



San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT



FEB 12 2014

Mr. Jerry Frost
Vintage Production of California
9600 Ming Ave
Bakersfield, CA 93311

Re: Final - Authority to Construct / COC (Significant Mod)
District Facility # S-1738
Project # S-1133220

Dear Mr. Frost:

The Air Pollution Control Officer has issued an Authority to Construct (S-1738-427-2) with a Certificate of Conformity to Vintage Production of California at NE/4 of Section 18, Township 28S, Range 20E. This project is to increase the flared gas throughput limit, to revise the sulfur monitoring frequency from once every 12 months to once annually, install sulfur removal vessels, and remove the reference to permit S-1738-422. Enclosed are the an Authority to Construct and a copy of the notice of final action to be published approximately three days from the date of this letter.

Notice of the District's preliminary decision to issue the Authority to Construct permit was published on December 31, 2013. The District's analysis of the proposal was also sent to CARB and US EPA Region IX on December 26, 2013. No comments were received following the District's preliminary decision on this project.

Prior to operating with modifications authorized by the Authority to Construct, you must submit an application to modify the Title V permit as an administrative amendment in accordance with District Rule 2520, Section 11.5.

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.

Seyed Sadredin
Executive Director/Air Pollution Control Officer

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

Central Region (Main Office)
199D 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

Mr. Jerry Frost
Page 2

Thank you for your cooperation in this matter. If you have any questions, please contact Mr. Jim Swaney, Permit Services Manager, at (559) 230-5900.

Sincerely,

A handwritten signature in black ink, appearing to read "David Warner", with a long horizontal flourish extending to the right.

David Warner
Director of Permit Services

Enclosures

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



AUTHORITY TO CONSTRUCT

PERMIT NO: S-1738-427-2

ISSUANCE DATE: 02/10/2014

LEGAL OWNER OR OPERATOR: VINTAGE PRODUCTION CALIFORNIA LLC

MAILING ADDRESS: 9600 MING AVE, SUITE 300
BAKERSFIELD, CA 93311

LOCATION: LIGHT OIL WESTERN STATIONARY SOURCE
KERN COUNTY
CA

SECTION: NE18 **TOWNSHIP:** 28S **RANGE:** 20E

EQUIPMENT DESCRIPTION:

MODIFICATION OF 10 MMBTU/HR WASTE GAS FLARE USED TO INCINERATE PRODUCED GAS AND VAPORS FROM TANK VAPOR CONTROL SYSTEM LISTED ON S-1738-417 (LAYMAN TANK BATTERY) AND S-1738-422 (HONOLULU TANK BATTERY); INCREASE THE FLARE GAS THROUGHPUT FROM 235,000 SCF PER DAY TO 300,000 SCF PER DAY; REVISE THE GAS SULFUR TESTING FREQUENCY FROM EVERY 12 MONTHS TO ANNUALLY; INSTALL SULFUR REMOVAL VESSELS; AND, REMOVE REFERENCE TO PERMIT UNIT S-1738-422

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. Prior to operating equipment under this Authority to Construct, permittee shall surrender NOx emission reduction credits for the following quantities of emissions: 1st quarter - 443 lb, 2nd quarter - 444 lb, 3rd quarter - 444 lb, and fourth quarter - 444 lb. Offsets shall be provided at the applicable offset ratio specified in Table 4-2 of Rule 2201 (as amended 4/21/2011). [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


DAVID WARNER, Director of Permit Services
S-1738-427-2 Feb 10 2014 9:04AM - GILLESPIE : Joint Inspection NOT Required

