  
BAKERSFIELD, CA 93311

**LOCATION:** HEAVY OIL WESTERN STATIONARY SOURCE

**SECTION:** 25 **TOWNSHIP:** 31S **RANGE:** 22E

**EQUIPMENT DESCRIPTION:**

85 MMBTU/HR NATURAL GAS/WASTE GAS-FIRED PCL STEAM GENERATOR MODEL 85M WITH A NORTH AMERICAN LE-85 ULTA LOW NOX BURNER AND FLUE GAS RECIRCULATION (STEAM GENERATOR #4)

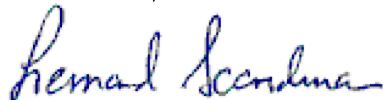
## CONDITIONS

1. Prior to operating equipment under this Authority to Construct, permittee shall surrender NOX emission reduction credits for the following quantity of emissions: 1st quarter - 1,731 lb., 2nd quarter - 1,731 lb., 3rd quarter - 1,731 lb., and 4th quarter - 1,732 lb. These amounts include the applicable offset ratio specified in Rule 2201 Section 4.8 (as amended 2/18/16) for the ERC specified below. [District Rule]
2. ERC Certificate Number S-3388-2 (or a certificate split from this certificate) shall be used to supply the required offsets, unless a revised offsetting proposal is received and approved by the District, upon which this Authority to Construct shall be reissued, administratively specifying the new offsetting proposal. Original public noticing requirements, if any, shall be duplicated prior to reissuance of this Authority to Construct. [District Rule 2201]
3. Prior to operating equipment under this Authority to Construct, permittee shall surrender PM10 emission reduction credits for the following quantity of emissions: 1st quarter - 847 lb., 2nd quarter - 847 lb., 3rd quarter - 847 lb., and 4th quarter - 847 lb. These amounts include the applicable offset ratio specified in Rule 2201 Section 4.8 (as amended 2/18/16) for the ERC specified below. [District Rule 2201]
4. ERC Certificate Number S-3392-4 (or a certificate split from this certificate) shall be used to supply the required offsets, unless a revised offsetting proposal is received and approved by the District, upon which this Authority to Construct shall be reissued, administratively specifying the new offsetting proposal. Original public noticing requirements, if any, shall be duplicated prior to reissuance of this Authority to Construct. [District Rule 2201]

