APR 06 2015
Terry Destrampe
Holmes Western Oil Corporation
P.O. Box 1405
Taft, CA 93268

RE: Notice of Final Action - Authority to Construct
Facility Number: S-1626
Project Number: S-1144431

Dear Mr. Destrampe:

The Air Pollution Control Officer has issued the Authority to Construct permit to Holmes Western Oil Corporation for a new steam generator, in Western Kern County. 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 2/16/15. The District's analysis of the proposal was also sent to CARB on 2/11/15. 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,

Amaud Marjollet
Director of Permit Services

AM: dbt/ya
Enclosures

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

PERMIT NO: S-1626-79-0

LEGAL OWNER OR OPERATOR: HOLMES WESTERN OIL CORPORATION
MAILING ADDRESS: PO BOX 1405
                 TAFT, CA 93268

LOCATION: HEAVY OIL WESTERN
            CA

SECTION: SW 16  TOWNSHIP: 11N  RANGE: 23W

EQUIPMENT DESCRIPTION:
85 MMBTU/HR NATURAL GAS-FIRED STEAM GENERATOR WITH A NORTH AMERICAN MAGNA-FLAME LEX ULTRA
LOW-NOX BURNER (OR EQUIVALENT) WITH FLUE GAS RECIRCULATION

CONDITIONS

1. Prior to operating equipment under this Authority to Construct, permittee shall surrender VOC emission reduction
   credits for the following quantity of emissions: 1st quarter - 1,186 lb, 2nd quarter - 1,186 lb, 3rd quarter - 1,187 lb, and
   fourth quarter - 1,187 lb. These amounts include the applicable offset ratio specified in Rule 2201 Section 4.8 (as
   amended 4/21/11) for the ERC specified below. [District Rule 2201]

2. ERC Certificate Number N-1259-I (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. 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]

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. Particulate matter emissions shall not exceed 0.1 grain/dscf at operating conditions, nor 0.1 grain/dscf calculated to
   12% CO2, nor 10 lb/hr. [District Rules 4201 and 4301]

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

(Handwritten signature)

Amad Marjollet, Director of Permit Services
S-1626-79-0 : Mar 19, 2016 12:54 PM - 12:54PM : Auto-inserted NOT Revised
Southern Regional Office • 34948 Flyover Court • Bakersfield, CA 93308 • (661) 392-5500 • Fax (661) 392-5585
6. The unit shall only be fired on PUC quality natural gas with a maximum sulfur content of 1.0 gr S/100 scf. [District Rules 2201 and 4320]

7. Emissions shall not exceed any of the following limits: 5 ppmvd NOx @ 3% O2 or 0.0062 lb-NOx/MMBtu, 0.00285 lb-SOx/MMBtu, 0.003 lb-PM10/MMBtu, 20 ppmvd CO @ 3% O2 or 0.01483 lb-CO/MMBtu, or 0.0055 lb-VOC/MMBtu. [District Rules 2201, 4305, 4306, and 4320]

8. The permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every month (in which a source test is not performed) using a portable emission monitor 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 five days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305, 4306, and 4320]

9. If the NOx or CO concentrations, as measured by the portable analyzer, exceed the permitted levels, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than one hour of operation after detection. If the portable analyzer continues to show emission limit violations after 1 hour of operation following detection, the permittee shall notify the District within the following one 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 the performing the notification and testing required by this condition. [District Rules 4305, 4306, and 4320]

10. All NOx, CO, and O2 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 NOx, CO and O2 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 readings, evenly spaced out over the 15 consecutive-minute period. [District Rule 4305, 4306, and 4320]

11. The permittee shall maintain records of: (1) the date and time of NOx, CO, and O2 measurements, (2) the O2 concentration in percent by volume and the measured NOx and CO concentrations corrected to 3% O2, (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 at or below the acceptable levels. [District Rule 4305, 4306, and 4320]

12. If the unit is fired on PUC-regulated natural gas, then maintain on file copies of all natural gas bills. [District Rules 2201 and 4320]

13. If the unit is not fired on PUC-regulated natural gas, the sulfur content of each fuel source shall be tested weekly except that if compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be quarterly. If a test shows noncompliance with the sulfur content requirement, the source must return to weekly testing until eight consecutive weeks show compliance. [District Rules 4305, 4306, and 4320]

14. Source testing to measure NOx and CO emissions from this unit shall be conducted within 60 days of startup and at least once every twelve months (no more than 30 days before or after the required annual source test date) thereafter. After demonstrating compliance on two consecutive annual source tests, the unit shall be tested not less than once every 36 months. 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 months. [District Rule 2201, 4305, 4306, and 4320]

15. Source testing shall be conducted using the methods and procedures approved by the District. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. [District Rule 1081]

16. The source plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306 and 4320]

17. 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, 4306 and 4320]
18. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081]

19. 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 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 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]

20. 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, 4306 and 4320]

21. The following test methods shall be used: NOx (ppmv) - EPA Method 7E or ARB Method 100, NOx (lb/MMBtu) - EPA Method 19; CO (ppmv) - EPA Method 10 or ARB Method 100; Stack gas oxygen (O2) - EPA Method 3 or 3A or ARB Method 100; stack gas velocities - EPA Method 2; Stack gas moisture content - EPA Method 4; SOx - EPA Method 6C or 8 or ARB Method 100; fuel gas sulfur as H2S content - EPA Method 11 or 15; and fuel hhv (MMBtu) - ASTM D 1826 or D 1945 in conjunction with ASTM D 3588. [District Rules 1081, 4305, 4306, 4320, and 4351]

22. 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]

23. All records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306 and 4320]