4. ERC Certificate Numbers N-945-2, N-1090-2, S-4084-2, and S-826-2 (or any certificate split from these certificates) shall be used to supply the required NOx 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] Federally Enforceable Through Title V Permit
5. Prior to operating equipment under this Authority to Construct, permittee shall surrender PM10 emission reduction credits for the following quantities of emissions: 1st quarter - 45 lb, 2nd quarter - 45 lb, 3rd quarter - 45 lb, and fourth quarter - 45 lb. PM10 may be offset using SOx at an interpollutant offset ratio of 1.0 ton-SOx/ton-PM10. Offsets shall be provided at the applicable offset ratio specified in Table 4-2 of Rule 2201 (as amended 4/21/2011). [District Rule 2201] Federally Enforceable Through Title V Permit
6. ERC Certificate Number N-949-5 (or a certificate split from this certificate) shall be used to supply the required PM10 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] Federally Enforceable Through Title V Permit
7. Prior to operating equipment under this Authority to Construct, permittee shall surrender VOC emission reduction credits for the following quantities of emissions: 1st quarter - 214 lb, 2nd quarter - 214 lb, 3rd quarter - 214 lb, and fourth quarter - 215 lb. Offsets shall be provided at the applicable offset ratio specified in Table 4-2 of Rule 2201 (as amended 4/21/2011). [District Rule 2201] Federally Enforceable Through Title V Permit
8. ERC Certificate Number S-3578-1 (or a certificate split from this certificate) shall be used to supply the required VOC 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] Federally Enforceable Through Title V Permit
9. Operation shall include 25 foot tall Mactronic elevated waste gas flare with 1 h.p. air assist combustion blower and electronic pilot light re-ignition system. [District Rule 2201] Federally Enforceable Through Title V Permit
10. Gas line to flare shall be equipped with an operational volumetric flow rate indicator. [District Rule 2201] Federally Enforceable Through Title V Permit
11. Pilot light shall be lit and fully extended to ignition position prior to routing waste gas to flare. [District Rule 2201] Federally Enforceable Through Title V Permit
12. Total gas flow rate to flare shall not exceed 300,000 scf per day. [District Rule 2201] Federally Enforceable Through Title V Permit
13. Operator shall immediately utilize air assisted combustion if flare exhibits smoke greater than 0% opacity. [District Rules 2201 and 4101] Federally Enforceable Through Title V Permit
14. Emission rates shall not exceed any of the following: NOx (as NO2) - 0.068 lb/MMBtu, VOC - 0.034 lb/MMBtu, PM10 - 7.6 lb/MMscf, or CO - 0.370 lb/MMBtu. [District Rule 2201] Federally Enforceable Through Title V Permit
15. SOx (as SO2) emission rate shall not exceed 112.3 lb/day. [District Rule 2201] Federally Enforceable Through Title V Permit
16. Permittee shall measure and record the total volume of gas flared. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Measurement of gas sulfur content (H2S) shall be conducted at least once annually. If the result of the annual measurement demonstrates that the unit does not meet the applicable emission limits, the measurement frequency shall revert to once every month until three (3) consecutive measurements show compliance with the applicable emission limits, at which time measurement frequency may revert back to once annually. [District Rule 2201] Federally Enforceable Through Title V Permit
18. Permittee shall determine sulfur content of gas flared using ASTM method D3246 or double GC for H2S and mercaptans. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

19. Permittee shall maintain records of amount of total gas flared, annual records (or monthly records as required by this permit) of sulfur content of gas, and calculated average daily SO₂ emissions. Records shall be kept for a minimum of 5 years and shall be made readily available for District inspection upon request. [District Rules 2201 and 1070] Federally Enforceable Through Title V Permit
20. The flame shall be present at all times when combustible gases are vented through the flare. [District Rule 4311] Federally Enforceable Through Title V Permit
21. The outlet shall be equipped with an automatic ignition system, or, shall operate with a pilot flame present at all times when combustible gases are vented through the flare, except during purge periods for automatic-ignition equipped flares. [District Rule 4311] Federally Enforceable Through Title V Permit
22. Except for flares equipped with a flow-sensing ignition system, a heat sensing device such as a thermocouple, ultraviolet beam sensor, infrared sensor, or an equivalent device, capable of continuously detecting at least one pilot flame or the flare flame is present shall be installed and operated. [District Rule 4311] Federally Enforceable Through Title V Permit
23. Flares that use flow-sensing automatic ignition systems and which do not use a continuous flame pilot shall use purge gas for purging. [District Rule 4311] Federally Enforceable Through Title V Permit
24. Permittee shall maintain a copy of the approved flare minimization plan pursuant to Section 6.5 and a copy of annual reports submitted to the APCO pursuant to Section 6.2. [District Rule 4311] Federally Enforceable Through Title V Permit
25. The operator of a flare subject to flare minimization plans pursuant to Section 5.8 of this rule shall notify the APCO of an unplanned flaring event within 24 hours after the start of the next business day or within 24 hours of their discovery, whichever occurs first. The notification shall include the flare source identification, the start date and time, and the end date and time. [District Rule 4311] Federally Enforceable Through Title V Permit
26. The operator shall submit an updated flare minimization plan every five years after the initial submittal, or prior to installation of new or modified equipment, pursuant to Section 6.5 of Rule 4311. [District Rule 4311] Federally Enforceable Through Title V Permit
27. The permittee shall maintain, and make available for District inspection, all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 4311] Federally Enforceable Through Title V Permit
28. Formerly S-2804-19.