APR 15 2014

Kristine Boyer
Crimson Resource Management
5001 California Ave, Suite 206
Bakersfield, CA 93309

RE: Notice of Final Action - Authority to Construct
Facility Number: S-2918
Project Number: S-1133978

Dear Ms. Boyer:

The Air Pollution Control Officer has issued the Authority to Construct permit to Crimson Resource Management for a 32.5 MMBtu/hr emergency flare, at the Panama 14 lease within the permittee's Kern County Light Oil Central stationary source. Enclosed are the Authority to Construct permit 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 February 28, 2014. The District's analysis of the proposal was also sent to CARB on February 24, 2014. No comments were received following the District's preliminary decision on this project.

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

Sincerely,

Arnaud Marjollet
Director of Permit Services

cc: Mike Tollstrup, CARB (w/enclosure) via email

Seyed Sadredin
Executive Director/Air Pollution Control Officer
AUTHORITY TO CONSTRUCT

PERMIT NO: S-2918-72-0  ISSUANCE DATE: 04/09/2014

LEGAL OWNER OR OPERATOR: CRIMSON RESOURCE MANAGEMENT
MAILING ADDRESS: ATTN: ENVIR H & S ENGINEER
5001 CALIFORNIA AVE, SUITE #206
BAKERSFIELD, CA 93309

LOCATION: LIGHT OIL CENTRAL STATIONARY SOURCE
KERN COUNTY, CA

SECTION: 14  TOWNSHIP: 30S  RANGE: 27E

EQUIPMENT DESCRIPTION:
32.5 MMBTU/HR AIR-ASSIST NATIONAL AIR OIL BURNER COMPANY MODEL NAFV EMERGENCY FLARE WITH AUTOMATIC SPARK-IGNITED PILOT, COMBUSTION AIR BLOWER, AND GAS FLOW METER (PANAMA 14 LEASE)

CONDITIONS

1. The permittee shall not emit more than one half of the major source threshold based on a rolling 12-month summary of actual emissions. [District Rule 2530]

2. The permittee shall maintain a record of the rolling 12-month summary of actual emissions from permitted operations. This record shall be kept on site and made available to the District upon request. [District Rule 2530]

3. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201]

4. No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101]

5. The exhaust stack shall vent vertically upward. The vertical exhaust flow shall not be impeded by a rain cap (flapper ok), roof overhang, or any other obstruction. [District Rule 4102]

CONDITIONS CONTINUE ON NEXT PAGE
6. Flare shall only be operated for emergency purposes. An emergency is any situation or a condition arising from a sudden and reasonably unforeseeable and unpreventable event beyond the control of the operator. Examples include, but are not limited to, non preventable equipment failure, natural disaster, act of war or terrorism, or external power curtailment, excluding a power curtailment due to an interruptible power service agreement from a utility. A flaring event due to improperly designed equipment, lack of preventative maintenance, careless or improper operation, operator error or willful misconduct does not qualify as an emergency. An emergency situation requires immediate corrective action to restore safe operation. A planned flaring event shall not be considered as an emergency. [District Rule 2201 and 4311]

7. The flare shall not be operated for maintenance or testing. [District Rule 2201]

8. The unit shall be equipped with an operational, non-resettable, totalizing mass or volumetric fuel flow meter or other District-approved alternative method to measure the amount of gas combusted in the unit. [District Rule 2201]

9. Flare air-assist blower shall be maintained and operated for smokeless combustion, i.e. no visible emissions in excess of 5% opacity or 1/4 Ringelmann except for periods not to exceed a total of 5 minutes during any 2 consecutive hours. [District Rules 2201and 4311]

10. A flame shall be present at all times when combustible gases are vented through the flare. [District Rule 4311]

11. The flare shall be operated according to the manufacturer's specifications, a copy of which shall be maintained on site. [District Rule 2201]

12. Flare 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]

13. 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 the presence of at least one pilot flame or the flare flame, shall be installed and operated. [District Rule 4311]

14. If the flare uses a flow-sensing automatic ignition system and does not use a continuous flame pilot, the flare shall use purge gas for purging. [District Rule 4311]

15. The sulfur content of the gas being incinerated by the combustion device shall not exceed 5 ppmv (as H2S). [District Rules 2201 and 4801]

16. Maximum amount of gas combusted shall not exceed 780 MMBtu/day. [District Rule 2201]

17. Emission rates from this unit shall not exceed any of the following limits: 0.068 lb-NOx/MMBtu; 0.008 lb-PM10/MMBtu; 0.37 lb-CO/MMBtu; or 0.063 lb-VOC/MMBtu. [District Rule 2201]

18. To show compliance with sulfur emission limits (ppmv as H2S), the gas being flared shall be tested weekly for sulfur content. If compliance with the fuel sulfur content limit and sulfur emission limits has been demonstrated for 8 consecutive weeks for the flared gas, then the compliance testing frequency shall be semi-annually. If the semi-annual sulfur content test fails to show compliance, weekly testing shall resume. [District Rule 2201]

19. The sulfur content of the gas being flared shall be determined using ASTM D 1072, D 3031, D 4084, D 3246 or grab sample analysis by GC-FPD/TCD performed in the laboratory. [District Rules 1070 and 2201]

20. Permittee shall maintain accurate records of flared gas concentration of H2S. [District Rules 1070 and 2201]

21. The permittee shall maintain all records of emergency operations. Records shall include the date and number of hours of each emergency flaring operation and the amount of gas burned. [District Rules 2201and 4311]

22. All records required by this permit shall be retained on-site for a minimum of five years and shall be made available to the APCO, ARB, and EPA upon request. [District Rules 2201 and 4311]

23. Authority to Construct (ATC) S-2918-62-0 shall be implemented prior to or concurrently with this ATC. [District Rule 2201]