CONDITIONS CONTINUE ON NEXT PAGE

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

Samir Sheikh, Executive Director / APCO



Brian Clements, Director of Permit Services

S-2018-100-0 : Oct 26 2021 4:12PM - JONESW : Joint Inspection NOT Required

5. Prior to operating equipment under this Authority to Construct, permittee shall surrender VOC emission reduction credits for the following quantity of emissions: 1st quarter - 1,535 lb., 2nd quarter - 1,536 lb., 3rd quarter - 1,536 lb., and 4th quarter - 1,536 lb. These amounts include the applicable offset ratio specified in Rule 2201 Section 4.8 (as amended 2/18/16) for the ERC specified below. [District Rule 2201]
6. ERC Certificate Number S-3387-1 (or a certificate split from this certificate) shall be used to supply the required offsets, unless a revised offsetting proposal is received and approved by the District, upon which this Authority to Construct shall be reissued, administratively specifying the new offsetting proposal. Original public noticing requirements, if any, shall be duplicated prior to reissuance of this Authority to Construct [District Rule 2201]
7. The unit shall only be fired on natural gas/waste gas with a maximum sulfur content of 1.0 gr S/100 scf [District Rule 2201 and 4320]
8. Emission rates shall not exceed any of the following: NO<sub>x</sub> (as NO<sub>x</sub>): 5 ppmvd @ 3% O<sub>2</sub> or 0.0062 lb./MMBtu; SO<sub>x</sub>: 0.00285 lb./MMBtu; PM<sub>10</sub>: 0.0035 lb./MMBtu; CO: 25 ppmvd @ 3% O<sub>2</sub> or 0.0185 lb.-CO/MMBtu; or VOC: 0.0055 lb./MMBtu. [District Rule 2201 and 4320]
9. Permittee shall submit notification to the District of the date of construction, anticipated startup, and actual startup. Notifications shall be postmarked no later than 30 days after construction and 15 days after actual startup. The notifications shall include the design heat input and identification of fuels for this permit unit. [District Rule 40 CFR 60.48c (a)]
10. A non-resettable, totalizing mass or volumetric fuel flow meter to measure the amount of fuel combusted in the unit shall be installed, utilized and maintained. [District Rule 2201 and 40 CFR 60.48c (g)]
11. The permittee shall monitor and record the stack concentration of NO<sub>x</sub>, CO, and O<sub>2</sub> at least once every month (in which a source test is not performed) using a portable analyzer that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305 and 4306]
12. If the NO<sub>x</sub> or CO concentrations corrected to 3%, as measured by the portable analyzer, exceed the applicable emission limit, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of performing the notification and testing required by this condition. [District Rule 4102, 4305, 4306 and 4320]
13. All NO<sub>x</sub>, CO, and O<sub>2</sub> emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. The NO<sub>x</sub>, CO, and O<sub>2</sub> analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute sample period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive minute period. [District Rule 4102, 4305, 4306 and 4320]
14. The permittee shall maintain records of: (1) the date and time of NO<sub>x</sub>, CO, and O<sub>2</sub> measurements, (2) the O<sub>2</sub> concentration in percent by volume and the measured NO<sub>x</sub> and CO concentrations corrected to 3% O<sub>2</sub>, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305 and 4306]
15. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. Unless otherwise specified in the PTO, no determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4320. For the purposes of permittee-performed alternate monitoring, emissions measurements may be performed at any time after the unit reaches conditions representative of normal operation. [District Rule 4305, 4306 and 4320]

CONDITIONS CONTINUE ON NEXT PAGE

16. When complying with sulfur emission limits by fuel analysis or by a combination of source testing and fuel analysis, permittee shall demonstrate compliance at least annually. [District Rule 4320]
17. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305 and 4306]
18. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. No determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4306. [District Rules 4305 and 4306]
19. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305 and 4306]
20. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305 and 4306]
21. The following test methods shall be used: NOX (ppmv) - EPA Method 7E or ARB Method 100, NO<sub>x</sub> (lb./MMBtu) - EPA Method 19; CO (ppmv) - EPA Method 10 or ARB Method 100; Stack gas oxygen (O<sub>2</sub>) - EPA Method 3 or 3A or ARB Method 100; stack gas velocities - EPA Method 2; Stack gas moisture content - EPA Method 4; SO<sub>x</sub> - EPA Method 6C or 8 or ARB Method 100; fuel gas sulfur as H<sub>2</sub>S content - EPA Method 11 or 15; and fuel hhv (MMBtu) - ASTM D 1826 or D 1945 in conjunction with ASTM D 3588. [District Rule 2201, 4305, 4306, 4320]
22. A source test to demonstrate compliance with NO<sub>x</sub> and CO emission limits shall be performed within 60 days of startup of this unit. [District Rule 220, 4305, 4306 and 4320]
23. Source testing to measure natural gas-combustion NO<sub>x</sub> and CO emissions from this unit shall be conducted at least once every twelve (12) months (no more than 30 days before or after the required annual source test date). After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months (no more than 30 days before or after the required 36-month source test date). If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months [District Rule 4305, 4306 and 4320]
24. The results of each source test shall be submitted to the District within 60 days thereafter [District Rule 1081]
25. All records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rule 1070, 4305, 4306, 4320, and 40 CFR 60.48c (i)]
26. Permittee shall maintain daily records of the type and quantity of fuel combusted by the steam generator. [District Rule 2201 and 40 CFR 60.48c (g)]